

# Luxury Brands & Their Role in Luxury Purchases

*“A good reputation is more valuable than money” —Publilius Syrus*

## Introduction

Few topics generate so much talk in business circles as brands and branding. At the same time most of us have a very limited understanding of what brands and branding really are. With its roots in the ‘wild west,’ brands originally were marks burned into cattle’s hides by ranchers to claim their ownership. Today logos, trade and service marks and trade names do that job for companies, i.e., proclaim ownership. But the concept of brands and branding has acquired a whole range of new meanings today beyond mere corporate ownership, so that our discussion of brands and branding must convey far more subtle meanings and messages.

If we don’t quite understand the concept of brands and brandings, then we are really out on our own when it comes to talking about ‘luxury brands.’ Michael Silverstein proposes a new vocabulary to describe luxury brands — ‘old’ luxury (e.g. Louis Vuitton, Cartier and all the other traditional heritage brands) and ‘new’ luxury (e.g. Starbucks, Victoria’s Secret, Aveda and others that consumers ‘trade up’ to from the mass brands). Yet this new terminology doesn’t really help luxury marketers, either old or new, establish a connection with the target consumers. Those in the luxury business can talk all day long about luxury brands and branding, but it doesn’t help us one whit in establishing a branding relationship with consumers.

## Features of Luxury Brand

From an industry perspective, we tend to see luxury brands as carrying an expectation of higher quality, finer materials and design, greater exclusivity, and higher price. These values of luxury brands’ greater refinement and superiority are described by professor Jose Luis Nueno in his definition of a luxury brand: