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LUXURY UNFILTERED

*A sharp, research-backed exploration of
the evolving luxury landscape*

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Luxury Unfiltered

INTRODUCTION

The world of the affluent consumer continues to evolve, and these insights are more relevant than ever. Understanding the shifting codes of luxury, the superpower of emotional selling and the evolving expectations of ultra-wealthy clients is essential to building trust, creating desire and ultimately facilitating transactions and closing deals. As high-net-worth consumers become more discerning, these observations and lessons empower every purveyor of luxury goods to refine their approach, differentiate their offerings and elevate their brand presence.

In a world where perception is everything, those who grasp these new dynamics will lead — while those who don't risk being left behind. Each of these topics provides keen insight and allows you to stay ahead of the curve and remain relevant and educated with regard to today's affluent consumers.

Authored by Dr. Daniel Langer, renowned luxury expert and definitive authority in luxury, the following articles provide thought-provoking, research-backed exploration of the ever-evolving luxury landscape. Recently published in his weekly *Luxury Daily™* column, "Luxury Unfiltered," Dr. Langer dissects the psychological, emotional and strategic forces complex luxury industry.



About

DR. DANIEL LANGER

Dr. Daniel Langer is recognized as a global top-five luxury key opinion leader. He serves as the executive professor of luxury strategy and pricing at Pepperdine University in Malibu and as a professor of luxury at New York University. Dr. Langer holds a MBA and a Ph.D. in luxury management and has received educational advancement from Harvard Business School. As a luxury expert, he has been featured on *Bloomberg TV*, *Financial Times*, *The New York Times*, *Forbes*, *The Economist* among others. Dr. Langer has authored best-selling books on luxury management in English and Chinese and is a respected global keynote speaker. As the CEO of Équité, a global luxury strategy and creative brand activation firm, he is a professional advisor to some of the world's most iconic luxury brands.



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THE NEW CODES OF LUXURY FOR 2025

Exploring the evolving landscape of luxury and how brands must adapt to shifting consumer expectations, resale trends, and new industry standards.

The luxury landscape is undergoing a profound transformation.

The traditional markers that many associate with luxury – including high prices, prominent logos, and heritage – are no longer sufficient to guarantee success. Instead, brands must adapt to a new set of codes that prioritize extreme value creation, compelling storytelling and deep consumer connections.

The huge challenge that many brands face is a result of a dramatic change in client expectations from luxury as objects to luxury as meaning. This has profound implications on how brands need to be managed.

THE SHIFTING PARADIGM OF LUXURY

The concept of luxury is evolving beyond price tags and logos. The true essence of luxury lies in creating extreme value for clients.

The challenge for many brands is that each new exceptional experience sets a new benchmark to be exceeded again and again. Thus, what worked in the past won't work in the future.

In a recent luxury masterclass in Paris, one participant asked me, "Where does it end? How is it possible to set the bar higher and higher?" My answer: It never ends.

Strategies and executions that worked yesterday won't work tomorrow. It's a reality that is sometimes hard to accept but necessary to stay relevant.

The problem for most brands is that they don't speak the language of their clients anymore. Up to 95 percent of brands, according to Équité Research, have significant potential to make a massive leap if they optimize their brand storytelling.

Extreme value creation depends on reaching the emotional and psychological needs of the clients, requiring brands to deeply understand and cater to their desires and expectations.

THE POWER OF BRAND STORYTELLING

In the current luxury landscape, a compelling brand story is not just nice to have.

It's not an advertising campaign. It's the core foundation of the brand.

Yet I see many brands not only underestimating the importance but leaving the execution to communication teams and advertising agencies who have no experience in dissecting and optimizing the core values of brands.

Most brand manuals I reviewed in my career are nothing else than good-looking documents with no meaning. Lots of beautiful words that sound nice but don't provide brand teams any actionable guidance.

The result: brands sink in the sea of sameness. As part of what I do, I train commercial and sales teams of some of the many luxury brands around the world.

Every time a brand has difficulty in expressing clearly who they are, it's nearly impossible for those who are supposed to inspire clients to do so.

The lack of brand storytelling combined with not enough training for client facing teams are the two main causes why many luxury brands are losing traction with clients. If there is no brand story and if teams don't know how to convey it, then there is no value.

This storytelling deficit is so severe that I predict that up to 50 percent of today's luxury brands may disappear by 2030.

TRANSFORMATIVE TRAINING: THE KEY TO EXCEPTIONAL EXPERIENCES

One of the most powerful tools luxury brands have at their disposal is transformative training.

Traditional training methods that focus on basic sales techniques are no longer sufficient. Today's luxury clients expect an intangible aura of prestige, a seamless fusion of personalized engagement and the emotional pull of a compelling brand story.

Transformative training is crucial for meeting significantly higher client expectations, delivering extraordinary experiences and creating unforgettable brand interactions. As noted in a recent luxury training session, "You don't want to be the ones who, in the eyes of clients, waste their time."

The rise of experiential luxury and the trust deficit Investors are increasingly favoring experiential luxury. This shift reflects a broader trend of consumers prioritizing unique experiences over just owning material goods, especially among younger demographics.

This is why, as stated before, creating meaning is so critical. Brands need to develop clarity on why people should care.

If they don't, people won't care. It's that simple.

As a result, it's not surprising that brands lost trust. It's reflected in an all-time high of luxury clients, indicating that prices are too high.

When luxury brands are facing a significant trust deficit it leads to a loss of clients and revenue. But rebuilding trust is not done with a marketing campaign or hiring a new designer.

Once trust is lost, rebuilding it takes time. To rebuild trust, brands must ensure quality and value match rising prices and deliver on promises of exceptional experiences.

In luxury, there is no space for compromise.

EMBRACING CULTURAL AUTHENTICITY AND PERSONALIZATION

The future of luxury lies in cultural authenticity and hyper-personalized products and experiences.

Brands that can successfully integrate local cultural elements while offering tailored experiences to individual clients have a significant advantage.

Today's luxury clients expect that what they buy is a true reflection of who they are.

“Today’s luxury clients expect that what they buy is a true reflection of who they are”

THE IMPERATIVE OF INNOVATION

I am writing today's column from Shanghai where I am delivering a luxury masterclass for a group owning several iconic luxury brands, and there is no better place to witness the importance of innovation.

Innovation is not just about creativity in creating products but also in understanding how to inspire clients. In China, there are now more than 100 million (!) paid influencers and live streamers, many of them earning their entire livelihoods influencing clients.

When brands don't understand paradigm shifts like these that also include the irrelevance of websites in China and a shift to social e-commerce, they will lose relevance fast.

Innovation requires understanding audience behavior, experiences and understanding, and in a world that changes faster than ever before, the speed of change within organizations needs to increase disproportionately.

A SENSE OF URGENCY

The new codes of luxury for 2025 demand a holistic approach that goes beyond traditional markers of prestige.

Brands that can create extreme value, tell compelling stories, deliver exceptional experiences through transformative training, embrace cultural authenticity and innovate consistently will be best positioned to lead the change in the fast-changing luxury landscape.

