

World's Most Powerful Luxury Brands

Three brands – Hermes, Gucci and Rolex have maintained double digit growth in brand value.

This accomplishment is significant at a time when many consumers can no longer afford expensive products. And those who can often feel compelled to constrain spending, concerned that flaunting Luxury Badges would project insensitivity and poor taste.

The Luxury category has grown by 10 percent in brand value, driven mostly by demand in China and other developing markets. In addition, classic and timeless brands have done a better job of resisting the recession.

As the most ubiquitous Luxury brand, Louis Vuitton, which leads the category with a brand value of \$19.4 billion, also benefited from this trend.

All the Luxury brands score high on brand contribution, reflecting the tight bond They have with customers. These scores have not softened, despite the economic pressure, suggesting that spending will resume when consumer confidence returns.

Luxury brands may benefit in a recession as customers reward themselves with affordable Luxury treats. Some investment gurus have even suggested investing in Luxury items as more reliable return on investment than the stock market. Rolex watches, for example, often increase in value on the second-hand market.

Several Luxury brands held secret sales late in the year to move excess stock without tarnishing Their brand image. Brands such as Moët & Chandon, Gucci, and Louis Vuitton adjusted their messages to emphasize brand heritage, with resonates with the more reflective consumer mood.

After many years of high growth, with exciting and avant-garde designs and advertising, in 2008 Louis Vuitton went back to its heritage with the launch of the Journey campaign, featuring celebrities such as Keith Richards and Sean Connery. The idea of the campaign is a celebration of Louis Vuitton's origins: travel and discovery, but also an invitation for consumers to live their lives as a journey. This was a masterstroke in the current times. People are looking for brands that they can trust, that have stood the test of time and that they perceive to provide value. Louis Vuitton's classic quality and timeless style play straight into this trend.

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Luxury Brand	Brand Value \$M	Brand Contribution	Brand Momentum	Brand Value Change*
1 Louis Vuitton	19.395	4	7	5%
2 Hermes	7.862	4	6	13%
3 Gucci	7.468	4	5	15%
4 Chanel	6.219	4	6	-3%
5 Rolex	5.532	4	5	35%
6 Hennessy	5.403	5	7	0%
7 Cartier	4.913	4	3	-12%
8 Moet & Chandon	4.847	5	7	-2%
9 Fendi	3.469	4	4	5%
10 Prada	2.704	4	5	0%

Source: Milward Brown Optimor (including data from BrandZ, Datamonitor, and Bloomberg)

*8 brand values restated due to additional data inputs



- **No. 10: Prada**
- **Brand Value: \$2.7 billion**
- **2008 Ranking: No. 12**
- While this once-public company was planning another initial public offering for 2008, the recession--and investments in new stores and product lines--has kept these plans at bay. However, the value of Muccia Prada's designs, which continue to please industry insiders and luxury consumers alike, has pushed this brand into the ranks of luxury's 10 most powerful. Sales were flat from 2007 to 2008 at \$1.7 billion.



- **No. 9: Fendi**
- **Brand Value: \$3.47 billion**
- **2008 Ranking: No. 10**
- Chanel creative director Karl Lagerfeld also designs the Fendi ready-to-wear collection, but the brand is better known for accessories. The "baguette" clutch, which hit its stride in the late '90s after being featured on the HBO television series *Sex and the City*, made a comeback in 2009 with a "paint your own" coated canvas style that includes 10 Pantone markers for embellishment.



- **No. 8: Moët & Chandon**
- **Brand Value: \$4.85 billion**
- **2008 Ranking: No. 9**
- While demand for Champagne has decreased overall--LVMH says retailers in Europe and the U.S. are reducing their stock levels--Moët & Chandon is still seen as the most illustrious brand of the bunch. Recent reports suggest that LVMH might shed its wine and spirits division altogether, however, selling it to British drinks maker Diageo for 12 billion euros (\$15.5 billion).



Cartier

- No. 7: Cartier
- Brand Value: \$4.91 billion
- 2008 Ranking: No. 4
- While Cartier is still the most valued jewelry brand in the world, its luster has dulled a bit over the last year, dropping three spots in the ranking. The jeweler's parent company, Richemont, said year-over-year jewelry sales decreased by 12% to 800 million euros (\$1.1 billion) in the fourth quarter of 2008. Other high-end jewelers have suffered more, though: Fortunoff, Doris Panos Designs and Fred Leighton have all filed for bankruptcy protection in recent months.



- No. 6. Hennessy
- Brand Value: \$5.40 billion
- 2008 Ranking: No. 7
- One of the most popular spirits in emerging markets such as China and Korea, LVMH says its Hennessy brand stayed strong in those regions during the first quarter of 2009. However, its wine and spirits category overall decreased by 16% to 540 million euros (\$716 million) during that same period.



- No. 5: Rolex*
- Brand Value: \$5.53 billion
- 2008 Ranking: No. 6
- One of the most counterfeited brands on the planet, Rolex generates an estimated \$3 billion each year in sales, according to one study. Although the jewelry and watch category has suffered during the recession, fashion insiders' penchant for vintage Rolexes has brought the brand to the forefront yet again.
- **Private company; financial values were estimated.*



- **No. 4: Chanel***
- **Brand Value: \$6.22 billion**
- **2008 Ranking: No. 5**
- Lauded as much for its in-demand apparel--currently designed by legend Karl Lagerfeld--as it is for its quilted handbags and ballet flats, Chanel continues to shine, moving up one spot on this year's list. However, the recession forced the private company to shed 200 employees at the end of 2008.
- **Private company; financial values were estimated.*



- **No. 3. Gucci**
- **Brand Value: \$7.47 billion**
- **2008 Ranking: No. 3**
- While it may embody an era of excess to some--with its focus on monogrammed accessories and flashy runway looks--Gucci remains desirable. Its parent company, PPR, saw a 2.6% decrease in year-over-year sales for the first quarter of 2009 to 4.8 billion euros (\$6.4 billion), but the Gucci Group subsidiary jumped 5% to 855 million euros (\$1.1 billion) during the same period, with a 21% increase in emerging-market sales.

