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Modern luxury brand building hinges more on lifestyle than heritage

Posted By *Sarah Jones* On November 20, 2019 @ 5:00 am In [Featured](#), [Industry sectors](#), [Marketing](#), [Multichannel](#), [News](#) | [No Comments](#)

NEW YORK – From product creation to marketing, attracting luxury buyers today is more about creating a story and experience that consumers can buy into than strictly selling.

During a panel on Nov. 19 at the Italy-America Chamber of Commerce's Luxury Summit 2019 moderated by Shullman Research Center CEO Bob Shullman, speakers discussed how the luxury business is changing, and how that is translating to the ways in which colleges are teaching students. The business is at a point where it needs to self-disrupt to remain relevant, with transparency, sustainability and authenticity the paths to consumers' hearts.

"Luxury has evolved so much over the past decade," said Cara Fratto, lecturer in luxury marketing strategy and an advisory board member at the NC State University/SKEMA [Global Luxury and Management](#) (GLM) master degree program. "What heritage brands used to rely on for marketing no longer works anymore.

"It used to be that we bought a brand because generations before bought that brand and it had heritage and history," she said. "And what we're finding is that a lot of these brands can no longer rely on the traditional ways of marketing."

Craftsmanship to connection

One of the most important traits for executives is the ability to adapt and be flexible and a willingness to learn, according to Giuseppe Ammendola, Ph.D., professor of international strategic management, marketing, finance, trade and government at [New York University](#) and [Columbia University](#).

Younger consumers are pushing luxury brands to become more transparent and responsible.

"I think that for fashion players, 2020 is going to be a year of awakening," said Andrea Ciaraldi, senior vice president creative director at [Ralph Lauren](#) women's collection. "Some of the old rules don't work anymore in my field."

The third pillar is authenticity, which is trickling into how companies create products.

Whereas fashion design used to be primarily about elements such as craftsmanship, today creation needs to have a purpose, reason and story behind it. Mr. Ciaraldi said that the role of a creative director has also shifted from trend dictator to collaborator, as designers gather input from others that helps to guide their work.

"We need to create more and more a dream, a lifestyle, an authentic story than a product," Mr. Ciaraldi said.

Ms. Fratto noted that the marketing tactics that luxury brands leaned on about a decade ago no longer work. Rather than relying on heritage or their history, companies are breaking the mold to create a modernized appeal.

For instance, luxury labels have toyed with streetwear through collaborations with brands such as Off-White and drop-style product launches.



Jimmy Choo x Off-White is just one of the recent luxury streetwear collaborations. Image credit: Jimmy Choo

Luxury's streetwear push is also about projecting a lifestyle that resonates with millennial and Gen Z consumers. Even more than design, younger customers want to feel as though they are associating themselves with a company that shares their perspective and that represents their personal brand, according to Dalia Strum, educator at [The Fashion Institute of Technology](#), New York.

As luxury becomes more about experience, this is also translating to new interpretations of the retail experience. Ms. Strum noted that the typical consumer today is not going out specifically just to shop, but instead he or she sees shopping as part of an entertaining or fun day out.

Companies therefore need to give shoppers a reason to visit. While not in the luxury space,

Kohl's recently launched a pop-up that was dedicated to personalization, creating memorable experiences for consumers.

Ms. Fratto brought up the example of Bloomingdale's Carousel, which taps a series of curators for themed pop-ups that are all about a specific theme ([see story](#)).



Inside Bloomingdale's The Carousel. Image courtesy of Bloomingdale's

"We need to reshift our energy on what people are looking to do in these establishments and how do we create an appeal for product," Ms. Strum said.

"How does product live within the entire experience, as opposed to saying, 'We're selling first,'" she said. "Selling comes last, experience comes first."

Digital dialogue

Affluent consumers today are influencers themselves, and brands would be mindful to try to turn clients into their ambassadors.

The majority of millennial and Gen Z consumers are open to being micro-influencers for brands, creating the potential for brands to broaden their sponsored social media partners. A report from Morning Consult finds that 61 percent of consumers organically post about the brands and products that they like, and 86 percent would be open to receiving money in exchange for posts ([see story](#)).

Social media is inherently a communal network for affluent consumers, opening up opportunities for brands to engage consumers in a two-way dialogue.

About nine in 10 affluents are active on social media, and one in five say they communicate directly with brands through platforms such as Facebook and Twitter. During an Ipsos webinar on Oct. 10, an executive noted that while brands have the chance to influence consumers via

their feeds and direct communication, affluents say that the people they know in real life hold the most sway ([see story](#)).

Consumers today have the power of social media to make their voice heard. Whether they are sharing positive or negative experiences with a brand tagged, users want to hear back.

Ms. Strum said that brands have the potential to inspire loyalty by leveraging past purchase data including mailing addresses to surprise customers who mention them with a gift.

Storytelling is an important part of building a luxury brand, and thanks to social media and technology, marketers have more tools at their disposal now to creatively share content. While much of the focus is typically on visual mediums such as Instagram, Dr. Ammendola believes there is a lot of potential in the written word.

"The storytelling has to be integrated with images," Dr. Ammendola said. "I personally believe that the power of words in many instances is underestimated."

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