Those who don't will not be relevant. Are you ready?



RECLAIMING LUXURY LEADERSHIP WHEN CLIENT EXPECTATIONS SHIFT

Exploring the evolving landscape of luxury and how brands must adapt to shifting consumer expectations, resale trends, and new industry standards.

Recently, I was delivering a three-day luxury masterclass in Germany.

On my way to the venue from my hotel and back, I had several drivers who picked me up in Mercedes-Benz limousines. I asked each driver how happy they were with their cars and the answer shocked me.

With no exception, every driver told me that the quality of the cars decreased significantly and that they are having more issues than ever before.

From professional drivers in Mercedes-Benz home market, I was expecting praise, not anger. Fast forward a few days later in Miami, I was picked up from the airport in the electric EQS SUV, and while I was chauffeured to my hotel, the air-condition system of the car broke down and could not be put back into function.

The driver acknowledged frequent technical issues with the car. And then again, a few days later, in Madrid, I was picked up in a Mercedes-Maybach S-Class, which was exceptional in how comfortable it was. Now intrigued, I asked the driver about his opinion, and he said, it's the best car he ever drove.

These recent observations show that the brand still can create cars that excite, but that there are clear issues that are negatively shaping the perceptions of owners.

As a brand aspiring to lead in luxury, these negative perceptions are concerning. Therefore, Mercedes-Benz, once the undisputed leader in luxury automobiles, finds itself at a critical juncture.

The recent management reshuffle and cost-saving program are symptoms of deeper issues that have been brewing for some time. I see this as a pivotal moment for Mercedes-Benz to reassess its approach and reclaim its position at the forefront of the luxury automotive market.

The company's ambitious plan to go all-electric by 2030 has hit significant roadblocks. Sales of electric vehicles have plummeted from an already low base, with a 31 percent decrease in the third quarter of 2024 alone.

This decline is not just a result of market conditions but points to fundamental issues in Mercedes-Benz's strategy and execution. There is a clear disconnect between the company's offerings and consumer expectations.

While Mercedes has invested heavily in EV technology, the market response suggests that these vehicles are not resonating with luxury buyers the way they are.

The EQS Sedan, meant to be the electric equivalent of the iconic S-Class, has seen sales drop by 33 percent. This indicates that Mercedes has not successfully translated its luxury DNA into the electric era.

The issue extends beyond just the electric lineup. Mercedes' overall sales have declined, particularly in the high-end segment, including models like the S-Class and Maybach. This suggests a broader problem with the brand's luxury positioning and value proposition.

To me, this is not a surprise. The brand DNA has been based on a mixture of engineering excellence, especially around engines, safety and comfort, and technological innovation.

Especially the S-Class has been for many generations the car that was always featuring most of the technology innovations.

Consequently, Mercedes adopted the claim, "The Best Or Nothing." However, if this is not echoed by today's clients then it becomes an empty promise.

Moreover, Mercedes faces intense competition, not just from traditional rivals but also from new entrants, particularly in the Chinese market. The company's struggle in China, a crucial market for luxury vehicles, is particularly concerning.

Chinese consumers, known for their discerning taste and quick adoption of new technologies, seem to be turning away from Mercedes in favor of local brands or more innovative competitors.

Another critical factor is the perceived quality, as stated above, and the design of Mercedes vehicles. The brand that once set the standard for automotive excellence is now facing questions about its ability to deliver cutting-edge design and unparalleled quality.

This perception issue is particularly damaging in the luxury segment, where brand image and product excellence are paramount.

Perhaps most crucially, Mercedes-Benz seems to have lost its way in brand storytelling. Mercedes must answer the question, "Who are we?"

Just having the ambition to be a luxury is not enough in today's hyper-competitive reality. Clients want to know what the brand stands for.

When cars don't have engines anymore but much simpler electric drivetrains, a brand that takes a lot of its brand

equity from engine engineering needs to pivot and communicate deeper values.

The company that once epitomized automotive luxury and innovation now struggles to articulate a compelling brand story that resonates with today's luxury consumers. In an era where luxury is increasingly defined by experiences and emotional connections, Mercedes' brand story feels too product-focused without offering enough emotional distinction, making it feel disconnected from contemporary luxury values.

And experience audits in dealerships underline issues also in human-to-human luxury delivery.

The recent decision to delay the all-electric transition and continue producing internal combustion engines beyond 2030 is a clear indication that the company is rethinking its strategy. While this move may provide short-term relief, it risks positioning Mercedes as a follower rather than a leader in the automotive industry's future, and luxury is always about the extraordinary, not about following the lead of others.

“Luxury is always about the extraordinary, not about following the lead of others”



WAGSTAFFE, AUSTRALIA | PRICE UPON REQUEST | WEB CODE TWQW

To address these challenges, Mercedes-Benz needs a comprehensive overhaul of its approach to luxury. This goes beyond just product development or marketing tactics.

It requires a fundamental reimagining of what Mercedes-Benz stands for in the modern luxury landscape and a strict client-centric emotional luxury experience delivery.

First and foremost, the company needs to reconnect with its core identity as a luxury innovator. This means not just developing advanced technologies but ensuring that these innovations enhance the luxury experience in meaningful ways.

The focus should be on creating vehicles that are not just technically impressive but emotionally engaging and aesthetically stunning.

Secondly, Mercedes must revitalize its brand storytelling. The company has a rich heritage of innovation and luxury, but it needs to translate this legacy into a narrative that speaks to the clients of today and, importantly, tomorrow.

The brand storytelling needs to permeate every aspect of the brand, from product design to customer interactions. Today, frankly, I don't know who Mercedes-Benz is.

To make matters more complex, the sheer array of sub-brands, including Geländewagen, Mercedes-AMG and Mercedes-Maybach, each with a distinct take, take away from the clarity of brand values.

Furthermore, Mercedes needs to rethink its approach to the Chinese market. This doesn't mean simply adapting existing strategies but developing a deep understanding of Chinese luxury consumers and creating products and experiences tailored to their unique preferences and values without giving up on the German heritage of the brand.

The company also needs to focus on elevating the perceived quality of its vehicles. In the luxury segment, even small details matter enormously.

Mercedes needs to ensure that every touchpoint with the brand, from the feel of a button to the user interface of its infotainment systems, exudes quality and thoughtful design. Lastly, Mercedes-Benz must embrace a more agile and forward-thinking approach to luxury.

This means being willing to challenge industry conventions and take calculated risks. The luxury automotive sector is ripe for disruption, and Mercedes has the heritage and resources to lead this change rather than react to it.

The challenges Mercedes-Benz faces are significant, but they also present an opportunity for reinvention. By reconnecting with its core identity as a luxury innovator, revitalizing its brand storytelling, focusing on true quality and design excellence and embracing a more agile approach to luxury, Mercedes can not only overcome its current challenges but set new standards for what luxury means in the automotive world.

The road ahead may be challenging, but with bold vision and decisive action, Mercedes-Benz can reclaim its position in automotive luxury.

