

MARKETING

## Louis Vuitton is most valuable, fastest-growing luxury brand

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*Louis Vuitton experienced a 46 percent year-over-year brand value increase. Image credit: Louis Vuitton*

By KATIE TAMOLA

After a year of meaningful collaborations and transparent social efforts, luxury labels such as Louis Vuitton and Dior continue to grow their brand value.

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According to the [BrandZ 2021 Most Valuable Global Brands report](#), luxury saw 34 percent brand growth, largely due to pandemic-related initiatives, sustainability efforts and support for social movements. U.S. automaker Tesla became the most valuable car brand while other luxury brands including Chanel and Herms also ranked in list's top 50 most valuable brands.

"Luxury consumption in China keeps increasing even in the post COVID-19 era," said Snow Chen, senior consultant of semiotics, cultural intelligence and foresight consulting at [Kantar](#), in the report. "Chinese consumers never stopped their passion for interacting with luxury brands, products and experiences.

"Luxury in China witnessed a shift: from possessing expensive products as a representation of wealth, to having access to exclusive experiences with luxury brands and products," she said. "From another aspect, as digitalization in China continues to deepen, it brings new dynamics to luxury brands and allows them to innovate in new ways, such as with digital applications and virtual journeys, to appeal to younger generations."

Kantar's Brand Z rankings include companies that are either public or have publicly available financial information. The market researcher also takes global consumer interviews and insights into consideration to determine each brand's valuation.

### Most valuable brands

The top 10 brands in the luxury category were Louis Vuitton, Chanel, Herms, Gucci, Rolex, Dior, Cartier, Yves Saint Laurent, Prada and Burberry and have a combined worth of \$237 billion.

Kantar defines luxury brands as brands that design, craft and market high-end clothing, leather goods, fragrances, accessories and more.

Compared to 2020, brand value in the luxury category grew by 34 percent, though not all brands saw growth as strong

as Louis Vuitton.

The report cites Louis Vuitton as the luxury sector's fastest rising brand, a reflection of the effectiveness of heritage craft offerings, innovation and high-profile collaborations with artists and institutions, including the NBA.



*Louis Vuitton teamed with the NBA in 2020. Image credit: Louis Vuitton*

Louis Vuitton experienced a 46 percent year-over-year brand value increase to \$75.7 million. Kantar identifies the French brand as one the world's most culturally relevant brands, often lauded for its constant innovation.

Not only did Tesla become the world's most valuable car brand, it also became the fastest-growing brand and was one of five brands to more than double its value. The automaker grew its brand value by 275 percent year-over-year to \$42.6 billion.

Compared to 2020, the automotive category brand value grew by 33 percent. The top 10 car brands have a total value of \$172 billion.

Tesla topped the automotive sector, with German automakers Mercedes-Benz, BMW, Audi and Porsche ranking third, fourth, seventh and tenth, respectively.

"In the automotive category, brand differentiation will become more and more important as we move towards electrification," said Guillaume Saint, global auto and mobility lead at Kantar, in the report. "The battery and driving technology are likely to converge and become less differentiated, which then has an impact on driving sensation, which may also be a less differentiated selling point in the electric car era."



*Sustainability has been a core value of electric automaker Tesla. Image credit: Tesla*

The personal care sector also saw renewed interest as a result of the COVID-19 pandemic.

The category's brand value increased by 33 percent compared to 2020 and the top 15 most valuable personal care brands totaled a value of \$177 billion. Beauty brand Esté Lauder ranked sixth in the top 15 most valuable personal care brands, with its brand value increasing by 38 percent year-over-year.

Elsewhere, LVMH-owned Cognac label Hennessy also ranked 11th among the 20 most valuable alcohol brands listed in the report.

#### Valuable trends

Several trends were also reflected in the latest report, including how consumers have begun to search for brand stances and transparency regarding social issues, especially after COVID-19.

The pandemic, matched with the Black Lives Matter movement and various environmental crises, has led to a seismic shift in social behavior and consumption and a reexamination for the luxury sector ([see story](#)).

Another trend that has gained increasing traction is gamification. Several brands have implemented and marketed gaming offerings in an effort to reach new audiences.

The State of Mobile 2021 report from App Annie highlighted the opportunities brands now have in utilizing gamification with in-game partnerships, and the benefits of doing so ([see story](#)).

"With store closures, and traditional runway shows and travel brought to a halt, luxury brands have had to find new ways to connect with consumers," said Alex Rastall-Bridge, brand client director at Kantar, in a statement. "Gaming and esports have thrived against the backdrop of COVID-19, presenting a unique opportunity for brands, given their highly engaged Gen Z audience."

"With high crossover in well-established luxury markets China, US, Japan, South Korea it's little wonder that brands find this an attractive platform to drive reach," she said. "Offering rich storytelling, not just product placement, it means brands can connect more deeply, and gives gaming audiences a new way to explore product."

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