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Applying true luxury marketing principles to the broader luxury sector

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True luxury is mainly a French and Italian business model: a careful balancing of authentic quality and ethereal yet undeniable emotions, which leads to strictly speaking irrational purchasing behavior. It is not easy, and it is not a trick – the benefits are quite real.

How can the majority of marketing professionals in the United States in the luxury sector apply these principles to their products?

Through my experience building brands and coordinating partnerships between true luxury and premiums brands, I will point to the places of overlap where communication and understanding can take place.

For many working in what is called the luxury sector in the U.S., most brands and products are not quite true luxury. This article is not going to try to define what luxury means. That would be a separate, longer article.

Instead, we are talking about practical application of luxury principles to the majority of marketing professionals in what may be called the luxury sector in the U.S.

Defining quality

For those working in the luxury sector nationwide, if you “get it,” if you are one of the initiated, then you understand all of the luxury marketing principles intuitively. Not much discussion about luxury marketing per se is necessary.

It is then relatively easy to apply luxury marketing techniques successfully on true luxury products and services.

What I mean by “relatively easy” is that to apply luxury marketing to a true luxury product successfully is less complicated for a variety of reasons than to apply luxury marketing successfully to products which are on the border of luxury and premium, or squarely in premium.

The latter is exactly what most of the marketing professionals in this sector in this country are charged with doing.

Most products that we casually call “luxury,” especially in the consumer packaged goods categories in the U.S., are not technically true luxury products. What are they? They are premium products sold through mass distribution, with luxury positioning (high status) and messaging (aspirational for consumers, even if relatively attainable), and which consumers have accepted as such.

Think of everyday top-shelf spirits, many cosmetics and fragrances. An even wider spectrum of products, and their marketing professionals in the U.S., includes products that are clearly not luxury but are looking for aspirational positioning, the so-called “masstige” category.

I do not mean to be controversial in saying that a product is “not really luxury.” We just need to agree on a few uncontroversial basic points.

We can all agree that there is a big difference between an Italian brand started by a named artist, the products of which are still made individually by hand, and a U.S. brand created by marketing professionals which is manufactured in high volume and available for sale practically everywhere.

There is a difference in price point, in quantity made, in the places where purchase is made, in the services after the sale. This is just a basic fact and there is nothing wrong with it, and consumers still appreciate both brands.

The difference is understanding what the widely distributed brand must do and would like to do in sales, and what the limited distribution brand must not do in sales and yet has to still achieve.

To preserve the balance and have consumers continue to joyfully pay the premiums that both brands enjoy, they must market and they must preserve their images, but consumers do expect different things because the products are in fact different.

One is “true luxury” and the other is not exactly luxury, but people view it in a very upscale, positive, emotionally charged way.

Wide and clear

Many of us have been to conferences where famous brand executives from prestige companies give talks about luxury brands and marketing.

For those squarely within the luxury sector, this is very much preaching to the converted. For everyone else, there is often confusion, contradiction and disconnect between the lofty statements and aspiration of traditional luxury marketing and the real practical needs of many brands in the U.S.

Yet even the most elite luxury brands must still have attention on sales and sales tactics, and they will readily admit this – only that the sales tactics are different and the return on investment may be less direct.

Even still, luxury brands will flirt on the borders of wider-reaching sales tactics, the place where luxury-positioned mass brands meet and overlap with true luxury.

There are important questions for U.S. marketing executives to ask of luxury brands. These should be centered on how to build marketing strategies that balance return on investment in the form of more immediate sales results with long-term brand equity and continually appreciated brand value.

Luxury brands, meanwhile, can learn from the wider distributed brands how to better leverage specific messaging to a wider audience, without tarnishing image.

I have built both mass-premium brands and true luxury brands, and in both cases a thorough understanding of what you are and are not working with is necessary – what claims can the product in its category sustain?

What can you permit yourself to do for the sake of sales, and what will not be consistent with long term brand equity?

As one of many examples, for a mass premium product, it is perfectly acceptable to give away large numbers of free samples if the product is at an attainable price point.

In most cases with a true luxury product, regardless of price point, which is usually much higher anyway, this is not an advisable strategy. What can both types of brands do together and where is the overlap?

I am here trying to shift the conversation away from the extremes, where luxury brands invest significantly in long-term perceived value without any clear short-term ROI, to the area of overlap where brand value can be enhanced or preserved while still having a sales effect. This is where understanding can occur, where both brands can spend time.

Premium on translating

We have had the opportunity to work with mass-market brands, mass premium brands and true luxury brands.

A very interesting area for us has opened up in being a translator between the luxury brands and the mass premium brands, allowing them to find ways to partner together in

unexpected and mutually beneficial ways.

The mass premium brand wants, of course, the association with the luxury brand – it is this inherent notion of brand value that we all understand on some level, and the very association of a valuable name will lend interest and credibility to another.

What could a true luxury brand possibly want with a premium brand, of a lower perceived value in the minds of customers?

It turns out that there is a lot that is consistent with luxury marketing that they could do together.

Luxury brands need to find ways to continue to generate interest to new generations of customers.

For the right customer, they do not want to be so imposing that exploration and purchase will never happen.

And for long-time customers, it is important to bring new life into the company, consistent with their values.

A partnership with another brand can give the opportunity and excuse for a luxury brand to reinvent itself in a defined way.

Of course, by leveraging a more widely distributed brand's reach, it can also find its way to new customers. And even proclaim its presence to people who will only ever aspire, but may never be customers.

THERE IS A wide grey line between the realm of true luxury products and the broader "luxury sector" in the U.S. which includes many products that are widely distributed at attainable price points.

By better understanding where the differences and similarities lie, brand managers on both sides can have a successful dialogue, whether it is just for mutual professional understanding and the exchange of ideas, or for successfully building collaborations and partnerships.

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