

APPAREL AND ACCESSORIES

Louis Vuitton lands top spot in updated Vogue Business luxury fashion rankings

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Peggy Gou shares her love of music and shoes with Louis Vuitton. Image credit: Louis Vuitton

By LUXURY DAILY NEWS SERVICE

French fashion label Louis Vuitton remains atop the Global Luxury Fashion Index, as a robust omnichannel strategy remains essential for brands to find success during the COVID-19 pandemic, according to *Vogue Business*.

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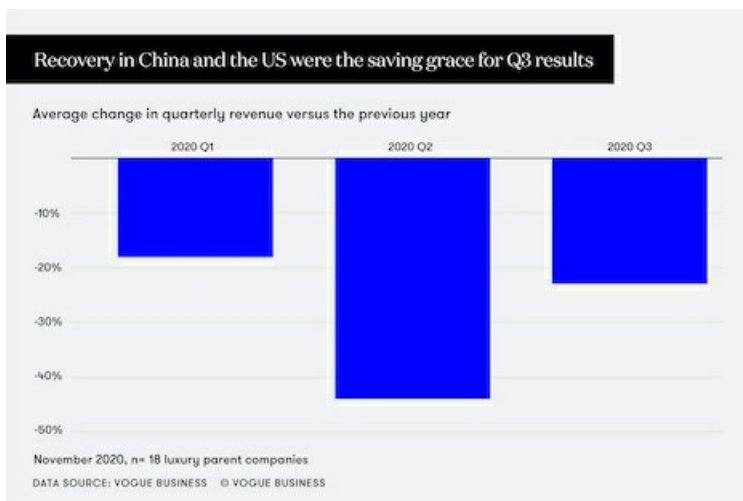
The Index ranks and analyzes 60 luxury brands, including Alexander McQueen, Balmain, Bottega Veneta, Giorgio Armani and Stella McCartney. This year, the Cond Nast-owned B2B publication released a winter update to its initial spring index to better gauge the impact of the pandemic.

More than 7,000 *Vogue* and *GQ* readers across 13 markets participated in the consumer survey between September and November 2020.

Updated Index

While there has been much attention on the strength of luxury in China where 98 percent of respondents have made luxury purchases in the last three months the United States is also showing resilience.

Both China and the U.S. showed positive signs of recovery during the third quarter of 2020. Globally, however, the majority of luxury fashion houses saw an average revenue drop of 53 percent during Q2.



The luxury fashion industry is beginning to see a recovery led by China and the U.S. Image courtesy of Vogue Business

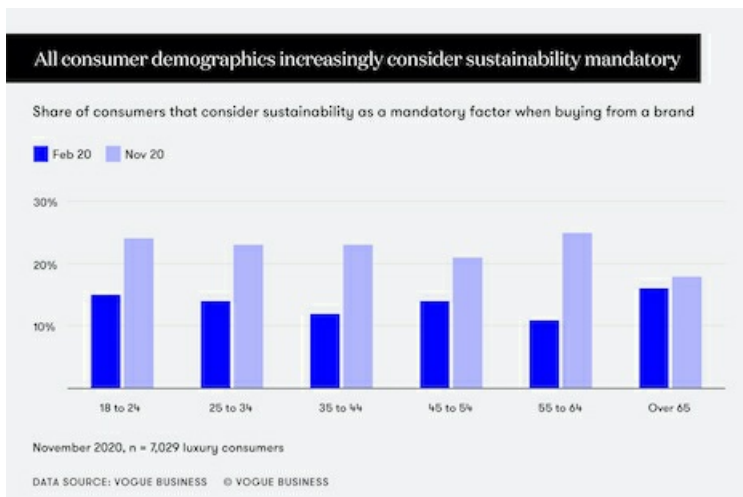
The U.S. market has done well despite pandemic-related travel restrictions because it relies less on foreign tourism spending than European markets and has a more local consumer base. Additionally, high-income luxury consumers in the U.S. are likelier to maintain pre-pandemic spending habits.

Louis Vuitton held onto the top spot on the Index because of its strong financial performance and transparency around sustainability practices. Italy's Bottega Veneta saw the biggest jump, after reporting half the industry's average financial loss in the second quarter.

The Vogue Business Index includes luxury fashion brands with annual revenue of more than \$220 million. Brands are evaluated on five categories: consumer sentiment; digital marketing, including data from Google and WeChat; omnichannel offerings; Environmental, Social and Corporate Governance (ESG) and financial data.

According to the Index, omnichannel is one of the leading considerations for consumers evaluating brand sentiment. Eighty percent of luxury consumers rated the ability to make purchases directly on brand ecommerce sites and cross-channel return capabilities as "important."

Looking ahead to the return of in-store experiences, the Index also identified tier two cities including Chengdu, Guangzhou and Shenzhen as emerging luxury hubs for brands to make retail investments.



Consumers across all age groups are placing more importance on sustainability. Image courtesy of Vogue Business

Finally, the Index echoes findings from other recent research regarding the growing importance of sustainability to consumers.

Nearly a quarter, 24 percent, of consumers report a brand's environmental policy as a factor when making a luxury purchase. The percentage of shoppers who consider sustainability as "mandatory" increased across all age demographics from February to November 2020.

According to Deloitte's Global Powers of Luxury Goods 2020 report, sustainability will play a key role as fashion and luxury goods companies look for recovery after the pandemic. Millennials and Generation Z, who are expected to account for approximately half of all global personal luxury goods sales by 2025, have already adopted social and

environmental issues as fundamental and essential principles in their purchasing behavior ([see story](#)).

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