Indulgence and innovation: Luxury branding in a post luxury world

Category: Branding
written by Stewart Hodgson | 3 November 2018
The definition of ‘luxury branding’ is changing.

In the past, luxury used to be all about pleasure, exclusivity and opulence. Now, modern consumers, like the millennial generation, have begun to see the traditional concept of ‘luxury’ in a negative light. Extravagance is overrated.

Today’s shoppers think differently about the items, services, and experiences that deserve their money. We’ve entered the era of ‘post luxury’, where consumers have a new set of preferences and expectations to guide them.

Increasingly, your clients are placing more importance on the affinity they share with their favourite brands to help them make their purchasing decisions. Luxury is no longer about the tangible materials you can offer, but the intangible promises you make.

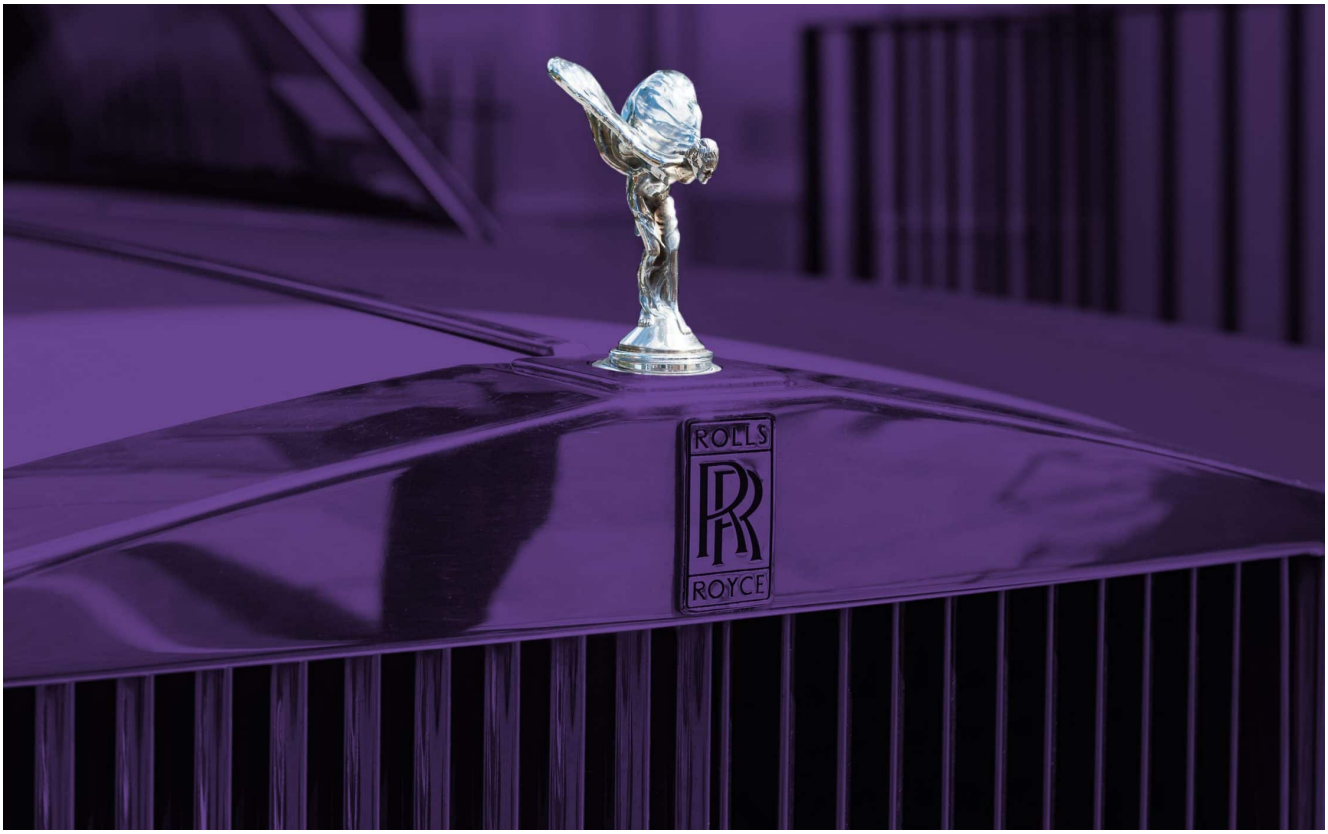
Modern post luxury consumers want products that deliver freedom, space, personalisation, and possibility.

