

MARKETING

Luxury brands grow fastest in global rankings: Kantar

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Louis Vuitton is the 10th most valuable brand in the world. Image credit: Louis Vuitton

By NORA HOWE

Luxury and technology dominated this year's list of companies with the fastest-growing brand value in [Kantar BrandZ's global rankings](#), with French fashion house Louis Vuitton listed as the tenth most valuable global brand.

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While they did not break the top 20, French jeweler Cartier and fashion house Hermès were the number one and number five fastest-growing brands in the world, increasing their value by 88 percent and 73 percent, respectively. The combined value of the top 100 most valuable brands reached \$8.7 trillion over the last year, a 23 percent increase.

"Strong brand affinity underpins a customer's willingness to pay and has never been more important for organizations looking to offset spiking inflation," said Martin Guerrieria, head of Kantar BrandZ, in a statement.

"This year's results show us the value of continued investment in brand and marketing capabilities, as a means of maximizing business returns, irrespective of market conditions."

Luxury reigns supreme

The value of top brands in luxury and consumer technology segments increased 45 percent and 46 percent, respectively, setting the high mark this year for category growth.

Luxury brands secured seven spots on the Top 100 list, with Louis Vuitton coming in at 10, Hermès at 27, Tesla at 29, Chanel at 45, Gucci at 58, Mercedes-Benz at 70 and BMW at 76.

Mercedes-Benz has successfully found ways to adapt its reputation for innovation to the new digital age through its new EQXX concept. It has also committed to bringing a level of traditional comfort and stylish finishing to its electric car interiors.



Mercedes-Benz has successfully shifted its brand strategy and products to meet consumers, resulting in brand growth. Image credit: Mercedes-Benz

In addition to Cartier and Herms achieving the most growth in brand value, Tesla grew 78 percent and Louis Vuitton grew 64 percent.

According to Kantar, for luxury brands, the best strategy is to carefully reach downward through trial offers and brand extensions. For storied luxury houses or beauty brands, this could mean expanding further into cosmetics, accessories and casual wear.

Further, luxury brands must be at the forefront of an evolving high-tech, high-touch customer service culture one that combines the agility of messaging and commerce apps with the personal relationships built by a brand's in-store sales associates.

In the last 20 years, luxury houses have been breaking into experiential offerings such as branded hotels, pop-up shops, exhibits and immersive retail spaces.

For instance, French fashion house Christian Dior's recently renovated headquarters at 30 Avenue Montaigne in Paris includes three restaurants, a ticketed fashion museum, expanded couture studios and an overnight hotel suite for VIP clients ([see story](#)).

This past year, luxury fashion houses also used their creativity to think beyond the runway as the industry ushers in a new age of marketing. Notably, Kering-owned brand Balenciaga collaborated on a shoppable episode of *The Simpsons* ([see story](#)).

Collaboration is king

Kantar noted one major theme in branding that appears to be returning major profits: collaboration. Brands are creating "cultural moments" around products through collaborations.

This may include creative partnerships between brands and celebrities, between a larger brand and a smaller brand or between two equally large brands from different categories.



Donatella Versace and Kim Jones appear on stage during the finale of their swapped show. Image courtesy of Fendi

Louis Vuitton collaborated with sportswear brand Nike, which ranked 13th on Kantar BrandZ's list, on an Air Force 1 sneaker designed by the late Virgil Abloh.

Originally designed by Nike in 1982, the "Air Force 1" was deemed a cultural symbol and emblem of the streetwear

community by Mr. Abloh. Designed in Fiesso d'Artico, Italy the first time the sneaker has been crafted outside of a Nike factory the shoe blends the athletic brand's original codes with the quality materials and insignia known by the fashion house all while articulating the voice of the late designer ([see story](#)).

Most surprising, however, is when two major fashion labels team up, such as Balenciaga and Gucci or Fendi and Versace.

Italian fashion houses Versace and Fendi ended Milan Fashion Week this year with an unprecedented design swap, presenting two collaborative capsule collections.

Donatella Versace and Silvia Venturini-Fendi stepped away from their respective houses to gain new insight into each other's creative visions, while Fendi's artistic director Kim Jones helped facilitate this journey.

Rejecting the term collaboration, Versace deemed the event a merging of two houses leading to a unique moment in fashion. Inspired by friendship and mutual respect, the Fendi by Versace and Versace by Fendi collections aim to disrupt traditional order and celebrate Italian fashion ([see story](#)).

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