HOW LUXURY'S RESALE REVOLUTION IS REDEFINING THE MARKET

Exploring the evolving landscape of luxury and how brands must adapt to shifting consumer expectations, resale trends, and new industry standards.

I just came back from a several Asian capitals and not only across the region was the unprecedented change in the luxury market visible, but it can also be observed worldwide.

Younger and increasingly wealthier luxury clients have much higher expectations and are also open to experimenting different things than the generations before. Even for wealthy clients "value for money" is a critical factor in deciding which brand to purchase.

Perceived value is not just in the product, but also in a plethora of intangible aspects that form the psychology of luxury purchases.

THE NEXT-GEN LUXURY CONSUMER

This is where many brands fail - they deliver what I call "luxury in ambition only." And failure to inspire has consequences. In the rapidly changing luxury market, a seismic shift is underway.

The resale market, once a niche corner of the industry, has exploded into a global phenomenon, reshaping how we think about and consume high-end goods. This is not just a passing trend, but a fundamental transformation of the market.

This revolution is being fueled by three key factors, each of which deserves closer examination. Today's younger luxury consumers are a different breed.

They're digital natives, comfortable with online shopping and less bound by traditional notions of luxury ownership. Recent studies found that more than 60 percent of Gen Z and millennial consumers have shopped secondhand luxury, compared to less than 45 percent of baby boomers.

This generational shift reflects changing values.

THE PRICE-VALUE DISCONNECT

Luxury brands have been on a relentless upward price trajectory. In the past year alone, we have seen increases of 5-20 percent from brands like Hermès, Chanel and Louis Vuitton. Over a span of three years, some brands doubled prices.

While some price adjustments are understandable given inflation and rising costs, the magnitude of these hikes has outpaced any corresponding increase in value proposition, especially for brands that reduced quality at the same time as they increased prices. This disconnect has pushed many consumers to seek alternatives, with the resale market offering an attractive solution.

Why pay full price for this season's bag when last year's model is available at a significant discount and at higher quality?

THE ARBITRAGE OPPORTUNITY

The widening gap between new and pre-owned prices has created a fascinating arbitrage opportunity. As new item prices soar, the value of pre-owned goods increases correspondingly, albeit not at the same rate.

This dynamic has attracted not just individual sellers but also major players. Auction houses like Sotheby's and Christie's, traditionally focused on fine art and antiques, are now aggressively expanding into luxury resale. Even mass-market giants like Walmart are getting in on the action, partnering with platforms like Rebag to offer authenticated luxury goods.



SAN MIGUEL DE ALLENDE, MEXICO | MXN \$40,832,412 | WEB CODE HONM

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This shift presents both challenges and opportunities for the luxury industry. On one hand, the growth of resale threatens to dilute brand exclusivity and control over distribution.

On the other, it offers a chance to reach new customers and tap into the growing demand for sustainable consumption. For luxury brands, the strategic question is what to do in this situation.

Questions include whether they should find ways to participate in and benefit from this trend rather than resist it. Some brands may need to rethink their pricing strategies or develop their own resale platforms to maintain relevance in this new landscape.

It also warrants a wider strategic assessment on the next generation of clients, their expectations, their desires, and - importantly - where they feel that brands are failing them. I am still amazed how many brands are not yet taking the dramatic shifts in behavior and expectations of Gen Z serious enough.

The next generations are already redefining what luxury means in the 21st century. For an industry built on tradition and exclusivity, this presents a profound challenge - and an exciting opportunity for reinvention.

“The next generations are already redefining what luxury means in the 21st century”

The question now is not whether luxury brands will adapt to this new reality, but how quickly and effectively they will do so. I already have fascinating discussions on board level with some brands that understood that now is the time to reassess strategies.

The clock is ticking - will your favorite brand rise to the challenge?



THE MIND-BENDING PSYCHOLOGY THAT DRIVES HIGH-END PURCHASES

Analyzing the psychological and emotional factors that influence luxury purchasing behavior and the role of empathy in driving customer loyalty.

Coming back from a series of luxury masterclasses, I can confirm that one of the most fascinating questions is the “why” behind luxury purchases.

In other words, why do people pay significant premiums to purchase luxury goods? Luxury has long been associated with status and exclusivity, but my decade-long academic research reveals a far more nuanced and fascinating psychological landscape.

The reason why I started my career in luxury through my doctoral thesis was that I was not convinced that status could explain the multiples in pricepoints versus entry-level and even premium products.

LUXURY'S HIDDEN SUPERPOWER

“Status” is a concept that is too abstract. It means many things to many people.

If I tell a brand, “It’s all about status,” then it’s not actionable; good luck creating any meaningful strategy. I suspected early on that this catchall is masking the true reasons people buy.

There is also an implicit judgment when we attribute status as the main driver of luxury purchases. Hence, relying on status to explain luxury purchases is often misleading.

In the worst case, which I have seen many times, it leads to the application of entirely wrong strategies.

The allure of luxury extends well beyond mere social signaling, tapping into deep human desires and aspirations that profoundly impact our self-perception and behavior. When people think of luxury purchases, I often get associations with images of fancy sports cars, complicated timepieces, haute couture, fine spirits or sparkling diamonds.

While all these categories may be expressions of luxury, they are not defining it. The true power of luxury lies not in the objects themselves but in the anticipation of a multidimensional positive perception shift that is promised through the brand’s stories.

Firstly, it’s about the brand, and, secondly, about the connection between brand and the person. Luxury is deeply personal and emotional. Sometimes I would go as far as stating that luxury is pure emotion. So how can brands unlock the emotional power?

“Sometimes I would go as far as stating that luxury is pure emotion”

PSYCHOLOGY 101

As already indicated, the anticipated perception shift encompasses a range of psychological dimensions that go far beyond the traditional notion of status-seeking. One key dimension that I could identify in my quantitative research is attractiveness.

Luxury brands make us feel more attractive, both to ourselves and others. This includes the physical appearance.

In studies, I could show that the perception of the same person in a luxury setting tends to be significantly more attractive than the same image of a person photoshopped into a non-luxury setting, for example, when a person is in a Bentley versus the same person being in a Volkswagen. Additionally, the attractiveness projects an aura of sophistication and refinement that can boost confidence in social and professional settings.

Another fascinating aspect is perceived expertise. Owning luxury brands can position the person as a connoisseur, elevating the perceived knowledge and expertise.

When I discussed this recently during a luxury masterclass with a client, one participant agreed and said that she always dresses up for an important meeting and uses her best watch and jewelry, boosting her confidence, and she always feels that she gets increased respect and credibility among peers and colleagues. It’s backed by data: luxury gives people the aura of expertise.

Perhaps most intriguingly, luxury can create a sense of protection and empowerment. Luxury brands make people feel more secure and capable, inspiring them to take on new challenges and push boundaries. This psychological armor can be a powerful motivator, driving personal and professional growth.

Luxury also serves as a gateway to new experiences. Whether it’s a first-class flight to an exotic destination or a meal at a Michelin-starred restaurant, luxury purchases often come with the promise of new and enriching encounters that expand our horizons and create lasting memories.

