

GUCCI reigns as the Most Coveted luxury brand in the world

Contributed by Nielsen
Thursday, 10 July 2008

Whatâ€™s next in line for designer brands?

Survey reveals Emerging marketsâ€™ potential for designer-branded mobile phones, laptops, flat screen TVâ€™s and MP3â€™s

February 27, 2008- Milan, Italy- Gucci, the flagship brand of French luxury group PPR, is the worldâ€™s most coveted luxury brand according to a global luxury brands survey by The Nielsen Company.

In the latest survey, one in five global consumers said they would choose to buy Gucci (over any other luxury brand) if money was no option, making the Italian fashion brand that was revived by Tom Ford in the 1990â€™s the most coveted and aspirational luxury brand in the world today.

Chanel and Calvin Klein tied for second place in Nielsenâ€™s 48-country global online survey that was conducted in November 2007. In fourth place came Louis Vuitton, followed by Giorgio Armani, Christian Dior and Versace.

Two years ago in the same survey, Gucci shared top honours in the survey with Giorgio Armani â€“ which has since slipped to fourth place in current global rankings. â€œItâ€™s an incredible achievement for Gucci to remain at the top of the most coveted league table for luxury brands,â€ said Patrick Dodd, President Europe, The Nielsen Company. â€œIn the past two years, Gucci has managed to maintain and even increase its brand equity in a very competitive and fickle industry. They have achieved this by consistently embedding their core brand values in all their branded products, which range from perfume and sunglasses to accessories, jewellery handbags and ready-to-wear fashion,â€ noted Dodd.

According to the survey, if money was no object, 41% of Indians and 37% of UAE consumers said they would choose Gucci.

REGIONAL PREFERENCES

And while on a global ranking Gucci dominated overall, regional luxury brand preferences prevailed, reflecting fashion and lifestyle differences across the globe.

Among the worldâ€™s most aspirational brands â€“ if money was no object, two in five Chinese consumers would choose Chanel and thirty-eight percent of Russians would choose Christian Dior. One in three Russian consumers also said they would spend their money at Versace and Prada. Two in five Hong Kongers and Filipinos would choose Louis Vuitton while Giorgio Armani, Calvin Klein and Yves St Laurent are top picks for Latam consumers. Twenty-five percent of Japanese consumers would buy Hermes if money was no object.

As a global region North America was the least interested in luxury brands, with 35% of consumers saying that they would â€œnot buy anyâ€ luxury brands even if money was no object. Dutch consumers (43%) and Norwegians (37%) topped global rankings for not buying any luxury brands if money was no object.

WHO IS CURRENTLY BUYING DESIGNER BRANDS?

One in four global consumers (21) said they currently buy designer brands.

Currently, three in seven (31%) of consumers in UAE and Hong Kong say they buy Gucci-branded products. The small nations of UAE and Hong Kong are the two most famous shopping meccas on earth and itâ€™s no surprise that their shopaholic, image-conscious citizens are among the biggest fans of luxury goods today. Their geographical location also means they benefit directly from â€œshopping tourismâ€ â€“ Dubai attracts the wealthy shopping elite from neighboring Saudi Arabia and Hong Kong attracts the new wealth from China. â€œShopping is a way of life in these countries and luxury brands are an essential part of the populationâ€™s wardrobe, even if it comes in the form of a key chain,â€ said Dodd.

Consumers in Hong Kong are currently the most likely to buy Gucci, Burberry and Louis Vuitton more than any other country. UAE consumers topped global rankings for currently buying Christian Dior, Versace, YSL, Givenchy and Calvin Klein.

â€œThe appeal of the luxury designer brand continues to grow â€“ a luxury brand is simply something that consumers, especially those in emerging markets, are willing to pay a significant premium for,â€ said Dodd. According to the Nielsen survey, twenty five percent of global consumers said designer brands are of significantly higher quality than standard

products, and 60 percent said that people wear designer brands to project social status.

While quality is certainly a key factor for buying luxury brands - it's not enough. A luxury brand needs to sell its core brand values within its image; the "image" that is reflected in this design and lifestyle is what consumers are prepared to pay a premium to buy into.

Calvin Klein, Ralph Lauren and Diesel top rankings for designer brands currently bought by global consumers. These brands are the most accessible and affordable to first-time luxury brand consumers. From perfume to underwear and a basic t-shirt, these brands offer a "designer" cache at a fraction of the price. These brands also understand how to embed the brand values in smaller items to initially attract the consumer," said Dodd. "because when the consumer has more disposable income, they will upgrade within the same brand to more expensive items."

Interestingly, 23% of global consumers said they would shun international luxury brands in favour of buying a "local designer" from their country. The survey also indicated strong support for luxury brand names from local consumers. Italians topped global rankings for buying their own brands such as Prada and Max Mara.

What's on the Horizon for Designer Brands?

According to the Nielsen survey, 35% of global consumers said they would buy a mobile phone if it was co-branded with a luxury brand "a sector that fashion giants such as Prada and Armani have already taken advantage of.

One in three global consumers said they would buy a co-branded luxury designer laptop, and one in four said they would buy a "designer" flat screen TV. "There seems to be huge market potential for luxury brands to evade every corner of home and office," said Dodd.

One in six global consumers even said they would like to buy designer branded MP3's and kitchen appliances.

Asian consumers from the Philippines, Indonesia and China were most enthusiastic about a luxury-branded mobile phone and lap tops, and flat screen TV's "however again, "it's clear that consumers from EEMEA, Asia and Latam are again driving demand for these products," said Dodd.

Seventy four percent of China consumers said they would buy a designer- branded laptop while 74% of Filipinos said they would buy a luxury-branded mobile phone.