The End of Luxury as We Knew It?

Jean-Noël Kapferer

From Niche to Mass

Luxury growth comes mainly from the newly rich, especially those in emerging economies that are enjoying great growth. These newly rich consumers are eager to enter the world of consumption and conspicuous pleasures, seeking to catch up with their Western counterparts. Unlike patricians (Han et al., 2010), who had little need to demonstrate their status, the newly rich crave love, power, and status through conspicuous consumption. The luxury business would not grow if wealthy consumers mostly saved their money and looked like everyone else, as described in the concept of the "millionaire next door" (Stanley and Danko, 1998). But the newly rich do not want to be next door; they want their success to be visible, such that

J.-N. Kapferer (✉)
Inseec Business School, Paris, France
e-mail: jnkapferer@inseec.com

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they are frequent buyers of mansions and gorgeous flats all over the world, as well as high-end furnishings to fill these homes. The luxury business needs their conspicuous consumption: If Lamborghinis stay in garages, they cannot fuel imitation desires in society (Girard and Williams, 1966).

Another source of luxury growth is the vast number of "excursionists" (Dubois and Laurent, 1995), ordinary people from the upper middle classes who emulate their wealthy peers. They cannot buy lofts or penthouses, or even Chanel suits, but they might occasionally buy a small product from a prestigious brand for themselves, friends, or some important contact. This development drives the queues of tourists waiting outside the Louis Vuitton or Gucci flagship stores in capital cities. It also is evidenced in the immediate depressive effect on the luxury watch and spirits industries in China when President Xi Jinping decided to crack down on corruption in 2012.

More generally, luxury has gained enormous visibility. Hunger and poverty still reign globally, yet airports all over the world are transforming into luxury commercial centers, in which the luxury brand names are the same from one capital city to the next, and they appear as well in urban department stores and malls. Despite the growth of e-commerce and the Internet, such luxury stores remain destinations for travelers who spend hours walking the aisles, discovering consumption at its best and experiencing a world of privilege where everyone can dream.

From a sociological perspective, luxury is the symbol of an euphoric society, itself a product of the evolution of capitalism. For decades, the main challenge that has worried financial investors and capital markets has been finding ways to sustain economic growth. One option is sustainable development, which might create new demand and opportunities for innovation and thereby lead to growth. Another source is technology, which also produces obsolescence. More fundamentally though, stimulating purchases (and economic growth) when the consumer already has "everything," or at least all the necessities, requires moving to nonnecessities. Luxury is a business of nonnecessities. Its goal is to create value growth but de-emphasize volume growth.

Is Luxury Brand Management a Financially Driven Strategy?

In a rare interview, Bernard Arnault (2001), the founder and CEO of the world's top luxury group LVMH, defined luxury as "items that serve little purpose in the lives of consumers except to fulfill dreams. And those dreams don't come cheap." In a later comment, he added, "Luxury is the only sector that can provide luxurious margins" (Capital, May 2010). In these rare comments, Arnault offered the benefit of clarity: The luxury industry exists because owners and financial investors dream about the available margins (Kapferer and Tabatoni, 2011). These margins are created by the dreams that brands embed in their products and the prices they demand from consumers to have the right to exhibit them and become symbolically part of the privileged group of the brand's clientele. Thus press releases about luxury brands tend to provide two main types of information: What fabulous event was staged when the brand launched its latest product or new collection, and who was invited (or not)? And which luxury brands are the most profitable? (Hermès still leads this race.) The first type of information aims to attach feelings of exclusivity to the brand and disseminate a sense of prestige. Through social media, any exclusive luxury event can be immediately shared with the masses, building their desire for something they can dream of but not access. The second type of information is the measure of greater interest to a luxury brand: luxurious margins.

