

Lust for luxury brands continues

By [Janice Roberts](#)

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It was Samuel Johnson who said: "Every state of society is as luxurious as it can be. Men always take the best they can get."

So it comes as no surprise to learn that in spite of the present grim economic outlook, consumers have turned their backs on traditional household favourites and lower end products and have rather chosen to embrace luxury lifestyle and indulgent brands.

The brand valuation consultancy Brand Finance Global 500 report - released on Monday - showed how the global downturn has spawned a new breed of recession proof and aspirational "Alphabrands" which consumers have turned to for quality regardless of economic conditions.

Bucking the trend for consumers to look to lower end products during times of economic uncertainty, the results of the report showed that consumers were increasingly eager to indulge in high quality cutting edge design and couture.

Some of the world's top fashion chains have experienced soaring profits with big brands such as Louis Vuitton (\$US 4.9 billion), Hermes (\$US 3.4 billion) and Polo Ralph Lauren (\$US 3.3 billion) increasing their brand value.

This year has also seen the re-entry of high end fashion houses such as Prada and Coach whilst Christian Dior and Burberry appeared as new entrants in the Global 500 tables.

Luxury jeweller's brand Tiffany & Co have also made the Global 500 for the first time (\$US2.9 billion) whilst bespoke Swiss watch makers, Cartier, entered the ranking of the top brands with a value of (\$US 3.1 billion).

As consumers continued to indulge themselves during the downturn, brands such as Rolls Royce have seen an increase of 17% in brand value to US\$3.1 billion whilst both Daimler and BMW benefitted from renewed interest in luxury automobiles with brand increases of 20% and 5%, the report said.

Further evidence of consumers' lust for luxury has been seen by the drop in value of high street supermarkets such as Sainsbury's (now valued at \$US 5.8 billion), ASDA (\$US9.4 billion) and even Marks and Spencer's (\$US4.5 billion) who have all suffered a difficult year.

The latest tech gadgetry appeared also to be a must for today's consumers. Technology lifestyle brands also dominated the table, increasing their standings on last year's table by 79%.

As many as 49 technology companies appeared in this year's Global 500 making it the most valuable sector by some margin.

Lifestyle technology brand, Apple leapfrogged Google to be named as the world's most valuable brand, having the highest ever valuation calculated by Brand Finance at an impressive \$US70.6 billion.

David Haigh, CEO of Brand Finance, commenting on the tables said: "The rise to prominence of luxury and lifestyle brands in this year's report is quite impressive.

"Whilst the world remains shrouded in economic misery, people are investing their hard earned cash in brands they feel they can rely on to produce quality, long lasting products.

"It is also an encouraging sign for the economy to see that the overall value of the Global 500 increase by 3.3% to \$US3,415 billion from last year."

Brand Finances top 15 luxury brands for 2012 in order of popularity are: Apple, BMW, American Express, Louis Vuitton, Daimler, Hermes, Polo Ralph Lauren, Cartier, Prada, Rolls Royce, Coach, Burberry, Tiffany and Co, Gucci and Christian Dior.

Brand Finance first issued its Global Report into the relative equity of the 250 top global brands in 2007. In 2008, the study was extended to analyse the top 500 brands worldwide.

The Global 500 report is published annually and incorporates data from all listed companies globally.

Each brand is accorded a brand rating: a benchmarking study of the strength, risk and future potential of a brand relative to its competitor set as well as a brand value: a summary measure of the financial strength of the brand.

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