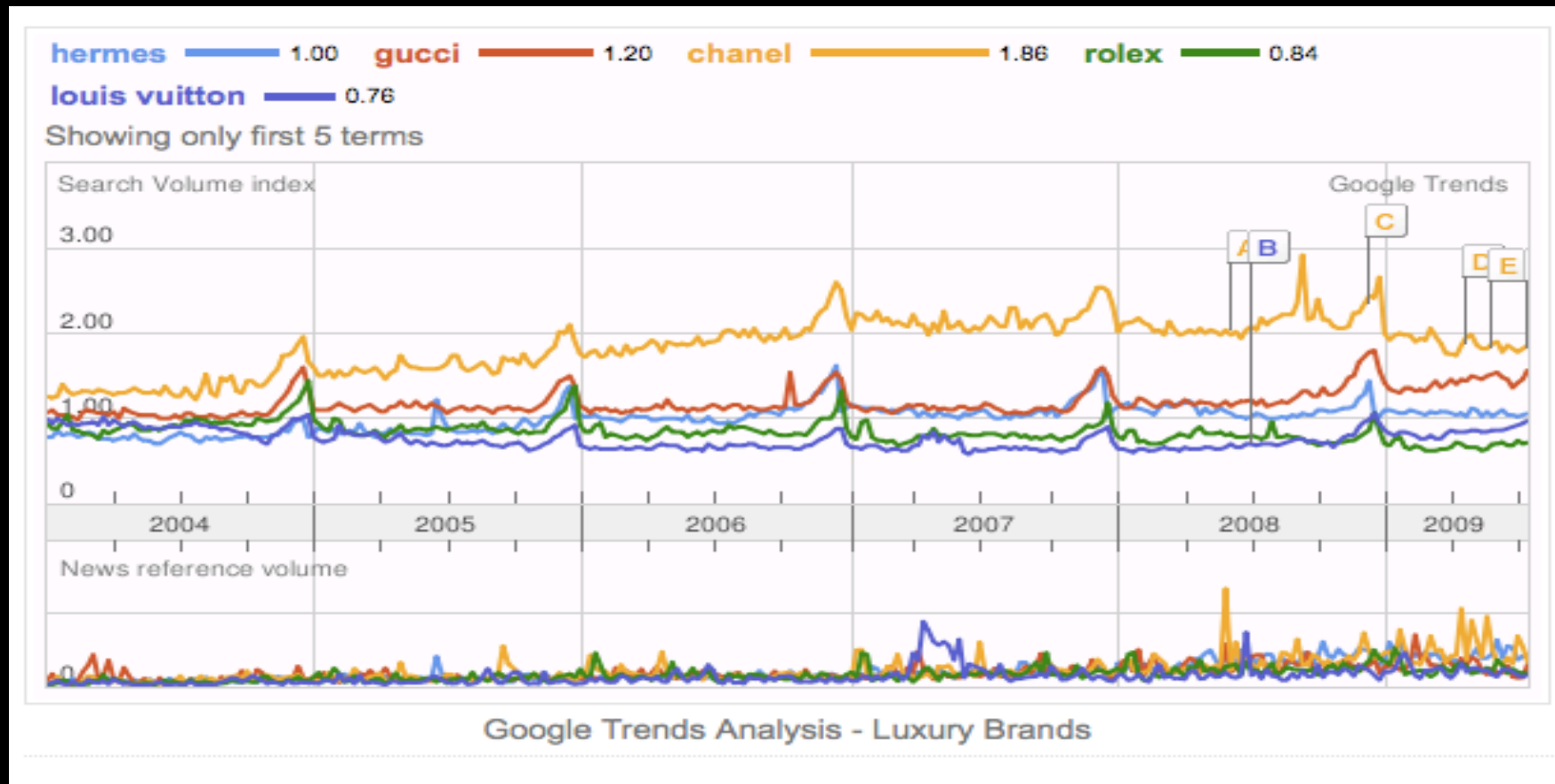


- **No. 2. Hermes**
- **Brand Value: \$7.86 billion**
- **2008 Ranking: No. 2**
- This French luxury goods brand--best known for its leather handbags priced at \$5,000 and up--saw 2008 sales increase by 9% to 1.8 billion euros (\$2.4 billion), when compared with 2007. However, the company's executives predict that sales will stay flat for the 2009 fiscal year.



- **No. 1: Louis Vuitton**
- **Brand Value: \$19.4 billion**
- **2008 Ranking: No. 1**
- While LVMH jewelry and watch sales decreased by 27% to 154 million euros (\$204 million) in the first quarter of 2009 when compared with the first quarter of 2008, sales in this luxury conglomerate's fashion and leather goods sector, of which Louis Vuitton is a part, increased by 11% to 1.6 billion euros (\$2.1 billion). LVMH said that both

There are a number of ways of tracking general interest in the world's luxury brands, the most obvious one being annual sales figures. In recent times a more contemporary measure has emerged – the number of times those exclusive brand names are entered into the Google search engine



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EDUCATION

- 2009 **University of the Arts London, London College of Fashion, UK**
Extension Course The Design and Branding of Luxury
- 2007-2008 **FAAP Business School, Sao Paulo, Brazil**
MBA in Luxury Brand Management
- 2007 **ESSEC Business School, Paris, France**
International module MBA Luxury Brand Management
- 2004-2006 **Brazilian Sommeliers Association, São Paulo, Brazil**
Extensive courses in wine
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