Many brands today claim to be luxury brands, because the word "luxury" sells. To expand the definition to these claimants to luxury, new terms even have been invented, such as accessible luxury, popular luxury, and casual luxury, with the goal of leveraging the benefits of the "luxury" tag for non-luxury brands. But these developments also have disrupted the positioning of luxury, pushing it to the extreme spheres with terms such as "überluxury," "high luxury," or "ultra luxury." As a result of the proliferation of *luxuries*, the word also has lost some substance. Academic efforts to resolve the issue by proposing a new definition of luxury are in vain, because luxury is inherently a subjective notion, even if the criteria are generally well known and accepted (De Barnier et al., 2012). For criteria such as beauty, quality, love of craft,

emotion, expense, feelings of exclusivity, and privileged service, the challenge becomes defining, for example, what expensive means. Is there a threshold of luxury according to these criteria? The horizon can never be met, because it moves constantly as the consumer gains wealth or revenues (Kapferer and Laurent, 2015). Similarly, high quality might mean various things. Consider a phrase contained on the website of a famous brand: "Artisans and innovators, we continually refine and perfect our collections to create some of the most luxurious handbags in the world." But how could a consumer identify the brand based on this claim? Is it Michael Kors? Coach? Chanel? Prada? Words have lost their discriminating power, as have images online, as luxury brands constantly feed the social media beast with new fuel for the luxury dream.

But profitability is not subjective. Operating profit ratios can indicate which brands sell a priceless dream, and which don't, according to a threshold of about 30 percent. As the CEO of a famous champagne brand once explained to us, the goal of being a luxury is to free prices from any constraint. For real luxury, prices have no relationship with the cost of the goods. In a recent, straightforward analysis, BCG compared the average prices of core luxury brands with those of mass-market segments, as well as those of ultra-luxury with core luxury segments. On average, core luxury watch brands are 163 times more expensive than mass brands. But ultra-luxury watches are 107 times more expensive than core luxury watch brands (and 17,441 times more expensive than mass brands). Can quality explain such price differences?

In some sense it can, for ultra-luxury watches, because they tend to be very rare objects, crafted by artisans over weeks or months. The collectors who buy them are connoisseurs who do not care about branding. The first Richard Mille RM-01 watch, launched in 2001 at a price of 250,000 euros, prompted immediate demand by collectors, even though the brand was totally unknown, and despite its price (or maybe because of it). The price was the signal of an extraordinary product. Brands at the top of the luxury pyramid can tell stories that apply to the whole luxury industry; they help reinforce the myth of luxury using their associations with words such as "craft," "rare," "highest quality," "painstaking work," or "priceless." Most ultra-luxury brands in turn are relatively unknown among the newly rich, much less the upper middle class. Because they

are unknown, these brands cannot serve the purpose of luxury buying that seeks to display love, seduction, or power. Whereas no one would likely look twice at a person sporting a Richard Mille watch, the core luxury brands Rolex or Cartier can invoke envy and notice.

From Bespoke Brands to World Megabrands

So how many watches does Rolex sell each year? This privately owned brand does not offer any data, but rumors suggest about 1 million, so the watches cannot be considered rarities anymore. Yet Rolex remains a global icon for watches. Noting former French President Nicolas Sarkozy's Rolex, his counselor J. Seguéla explained, "if at 50 years old, one still does not own a Rolex, one has missed one's life." Similarly, the most profitable car brand is not Bugatti, which sells a few hundred Veyrons for 1 million euros each, or Lamborghini, which sells a few thousands cars. It is Porsche, which sold 225,000 cars in 2015. Thus it appears that a niche approach can feed the luxury myth, but the sector also likes bigger numbers, especially when the analysis considers share value, which requires both growth and high margins. Financial investors have no interest in brands that limit their growth by an excess of scarcity. High margins with no growth perspective are not attractive. High growth together with high margins is the goal, as exemplified by Louis Vuitton (LV). Since its takeover and the formation of the LVMH group, this brand has grown constantly; it even offers an emblem of China's economic recovery.

Observers predicted that the massive growth of LV also signaled its imminent fall, but these critics have been proven wrong. There are enough newly rich consumers in the world, and particularly in Tier 2 Chinese cities (10 million inhabitants each) to guarantee future growth. The same promise holds for Rolex, BMW, Mercedes, Chanel, Gucci, Prada, and Hermès. The difference here is that without volume, there was no brand power. Unlike collectors, who buy new and exceptional watches even from unknown brands, newly rich consumers and their followers look for visas of distinction, proofs of good taste, signs of respect, and signals for love. To act as such signals, luxury brands must be known by a larger audience than the target market. Thus, the luxury industry needs volume.