As we head towards a new world for luxury brands, companies must refresh their identities to match the needs of an evolving audience.

The alternative is to hold onto the old idea of ‘luxurious’ products and potentially alienate a huge percentage of the modern consumer world. After all, reports frequently reveal that millennials will deliberately eschew ‘old-fashioned’ luxury brands.

If you want to succeed as a high-end organisation in this new environment, you need to rethink what ‘value’ truly means to your audience.

It’s time to bring life back to luxury.



Branding luxury: How luxury brands have evolved

While many factors contribute to the changing definition of luxury, the rise of the millennial consumer is perhaps the most important.

Younger consumers will soon make up the majority of the market for high-end businesses. These generations still believe in the exclusivity and indulgence offered by luxury branding. However, their buying decisions are more emotional than logical.

The old definition of luxury, as outlined by the Oxford English Dictionary is a state of elegance or comfort delivered

via “great expense.” However, more recent interpretations of the term describe luxury as the emotional or intellectual pleasure offered by something that provides exceptional comfort and satisfaction.

In other words, in a world of abundance, the price is no longer the most critical element of your marketing mix. Luxury is a quest for the ideal experience or state of mind. It’s not necessarily a tangible object you can own. In the post luxury world, the values consumers look for include:

- **The luxury of time:** People are working longer hours, have more responsibilities and live more chaotic lives than ever. These consumers will happily pay more for something that saves them valuable time (i.e. Prime shipping from Amazon).
- **The luxury of individuality:** Today’s consumers value their identity. They want ways to demonstrate their uniqueness to the world. This means seeking personalisation from their favourite brands. Something as simple as adding a custom name to a bag can deliver a feeling of luxury.
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- **The luxury of authenticity:** Consumers want honesty and transparency from today’s brands. They’re sick of old-fashioned marketing tricks. They want companies who commit to their claims and deliver on their promises. Authenticity in luxury branding today is about being human, genuine, trustworthy, and even responsible. Sustainable practices like CSR initiatives can make companies seem more authentic.
- **The luxury of belonging:** Customers want to feel like

they belong to something – a tribe, or a bigger idea that's important to their world. Find out what your customers value and show them that you share those values. For instance, Harley Davidson customers are all about freedom, which is a concept that the organisation embraces in all of its branding efforts.

- **The luxury of experiences:** Today's consumers – millennials in particular, believe that experiences are more valuable than any tangible product. They believe in things that deliver value to their spirit. Giving your customers the luxury of experience means thinking about how you deliver your product, and how you create new ways to engage with your following, through events, blogs, videos, podcasts, and even social media.



The changing face of luxury brands in the modern (sustainable) world

The changing nature of luxury branding fundamentally comes down to the transformation of today's consumer audience. By

2025, generation Z and millennial consumers will make up about half of the audience for luxury items. Companies selling high-end products can't afford to ignore this changing market as they continue to develop and refresh their brands.

Going forward, the target audience of luxury brands won't just be financed individuals who want to splash their cash on the most extravagant items possible. Today's consumers believe in different values, which present a host of new challenges to the world of luxury branding.

As a branding consultant, the team here at Fabrik has already begun to see the changes in the way that companies need to build and share their image with the high-end market. For instance, the millennial generation isn't just responsible for hipsters and the rise of social media. These consumers are also pushing ideals like community, transparency, and authenticity.

Consumers don't just want luxury any more; they want something sustainable that they can share with the people they care about.

Luxury branding companies today need to recognise that it's the consumer in the driver's seat, not the company or even the designers. Branding luxury means understanding the new definition of the word. For instance, luxury can mean:

- **Something that combines style and substance:** Think of Barbara I Gongini's clothing – it's stylish, but it's also durable, sustainable, and versatile. You can wear one piece in as many different ways as you like.
- **Products that deliver value:** While consumers are willing to pay more for their definition of products with 'luxury branding', they also expect those products to meet their high standards. That means your products or services need a compelling USP, a compelling story, and proof that they can deliver the right results.

- **Products and services that allow consumers to identify themselves:** We're living in a world where consumers can share images and ideas of themselves through countless social media forums and websites. In this world, your customers use their purchases as part of their personal story. This means that they want to buy from brands that share their vision of the world. For instance, a customer might purchase sustainable clothing to show that they're part of the environmental movement, even if that clothing costs more.

