



ational  
alty &  
velopment  
rp.

- Leading real estate development firm in the Northeast
  - 14 million square feet
  - 14 states
- [www.nrdc.com](http://www.nrdc.com)



**GlobeSt.RETAIL** **Headlines**

**Southeast - Thor Buys Orlando-Area Mall ...**



**BUSINESS TICKER**



**Luxury Retail and Celebrities**

By *Kenneth Hirst*  
April 4, 2005

Whichever way you look at it, luxury is good. In America luxury stores continue to yield above average sales, with Neiman Marcus, Nordstrom and Saks Fifth Avenue all posting same-store sales boosts of more than 7% for the month of February. In Japan, with the economy strengthening, it has been reported that incomes, tourism and spending are on the rise. This is significant considering each year the Japanese buy over 40% of the world's luxury goods, the majority of items being purchased abroad, as tourists, where prices are lower. And of course there's China. In August of 2004 China reportedly accounted for 5% of global luxury sales; that figure is already up to 12%, and it has been suggested will rise to 20 percent by 2008 and match Japan by 2015.

Everything is looking good for luxury; the sales figures are up, the numbers of consumers are up and they both look set to rise. But what is luxury? It is not a brand a label or a price tag. A luxury product can be defined as something that provides more than the simple physical purpose it serves, and that explains the price tag. Emotionally it is liberation and empowerment; it is a high, capable of enhancing an experience. People benefit from luxury in two major ways: it is either an ostentatious reward for being recognized by peers – wanting other people to see an object as an indication of yourself, or a quiet satisfaction of possessing the best – seeing an object as a reflection of yourself. Of course it can be both, but the point is luxury has always and will always exist; as long as people have egos there will be luxury.

In more romantic eras to be luxurious meant the best, unique and the highest quality, but the umbrella of luxury is growing. Historically what began as bespoke grew into "prêt a porter" or ready to wear and is now drifting into "Masstige". Bespoke represents the pinnacle of luxury, unique and handcrafted, an heirloom. "Pret a porter" is still high quality with heritage produced in a limited quantity. "Masstige" is good replicas made in a higher quantity. In reality nothing has changed, the same good-better-best situation applies but marketing has altered perceptions to entice more consumers. Underneath the labels, the price and the marketing the same principles still apply: good – perceived quality, better – recognized quality, best – individuality.

So how have the marketers achieved this transformation? The media has created a multitude of stars from movies to television to sport, and marketers are taking luxury to the masses using these personalities to entice consumers into spending more. For instance the fragrances "Still" by Jennifer Lopez or "Celine" by Celine Dion, classic examples of identity association where an emotional reward for the consumer is derived from a relationship with the star, even if that relationship is simply owning a bottle of perfume with their name on it. The consumer aspires to the identity of the star and the life-style of the star. Once it took decades to carefully nurture a quality brand with consistent integrity, now it can be created overnight feeding off the consumer's awareness of the celebrity's lifestyle and their public exposure.

Long may this trend continue, new consumers are being educated in the possibilities of design, materials, packaging and manufacturing and will forever be the wiser. In return consumers will demand more from suppliers, continuing the cycle of progress. With China's ability to mass produce products at low prices, any opportunity to introduce innovation into the consumers psyche can only be good for the US in it's efforts to remain the global leader.

Marketing is cyclical and celebrity endorsement will come and go as the advertiser's darling. A few years ago you couldn't get a celebrity to endorse a product in the US, it is fashionable now but as soon as there's even a hint that it could diminish a star's reputation and artistic credibility the trend will fade, only to return even stronger after

**REGIONAL COVERAGE**

- » [Northeast](#)
- » [Southeast](#)
- » [Midwest](#)
- » [Southwest](#)
- » [West](#)

**RESOURCES**

- » [GlobeSt.com](#)
- » [Executive Watch](#)
- » [Commercial Loans](#)
- » [Find Commercial Space](#)
- » [Press Releases](#)
- » [MarketSource](#)
- » [Advisory Board](#)
- » [1031 Exchanges](#)

**EMPLOYMENT CENTER**

- » [Employers](#)
- » [Job Seekers](#)



**PROPERTY LINKS**

**Advertise Here**  
Click for more details

**Search**

Web  Retail

**Industry Releases**

- » [Post-A-Release](#)
- » [View-A-Release](#)

**Premium Coverage**

**Irish Fund To Invest \$1B in US Properties--Debt & Equity Journal**



**1031Exchanges**

Listings of Companies that Can Assist You in a 1031 Transaction.

**INDUSTRY LINKS**

**Advertise Here**  
Click for more details

a few movies or seasonal collections. Also, "masstige" consumers are serious, this is not a whimsical purchase; if they don't feel the product is serious they won't buy it.

As marketing trends come and go it is vital that we add new ways of introducing luxury to the masses. Luxury is a trendsetter. It can be folly, daring, playful, usually it's very specific in its purpose, but it is a quality, innovative product with a trickledown effect stimulating design and manufacturing. Ultimately it doesn't matter too much how we categorize luxury as long as the consumer is investing in products. Instead we should look at luxury as a benchmark, and hope it continues to spread, because as long as luxury prospers we can be certain of investment, employment, innovation, and the improvement in quality of all products in all tiers.

*Product and retail interiors designer **Kenneth Hirst** is president and founder of New York City-based design firm **Hirst Pacific**.*

 [E-Mail This Article](#)

 [Printer-Friendly Version](#)

**Oscar de la Renta**

Shop a wide selection of fragrances from NORDSTROM.

**Discount Perfumes**

Great Prices on Brand Name Perfumes + 10% on 1st Orders. Free Shipping

**Herve Leger Perfume**

Get \$500 for Herve Leger Perfume absolutely free.

**Oscar De La Renta Perfume**

Save up to 80% on perfume/cologne. Check out our clearance department.

Ads by Goooooogle



[My Account](#) | [Daily Newsblast](#) | [Contact Us](#) | [Advertise Here](#) | [About Us](#) | [Privacy Statement](#) | [Terms and Conditions](#) | [Reprints](#) | [GlobeSt.com](#)

© 2005 by GlobeStRETAIL. All rights reserved.  
GlobeStRETAIL Commercial Retail News