

MARKETING

Why Kanye West's self-destruction should scare luxury brands

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When we see the events around Kanye West, it becomes clear that Gen Z is already the most influential customer group for any luxury brand. Image credit: Shutterstock

By [Daniel Langer](#)

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A few weeks ago, during the [Pepperdine Disruptive Luxury Symposium](#), I referred to Kanye West as an example of a new direction for luxury.

Fusing a streetwear look with some of the most extraordinary luxury items, and often sporting a casual, almost barefoot luxury expression, the artist who now goes by Ye represents a more relaxed approach to fashion than what luxury traditionally expressed.

Brands and products he created grew a cult following. The designer collaborated with fashion houses such as Adidas and Balenciaga, and his impact on their sales cannot be underestimated. It is [reported](#) that about 8 percent of Adidas' 2021 revenue was driven by the Yeezy line of shoes.

And yet, all of this evaporated overnight.

In a keynote this week, I used Ye this time as an example of how we are living in times of unprecedented acceleration. Due to Mr. West's unacceptable behavior, including anti-Semitic rants, practically all his collaboration partners dropped him over the last few weeks.

An even stronger sign of the unfolding self-destruction of his personal brand is that the prices of his shoes have dropped dramatically on resale platforms as Gen Z sellers try to get rid of any item associated with the sinking ship.

In the past when there was a scandal around a celebrity, the effect on sales was never that immediate. In 2022 we are living in a reality where any misstep, especially of the magnitude of Kanye West, can have immediate retributions.

The self-inflicted damage on his personal brand will be profound and will most likely take years to correct, if it can be ever corrected.

Just look at the example of [Dolce & Gabbana in China](#), when an [advertising backlash](#) alongside a Shanghai fashion show event caused basically all local retailers to drop the brand within hours. The negative impact of a scandal is

now seen at dramatic speeds, never witnessed before in human history.

Just until a few years ago, luxury brands mainly had to worry about producing extraordinary items of extreme craftsmanship their main expertise area. Brand ambassadors were often mere advertising figures who could easily be exchanged if they fell out of fame or if interests changed.

If a celebrity was involved in a scandal, the impact on the brand equity was often nominal.

But now, celebrity ambassadors are facing bigger stakes. Once they cross a line, there is almost no turning back. The implications are exorbitant.

One of the driving forces of this change is Gen Z, a generation that many luxury brands still do not take seriously enough.

Even today I hear so many leaders of luxury and lifestyle brands tell me that Gen Z is not a critical target group for them, believing that their influence is very low.

However, when we see the events around Kanye West, it becomes clear that Gen Zers are already the most influential customer group for any luxury brand. They decide immediately if a brand or a spokesperson is associated with anything negative. Net positivity becomes the name of the game.

To win the allure of Gen Z, brands not only have to show that they are sustainable, diverse, inclusive and vocal, but they also have to be true to their values.

Gen Zers define their own personal brand through the brands they purchase. As such, once the value proposition turns from net positive to net negative, these customers do not just run away they take vocal action.

This is what luxury brands should be most worried about.

Not paying attention to the sensitivities of the most influential generation, which will account for 35 to 40 percent of personal luxury goods sales by 2030, will lead to almost automatic self destruction.

Research suggests that up to 50 percent of all existing luxury brands will simply disappear by the end of this decade. This is partly due to losing significant relevance by not being aligned with the expectations of Gen Zers and their value proposition.

In this aspect, the backlash that Kanye West is facing right now may be a precursor for other brands. Managers should take notice.

Also, for Adidas, the association with Ye could create long-term damage. According to many industry observers, the sportswear brand waited too long to act and its initial actions were too little to be credible.

This is an op-ed article that reflects the views of the author and does not necessarily represent the views of Jing Daily.

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