First, volume helps amortize huge marketing and public relations costs, as well as the considerable retail costs for luxury brands that maintain highly experiential stores. Single-brand stores always run the risk of insufficient traffic, but the rental costs of a store on Nanjin Road (Shanghai) or New Bond Street require that luxury brands cover a lot of needs. Montblanc used to sell pens only; it now functions as a generalist brand of accessories and fragrances.

Second, volume with increased penetration creates visibility, and such visibility is needed to build brands' fame. Without fame, there is no high pricing; it is the price of entering the select club of brand owners.

Briefly then, today's luxury brand management is luxury megabrand management. It is striking that the same luxury brands are present in all capital cities, whether in downtown flagship stores or international airports. The story of the craftsman in his or her atelier conflicts with the reality of big business. But luxury brands still need to maintain their founding myths, just as Apple needs to sustain the myth of the garage where Steve Wozniak and Steve Jobs started it all. Yet Apple is also a megabrand; the garage is long gone, even if the myth is not. Apple's corporate goal is to remain the most highly valued brand in the world.

Why Luxury Needs Cult Products

Cartier or Tiffany regularly announces unique pieces, sold at very high prices, that only the happy few can afford. Beyond such rare events, a sustained source of revenue requires famous, iconic products associated with the brand. For Cartier, these products might be Santos or Tank watches or Love rings. The purpose of these iconic products is primarily to harvest the benefits of fame. Financially, they are continual sources of cash.

In this sense, there is a key difference between the financial model of fashion and that of luxury: In the fragile fashion business model, products sell by being fashionable, which means capturing the spirit of the moment. Fashion brands earn profits by selling as much as possible, at full price, as soon as the season begins. With time, fashion fades away, and products need to be heavily discounted. Thus, fashion is less interested in quality; why invest in quality if the product will not be worn

beyond the season? This system thereby creates an urgency to renew a wardrobe each year or more, a form of socially constructed obsolescence. In contrast, the essence of luxury brand management is time. Luxury takes time, and luxury sells time. Luxury brands need cult products that fix the dreams of clients, after which they can wait for the moment those consumers are ready to indulge (e.g., "One day I will buy a . . . Santos watch, Rolex Daytona, Jaeger Lecoultre Reverso"). There is no hurry, because the products are here to stay, and the price will remain. True luxury never offers discounts or rebates.

By appearing in the product range, year after year, these icons come to represent an antidote to fast consumption and a throw-away society. They embed heritage, craft, and myth, and over time, they acquire their own mystique and reputation. The truly wealthy might not even consider products that have diffused so far, other than as an initial watch to offer their children. But for the middle class, these products provide a focus for their dreaming. What better gift can a lover offer than a Cartier Love ring? Cult products are never revolutionary, though they can evolve, so the Porsche 911 gets slightly upgraded each year.

Is Luxury Management a Science of Artificial Rarity?

Academics still debate the true meaning of luxury (and whether there even is a single, valid meaning for all people around the world), but luxury clearly is a thriving business, attracting investors, venture capital, and luxury groups. Kering originally was a wood company that became a conglomerate, owning department stores and mail order companies that offered products at all prices levels. But today, it specializes exclusively in luxury, a high growth sector with strong profits. Luxury has grown into a 1 trillion euro sector (Bain and Co., 2016), spanning automobiles, personal products (clothing, leather, watches, skin care, jewelry), hospitality, food and wine, and even yachts – a tiny sector that still sparks people's imagination.

For the founder of economics, Adam Smith, luxury starts as soon as a person buys something that is not necessary. For economists, luxury purchases are not rational; they demand excess spending for reasons tied

to intangible, not tangible, qualities. This view highlights the irrationality of the watch prices example provided previously. What quality difference could possibly justify a price multiplier of 163 between core luxury and mass market watches? There is not one; the difference is due to intangibles, the signaling dimension of the brand, and the resulting ego benefits that purchases have for buyers. Luxury is a business of self- and social elevation; luxury brands are visas of class and good taste, as well as the access fee required to enter a restricted club of owners. Price is not the measure of value; price creates value.

