

COLUMNS

# Luxury Unfiltered: Brand stories are the secret to creating desirability

April 17, 2024



*Daniel Langer is the founder and CEO of consulting firm quit.*

---

By **Daniel Langer**

Success in luxury is all about the ability to create desire. And the mistake many brands are doing is to over-rely on product and not enough on the brand story. The reason is very simple: products are tangible, the story is intangible. Hence, intuition often guides managers that the value of a brand is in its products rather than in the story. However, this intuition is wrong.

Let me be very clear: products are incredibly important. The creativity, effort, and intentionality that needs to go into the product creation process is critical, followed by incredible craftsmanship. When someone buys a luxury item, they expect something exceptional. However, the value that a brand creates is mainly in some cases 95% and more - in the story. In other words, products are important, but the brand story is what drives the value for the client.

Through my academic research I was able to show that luxury brands carry three value components: First, functional value, the perceived value through tangible or measurable product attributes. Second, emotional value attributes that stimulate an emotional response, such as design, the feel of materials, etc. Both value components are vastly product related. The third value is what I call Added Luxury Value (ALV), driven by the anticipated perception shift of the person who buys a luxury. This third component is highly personal and explains why people are willing to pay enormous price premiums.

When I measured ALV in studies, it becomes by far the largest value component, eclipsing the other two product-related values. Hence, brand story carries most of the value. When we analyze the most successful luxury brands, they are excellent brand storytellers with full clarity on their core values. Volatile or declining brands almost always lack the ability of brand storytelling. They tell a category story (hence, something generic) instead of a brand story. Many brands tell no story at all. In brand audits I found that most brands across luxury categories have significant deficits in storytelling, we speak about 90% or more. Lack of storytelling significantly impacts their ability to create desirability and sustain their value proposition.

Burberry, for example, a brand that has a very generic brand story was unsuccessful to launch handbags at significantly higher price points. What the brand should have done is to work on brand storytelling first before launching higher priced items. The challenge for brands like Burberry is that our brains are wired in a way to automatically do comparisons with other brands. If the story is undifferentiated ("category story"), then the brain anchors the value of the brand to similar brands and the willingness to pay is significantly impacted. Brand storytelling has significant economic ramifications,

Therefore, brand storytelling has an existential role for luxury brands: articulating what the brand means in the life of the

customer. This approach does not focus myopically on the product category or an abstract and generic country of origin concept. Instead, it connects the brand into the fabric of the customer's personal identity and experience.

At its core, effective brand storytelling answers a fundamental question: What role does the brand play in the life of its customers? In other words, "what do you really sell." This question shifts the focus from what the product is to what the product enables in the context of a brand. For a fitness brand, this might mean transitioning from selling sneakers to promoting a lifestyle of health and resilience. For a luxury car manufacturer, it involves moving beyond the mechanics of the vehicle to embrace a specific lifestyle.

The central thesis of impactful brand storytelling is connection. A brand must reach into the lives of its consumers and touch upon their dreams, challenges, and aspirations. I like to call this unlocking the emotional key of the clients. This connection is emotional, often aspirational, and deeply personal. When a brand successfully tells a story that resonates with these intimate aspects of a customer's life, it transforms into a partner on the customer's journey.

Integrating the brand story into the customer's life narrative is an art. It requires a deep understanding of the target audience, including their values, cultural contexts, and personal goals. This must be matched with the vision of the brand. When Gucci had more successful days, the brand was an excellent brand storyteller, inspiring audiences about a life free of constraints and offering freedom of self-expression.

This shows empathy, which fuels successful brand storytelling. By empathizing with their audience, brands can create narratives that truly resonate and that unlock desire. This means going beyond understanding customer needs and includes foreseeing their future challenges and aspirations. A brand that shows it understands and cares about its customers' futures is a brand that customers will remain loyal to.

Importantly, brand storytelling is not advertising. A great advertising expresses the brand story. Hence, the story comes always first. Brand storytelling is also about creating exceptional experiences that follow the script of the story. These experiences are designed to be memorable and impactful, enhancing the customer's connection to the brand through every interaction. This makes brand storytelling an undertaking that has to come from the top. It has to inspire every aspect of the organization.

To conclude, the story is the strategy. Brand storytelling is a strategic imperative that defines the brand's role in the customer's life. It is the key to unlock ALV and desirability, it drives the value. Therefore, it's catastrophic for many brands who have gaps in brand storytelling. The story becomes not just a way to connect it becomes the connection and value driver itself.