

COLUMNS

Luxury Unfiltered: A new playbook for luxury brands navigating challenging times

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By A LUXURY DAILY COLUMNIST

By **Daniel Langer**

Today's luxury clients are more discerning.

They are seeking deeper emotional connections, more personalized experiences and, importantly, exceptional value. I often define luxury as the ability to create extreme value for clients, and far too many luxury brands focus on "operations" but then forget that they need to inspire clients.

As a result, many luxury brands are in crisis mode, as the global luxury market is profoundly transforming with a new, more discerning generation, Gen Z, becoming increasingly influential.

Exceeding expectations

This is posing significant challenges for luxury brands all over the world. As expectations change rapidly, there is no time for complacency.

So how can luxury brands remain competitive and relevant in these challenging times? Here are key principles that luxury brands need to follow to meet the increasingly high standards of today's ultra-luxury and luxury clients.

From 4P to 4E: The paradigm shift in luxury marketing

The traditional 4P model - product, price, place and promotion - has long been the backbone of luxury marketing, and it is still very present in most companies, but it is no longer enough.

Clients now expect more than just a product. They want meaningful experiences that resonate on a personal and emotional level.

While this of course includes exceptional products, I recommend to brands to shift to a more holistic view and do a profound shift to the 4E of luxury: emotion, experience, exclusivity and engagement.

Luxury clients no longer accept transactional experiences, which are still offered by so many brands.

This morning, when I decided to do a few quick experience audits before my morning flight out of New York's Kennedy Airport, practically all stores that I visited were lackluster in creating any kind of experience. One may argue that this was at an airport, but

I would rescind that it does not matter where it is.

Whether I buy a luxury item at an airport terminal in the store of a luxury brand, or at a flagship store on Los Angeles' Rodeo Drive or in a high-end mall in Hong Kong, brands must create, in a consistent way, moments that leave lasting impressions. Personalized service is non-negotiable and luxury brands need to deliver emotional value beyond the product itself at any touchpoint.

In a recent study, we could show that it only takes 1.6 underwhelming interactions to lose a client forever. I urge brands not to compromise on any interaction point.

The end of transactional luxury

Luxury clients and especially ultra-luxury clients view craftsmanship and quality as a given. Remember, the role of brands is to create extreme value, and this includes quality.

What sets a brand apart, therefore, is not necessarily product quality but how a brand, in the totality of all aspects, makes its clients feel. This is where brand storytelling becomes crucial.

A well-crafted narrative that reflects the client's desires and aspirations is the only way to create a consistent and lasting emotional bond.

Clients seek personal engagement, stories, and a sense of connection that aligns with their identity. A recent shopper study my team conducted showed that even when service was good, luxury clients wanted more emotional depth from their interactions.

As a result, client satisfaction was low. It's a reminder that simply offering quality service isn't enough. Luxury brands have the obligation to inspire and create meaningful emotional connections with their clients.

Client-centric brand storytelling: The key to engagement

Luxury brands must move away from what I often call the old "we we we" model of storytelling (e.g., "We create the best products; we offer the highest quality").

Instead, brands need to completely shift to a client-centric approach, focusing on what the brand means in the life of the consumer. This is key to establishing stronger emotional connections and enhancing brand loyalty.

Importantly, this does not mean relaunching or resetting a brand.

It means to translate the internally focused brand positioning to a client-centric positioning that defines the role of the brand through the eyes of clients. While this is incredibly hard to do from the inside, it is a strategic necessity to win in today's reality.

Authentic storytelling aligned with clients' values will drive engagement and build emotional bonds. Demanding clients increasingly expect brands to reflect their personal stories and values, whether it is sustainability, exclusivity or social impact.

Engagement: creating a true sense of belonging

Every time I walk into my favorite suit brand, whether in Los Angeles or in New York City, I am not only greeted by name, but it feels like being home.

No one ever tries to sell me anything. Instead, it is an inspiring conversation where I am often surprised with something unexpected.

Consequently, luxury clients now expect to be part of an exclusive community. Brands must provide platforms for interaction, fostering an inspiring and engaging two-way dialogue with their clients, and this is independent of being in a store or on a digital platform.

Luxury brands need to cultivate a profound sense of belonging. When done right, it builds a loyal community where clients feel personally connected to the brand.

Because of the way I have been treated for years, I will stay loyal. But if I would feel at some point that it is not "home" anymore, then loyalty breaks down almost immediately.

Brands often forget that the most loyal clients can be the easiest to lose if they get disappointed. The sense of belonging encourages advocacy among clients who feel like valued members of an exclusive club.

Creating transformative experiences

Selling a dream is not enough. Luxury experiences must go beyond the ordinary.

Offering just another high-profile event or a limited edition product won't cut it anymore. Experiences need to be immersive and transformative.

When done right, these experiences build strong emotional connections and enhance the perceived value of the brand dramatically. Personalization is key: every touchpoint counts.

The most successful brands today are those that can create unique, deeply personal experiences for their customers, exposing even those who can afford everything to the extraordinary.

Exclusivity with a personal touch

While exclusivity remains central to the luxury experience, its definition has evolved.

It is no longer just about limited product availability or high price points. Exclusivity today is about creating intimate, highly tailored relationships with clients.

When we feel recognized, prioritized, understood and valued, it evokes the strongest feelings of exclusivity.

Luxury brands, therefore, must know their clients on a deeper level. In my luxury sales trainings, I witness every single time how hard this is for even the most experienced brand ambassadors.

They need to acquire techniques to understand not just their purchasing habits but, importantly, their values, aspirations and desires. The insight that are generated by unlocking the emotional key allows brands to curate tailor-made experiences that make clients feel uniquely recognized and valued.

As said before, in a world where the wealthiest clients can access anything, personalized service is the ultimate luxury.

Leveraging cultural capital

Cultural capital is becoming a critical differentiator for luxury brands.

In an increasingly homogenous luxury market, brands must leverage their unique heritage and cultural values to stand out. However, it is crucial that brands frame their cultural story in a way that resonates with global clients.

The country of origin concept can be a limitation if it is not translated into something relevant for other countries and cultures. Just to say that a brand is from Paris, London or Rome means nothing if the ethos of the brand does not link up to the target audience.

Sustainability as a core value

Today's luxury clients, especially Gen Z and younger millennials, place a dramatically higher value on sustainability than ever before.

At a recent keynote at a congress for destination weddings, one of the participants from Dubai told me that over the past year, two of his clients demanded a total carbon offset of all carbon emissions that all wedding guests produce through flying in, plus the emissions from the event itself. Money was no objection.

He told me that the biggest challenge for him was to be able to calculate the emissions and find legitimate projects and strategies to mitigate the carbon footprint. The wedding was three times more expensive, which, in both cases, the Gen Z bride and groom happily accepted.

They would not have accepted any shortcuts in delivering on the sustainability promise.

It shows that times are changing. Brands need to go beyond just stating a commitment to sustainability and ethical practices.

It is an opportunity to position the brands as forward-thinking, responsible luxury leaders towards audiences that want to make a difference.

A new playbook for challenging times

The future of luxury is client-centric, emotionally driven and experience-focused. What remains is the obligation to create extreme value for clients.

To succeed in today's challenging market, luxury brands must move away from a product-first approach and instead create transformative brand experiences that foster deep emotional connections and build engaged communities.

This requires embracing the 4E model, crafting client-centric brand storytelling and delivering personalized, immersive experiences. Are you ready?

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.

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