Economists thus cannot understand luxury brand management easily. Classical theory identifies an economic equilibrium where supply meets demand. But for luxury brand management, the theory is inverted, so the goal is to create an excess of demand without satisfying it. Unlike any other sector, for luxury, growth creates ambivalence, because the expanded market penetration dilutes perceived exclusivity. By starving the market, managers can drive prices up and earn excess margins, which can be reinvested in creating brand prestige. Thus, luxury brand management is highly specific and turns traditional marketing principles upside down. Megabrands such as Rolex, Chanel, Gucci, Prada, Vuitton, Tiffany, and Ferrari have empirically established the rules, or what we might call the "anti-laws of marketing."

The luxury strategy also aims to create intangible value that makes luxury brands incomparable with any other brand, so they can avoid commoditization, which is the fate of most growth markets. In this consideration, we find the main difference between luxury and *premium* products. The latter mostly rely on tangible characteristics to build their attractiveness. Premium brands compete by looking for comparisons (compare-by-reason), but as soon as any reason is more important than emotion, consumers would quit buying luxury offerings. E-commerce sites that sell luxuries at discounted prices contribute to commoditization and dangerously assimilate luxuries with premium products. Instead, to build incomparability, luxury brands must inject "*time, space and blood*" in the brand.[1]

[1] This insightful wording comes from Professor Carlo Alberto Carnavale, Bocconi Business School (Milano, Italy).

Time refers to heritage, history (legendary, not simply a factual historical summary), and storytelling about craftsmen who need years and years to acquire their unique know-how (e.g., 21 years for Royal Salute whiskey to mature).

Space means that luxury must never delocalize its production. Most people do not understand why this anti-law of marketing is so important; most fashion and technology brands already produce in low-wage countries, so that they can build value by reducing costs. But luxury creates value by building intangibles. The skilled sewing artisans that LV employs are not the only people who can create perfect leather bags; remarkable counterfeits are produced in China. But buying fakes anxiously, with the fear that police will soon come and arrest the shopkeeper and maybe you too, does little to create a dreamed-of luxury experience through purchase. Thus, Chinese travelers continue to queue at LV's Champs Elysées flagship store, in ways they would not if they learned that the leather bags had been made in China. For them, Paris, France, means uniqueness, and the brands are endowed with the capacity to pass on benefits to buyers, such as seduction, power, elegance, respect, and love. Countries of origin offer more than credibility based on know-how or legitimacy (e.g., Switzerland for watches, Germany for cars, France for fragrances, Italy for menswear). The countries of origin even function as brands, conveying intangible values that set all their legitimate products apart from any copy by a mass prestige brand. "Made in France" means "*Made of France.*" France means elegance, Italy means aesthetics and "dolce vita," the United Kingdom means aristocracy, and the United States means wealth and power. Other countries may mean nothing special though. They are not brands, just towns. Delocalization to such sites must be defended against cost-cutting managers who do not understand the luxury strategy.

The importance of "space" also explains why the luxury business still is an oligopoly and a closed club that benefits from the extra profits due to oligopolistic competition. In personal luxury goods markets, two countries dominate production and sales (Italy and France), as do two others in the automobile market (Germany and Italy). This does not mean that French champagne has nothing to fear from Australian or Californian sparkling wines; it just means that the latter are premium products, not yet luxuries.

It takes time and space to become a luxury. In a few decades, Ralph Lauren will look as if it had been created a century ago.

Finally, blood is the biological ingredient and proof of authenticity. Most luxury brands take the name of their founder, a mythical figure. Unlike recent or invented brands, this status gives the sense of dynasty. Mellerio dit Meller jewelers is managed by the fourteenth generation of the same family; the Hermès CEO represents the sixth generation. But Ralph Lifschitz changed his name to found Ralph Lauren and took on the name of his own brand; his son David Lauren appears in all the brand's advertising, to prepare for his introduction as the heir of the symbolic kingdom.

These three pillars of incomparability act as barriers to entry for the many newcomers attracted by the margins of the luxury sector. Some brands have an intrinsic production limit; the skyrocketing prices of a bottle of Romanée Conti Bourgogne wine are attributable to the legend but also to the purposely low productivity by hectare, so that each vine and grape promises magical ingredients, coming from nature and the soil. The property of Romanée Conti is very tiny, limiting its capacities to expand production, so it can offer only about 45,000 bottles some years. Demand thus is quickly exceeding production capacities.