Underpinning all of these dimensions is the boost to self-esteem that luxury provides.

By aligning ourselves with brands and products that embody excellence and refinement, we often experience an uplift in how we view ourselves. This enhanced self-perception can have ripple effects across various aspects of our lives, from our relationships to our career aspirations.

KEY TAKEAWAY

For luxury brands, understanding these psychological nuances is not just academically interesting. Instead, it’s a strategic imperative because it helps to unlock the power of the brand.

In countless strategy meetings with luxury brands, I often see that even very senior and experienced managers often underestimate the need to tap into the human psychology behind luxury purchases. Fundamentally, it’s not the product people are paying premiums for.

Premiums are paid as a result of the psychological effects the brand story has on the person. We pay for this anticipated perception shift.

So, in its essence, it’s about us, and when brands don’t understand that and fail to inspire and create an emotional connection, they will fail in the marketplace.

This deeper understanding allows for more targeted and effective marketing and client experience strategies that resonate on a profound emotional level. Consider, for example, how a luxury car brand might leverage this knowledge.

Instead of simply speaking in an abstract and interchangeable way about performance specs or status symbolism, they need to give people clarity about what they really sell and which emotion they want to evoke. Most brand stories today are too product-focused and lack a client-centric view.

Slogans like “The best or nothing” significantly miss the mark. It’s too abstract and does not give clients any guidance on what to expect emotionally.

The implications of this research extend beyond marketing. Product development, client experience, social media messaging, sales ceremonies and even corporate social responsibility initiatives can all be enhanced by a deeper understanding of luxury’s psychological implications.

Brands that successfully integrate these insights into their DNA and brand storytelling will find themselves with a powerful competitive advantage in an increasingly crowded luxury marketplace.

As we look to the future, the luxury landscape is changing faster than ever before. Emerging technologies, new client groups like Generation Z, changing social norms and expectations, and shifting global demographics will all play a role in shaping how luxury is perceived.

Brands that stay attuned to the underlying psychological drivers of luxury purchases will be best positioned to navigate these changes and create significant desirability.

The psychology of luxury is a rich and complex field, offering endless opportunities for exploration and innovation. For brands, it represents a superpower – a key to unlocking deeper, more meaningful connections with their audiences.

The future belongs to brands who can connect emotionally with clients and inspire them. Are you ready?



PARIS, FRANCE | EUR €9,975,000 | WEB CODE IVPP

THE SUPERPOWER OF EMOTIONAL SELLING

Analyzing the psychological and emotional factors that influence luxury purchasing behavior and the role of empathy in driving customer loyalty.

In today's hyper-competitive luxury landscape, the notion that luxury brands sell themselves is a dangerous misconception.

The truth is, creating desirability requires significant effort, strategy and, most importantly, emotional intelligence. As I've observed time and time again in my luxury masterclasses, the ability to sell through emotion is a rare and invaluable skill - one that can make or break a brand's success.

And salespeople that apply the concept of emotional selling in luxury for the first time practically always report back that it's hard. This shows that in order to be successful, we have to train emotional selling again and again. Success cannot be taken for granted. Too much depends on it.

THE HUMAN FACTOR IN LUXURY SALES

The most critical asset in the luxury sales process isn't the product itself, but the people behind it.

The difference between a salesperson who can unlock the emotional key of a client and one who can't is staggering - often resulting in a three-to-five times difference in annual sales performance.

Now multiply this with the number of salespeople in an organization, and we're speaking about millions of unrealized potential for practically every brand. This stark contrast underscores the importance of emotional selling in the luxury sector.

CRITICAL SUCCESS FACTORS IN EMOTIONAL LUXURY SELLING

The first step in emotional selling is creating an environment where clients feel comfortable, valued and at ease.

This goes beyond a welcoming smile or a friendly greeting. In fact, I have seen numerous mystery-shopper results where clients were underwhelmed by the store experience, despite the staff being friendly.

In luxury, selling is about inspiring. It is about creating an atmosphere that makes the client feel comfortable in line with their personal style and preferences. And then creating desire by being authentic, caring and relevant.

It's all about the client. Many salespeople forget that. Remember, arrogance never feels luxurious.

Listening and empathy are equally critical. Understanding a client's desires requires more than just hearing their words. It demands active listening and genuine care.

The ability to read between the lines and dissect unspoken needs is what sets exceptional luxury salespeople apart. This also requires that salespeople are passionate and

explains why recruiting for empathy and passion is so critical.

What many organizations underestimate is that luxury is truly social.

“Luxury is truly social”

The best salespeople connect people to experiences, stories and each other. They have an innate ability to receive and interpret the emotions of their clients, using client-specific insight to guide their interactions.

This requires active listening and transforming insights into actionable pieces of information in real-time.

Importantly, clients seek more than just quality and craftsmanship. Instead, they want to align themselves with brands that reflect their values and aspirations. Salespeople must be able to articulate brand values in a way that resonates on a personal level with each client.

This explains the critical role of client-centric brand storytelling. Gone are the days when reciting facts about quality and craftsmanship was enough. Today's luxury clients crave stories that place them at the center.

Hence, it's about connecting the values of the brand with the values of the client. A great brand story needs to clarify the role of the brand in the life of the client and illustrate how the brand enhances the client's life. The mistake is relying on the details of the product and forgetting how and why the product impacts the life of clients.

CULTIVATING YOUR LUXURY SUPERPOWER

Despite its importance, emotional selling remains a challenge for many in the luxury industry. In my luxury masterclasses, I consistently observe the difficulty people face in transitioning from transactional to emotional selling.

To overcome this requires a shift in mindset, extensive training and a deep understanding of human psychology.

Developing the ability to sell luxury through emotion is a superpower in today's market. It requires continuous learning, practice and a genuine passion for connecting with people on a deeper level.

As the luxury market becomes increasingly saturated, the ability to create emotional connections with clients has become the defining factor in a brand's success. Those who master this art will not only drive sales but also foster long-term loyalty and brand advocacy.

In the world of luxury, emotion is indeed the most powerful currency. Are you ready?

LONDON, UNITED KINGDOM | GBP £6,950,000 | WEB CODE FQXZ



HOW EMPATHY CAN SAVE THE LUXURY INDUSTRY

Analyzing the psychological and emotional factors that influence luxury purchasing behavior and the role of empathy in driving customer loyalty.

The luxury industry, long revered for its exclusivity, craftsmanship and heritage, is at a crossroads.

Bain predicts for the first time a decline in luxury purchases in a year that is not a crisis year. Even more concerning, the net promoter score of luxury clients is cratering, indicating plain blank that luxury brands are not creating the value clients expect.

It is a crisis of complacency, a crisis of its own making.

WHY CHANGE IS NON-NEGOTIABLE

Many luxury brands are still underestimating the rapid shift of Generation Z, and many organizations underestimate how drastic the gap between the reality of experience delivery and client expectation is.

While client expectations shift rapidly, the market is increasingly saturated with mediocrity. More of the same won't cut it.

This realization is what inspired me to launch The Future of Luxury with Dr. Daniel Langer podcast, a new platform where I explore the profound shifts redefining luxury through conversations with some of the most brilliant minds in the industry.

