

MARKETING

## Luxury brands on alert: Why your most loyal clients break up first

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*Luxury brands, if managed well, create so much desirability that clients fall in love with the label. But one wrong move could lead to an explosive breakup. Image credit: Shutterstock*

By **Daniel Langer**

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An acquaintance, who describes herself as one of the best clients of Chanel, told me the following story. After years of being a client and buying dozens of bags and hundreds of fashion pieces at the French luxury brand, she opened one of her new bags and found a defect: in her words, something sticky was inside. She went to the store to return the bag. The answer of the salesperson was, "No, we don't do exchanges, just repairs."

For my acquaintance, this was unacceptable. She left the bag at the counter, turned around and left. She's never bought anything again at Chanel since that day. And she probably told her story to hundreds of people. This incident shows something remarkable: someone who is not just loyal towards a brand, but in fact, one of the most loyal clients just broke up because of one single incident. She did not feel valued; even worse, she felt cheated by the brand.

Given Chanel's excellent reputation for customer service and the extensive trainings that their salespeople receive, there is one lesson: if even their most loyal clients can leave after one incident, the risk for other luxury labels with less rigid staff training is even higher. And in times of a global shortage of experienced consumer-facing staff, the risk of top client breakups is high.

The question is, why do the most loyal clients break up first? The answer is relatively straightforward. I often compare the relationship between luxury client and luxury brand to a romantic relationship. Luxury brands, if managed well, provide extreme value for clients. Hence, they create so much desirability that clients fall in love with the label. This was the exact terminology that people in my masterclasses often use when I ask them why they buy a certain luxury label. "I fell in love with it" is a typical answer.

When someone is in a romantic relationship and the partner does not show interest, does not support the other in a vulnerable situation, or even worse, seems to cheat, then a breakup will likely follow. And the same principle applies between a luxury client in love with a brand and a brand that seems not to care, even momentarily. This explains why your most loyal clients, those most in love with your brand, will be the first to break up with you.

And like in our example above, breakups aren't usually pretty. The clients won't just stop purchasing they will tell all their friends. And even after years they still feel anger and strong negative emotions. When I asked participants in a project to describe personal breakup stories with brands, firstly, everyone had one. Secondly, everyone became passionate, emotional, and even agitated describing what happened, even if the incident was years ago. Thirdly, no one that went through a brand breakup ever returned unless the brand immediately reacted and rectified the situation.

To fix a brand breakup, real-time action is necessary. But this requires real-time sensing of individual client sentiment, which very few brands do sufficiently. And it's often not a matter of data. For example, a restaurant could easily install a software that analyzes tips and sends a real-time message to the restaurant manager every time a tip is below the expected level. The manager then could reach out to the guests while they are still there and check if there was any issue.

Most businesses have data points available that would enable them to understand even the slightest behavioral changes of their best clients. But most don't make enough use of them or are unable to analyze them fast enough. Given that your most loyal clients are also your most profitable, underestimating how easy it is to lose them can put many at substantial risk.

*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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