For leather bags, it is customary to wait at least a year to get a custom Hermès Kelly bag. The company could create new ateliers, to reduce this waiting time, which would like increase sales substantially and immediately, yet it would ruin the long-term value of the brand. Family brands have an advantage over investor-owned or listed brands on this point, because they can take a long-term perspective. Capital investors instead seek revenues and results, and operational sales managers are judged by profit-and-loss figures. But CEOs and members of the board should focus instead on the value of assets, and the brand is the most important asset for a luxury firm, because its prestige commands the ability to demand high prices. Luxury brand management overlooks many issues of governance. John Idol, CEO of Michael Kors, once boasted that the brand was the fastest growing luxury brand in the world, but speed of growth is not a good performance indicator for any luxury brand. Rather, it applies to fashion brands, for which the future counts less than the present. Thus the prices for Michael Kors leather bags stop where the entry prices of LV or

Hermès start. It can deliver extra value only within the limitations of its fast growth in volume, market penetration, and distribution.

Yet all luxury brands, especially those managed by groups, aim to continue to grow. So how can they nourish feelings of rarity or privilege while increasing their volume, such that they sustain their own desirability? We propose some artificial rarity tactics:

- Multiply small collections, produced in limited quantities, so purchasing priority becomes a competitive goal among clients.
- Partner with famous, avant-garde artists to endow the limited collection with extra value and feed the aftermarket that can be created (e.g., on eBay) immediately after the last item is sold.
- Regularly introduce exceptional, unique pieces by a famous designer, sold at extraordinary prices, at auctions in which part of the price goes to a charity, which creates buzz.
- Limit distribution. As shown in Fig. 1, selective distribution is a critical lever of sustained desirability. In China, the perceived prestige of luxury brands is inversely correlated with the number of stores. E-commerce and open access through the Internet thus are major challenges to sustaining the perceived exclusivity of a luxury brand over time.
- Sustain the dream by keeping the penetration rate below the brand awareness rate. This essential difference, or the "rarity principle," stems from the dream equation, which has been validated in the West and in Asian countries. A typical equation shows that sustaining the luxury dream rests on the difference between brand awareness and brand penetration:

$$\text{Brand dream} = -7.0 + 0.312\ \text{Awareness} - 0.405\ \text{Penetration} + 0.58\ \text{Tradition}\ (R2 = 0.64).$$

- Exhibit high-status buyers. Luxury brands need to select their buyers. They receive cash from their clients but also most of their status. When people queuing outside the flagship stores are mainstream, it is essential to compensate for the effect by diffusing images of extreme selectivity through social networks. A key role of social media is to make widely known who was present at selective events organized by

