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Luxury Ranked Second-to-Last in MBLM's *Brand Intimacy 2019 Study*

Rolex Topped Industry Followed by Cartier and Tiffany & Co.

NEW YORK — November 5, 2019 —The luxury industry dropped one spot from 2018, ranking 14th out of 15 industries studied in MBLM's *Brand Intimacy 2019 Study*, which is the largest study of brands based on emotion. Brand Intimacy is defined as the emotional science that measures the bonds we form with the brands we use and love. Rolex topped the industry followed by Cartier and Tiffany & Co. The remaining brands in the top 10 for the industry were: Chanel, Jaguar, Louis Vuitton, Gucci, Prada, Land Rover and Burberry.

In 2018, Rolex accounted for 22.2 percent of watch sales worldwide, and its retail sales were estimated to be $11.6 billion[1]. This corresponds to MBLM's *Brand Intimacy 2019 Study* findings, which revealed that top intimate brands in the U.S. significantly outperformed the top brands in the Fortune 500 and S&P indices in both revenue and profit over the past 10 years.

"Luxury fell in our 2019 rankings, which continues to be a surprising finding because of the prestige and value of these time-honored brands," stated Mario Natarelli, managing partner, MBLM. "We believe that the brands in this industry will strongly benefit from shifting their focus and appealing to consumers' emotions more."

Additional significant luxury findings in MBLM's study include:

- Luxury had an average Brand Intimacy Quotient of 18.7, which was well below the cross-industry average of 31.0
- Indulgence, which is related to moments of pampering and gratification, was the most prominent archetype in the category, and Tiffany & Co. was the top-performing luxury brand for indulgence
- Rolex ranked #1 among men, users over 35, and those with incomes of $100,000 or more
- Chanel was the top brand among women, and millennials favored Gucci
- Tiffany & Co. was the #1 brand for users with incomes under $100,000
- Chanel and Tiffany & Co. improved their positions in the industry since last year, while Land Rover and Hermès fell in the rankings
- The industry was among the bottom third of the 15 industries studied in terms of its ability to build emotional connections
- Eight percent of the industry's customers were in one of the three stage of intimacy: sharing, bonding and fusing

In addition to the industry findings, MBLM also released an article entitled, "Luxury brands: High costs, Low connections." The piece examines the dichotomy between the esteem and quality of these iconic brands and their poor performance in the study. One viewpoint is that luxury brands are unique, and they defy traditional marketing tactics, instead contradicting conventional approaches. Another perspective may be related to the economy and a more frugal cultural orientation and appeal of brands that are more affordable. However, while the number of intimate luxury users appears to be decreasing, those that are intimate appear to be using their brands more frequently, seeing them as important parts of their life, and willing to pay more for them. Additionally, millennials and Gen Z have changing perspectives and values.

[1] The Australian Financial Review

In order to compete in a shrinking market, brands will need to think about the emotional connections they are forming as much as the products and places they will align with their brand or offerings. To succeed in the future, luxury brands will need to move beyond the rarified or the sensual, and begin to mine the deeper consumer bonds that endure in order to truly resonate.

To view the luxury industry findings, please click here. MBLM also hosted a webinar on the industry, and a recording of it can be seen here. Additionally, MBLM offers Custom Dashboards providing extensive data for brands included in its annual *Brand Intimacy* Study. To download the full *Brand Intimacy 2019 Study* or explore the Data Dashboard, click here.

Methodology & Sources

During 2018, MBLM with Praxis Research Partners conducted an online quantitative survey among 6,200 consumers in the U.S. (3,000), Mexico (2,000), and the United Arab Emirates (1,200). Participants were respondents who were screened for age (18 to 64 years of age) and annual household income ($35,000 or more) in the U.S. and socioeconomic levels in Mexico and the UAE (A, B and C socioeconomic levels). Quotas were established to ensure that the sample mirrored census data for age, gender, income/socioeconomic level, and region. The survey was designed primarily to understand the extent to which consumers have relationships with brands and the strength of those relationships from fairly detached to highly intimate. It is important to note that this research provides more than a mere ranking of brand performance and was specifically designed to provide prescriptive guidance to marketers. We modeled data from over 6,200 interviews and approximately 56,000 brand evaluations to quantify the mechanisms that drive intimacy. Through factor analysis, structural equation modeling, and other sophisticated analytic techniques, the research allows marketers to better understand which levers need to be pulled to build intimacy between their brand and consumers. Thus, marketers will understand not only where their brand falls in the hierarchy of performance but also how to strengthen performance in the future.

To read a more detailed description of MBLM's approach, visit its Methodology page.

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About MBLM: MBLM has invented a new marketing paradigm, Brand Intimacy, delivering expertise and offerings across three areas of focus: Agency, Lab and Platform. With offices in seven countries, our multidisciplinary teams help clients build stronger bonds and deliver optimized marketing outcomes and returns for the long term. To learn more about how we can help you create and sustain ultimate brand relationships, visit mblm.com.