

RESEARCH

Sephora, Porsche among fastest-growing global brands in 2023: Interbrand

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For the eighth year in a row, Mercedes-Benz has broken into the top ten on the annual ranking. Image credit: Mercedes-Benz

By EMILY IRIS DEGN

Prestige labels have proven resilient, performing well this year per a new report.

According to Interbrand's [Best Global Brands 2023](#) ranking, which lists 100 of the world's most valuable business names, luxury is the second-strongest sector as far as growth goes. The category saw a value jump of 6.5 percent this year, a stark contrast to the slow period that most other industries are experiencing.

"We see the need for experience as a combination of three factors," said Greg Silverman, global director of brand economics at [Interbrand](#), Naples.

"First, consumers are reacting to the pandemic by wanting to reengage in the world and secondly, experiences are top of mind," Mr. Silverman said. "Third, younger consumers value experiences as much as they do products, marking a generational attitude shift that requires experience.

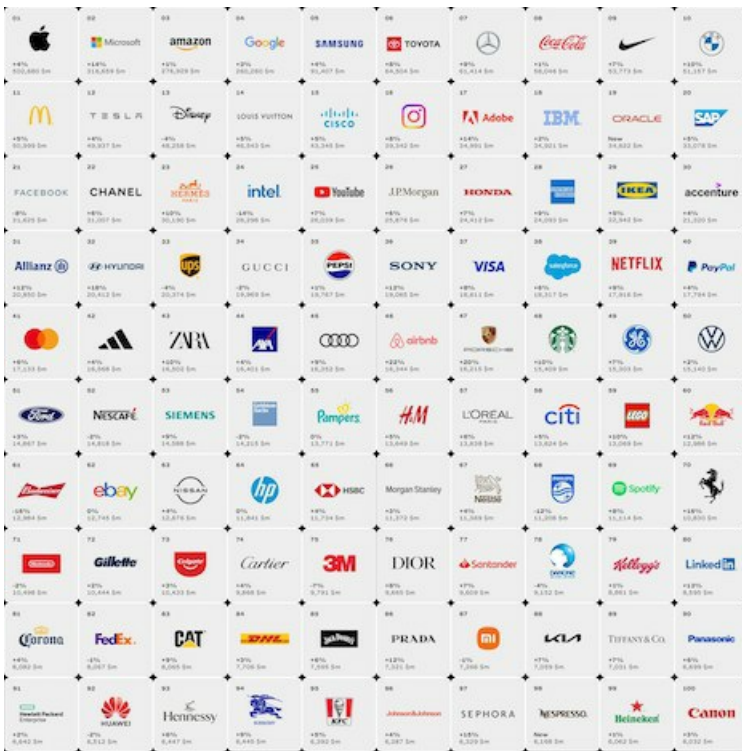
"Interbrand research shows that for a brand in any category, experiences must have a strong presence as a key touchpoint in building that dimension of brand strength."

Interbrand's valuation is based on three factors: the role the brand plays in purchasing decisions, an analysis of the financial performance of the branded products or services and the brand's competitive strength. A label's ability to foster loyalty and ESG considerations are also worked into this trio of considerations.

Luxury looking up

This year's ranking sees the overall growth rate for brand value drop dramatically, from 16 percent in 2022 to 5.7 percent in 2023.

Interbrand credits this slowdown to slacking strategies, leadership and forecasting in addition to the limitations that occur when a brand operates exclusively within one sector. Luxury seems to have largely avoided these issues.



Many in luxury appear in Interbrand's Best Global Brands 2023. Image courtesy of Interbrand

Two decades of analysis reveal that embracing diverse customer needs is lucrative. Operating across many areas also allows for higher stability, top-line growth, profits and brand value.

Luxury's ability to transcend verticals is what Interbrand states helped it rise to the top this year.

With a knack for the experiential, from high-end dining to shopping at retail pop-ups to ornate hotel stays, it is these purchases that keep consumers returning to the prestige market.

French fashion and leather goods house Hermès is among the biggest risers in luxury, with a 10.2 percent growth in brand value in 2023. Like in 2022, the maison came in at 23rd on the list (see story).

Top 15 fastest growing brands

Rank	2023	2022	Brand	Sector	Brand Value USD (millions)		
					2023	2022	% Change
46	54		Airbnb	Technology	16.344	13.416	22%
47	53		Porsche	Automotive	16.215	13.504	20%
32	35		Hyundai	Automotive	20.412	17.314	18%
70	75		Ferrari	Automotive	10.830	9.365	16%
97	100		Sephora	Retail	6.329	5.491	15%
17	21		Adobe	Technology	34.991	30.660	14%
2	2		Microsoft	Technology	316.659	278.288	14%
80	81		LinkedIn	Media	8.595	7.595	13%
60	64		Red Bull	Beverages	12.986	11.547	12%
36	39		Sony	Electronics	19.065	16.989	12%
86	89		Prada	Luxury	7.321	6.548	12%
31	34		Allianz	Financial Services	20.850	18.694	12%
10	13		BMW	Automotive	51.157	46.331	10%
59	63		LEGO	FMCG	13.069	11.846	10%
43	47		Zara	Retail	16.502	14.958	10%

Luxury fashion and auto appear to be growing quickly in value. Image courtesy of Interbrand

Hosting multiple immersive events (see story) that fall in line with Interbrand's suggestions for success, and after proving it can weather uncertainty at large with strong fiscal reports (see story), the strong performance from Hermès should come as no surprise.

Meanwhile, French fashion house Dior also scored highly on the list, achieving an 8.4 percent growth in brand value in 2023. Coming in at 76, it jumped up a spot compared to last year.

Peers such as Italian fashion brand Prada, U.S. jeweler Tiffany & Co. and British fashion house Burberry also show up for luxury.

Interbrand points to these labels' ability to move past traditional markets and expand with fresh product releases, partnerships and metaverse activations.

High gear

Automotive brand values rose by 9 percent in 2023, representing the sector with the strongest growth.

Many luxury marques appear on the list. Making it into the top 10 for the first time, German automaker BMW's brand value increased by 10.4 percent.



Mercedes-Benz is the highest-ranked luxury brand on the list. Image credit: Mercedes-Benz

German automaker Porsche and Italian automaker Ferrari also did well, achieving double-digit growth rates and taking two of the top five fastest-growing brand spots.

German automaker Mercedes-Benz is not only the top performer of prestige labels on the road but of the entire luxury sector. With a brand value increase of 9.5 percent, the European company swung into seventh place, moving up from last year's eighth position.

The reason behind the automotive category's success this year? It comes down to the relationship those in the sector are forging with their drivers.

"BMW delivered incremental brand management moves and a broader portfolio of vehicles at a time when supply chain problems were overcome, to produce outsized performance that leveraged historically strong brand equity," Mr. Silverman said.

"Then Ferrari is a brand that has been able to transcend its own category, ultimately entering at full speed what we at Interbrand call the Express Arena," he said. "While maintaining its distinctiveness, Ferrari is shifting from a car brand to a lifestyle brand, aiming at approaching younger generations by introducing active investments such as fashion shows based on the strategy to focus on personal goods, collection and experience.

"And Porsche has not only consolidated its position in the auto market but has started to move into arenas outside its core market while boldly bringing to life its platform of Driven by Dreams, moving from an engineering automotive power to a strong emotional narrative around ambition and dedication."