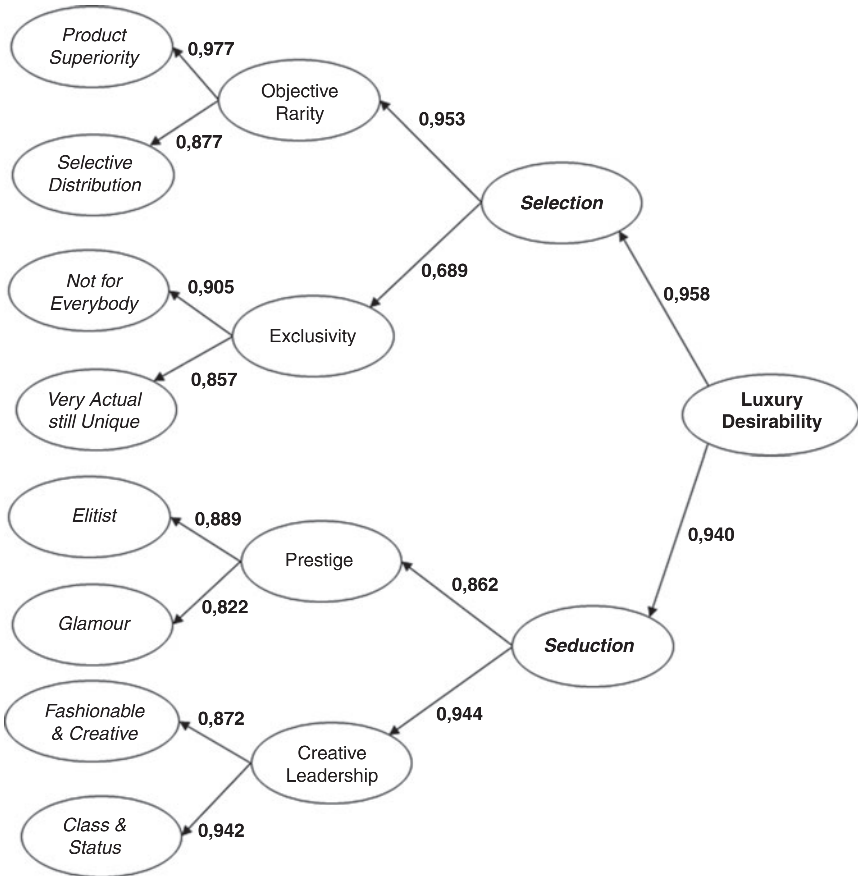

Fig. 1 Beyond rarity, how do luxury megabrands sustain their desirability? (*Source*: Kapferer and Valette-Florence, 2016)

the luxury brand – and who was not. This information is how prestige, glamour, and eliteness can be conveyed to the brand.

- Use pricing to discriminate. Luxury exists because not everybody can access it. The sociological function of luxury (to restratify classless societies) occurs through pricing. If there were no luxuries, how would people compare themselves? This point is not to suggest that all luxury brands need to be very expensive. But they need to be expensive enough for the target to consider the purchase a sacrifice and excess spending, worth the exception, because it delivers accrued benefits for self-elevation.

Self-elevation: Learning from Religion and Art

All societies have condemned luxury consumption. Excess spending, beyond necessities, attracts moral criticisms. Luxury is evidence of a non-equalitarian society; the Chinese government has banned luxury ads on the streets, to avoid the blatant proof of the growing distance between the rich and the poor in this communist country. A modern avatar of moral criticisms is sustainable development and its activist movements. For sustainable development advocates, as modern luxury extends its audience, its sales endanger rare species and ingredients, while also promoting disharmony in society. An alternative argument holds though that luxury promotes true sustainability values by lasting forever, unlike fashion, which will be thrown away after the season, or high-tech businesses that thrive on planned obsolescence. This debate remains open.

In any case, similar to any sector, luxury must address its own legitimacy and right to exist. Currently it uses two methods to do so: stick to a craft/atelier/heritage story (though, as we have noted, the pursuit of volume by luxury megabrands makes this story less credible) or use religious and art metaphors to reposition luxury purchase as cultural activities.

This process of "artification" is currently underway in most luxury Maisons. Artification refers to the purposeful transformation of nonart into art. Thus luxury exhibitions around the world appear in well-known museums, such as a display of Coco Chanel's life that positions her in proximity to famous artists of her epoch, to signal that she herself was an artist. Just as it is perfectly justifiable to buy a lithograph of a painting by a famous artist, there is then no harm in indulging and buying Chanel bags. Another artification takes place at the brand level, as manifested by the Louis Vuitton Foundation in Paris, which offers a monument of modern art itself.

A slightly different legitimizing process links luxury to sacredness. The importance and magnificence of luxury stores stems from their links to famous architects, reminiscent of cathedrals. The brand cult and its magnificence can be expressed through all five senses – far more so than is possible on an Internet site.

What Are the New Purposes of Luxury Stores Today?

The preceding remarks highlight a fundamental challenge for the luxury industry today: redefining the role of retail. This industry has just shifted its focus and investments from the production side to the retail side. Alas luxury retail stores now demand a new approach. To grow, luxury brands often seek to create controlled, perfect experiences in retail locations, which call for more cash and new talents. To maintain control over their prices and each consumer's experience, the luxury industry also has favored vertical integration and directly operated stores (DOS). This retail process requires financial resources to extend the retail network, as well as talents to manage the supply chain and customer relationship management on a global scale. But brands also need to promote luxury culture in new countries. Each salesperson thus must become an experienced cast member. The associated demands have led many luxury Maisons, which had long maintained their independence and family ownership, to sell out and join luxury groups (Kering, LVMH, Richemont) or submit to be purchased by investment funds. Luxury conglomerates offer cash and human resources, as well as parenting expertise and crucial synergies at the retail level.