The idea for the podcast was born from my teaching. At the business schools where I lecture on luxury strategy, pricing and disruption, I regularly invite guest speakers, all visionaries who are shaping the future of luxury.

Without exception, every guest has taught me something new. It could be a fresh perspective, an innovative approach or simply a reminder to view challenges through a different lens.

These moments of learning, collaboration, and reflection are a gift, and I wanted to share that wisdom with a wider audience. In the podcast's inaugural episode, I had the privilege of hosting Luc Rochereau, the general director of Marco Valente High Jewelry.

Our conversation reinforced a belief I've held for years: the luxury industry is underperforming in its core mission of delivering extraordinary experiences.

Too often, luxury brands offer what I call "luxury in ambition only." Too many brands offer products and interactions that aspire to be extraordinary but ultimately fall short.

Many times, organizations are not even aware that what they produce is basic at best. This is a critical failure at a time when creating emotional connections with clients is the ultimate differentiator.

One of the most striking lessons from my conversation with Luc was how many luxury brands remain trapped in the "sea of sameness." Despite their efforts to stand out, their offerings lack the emotional resonance needed to truly captivate their audiences.

The issue isn't the quality of their products as many brands produce exquisite pieces with significant craftsmanship. The problem lies in how these products are presented and experienced.

Too many luxury experiences feel transactional, uninspired, and forgettable. They focus on the tangible, like technical specifications, heritage, or craftsmanship, while neglecting the intangible emotional drivers that create desire, loyalty, and advocacy.

Brands must embrace change, challenge conventions and disrupt the status quo if they are to create experiences that are truly remarkable and memorable.

THE POWER OF EMOTIONAL CONNECTION

As Luc and I discussed, the most successful luxury brands unleash emotions. Every luxury purchase is ultimately about how it makes the client feel.

My research over the past decade has uncovered the true psychological drivers behind luxury purchases, and it's all about personal emotional desires. Unlocking this emotional connection requires empathy, creativity and emotional intelligence, skills that are completely absent in many luxury sales teams today.

“Unlocking this emotional connection requires empathy, creativity and emotional intelligence”

In our conversation, Luc shared examples of brands and client-focused staff that get this right. These memorable interactions don't rely on a script.

Rather, they reflect a tailored approach to every interaction with the individual client. They connect the brand story to the client's personal narrative, creating a sense of meaning and exclusivity that goes far beyond the product itself. This approach is essential for building long-term loyalty in a competitive and rapidly evolving market.



THE INDUSTRY'S KNOWLEDGE GAP

Despite the clear importance of emotional intelligence and creativity, these qualities are rarely prioritized in luxury training programs.

Instead, traditional sales training focuses on product knowledge, features and transactional tactics. This gap leaves sales teams ill-equipped to deliver the extraordinary experiences that today's clients expect.

Through my masterclasses and consulting work, I've seen firsthand how this lack of preparation costs brands millions in lost revenue and erodes loyalty. More than 90 percent of mystery shopping exercises we conduct for clients reveal underwhelming experiences that fail to inspire or delight.

For an industry that prides itself on excellence, this is unacceptable.

CALL TO ACTION

The luxury industry must do better. More of the same is not an option.

Brands and managers need to embrace change and commit to creating experiences that are genuinely extraordinary. This starts with investing in training programs that prioritize empathy, creativity and emotional intelligence.

It requires a shift from focusing solely on the product to centering every interaction on the client. For readers of this column, I urge you not to be satisfied with the status quo.

Challenge conventions. Be the change.

Whether you are a luxury professional or a brand leader, ask yourself: How can you create something remarkable and memorable? How can you disrupt the ordinary and inspire the extraordinary?

WISDOM AS A GIFT

As I reflect on my conversation with Luc, I'm reminded of the incredible wisdom that exists within the luxury industry. Every guest on my podcast represents a unique perspective, a new insight or a fresh approach that will inspire us to aim higher.

These lessons are a gift, one that I'm excited to share through The Future of Luxury podcast and my in-person masterclasses. In a world where luxury is increasingly defined by the intangible, the ability to connect emotionally with clients is no longer optional; it is the future of luxury.

The brands that rise to this challenge will lead the change.

Are you ready to be part of that future?

AUCKLAND, NEW ZEALAND | PRICE UPON REQUEST | WEB CODE SAVH



WHY ULTRA-WEALTHY CLIENTS BREAK UP WITH LUXURY BRANDS

Understanding what drives ultra-wealthy clients away, the hidden pitfalls in luxury sales, and the key frameworks that create lasting customer relationships.

During a recent series of luxury masterclasses on ultra-high-net-worth individuals (UHNWIs) I was presenting in several locations throughout Asia, we took a closer look on one aspect.

In the world of luxury, where every detail should be meticulously crafted to perfection, a troubling trend is emerging. Ultra-wealthy clients, the most critical clients of the success of most luxury brands, are quietly and sometimes even vocally walking away. As I travel through Asia, diving deep into the psychology of those highly discerning clients, a stark reality becomes clear: The human factor is the make-or-break element in luxury relationships.

In a discussion with one of the wealthiest people in Singapore, I learned about his frustration with the car brand he is driving, which cost more than SGD \$700,000. He voiced his frustration with irrelevant invitations to events, long waiting times to get his car serviced and, overall, a lack of respect for him as a person by the staff of the dealer. He added, "I love the car, but because of how I am treated, I will never buy from them again."

THE PERCEPTION OF DEVALUATION

At the heart of these breakups lies a fundamental feeling: the perception of being devalued. This manifests across multiple dimensions, each capable of destroying the

delicate bond between a luxury brand and its most discerning clients.

ATTENTION DEFICIT

UHNWIs expect to be the center of attention when they engage with a luxury brand. As my research indicates, they buy the anticipation of a positive perception shift by investing in an experience that affirms their status and worth.

When this attention wanes or is divided, the relationship immediately fractures. "I never give any brand a second chance," is a typical comment I hear all the time from this top group of luxury clients.

TIME IS LUXURY

Waiting times are not acceptable for the ultra-wealthy. Time is their most precious commodity, forcing them to wait sends a clear message: They are not valued.

This perceived disrespect becomes a massive crack in an otherwise solid relationship.

STORYTELLING DISCONNECT

Luxury is about emotion and inspiration.

When brand storytelling becomes irrelevant or fails to resonate, it signals a rupture between the brand's values and the client's aspirations. This misalignment frequently leads to a swift and often irreversible breakup.

“When brand storytelling becomes irrelevant or fails to resonate, it signals a rupture between the brand’s values and the client’s aspirations”

THE STING OF DISMISSIVENESS

Perhaps the most egregious offense is dismissive behavior.

When staff treat UHNWIs with anything less than the utmost respect and attentiveness, it's not just a service failure. It's a personal affront that instantly severs ties.

THE CHINA CONUNDRUM

Findings from my research that I recently published highlight a critical issue in the Chinese luxury market.

