

APPAREL AND ACCESSORIES

What brands can learn from Bottega Veneta's reinvention

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In 2008, Bottega Veneta saw the writing on the wall and made changes to appeal to millennial and Gen Z shoppers. Did it work? Image courtesy of Bottega Veneta/Tyrone Lebon

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At one point, I was one of Bottega Veneta's best American customers. I loved the creations of Tomas Meier, the creative director of Bottega Veneta from 2001 to 2018. I must have bought every men's bag or luggage item that the brand developed over those years. My car keys are even on a Bottega Veneta keyholder.

When I travel, I stuff my Bottega Veneta weekender on my Bottega Veneta trolley. I would never leave home without my two favorite pieces. And everywhere I go, I get complimented on my bags.

What I love most is that people do not even know the brand. They, like me, just admire the products for their understated beauty and exceptional craftsmanship.

Bottega Veneta is one of very few brands that convinces luxury shoppers through its quality and appearance. It does not need a fancy logo.

In fact, the moment Bottega Veneta puts a logo on its bags is when it will instantly lose me as a customer. If I am shopping for a logo, I will buy another brand.

Bottega Veneta is appealing through its juxtaposition of outward beauty and stealth branding. It is for those who know and those who know, know.

I know someone who bought every version and each limited edition of the brand's Knot bag and keeps them on a shelf in her house like they are art objects.

In my first book, "Luxury Marketing & Management," I labeled Bottega Veneta as perhaps the best luxury brand in the world due to its strict adherence to long-term **brand equity building**, permanent reinvention of timeless design icons, extraordinary craftsmanship and materials, and contemporary functionality.

Tomas Meier famously stated that you buy Bottega Veneta "when your own initials are enough."

Noticing the growing influence of young millennials and Gen Zers and their new brand expectations, Bottega

Veneta reinvented itself in 2018 when it made 32-year-old Daniel Lee its creative director.

Mr. Lee immediately pushed the boundaries and took significant risks in infusing his vision into the brand while staying true to its core values of extraordinary craftsmanship. His collections were bolder, more colorful and more flamboyant.

Also, he added a new focus on ready-to-wear items, which had been available before but were not central to the brand until Lee arrived.

Mr. Lee's first Bottega Veneta collection won him **four British Fashion Awards** the first time that one designer won that many in one night.

For a brand that operated quietly for two decades, this was quite a disruptive emergence. Since then, Mr. Lee reimagined the "It bag" category with the brand's now-iconic Pouch, which has been spotted in the hands of Kylie Jenner, Rihanna and others.

Mr. Lee also reinvented many other iconic Bottega styles via a playful interpretation of the brand's famous woven "intrecciato" leather pattern and his oversized tote bag became an instant hit.

Across digital, Bottega Veneta dared to **completely leave social media** by shutting down its first Instagram account, followed by its Chinese social media accounts.

In a market that has become increasingly dependent on building preferences digitally, that was a bold move, and its validity is still being measured. What it did do, however, was signal that Bottega Veneta is different and has a distinct view of the world.

In a reality where most luxury brands drown a "sea of sameness" by copying each other and doing more of the same, this bold move is a statement that could enhance the perceived exclusivity and desirability of the brand.

When the world's most influential people, from K-Pop stars to Hollywood celebrities, are spotted with Bottega Veneta, the brand has opportunities to stealthily promote on digital.

However, since more than 95 percent of **purchase decisions are made on the digital journey** today, a lack of online marketing will put Bottega Veneta at a strategic disadvantage over time. That will increase its dependence on third-party endorsements, which could weaken its brand equity if the brand story becomes less coherent.

The risk of incongruent brand storytelling became obvious when consumer advocacy group Diet Prada called out Bottega Veneta recently for selling necklaces at seemingly exorbitant prices.

Diet Prada pointed out that the brand's jewelry priced between \$1,500 and 2,500 did not seem to differ significantly from accessories sold on retailer sites such as Etsy or Amazon for approximately \$20.

As a brand known for distinctiveness and extreme value, Bottega Veneta should never be confused with cheaper alternatives, even in its secondary categories. Many luxury brands fall into that trap.

Here Bottega Veneta is stepping on a fine line, as the perceived value of a luxury brand depends on the **Added Luxury Value (ALV)** it creates.

ALV is elusive and depends on intangibles such as the perceived brand story. Therefore, consistency in brand storytelling across all categories is critical.

If customers feel that a brand is not delivering its core values in certain areas, consumer trust can quickly evaporate.

Similarly, Bottega Veneta's recent advertising campaigns resembled Tom Ford's Gucci ads with models in provocative poses.

During its reinvention process, Bottega Veneta must be extremely clear about which brand elements to maintain so it will not lose its long-term brand equity when executing short-term stunts.

Overall, Bottega Veneta's new direction is extremely promising despite a few red flags regarding its brand equity clarity.

While brands must always be true to their core values and have 100 percent clarity on their extreme value creation model few do to be successful over time, adapting to the **rapidly-shifting preferences of Gen Zers** and young millennials is critical.

In other words, the core positioning of a brand should never change, but expressions need to change with consumer preferences.

Research at quit has shown that the ability to innovate, influence and inspire are important predictors of a brand's ability to create extreme value for customers.

Lack of innovation and inspiration equals no value creation. It is that simple.

When we look at brands over time, one of the most critical success factors is their ability to be seen as a change agent or highly influential from a customer's perspective.

Bottega Veneta managed to remain a highly influential and innovative brand under Mr. Meier and even more so through Mr. Lee by making the brand relevant for its next generation of customers.

Bottega Veneta's transformation should be a lesson for all luxury brands.

Standing still, hibernating, or doing what you have always done will lead to your brand disappearing and lose relevance.

Instead, reinventing yourself to inspire your customers while staying close to your core value creation model is the only way to have a future.

The luxury market has never been as complex or quickly-changing as it is now. And the speed of change will only increase further.

Up to 50 percent of today's luxury brands will disappear by 2030 because they could not **connect with Gen Z**. In this context, Bottega Veneta's moves should inspire all luxury brands to reevaluate their strategies. Are you prepared for the future?

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