

APPAREL AND ACCESSORIES

Chanel tops Best Global Brands list with y-o-y growth: Interbrand

November 4, 2022



The French fashion house was ranked 22nd on Interbrand's 2022 Best Global Brands report, followed by Hermès at 23 and Gucci at 30. Image credit: Sotheby's

By AMIRAH KEATON

Independently-owned luxury names have scored big across this year's 2022 Best Global Brands list from Interbrand, its first-ever to factor in ESG.

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Data from the management consulting company reveals luxury's embrace of legacy, as Chanel outpaces all but two companies with its leap up Interbrand's list, and Hermès and Dior share a 27 percent y-o-y growth rate. While certain luxury companies have fallen in ranking, the sector's collective performance increases in value.

"As we journey through this period of economic uncertainty, the most successful brands will continue to make ever stronger connections with consumers," said Gonzalo Bruj, global CEO of **Interbrand**, in a statement.

"It is no longer enough to have a static business and brand offering," he said. "Successful brands know how to harness new technology to create improved experiences for consumers and become a truly integrated part of their lives."

"Our 100 Best Global Brands have burst through the \$3 trillion mark for the first time, but there is still room for further growth from both the top 10 and new entrants alike."

Besides newly-added ESG considerations, Interbrand's Best Global Brands valuation is based on three factors: an analysis of the financial performance of the branded products or services; the role the brand plays in purchase decisions; and the brand's competitive strength.

Results are in

Interbrand points out that entities including Nokia, AOL, Yahoo! and MTV have become obsolete, while modern key players now set the gold standard for their respective industries.

"The average age of the top 5 brands in our ranking is just 39.6 years vs an average of 110 years across all 100 brands," Mr. Bruj said, for the report.

"Competition is fierce, and the speed at which the world's most relevant businesses can scale is unprecedented," he said. "So too is the risk."

"In the two decades since we launched Best Global Brands, only 36 companies have remained in our Top 100 Table."

Per a corresponding report, the top 10 companies on Interbrand's list hold 53 percent of the total value of the table. In its top spot is Apple, followed by Microsoft, then Amazon. The tech giant has retained its #1 ranking, this year exceeding more than \$3 trillion in value for the first time.

Besides Microsoft and Tesla, Chanel shoots past its previous place with y-o-y growth, exceeding 97 others the trio tied for the top spot on Interbrand's annual list, at 32 percent.

Mercedes-Benz stands as the sole luxury figure among Interbrand's top 10.



The company is pushing its sustainability strategy forward with electrification and carbon neutrality goals. Image credit: Mercedes-Benz

"These top ten brands defy the rules," Mr. Bruj said.

"They build exceptionally strong relationships with their customers, which allows them to extend the equity of their brand beyond traditional products, sectors or silos," he said. "They stand out in terms of leadership, empowerment and change and with that comes value."

Regardless, all brands are seeing accelerated gains, as the 2022 rate of growth surpasses any previous round.

The total value of the table has continued to increase to US\$3,088,930 million up 16 percent from 2021's \$2,667,524 million.

Luxury companies display their fair share of gains as well.

Louis Vuitton (#14), Chanel (#22), Hermès (#23) and Gucci (#30) make the list's top 50. Lower in rankings are Cartier (#74), Dior (#77), Tiffany & Co. (#88), Prada (#89) and Burberry (#96).



Louis Vuitton, which tops the luxury brand list in ranking, is valued at more than \$59 billion, according to BrandZ. Image credit: Louis Vuitton

Overall, luxury automotive carried the category Mercedes-Benz, Tesla and BMW take spots 8, 12 and 13, while names like Audi and Porsche land mid-list, at 46th and 53rd respectively.

Within retail, Sephora caps out Interbrand's list, landing in its 100th spot with Hennessy close by at 93.

ESG appeal

Interbrand announced that for the very first time, criteria elevates Environmental, Societal and Governance (ESG) efforts for consideration across categories, allowing the firm's 23rd annual report to provide a greater degree of valuation analysis.

While brand-building has historically been at the core of the luxury industry as sustainability simply served as a way to appear progressive, environmental prioritization is now critical to brands' bottom lines.

According to Positive Luxury, 58-63 percent of companies between 2015 and 2020 saw a positive financial impact from investing in environmental social and corporate governance (ESG) ([see story](#)).

Consumer expectations for corporate responsibility are also going above and beyond sustainability.

According to an American Marketing Association New York (AMA-NY) and the "Future of Marketing" survey, consumers are increasingly looking to support brands that prioritize pay equity and fair labor practices ([see story](#)).

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