Chinese luxury clients are expressing widespread dissatisfaction with luxury store experiences, driving them to shop overseas. This exodus is a damning indictment of the failure to understand and cater to the nuanced expectations of one of the world's most important luxury markets.

The root causes across Asia are alarmingly similar to those identified in my global masterclasses: lack of personalized attention, inadequate product knowledge and an overall sense that their patronage is taken for granted. Traditional training methods regularly fail to address that luxury is about the human factor.

THE URGENCY OF ACTION

The traditional client experience playbook no longer suffices in a world where UHNWIs have more options than ever and are increasingly discerning about where they invest their time and money.

The urgency for comprehensive, transformative training cannot be overstated. Luxury brands must invest in programs that instill a deep understanding of the psychology of ultra-wealthy clients.

This training should encompass a range of critical skills. First, emotional intelligence to read and respond to subtle cues is paramount, allowing staff to anticipate and meet unspoken needs. Cultural competence is equally crucial, enabling teams to navigate the complex global

expectations of a diverse UHNWI clientele. The art of personalized storytelling that resonates on an individual level is another key component, helping to create meaningful connections between the brand and the client. Finally, mastery of non-verbal communication to convey respect and attentiveness is essential, as it often speaks louder than words in luxury interactions.

THE PATH FORWARD

The breakup between luxury brands and their most valuable clients is not inevitable.

I can see again and again that when skills are built up in transformative training sessions, immediate results are achieved. Within a week after a recent luxury sales training geared to UHNWI, an ultra-luxury brand reported back to me that the sales at their stores doubled.

Being treated in the right way matters and translates into immediate and lasting results. The human touch, when executed with excellence, remains the most luxurious offering of all.

A single negative experience can easily erase years of loyalty. Therefore, luxury brands cannot afford complacency, especially not when it comes to the best clients. Are you ready?



SAUMUR, FRANCE | EUR €2,000,000 | WEB CODE LPQR

THE SILENT KILLER OF LUXURY SALES

Understanding what drives ultra-wealthy clients away, the hidden pitfalls in luxury sales, and the key frameworks that create lasting customer relationships.

Imagine stepping into a luxury boutique, the air thick with the scent of leather and exclusivity.

You were dreaming of this moment. But as you approach a gleaming display, the salesperson greets you with a rehearsed smile and launches into a robotic spiel about thread counts and limited editions.

Your excitement deflates. This isn't the transformative experience you envisioned.

You're just another transaction, another quota to fill. A walking wallet, about to be exploited.

CHAIN REACTION

Unfortunately, this happens often. This scenario plays out countless times daily across luxury retail of all categories, and its costing brands millions in lost sales and loyalty.

The culprit? A fundamental disconnect between brand storytelling and frontline sales interactions.

In my extensive work with luxury brands, I've observed a startling trend: brands don't invest enough effort in creating authentic and relevant brand and product stories. To make matters worse, the then sub-par stories are often communicated without passion and, as a result, what salespeople then communicate on the sales floor easily becomes a disaster.

It's a chain of events where the lack of precision at the storytelling part creates a negative spiral permeating the entire experience. The result is a dramatic gap between the brand promise and the customer experience, leaving potential clients cold and unconvinced.

ALTERED OUTCOMES

Équité Research could show that this translates immediately into the financial performance as loyalty and willingness to pay plummet.

The heart of this issue lies in the inability of many salespeople to connect emotionally with clients, and this is dramatically worsened through the absence of compelling storytelling. In an era where consumers crave authenticity and personal connection, transactional interactions are the silent killer of luxury sales.

Brand storytelling isn't just marketing fluff. When it's done right, it's the key enabler to unlock perceived value.

I often say, no perceived story, no perceived value. The story is the lifeblood of luxury sales.

A well-told brand story has the power to transform a simple purchase into an emotional investment, a mere product into a cherished artifact of personal identity.

“A well-told brand story has the power to transform a simple purchase into an emotional investment, a mere product into a cherished artifact of personal identity”

Yet, our research shows that up to 95 percent of luxury brands are failing to harness this potential fully.

The consequences of this storytelling deficit are severe. When salespeople can't effectively communicate the brand's narrative, they struggle to justify premium pricing, leading to a reliance on discounts that erode brand value.

Moreover, in today's digital-first world, the lack of a compelling story translates to skyrocketing customer acquisition costs, sometimes ballooning 10x or 100x more per customer than if there was a compelling story.

So, how can luxury brands bridge this gap and empower their sales teams to become master storytellers?

REACHING THE CONSUMER WITH BRAND STORIES

First, brands must recognize that storytelling is non-negotiable. It cannot be delegated to communication departments and advertising agencies.

I have literally seen thousands of brand manuals that are not worth the paper they are written on. Nice pictures, words that sound fancy, but no substance.

A powerful brand story makes the core values of a brand tangible, and creating and optimizing a brand story takes months to perfect. Many companies don't invest enough time, talent and resources in creating powerful stories.

Second, brands need to inspire their sales teams and ensure that they embrace the stories and connect them with the stories of the clients. Because every client expects something different, so matching the brand story with the emotional key of the client is critical.

It's never a one-size-fits-all proposition. Each client interaction is an opportunity to tailor the brand story to the individual's aspirations and values.

This requires a deep understanding of both the brand's essence and the client's emotional state, something we train extensively in our masterclasses, because it is so critical for success.

This is why transformational luxury training is crucial, where client psychology and storytelling are at the focus. Traditional sales techniques focused on product features and closing deals are woefully inadequate in today's luxury market.

Instead, sales teams need to be equipped with the skills to weave the brand story into every interaction, creating bespoke narratives that resonate on a personal level with each client. Selling in luxury about inspiring instead of transacting.

Technology can also play a crucial role. Equipping sales teams with digital tools that provide real-time access to brand stories, heritage details and even personalized client preferences can enhance their ability to craft compelling narratives on the fly.

Moreover, brands should foster a culture where storytelling is valued and rewarded. Incentivize sales teams not just on transaction volumes, but on their ability to create memorable client experiences through storytelling.

Encourage them to share successful storytelling techniques and client anecdotes, creating a collective repository of narrative wisdom.

The power of effective brand storytelling in luxury sales cannot be overstated. It's the difference between a one-time purchase (or even losing the purchase) and a lifelong brand advocate.

It's what transforms a beautifully crafted object into a cherished symbol of personal identity and aspiration. In the end, luxury is not just about what you're selling, but the story you're telling. Make sure your sales team is equipped to tell it well.



THE 4E FRAMEWORK IS THE KEY TO TRANSFORMATIVE SALES SUCCESS WITH LUXURY CLIENTS

Understanding what drives ultra-wealthy clients away, the hidden pitfalls in luxury sales, and the key frameworks that create lasting customer relationships.

In today's challenging luxury reality, where many brands struggle to be relevant and create enough perceived value, sales becomes the critical enabler.

Coming fresh out of a luxury sales masterclass that I was leading with one of the most successful ultra-luxury brands, the notion that luxury brands sell themselves is a dangerous misconception. The truth is, even at the top, creating desirability requires significant effort, strategy, and most importantly, emotional intelligence.

