

COLUMNS

Luxury Unfiltered: The call for urgent action from Italian luxury brands

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Daniel Langer, founder and CEO of consulting firm quit, pictured with Italian fashion designer and entrepreneur Anna Fendi and her couture wine label AFV

By A LUXURY DAILY COLUMNIST

By **Daniel Langer**

The Financial Times could not have chosen a better place to host the 2024 FT Luxury Summit than Venice, Italy. The conference comes at a time when many Italian brands are at a crossroads.

The label “Made in Italy” has lost its luster and become too generic, as I could show in a recent data-driven analysis. The global luxury market demand is cooling and returning to historic growth rates of around 4-6 percent from the post-pandemic spending spree, competition is heating up and a new generation of luxury clients young millennials and Gen Z is gaining massive importance and challenging traditional brands.

Additionally, many small to mid-size Italian luxury brands are notoriously family-owned, often too narrowly focused on the local market and significantly undercapitalized compared to brands in other countries. All in all, the perfect storm for many Italian brands that require urgency in stepping up the game.

Minding the meaning gap

In light of this challenge, I flew from Los Angeles to Florence this week to present at a groundbreaking event for the Italian luxury industry: the inaugural summit of “The Italian Mind: A One-Off,” a new luxury foundation I had the honor of cofounding together with Marco Gianni, Managing Partner of quit Italy and Maurizio Mancianti, President of the Italian Mind Foundation.

The event was hosted in the breathtaking Palazzo Vecchio in the historic center of Florence. We took to a venue filled with art and history to talk exactly about this: how art and culture are key for luxury brands to unlock their value creation potential.

Too many brands focus in a very generic way on materials, quality and craftsmanship while not creating meaning for clients. As Marco Gianni pointed out eloquently in his presentation, without meaning, brands cannot survive in today’s world.

Made in Italy

The summit’s highlight was undoubtedly sharing the stage with the legendary Anna Fendi, who showcased her exquisite AFV wines, a recent venture she embarked on with her husband Guiseppe Tedesco.

Hearing her recount how art and culture were the very pillars upon which the namesake Fendi brand was established as it nears

its 100th birthday in 2025 underlined the critical importance of creating a unique brand narrative in building the world's most iconic luxury brands.

During my presentation, I emphasized four pivotal success factors critical for managing luxury brands in today's fast-evolving landscape: storytelling, client experience, empathetic sales training and capabilities and the ability to consistently wow audiences. All are critical success factors most brands today are struggling to be excellent at.



Dr. Langer presents at the Palazzo Vecchio in Florence, Italy

"The Italian Mind: A One-Off" is a broader initiative aimed at invigorating the "Made in Italy" tag. It needs to be infused with unique, compelling brand stories that resonate deeply with future consumers.

Looking at the recent financial results of many Italian brands, the imperative to adapt and define themselves in a significantly more precise fashion becomes increasingly urgent.

Creating cultural capital becomes the precondition of achieving competitive advantage in a reality that is algorithm-driven, meaning that an AI gatekeeper decides which content someone sees or does not see on social media.

When brands are unable to create meaning from a client perspective, distinct from competitors, they lose the ability to create extreme value. As stated above, in today's algorithm-driven world the ramifications are immediate.

The reality is...

The recent decline of brands like Gucci from one of the fastest-growing luxury brands to one of the most rapidly declining shows how errors and shortcomings in the ability to make clients perceive a consistent and relevant brand story immediately hamper the success of brands.

Clients are unforgiving, if they feel that brands are not providing them with meaning or when they become inconsistent and inauthentic.

It is a critical moment for Italian luxury brands and, frankly, any luxury brand independent of its origin. The call to action is clear and urgent: brands must intensify their efforts in crafting meaningful, culturally rich brand stories.

They must dare to project their presence more boldly on the global stage. The time to act is now to eliminate gaps and create excitement for clients.

As I now head to the FT Summit, I will remind the world's luxury leaders that quit Research estimates that half of today's luxury brands will disappear over the next decade. Don't be one of them.

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*.

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