

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 A LUXURY DAILY COLUMNIST

By **Daniel Langer**

Success in luxury is all about the ability to create desire.

The mistake many brands are making is to over-rely on product and not enough on the brand story. The reason is very simple: products are tangible, while the story is intangible.

Hence, intuition often leads managers to believe that the value of a brand lies in its products rather than its story. However, this intuition is wrong.

Emotional appeal

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 percent or 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 is functional value: the perceived value through tangible or measurable product attributes.

Second are emotional value attributes that stimulate emotional responses, such as design or the feel of materials. 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 good. This third component is highly personal and explains why people are willing to pay enormous price premiums.

When I measured ALV in my studies, it became by far the largest value component, eclipsing the other two product-related values. Hence, the 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 to do so effectively.

Some tell a category story something generic instead of a brand story. Many brands tell no story at all.

In brand audits I found that across luxury categories, most marketers have significant deficits in this area; we speak about 90 percent or more. Lack of storytelling significantly impacts their ability to create desirability and sustain value proposition in several cases.

Apples to apples

Burberry, for example, has a very generic brand story and was unsuccessful in launching handbags at significantly higher price points. It should have prioritized storytelling before launching higher-priced items.

The challenge for labels like Burberry is that our brains are wired in a way that automatically draws comparisons between brands.

If the story is undifferentiated, "category stories" included, 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 playing an existential role as it relates to the resonance of luxury brands. Articulating what the brand means in the life of the customer becomes make or break.

This approach does not focus myopically on the product category or an abstract and generic country of origin concept. Instead, it connects the brand to 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 lives 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 that joins the client on their 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.

Strategic storytelling

When Gucci had more successful days, its leaders were excellent brand storytellers, inspiring audiences by depicting a life free of constraints and offering freedom of self-expression.

This shows empathy, which fuels successful brand storytelling. By empathizing with audiences, brands can create narratives that truly resonate and unlock desire.

This means going beyond understanding customer needs and involves 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 does not stop at advertising. A great advertisement 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 unlocking ALV and desirability; it drives the value. Therefore, it is catastrophic for many brands that have gaps in brand storytelling.

The story becomes not just a way to connect. It becomes the connection and value driver itself.

Luxury Unfiltered is a weekly column by *Daniel Langer*. He is the CEO of *quit*, a global luxury strategy and brand activation firm. He is recognized as a global top-five luxury key opinion leader. He serves as an executive professor of luxury strategy and pricing at Pepperdine University in Malibu and as a professor of luxury at New York University, New York. Mr. Langer has authored bestselling books on luxury management in English and Chinese and is a respected global keynote speaker.

Mr. Langer conducts masterclass management training on various luxury topics around the world. As a luxury expert featured on Bloomberg TV, Financial Times, The New York Times, Forbes, The Economist and others, Mr. Langer holds an MBA and a Ph.D. in luxury management and has received education from Harvard Business School. Follow him on *LinkedIn* and *Instagram*.

© 2024 Reliance Relocation Services, Inc. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your *feedback* is welcome.