As I've observed time and time again in my strategy projects and luxury masterclasses, the ability to sell through emotion is a rare and invaluable skill - one that will make or break a brand's success.

PREDICTING THE FUTURE SUCCESS OF LUXURY BRANDS

The best brands in the world know that and invest disproportionately into sales excellence, while brands that lag behind often cut corners.

The 4E of luxury framework I have been publishing extensively about - Emotion, Exclusivity, Experience and Engagement - offers a comprehensive approach that can transform the way luxury brands connect with their discerning clientele.

In a recent keynote presentation to the top luxury investors during a conference in Hong Kong, I stressed that assessing the implementation of the 4E is a great way to predict the future success of luxury brands. However, implementing this framework is not without its challenges. Let's explore three typical hurdles faced by luxury sales professionals and how the 4E framework can help overcome them.

Understanding and identifying the emotional key of clients is perhaps the most critical challenge in luxury sales. Many salespeople struggle to move beyond product features, failing to tap into the deeper aspirations and desires that drive luxury purchases.

For instance, a client browsing a high-end watch collection may not be looking for a timepiece, but rather a symbol of personal achievement or a legacy to pass down to future generations. The emotional key here isn't about precision or craftsmanship - it's about legacy and personal significance.

The 4E framework, particularly the Emotion component, reminds sales professionals to focus on storytelling that resonates with the client's values and dreams. A client who loves the design of a watch will not resonate with long explanations of complications and vice versa.

Important is to understand what drives a person, identify their emotional world and then connect on a personal level.



KLOSTERS, SWITZERLAND | PRICE UPON REQUEST | WEB CODE TBEI

BRAND STORYTELLING IN LUXURY

Brand storytelling presents another significant challenge. Translating the brand's heritage and values into a compelling narrative that speaks directly to each client is an art form that many brands struggle to master.

Consider a scenario where a client is interested in a luxury fashion brand's latest collection. Simply reciting the designer's accolades or the materials used isn't enough.

The salesperson needs to weave a narrative that connects the brand's values with the client's lifestyle and aspirations. The Experience and Engagement elements of the 4E framework are crucial here, encouraging sales professionals to bring the brand story to life in a way that's relevant to each client.

Perhaps the most daunting challenge is providing exceptional experiences consistently. In luxury, a single underwhelming experience can break a carefully cultivated relationship.

The result is literally a breakup. I've seen numerous mystery-shopper results where clients were underwhelmed by the store experience, despite the staff being friendly.

The mistake is often in focusing too much on the transaction and not enough on creating a memorable moment.

ROAD TO EXCELLENCE

The 4E framework, particularly the Experience and Exclusivity components, provides a roadmap for consistently exceptional service. Implementing the 4E framework requires a holistic approach to client interactions.

Luxury sales teams should focus on regular training sessions that hone emotional intelligence and storytelling techniques. A robust clienteling system is essential for tracking preferences and personalizing experiences.

Creating an "exclusivity calendar" of limited-time offers and events keeps clients engaged, while a continuous feedback loop helps refine the luxury experience. It's crucial to establish KPIs that go beyond mere sales figures, measuring emotional connection and engagement.

"It's crucial to establish KPIs that go beyond mere sales figures, measuring emotional connection and engagement"

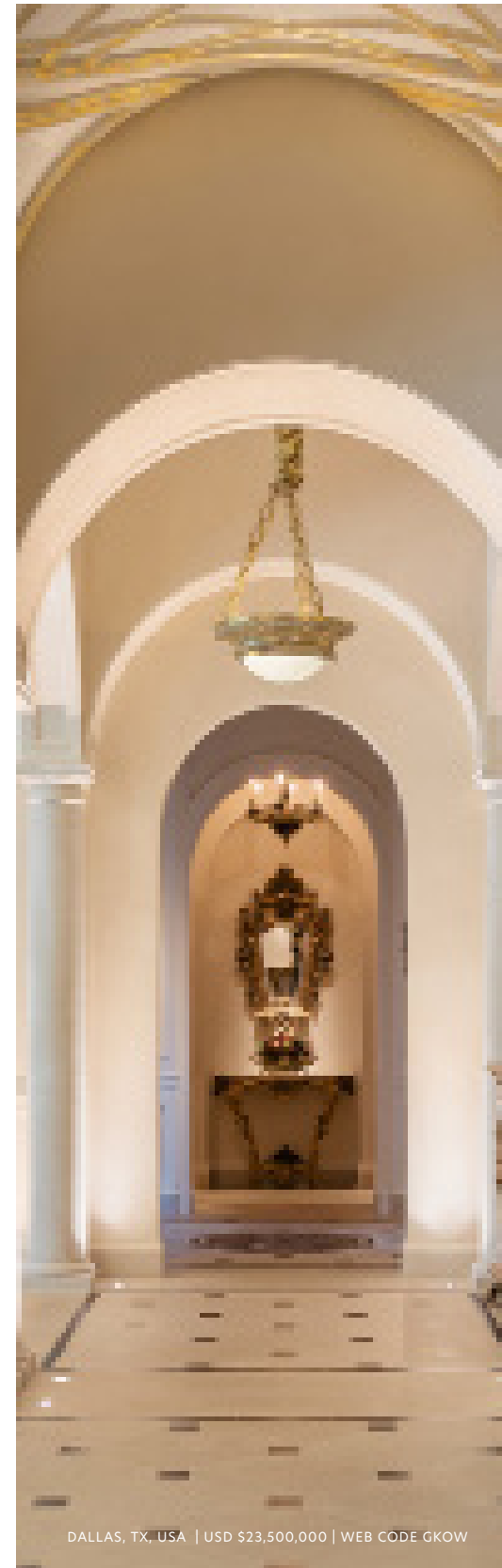
This comprehensive strategy ensures that every interaction becomes an opportunity to reinforce the brand's luxury positioning and create lasting value for the most discerning clients. Remember, luxury is, in its essence, pure emotion.

The brands that succeed are those that recognize and leverage the emotional triggers of their clients. They are the ones who understand that the art of selling luxury is the profound and personal connection between brand and client.

This is the emotional key that unlocks true luxury success, and its mastery is what separates the leaders from the followers in the pursuit of desirability. By embracing the 4E framework, luxury sales professionals can elevate their approach, inspiring clients and driving exceptional results in an increasingly challenging, competitive and rapidly changing market.



FOREST, BELGIUM | EUR €4,850,000 | WEB CODE BXM



DALLAS, TX, USA | USD \$23,500,000 | WEB CODE GKOW

THE TRUE COST OF CUTTING LUXURY PRICES

Examining how pricing strategies impact brand perception, exclusivity, and long-term success in the luxury market.

About half of my projects are about pricing.

Whether a luxury brand approaches me to launch a product in a new category that they are not yet familiar with. Whether they want to validate their current pricing strategy.

Or whether they want to significantly increase their profitability through premiumization.

THE IMPORTANCE OF PRICING

Pricing is a significant lever of revenue and profitability growth. To me, each pricing project is a treat because pricing, in its purest form, is a reflection of value.