Also in the retail sector, e-commerce is becoming a growing channel for luxury sales, with steeply positive predicted sales forecasts. If new luxury consumers (millennials, Chinese) prefer to buy online, what goals should retail stores pursue? How should they be evaluated? What performance indicators are most important? There cannot be a cult without a place of worship; the stores exist to impress and deliver an experience, more than they do to sell. They are the temples of the luxury cult.

But the stores are often empty, especially in China (Solca, 2016) where the brands have invested heavily to take anticipatory positions in the country predicted to be a luxury "Eldorado" and soon the top luxury market. Chinese travelers represent 31 percent of all sales of personal luxury products in the world (Bain and Co., 2016). But sales in mainland China of personal luxuries are less than the sales in New York alone. In Chinese city centers and luxury malls, the luxury stores are empty, yet rents continue to climb,

putting the entire business model at risk. Because modern customers often research in one channel and purchase in another, brands cannot enclose their processes within online versus offline silos; they must adopt methods to cater to the consumer seamlessly. In this context, shops are not enemies of e-commerce. They have a specific role, remaining as a destination venue that gives customers a remarkable experience on the spot.

Luxury Challenges for the Future: Sustaining the Gap

Advanced luxury brand management must cope with new challenges that continue to emerge and that are disruptive enough to push the luxury market off balance. They even might crack the foundational pillars of luxury success thus far. Interestingly, these new challenges are largely brought about by technological and sociological revolutions. Consider six notable shifts.

1. High technology is everywhere. Do people still need Swiss luxury watches if they have connected phones and watches on their wrists? Vertu, a luxury smartphone brand, did not succeed and ultimately was sold to a Chinese group. In essence, can luxury be compatible with the obsolescence that is built in to high-technology? Can a sector that worships the past still embrace technology?
2. Services such as Uber and AirB&B make luxuries accessible to all. Anyone can hire a private chauffeur through Uber, and travelers can enjoy a beautiful flat on one of the best streets of Paris, instead of patronizing traditional hotels.
3. Amazon seeks a position as the world's top retailer, selling everything it can, including luxury products. This goal threatens a key lever of perceived exclusivity, namely, selective distribution.
4. Tesla and Google are both disrupting the automotive industry, especially for premium and luxury brands. Innovation in the new post-gas, safe driving, clean atmosphere era does not come not from Mercedes or BMW, which as a result look like twentieth-century brands, not members of the twenty-first.

5. The Internet offers open access to brands, peer-to-peer communication, evaluations of products and services, the power of communities, and bloggers. It thus marks the end of the total control and top-down communications that luxury brand management has relied on thus far. Furthermore, the Internet needs brand content, day and night. Luxury brands thus get compared with non-luxury brands in terms of the number of likes on Facebook or the number of bags sold on Weibo. Big data rules the Internet, along with big numbers. Brand comparisons focus on digital IQ – mere numbers that merge with the performance indicators used by brands that adopt classical marketing strategies. Recently hired digital managers tend to favor what is immediately measurable, which also can contribute to their own promotion.
6. On a sociological basis, how will millennials behave tomorrow? A flood of survey data highlights the new values and ideals of this generation, all echoing the same basic information. But the youth of any epoch pursue idealistic goals, some of which shift as they age and mature. Once the millennials earn a wage and gain success, will they buy traditional cars or indulge in luxuries – or will they buy a car at all? Will possession still be a critical goal, or will a sharing economy emerge? The digital natives are highly connected and fond of technology, which may have effects as well.

These are just some of the key issues that the *Journal of Brand Management* should seek to address with regard to luxury brand management.

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Jean-Noël Kapferer is a worldly renowned authority on luxury. HEC Paris Graduate and Emeritus Professor, PhD Kellogg Business School (USA), he conducts his research at INSEEC Luxury on the mutations of luxury and luxury brand management. Honorary editor of the *Luxury Research Journal*, he has widely published his articles in international journals. Co-author of the reference book *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*, author of *How Luxury Brands Can Grow Yet Remain Rare*, he leads executive seminars on luxury all around the world (USA, China, Korea, and Europe) and is advisor to the president of INSEEC business school. JN Kapferer enjoys travelling, skiing, and windsurfing.