

EVENTS / CAUSES

Porsche Design CEO: Brand substantially grew store footprint in eight years

September 19, 2013



By JOE MCCARTHY

NEW YORK - The CEO of Porsche Design at the Luxury Retail Summit: Holiday Focus 2013 yesterday outlined the brand's expansion from seven Porsche Design stores in 2004 to more than 122 by 2012 following the acquisition of 65 percent of shares by the German automaker Porsche.

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The Porsche Design executive also discussed product expansions that cater to female consumers and build a more rounded lifestyle image as the brand ventures into new markets. Due to the company's continuing growth streak, it is still working to gain widespread recognition among luxury consumers.

"The brand's iconic style is that the design is also function," said Juergen Guessler, CEO of **Porsche Design**, Germany. "The design should be logic-driven by functionality.

"Porsche drivers are a perfect target group, but not every driver will be interested in Porsche Design," he said. "[We target] all people interested in design and innovation and luxury products."

Luxury Daily organized the Luxury Retail Summit: Holiday Focus 2013.

Accommodating new consumers

As Porsche Design continues to expand globally, it is redefining itself as an overall lifestyle brand. A major component of this transformation is placing a greater emphasis on women's collections.



Luxury Retail Summit

Historically the brand had catered to male consumers and only began to seriously consider female consumers in 2009 with the introduction of a women's sports jacket.

Currently women constitute around 30 percent of the brand's total sales. The female lines resemble the masculine style of the male products.

Although the brand has many celebrity endorsements, it is relatively unknown throughout the world compared to other luxury brands. It curated its first fashion week show during last week's New York Fashion Week 2013.

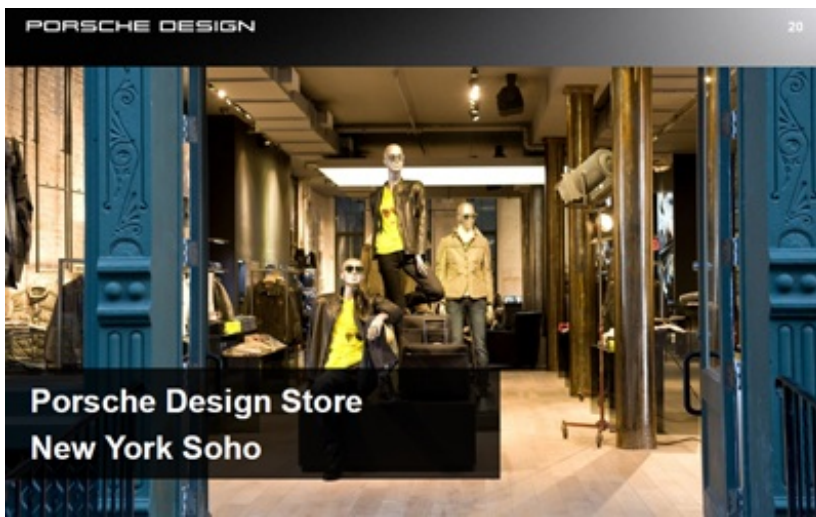
Product is hero

In addition to furthering its female product lines, the brand is tailoring stores in new regions without relying on a standardized rubric.

Instead, the brand plans to infuse each store with a localized personality so that global consumers are not visiting duplicates.

The brand strives to insulate product lines when expanding to allow for maximum individuality in stores.

When Porsche purchased 65 percent of Porsche Design's shares in 2004, following Mr. Porsche's departure, the brand embarked on its rapid global expansion.



Matching its global expansion with similar global brand awareness will be the primary objective for the brand over the next few years.

Design is key

Porsche Design's original position as a brand was limited to narrow product categories that exemplified the founder Ferdinand Alexander Porsche's design aesthetic such as black watches and aviator sunglasses with interchangeable lenses.

Rather than having a core product, he viewed design as his central driving concept and the brand continues to enshrine this principle.

When Mr. Porsche began Porsche Design, his first product was the original black wristwatch. The superior visibility of time afforded by the black dashboard motivated his divergence from the standard gold and silver watches of the day.

This product was followed by the first pair of driving shoes and the first aviator sunglasses with interchangeable lenses. Over the years it continued to produce distinct products such as pipes, writing tools and smartphones.

"It was never Mr. Porsche's intention to build a retail brand," Mr. Gessler said. "He was a designer, he didn't follow retail-driven and customer-driven ideas or rules."

Similar to the interchangeable aviator glasses, the brand released the TwinBag this year, its first handbag that features interchangeable handles.

"More product categories help the customer express individuality," Mr. Gessler said.

Final take

Joe McCarthy, editorial assistant on Luxury Daily, New York

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