This involves deep psychology. Hence, when I work with premium, prestige and luxury brands on pricing, it is fundamentally about how these brands can boost creating value.

When I founded Équité, the market response was profound. From Wall Street Journal to South China Morning Post, The Economist or Forbes, practically every major publication in the world approached me because they felt that luxury was neglected, both from an academic perspective and from a hands-on business perspective.

The most neglected part? How to price and, importantly, how not to price.

One of my first media interviews was about how promotions are the "easy growth trap," the fastest way to destroy a luxury brand. Yet, especially when times are tough, many brands reduce prices and promote, just to find themselves in even deeper trouble afterward.

Especially in luxury, pricing is not just about a number. It is, fundamentally, a reflection of the value that a brand provides to its clients.

Hence, when I speak with my clients about pricing, I urge them to strategize about extreme value creation first. It is an area where I observe many mistakes.

A typical mistake happens when brands have the objective of premiumize. The focus is often on enhancing product features, for example, with an updated design.

However, what really drives the value is the desirability that a brand creates through its storytelling and the client experience. Hence, many brands focus on the wrong area and then pay a high price, so to speak, for their price increases.

Burberry's recent failure to establish higher price ranges is a perfect example: Too much focus on product but no client-centric brand storytelling. The result - revenue decline and profit warnings.

Sometimes, brands who have an amazing brand story decide not to tell it anymore and, by doing so, destroy significant value; take Gucci as an example.

Gucci was one of the most admired and fastest-growing brands in the world. In fact, I often used Gucci as a case study during my luxury masterclasses of best-in-class brand storytelling.

However, recently, Gucci made a dramatic strategic mistake. The brand wanted clients to see them as more premium and refocused under creative director Sabato de Sarno on product.

In other words, Gucci was dreaming of being Hermès or Dior. The problem is that Gucci is Gucci, not Hermès.

If I want to buy Hermès, I will easily find it. But when I bought Gucci in the past I bought into their brand story of inspiring to live your life on your own terms, bold and unapologetically.

It was a brand that promoted the idea of freedom of self-expression. During the brand's "reset," the brand story got completely lost.

The result is that Gucci is double-digit negative quarter after quarter. People buy into the brand story, not just into the product.

If there is no story, there is no value.

“If there is no story, there is no value”

FUNDAMENTAL MISTAKES

The power of a brand is about the message it sends and the value it communicates.

In other words, it is about the narrative it builds from a client's perspective. Client-centricity is key here.

Yet, too many brands still talk about “we have the highest quality,” etc. This inside-out perspective provides zero value and will leave a brand lost in the sea of sameness.

Wrong storytelling kills the ability to price. Pricing is also a very important signal.

As stated before, it is, fundamentally, a reflection of value. And by discounting, you tell the world that what you do has no, or reduced, value.

The psychological implications are profound: when brands engage in promotions and discounting, they clearly send a message that their products are not worth their original price, thereby undermining the very essence of their brand

promise. This is a fundamental mistake. I will never forget something that happened to me. For many years, I dreamed of buying one particular watch of what was then for me a luxury watch brand.

At some point, I decided to buy the watch, only to find out three years later that the brand significantly reduced the price of the watch. When I confronted the salesperson, he told me that the brand had become too expensive in the U.S. market and that clients were not buying as much as the brand wanted, so they decided to do a price correction.

For me, this felt like cheating. I trusted the brand.

I dreamed for many years of that particular model. In other words, I bought into their story only to discover that the brand did not believe in their own narrative.

The result is that I still have the watch, but I never wear it anymore. To me, it lost its value because of a broken promise.

I never bought any other watch of that brand. This is what happens when brands discount or promote.

Discounting creates a fundamental breach of trust for clients who buy into the brand promise while attracting people who look for “deals.” Promotions disrupt the perception of exclusivity.

The luxury client is not buying a product based on functionality alone but is purchasing a piece of a lifestyle, a badge of identity and an emotional experience.

This is why I called promotions “the easy growth trap.” They sound easy and promising at first glance because selling at a lower price typically increases volumes.

However, the psychological damage it creates is irreversible. Price promoting your brand is the fastest and most secure way to destroy brand equity.

A key principle in luxury is that perceived value is far more important than actual value. The minute a brand offers a discount, it sends a signal that the original price was inflated or unjustified.

This devalues not just the discounted items but the entire brand portfolio. This is why even isolated discounts are so damaging to brands in the long run.

I do not know any example of a luxury brand that is successful in the long run while promoting or discounting.

The most successful brands like Louis Vuitton or Hermès have rigorously refused to engage in any promotions. These brands understand that the strength of luxury is rooted in its scarcity and the belief that the product is worth every penny, if not more.

Their strategy is the opposite: they focus relentlessly on brand equity building and superior brand experiences. This then is translated into regular price increases.

This ensures that the perceived value of their offerings remains sky-high, regardless of economic conditions.

Recently, some luxury brands have gone beyond promotions and corrected their prices downward in response to market pressures. This is, similar to temporary price reductions an almost unforgivable mistake.

Any lowering of price signals to the market that it has misjudged its value proposition. It creates extreme confusion among clients about what the brand stands for and what its products are truly worth.

Pricing should never be about following market trends. It should be about defining the market.

Brands that correct prices downward to meet short-term goals or clear inventory fail to see the bigger picture: luxury is a long game, and the moment a brand appears to become volatile in its pricing confidence, it loses credibility. Price adjustments shatter the aspirational quality that drives luxury consumption, and recovering from such a misstep can take years if not decades.

Pricing is one of the most powerful levers a luxury brand has at its disposal. A well-calibrated pricing strategy communicates exclusivity, quality and desirability. More importantly, it reinforces the emotional connection that luxury consumers have with a brand.

Promotions, on the other hand, dilute these messages. A luxury brand that discounts is effectively telling its customers that they overpaid the first time or that the product is no longer desirable.

This is a near-fatal blow to brand equity. Once a consumer believes that a luxury product can be obtained at a lower price, the aspirational value of the brand is diminished.

BUILDING BRAND EQUITY

In today's hypercompetitive and rapidly changing luxury landscape, brands must resist the temptation to discount, no matter how much pressure it has to boost short-term sales.

Luxury is about creating a perception of value beyond the actual product. Price is not just a reflection of cost but a key part of the storytelling and value creation process.

The moment a luxury brand succumbs to the mid or short-term gains of promotions or price corrections, it initiates unraveling years of carefully cultivated brand equity. In luxury, pricing is a narrative, too. And once that narrative is broken, it can be incredibly difficult to restore.

This indicates that brands must adopt a pricing strategy rooted in long-term value creation and customer perception, not short-term market trends. Promotions are so dangerous because they destroy the very foundation upon which luxury brands are built: trust, desire, and exclusivity.

The cost of discounting is far greater than the revenue it might generate. It is a cost paid in brand equity, consumer trust and, ultimately, in the future of the brand.



WEST PARK, NY, USA | USD \$4,450,000 | WEB CODE WXTU



THE AUTHORITIES IN LUXURY.

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