The Cult of Luxury Brand

Inside Asia’s Love Affair with Luxury Target

Paul Husband

Summer 2007
Introduction

About the author

Paul Husband is founder and managing director of Husband Retail Consulting, which specialises in luxury retail-centre planning, marketing and leasing. His expertise in Asian luxury markets, from having worked on some of the most successful and iconic retail developments in Hong Kong, China, India, Korea, Taiwan, Southeast Asia and Macau, is widely recognised in the industry.

The company is working on projects on Sydney and London, where Husband is developing a new brand vision for Covent Garden. He has also brought some of the most exciting new-to-market brands and restaurants to Asia.

He recently co-authored the book The cult of the luxury brand (www.cultoftheluxurybrand.com), which is the first book to examine the exponential growth of the Asian luxury-goods market and the catalysts behind it.

The cult of the luxury brand: Inside Asia’s love affair with luxury

The Cult of the Luxury Brand is the first book to explore how and why an amazing “luxeplosion” is rocking Asia, sweeping up not just the glitzy upper crust, but also secretaries toting their Burberry bags and junior executives sporting Rolex watches. In fact, the cult of the luxury brand is so powerful that Asian consumers account for as much as half of the US$80 billion global luxe industry.

Drawing on 150 interviews and retail studies in ten countries, the book offers invaluable insights on why luxury brands are so successful in Asia, what it takes for companies to succeed in the Asian market place, and what the future holds in store.
THE CULT OF THE Luxury Brand
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94% of Tokyo women in their 20s have a LV bag

Hong Kong has more Gucci & Hermès stores than New York or Paris

South Korean office ladies buy Ferragamo shoes on installment plans

Many Hong Kong tai-tai’s spend US$1 million every year on luxe-shopping

Junior execs in Shanghai spend an entire month’s salary on a Burberry bag

India has 3-month waiting lists for hot luxe items
Asia is World’s Biggest Market for Luxury Brands

Global luxury market: US$ 80bn

USA 24%
Europe 35%
Asia 37%
Others 4%

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China alone world’s biggest luxury market by 2014
Why are millions of Asians, not all of them rich, rushing to buy highly priced designer-label bags, shoes, clothes, watches, jewellery?
In today’s Asia, you are what you wear

Luxury brands are a modern set of symbols that Asians are wearing to redefine their identity and social position
Asia’s Top Ten Brands

1. Louis Vuitton
2. Rolex
3. Cartier
4. Gucci
5. Burberry
6. Hermes
7. Chanel
8. Prada
9. Tiffany
10. Giorgio Armani
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<th>LVMH</th>
<th>Richemont</th>
<th>Gucci</th>
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<td>Louis Vuitton</td>
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<td>Dunhill</td>
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<td>Fendi</td>
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<td>Donna Karan</td>
<td>Piaget</td>
<td>Sergio Rossi</td>
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<td>Kenzo</td>
<td>Baume &amp; Mercier</td>
<td>Alexander</td>
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<td>Tag Heuer</td>
<td>Vacheron</td>
<td>McQueen</td>
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<td>Marc Jacobs</td>
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<td>Givenchy</td>
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<td>Shanghai Tang</td>
<td>Balenciaga</td>
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**Conglomeration of Luxury**
Logofication of Bags
The Five-Stage Spread of Luxury Model

Stage 1: Subjugation
Stage 2: Start of money
Stage 3: Show off
Stage 4: Fit in
Stage 5: Way of life

Countries:
- Japan
- Hong Kong / Singapore
- Taiwan / S. Korea
- China
- India

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Luxury Gourmands & Luxury Nibblers
Asia’s Key Cities
Beijing

Redefining the cityscape
Junior execs in Shanghai spend an entire month’s salary on a Burberry bag.
Second Tier Cities in China

Search of new markets (pockets of wealth concentration)
Macau

Vegas on a compressed time scale
(Projected to double Vegas gaming revenues by 2009)
Many Hong Kong tai-tai's spend US$1 million every year on luxe-shopping.
India has three-month waiting lists for hot luxe items.
Community defining centers such as Roppongi Hills and Tokyo Midtown are elevating rents.
Vietnam
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