The increasingly complex definition of 'luxury' means that when it comes to working with a luxury branding agency, London organisations often find themselves refining and re-designing their buyer personas to suit a brand-new audience.



Tips for luxury branding in a post-luxury environment

A report by a company called Trend Watching, named 'The Future

of Luxury', suggests that the modern world of instant gratification and mobile connectivity has changed the way people think about luxury branding. Today, people want more meaningful, individualised and emotional experiences from their luxury products and services.

Ultimately, branding luxury companies in a post-luxury environment is all about adapting to suit a millennial state of mind.

This doesn't necessarily mean abandoning your heritage if you're a vintage brand like Roberts Radio. What it does say, however, is adapting the focus of your brand to demonstrate that your values match the expectations of your target audience. Here are a few tips that are sure to help.

1. Know your audience

Knowing your audience is always a crucial component of great branding. However, in the new world of luxury branding, you need to go beyond learning your audience's gender, location, and age-range. You also need to understand which values matter most to them.

According to a Deloitte study on millennial buying habits, around 89% of consumers will always consider paying more for a product or service when the brand is ethical and sustainable. As such, countless luxury brands, all the way from Gucci to Burberry have begun to advertise their use of organic materials, their commitment to reducing carbon emissions and more.

Luxury branding that focuses on things like sustainability, responsibility, and community helps companies to develop deeper relationships with their target audiences. It also eliminates some of the hurdles that might prevent someone from spending extra for a luxury product, because they're not just investing in that item, but in a cause that they care about

too.

2. Focus on quality

Remember the chart-topping Macklemore song that commended wearing hand-me-downs over paying $50 for a T-shirt? This tune is the anthem of the modern luxury consumer. Today, companies investing in luxury branding can't just expect their brand to convey the value of their products. Millennials are hesitant to spend their hard-earned cash on any tangible goods in the first place (they prefer experiences). That means that they won't be tricked into paying for a product that's not worth the money.

Instead, if you want to be perceived as a luxury brand, you need to show your customers that you prize quality. Just because you're delivering the sustainability your customers need in with your new fashion company, doesn't mean you should compromise on durability. Your consumers still want their items to be timeless, reliable, and indulgent.

3. Tell a story

As we've mentioned above, branding luxury companies in a post-luxury environment is about switching from tangible to intangible values. Some of the intangible elements your customer's prize include things like values, craftsmanship, culture, and heritage. So, how do you communicate all those complicated concepts?

The easiest option is to tell a story about your brand. Your narrative might start on the "About Us" page of your website, then continue through your social media posts, Instagram snaps, podcasts and videos. You can even tell your stories in your ads, like this video from Lacoste, where a young couple jumps through the decades as they move through train cars, demonstrating the timelessness of Lacoste clothing.

https://www.youtube.com/watch?v=IZC02EQqcXc
Millennials love new and exciting things, but they also have a soft spot for concepts like heritage and nostalgia. Don't be afraid to experiment with different ideas to give more depth to your brand.

4. Create truly memorable experiences

It's no secret that 'experience' is the buzzword of the generation for today's modern consumers. Your millennial and generation Z customers believe that the moments they can share with their loved ones define them, not the embellishments they have littered around their homes. As such, many companies are beginning to experiment with the way that they deliver products and services to their customers. Just look at the rising popularity of things like pop-up shops and experiential marketing.

The trouble is that many luxury companies still believe that experiential marketing is a concept reserved entirely for start-up organisations.

Fortunately, big-name luxury branding examples from organisations like Louis Vuitton are beginning to question this idea. The luxury fashion brand recently went on tour with a unique selection of clothing displayed in a personalised VW camper van.

Ultimately, it's about engaging your customers through more than just products and services today. Shopping in the post luxury world has morphed into an opportunity for people to make important memories. That's what your customers are really in the market for.

5. Prize truth and authenticity

As noted above, today's consumers use their high-end purchases as a way of identifying themselves. Ultimately, most of

today’s shoppers won’t have the cash to spend on new items from a luxury retailer every other week. This means that they need to make careful purchases that they believe contribute to their idea of who they are as a person.

Luxury branding in this new environment means convincing your shoppers that they’re getting an authentic and genuine narrative to add to their story when they buy from you. The last thing your consumer wants is to assume that they’re buying a sustainable piece of timeless fashion, only to discover that you’ve hidden a shady part of your supply chain under the radar.

Tricks and sneaky marketing don’t work in today’s digitally transformed world. One way or another, your consumers will find out everything they need to know about you. Do your reputation a favour and prize truth from day one.



Three lessons to learn about luxury (with luxury branding examples)

We're still in a very transformational stage when it comes to luxury branding.

In other words, class is still in session for transforming companies.

Although this means that many organisations are in a state of confusion right now about how they can connect with and engage their target audience, it also means that there's plenty of opportunities to experiment.

To help you plan for an unpredictable future, here are some key lessons you can learn from luxury branding examples in the market today.

Luxury branding lesson 1: Embrace transparency (Chanel)

Chanel was recently named the most influential luxury brand on social media, outshining some other major companies like Marc Jacobs. There were many reasons that Chanel came out in the top spot. It maintained an air of exclusivity by only following its own sister brand on Instagram, and it embraced the power of influencer marketing.

However, one of the most important components in Chanel's luxury branding strategy involved the use of video to enhance transparency and improve credibility. The organisation regularly posts on YouTube with narrative-led content and feature films like the 'Pursuit of Passion' video with Gisele Bundchen. However, the organisation also offers plenty of behind-the-scenes content, like its 'Inside Chanel' series, intended to remind customers of the company's long-standing vision and heritage in the luxury world.

Luxury branding lesson 2: Remember inclusivity (Louis Vuitton)

We mentioned above that the luxury of community is something that matters a great deal to today's consumers. Creating a community in luxury branding is more complicated than it might seem – particularly in a world where identities are changing. Today's most popular brands are those that can appeal to the broadest selection of customers possible, all while maintaining their own unique style.

For instance, Jaden Smith became as the new face for the Louis Vuitton womenswear collection in 2016. The actor/rapper appeared in numerous advertisements wearing skirts and other items initially described as "women's" fashion. This bold move helped Louis Vuitton to create a more inclusive community for its customers, based on the growing trend of self-discovery among millennials who are no longer willing to be defined by restrictive models of gender and identity.

This is another example of how successful luxury branding today relies on understanding your audience and appealing to identities in a state of transformation.

https://www.instagram.com/p/BAFJuzoK4dd/?utm_source=ig_embed

Luxury branding lesson 3: Make a social statement (Blancpain)

Finally, today's luxury branding initiatives need depth and emotion to be successful. This means that high-end companies need to stand for something important if they want to make a lasting impact on their target audience.

Studies have shown that the new generation of luxury consumers is increasingly aware of the social and environmental issues facing our planet. The luxury branding example above from Louis Vuitton is evidence of this. Standing for something is

such an essential concept to millennials, that this new generation is even willing to pay more for the products and services they consider to be sustainable, environmentally friendly, or ethical.

Swiss luxury watch company Blancpain has built its identity not just off durable and stunning watches. The company has also dedicated itself to cleaning up the planet's oceans, supporting scientific expeditions, and even sponsoring the Worldwide Ocean Summit.

To help customers feel like they're investing in something important, the luxury house even introduced a limited-edition version of its watch in 2014. The proceeds of the sales went to charity, while each buyer received a membership to the Blancpain Ocean Commitment circle, which included invitations to private events about Ocean issues.

Developing a strategy for luxury branding companies

Luxury branding used to be simple.

If you wanted to create a 'luxury' experience for your customers, all you needed to do was invest in the right materials and the most impressive designs. Now, there's so much more to luxury than meets the eye. Finally, customers are beginning to go beyond the surface of the products and services they buy, to make sure that they're investing in the right brands.

As any luxury branding consultant will tell you, the consumer world is changing, driven by a younger generation of customers who think differently about brands and purchases. This consumer base is made up of people who have a unique sense of self, a commitment to sustainability, and a quest for an Instagrammable lifestyle.

As consumers change, the expectations on luxury branding are changing too. Younger generations want more than just a well-made product; they want experiences, promises, and values that they can resonate with.

Historically, the goal of luxury branding was to create a product viewed as economically exclusive, and fundamentally superior. Today, your customers are still looking for quality, but the way they define that quality has evolved.

Are you ready to explore the complexity of luxury branding in a post luxury environment? Reach out to the team at Fabrik Brands today. We'll help you to discover the true meaning of luxury.

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