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## **Communication of brand value focusing on iconic products of luxury brands**

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**Abstract:** This paper examines brand value communication of luxury brands by focusing on 16 iconic products of 8 luxury brands. Harmony of the brand image and product should be evident between the provider image and consumer perception. However the findings indicate some discrepancy in the definitions offered by industry professionals and in the understanding of iconic products by consumers themselves. The uniqueness of this empirical study is that the results of the consumer questionnaire validate the meaning of an iconic product, what it represents, and how effectively and ineffectively its value is communicated to consumers in practice.

**Key words:** *Luxury Brand, iconic product, brand value, brand communication*

## **Introduction**

What distinctive characteristics appeal to the consumer? According to Urban (1989, p. 12), one requirement for the creation of a successful product is customer recognition of a product's distinctive characteristics. We assume that the answer is reflected in iconic products. Iconic products, however, are proprietary to the brand forever. Therefore, we assume that companies can sustain their brand value if they strategise its creation and management including the communication of its value. Successful luxury brands strategically manage the negative effects of current rapid market trends and attract worldwide consumers regardless of relatively high-priced products.

Luxury brands possess core characteristics that continue to attract new and existing customers for a long period. These are called brand icon, icon, or iconic products. Fashion magazines use these terms for an item that is popular for one particular season. Additionally, the terms connote positive meaning to a product. The iconic product is not necessarily the best-selling product (Kapferer and Bastien, 2009) or a basic item. According to Patrizio di Marco, the President and CEO of GUCCI, 'An icon is a timeless product that stays relevant no matter what the fashion trend' (Nagasawa et al. 2014, p.348).

The term iconic is frequently used to describe a particular brand, product, or individual held in great esteem. Iconic is a vague concept that is difficult to define in terms of features and value. However, an iconic product is visible and tangible; therefore, the product can be concretely defined. Existing studies address value elements such as quality and exclusivity, and the significance of iconic products in terms of brand management. Some discrepancy exists in the definitions offered by industry professionals and in the understanding of iconic products by consumers themselves.

The connection between consumer product image and design and management strategy is the most important factor in product management (Urban, 1989, p. 223). Harmony should be evident between the provider image and consumer perception. This study identifies the aspects of iconic product of luxury brand that are the driving forces of sustained brand value. The uniqueness of this empirical study is that the results of the consumer questionnaire validate the meaning of an iconic product, what it represents, and how one is interpreted in practice.

The goal of this study is to illustrate the factors that create an iconic product of a luxury brand and aspects of their value from the consumer's perspective. This study will show the methods of successful brand companies so that industry designers, product managers, and business managers can apply the findings and implications of this study to their own design and brand management efforts.

## **Methodology**

The research methods include a literature review, case studies, field research, interviews, and questionnaires. We conducted our study in three steps.

- We define an iconic product and clarify its value in terms of brand management based on the literature.
- A questionnaire is then designed to ascertain consumer perception of an iconic product and analysis of the results using principal component analysis and SPSS is conducted.
- We present the analysis implications using scatter diagrams.

### ***Qualitative analysis (literature review)***

Holt (2004) analyzed typical iconic brands using a systematic, empirical research approach. According to the author, 'Icons have an extraordinary value because they carry a heavy symbolic load for their most enthusiastic consumers (p. 2).

Kapferer and Bastien (2009) described both the tangible and intangible aspects of brands and icons. According to the authors, products (icons) of luxury brands are endowed with a sacred history that creates an aura reminiscent of a holy image. Additionally, the paper defined icons as a plethora of symbols such as logos, numbers, and signs and described the intangible features of icons as 'The more the products have a symbolic, social and cultural function, the more importance attaches to the non-verbal imaginary'. The authors add 'The luxury brand has one or two iconic products that symbolize and prefigure its values' (Kapferer and Bastien, 2009). The venerability of icons is emphasized and the study notes that icons are not necessarily a brand's best-selling product, but remain of definite value, referring to Chanel's No.5 (perfume) product.

Corbellini and Saviolo (2009) described several features and characteristics of iconic products. According to the authors, 'in traditional luxury, products lasted over time (they did not go out of fashion), and needed time to earn a solid reputation and build relationships with their consumers' (p. 28). Additionally, other important points of iconic products such as high profitability and recognizability are mentioned (p. 193).

These points illustrate the significance of icons and iconic products to luxury brands in sustaining brand value over time. Moreover, Kapferer and Bastien's (2009) study discusses durable quality icons/iconic products that possess enduring attributes.

Holt (2004) focuses on the definition of an iconic brand, its creation, and the intangible aspects of iconic brands. He also briefly discusses the tangibles of product brands.

Kapferer and Bastien (2009) present an extensive overview of luxury brands and their business strategies. The authors also demonstrate the importance of icons and iconic products; however, they do not analyze individual iconic products.

As Borja de Mozota illustrates, design represents creative notions, consistency, industrial quality, and shape. The author also insists that seeing design only from the perspective of output, such as the aesthetics and appearance, should be avoided (2003, p. 3).

Prior studies have defined and demonstrated the value of icons. However, a systematic value analysis of luxury brand icons and iconic products has not yet been conducted.

## **The significance of an iconic product**

### *Quantitative analysis*

We analysed the physical aspects of brand identity and the value of iconic products from the perspective of consumers.

Millward Brown, a research and consulting company, conducts brand value evaluation by calculating the branded earnings, financial value, and brand contribution of companies based on in-depth quantitative research involving consumers. We analysed the icons of eight luxury brands that were listed among the 10 leading brands within the [luxury category](#) by BrandZ between 2006 and 2013. Table 1 shows the selection of the following fashion and leather goods brands: Armani, Burberry, Chanel, Gucci, Hermès, Fendi, Louis Vuitton, and Prada.

A total of 16 iconic products were selected based on the information from major fashion magazines and personal interviews at shops in Milan, New York, Paris, and Tokyo.

Table 1 Brand selection and origin

	Brand	Brand origin/ Original core products	Founding Year	Core product	Product category	Product launch date
1	Louis Vuitton	Traveller's bag	1854	Keepall	Bag	1930s
				Speedy	Bag	1930s
2	Hermès	Harness and bridle	1937	Birkin	Bag	1984
				Scarf	Small product	1937
3	Chanel	Women's wear	1910	Chain shoulder bag	Bag	1955
				Suit	Cloth	1928
4	Gucci	Fine leather goods	1921	Bamboo bag	Bag	1947
				Horsebit loafer	Shoes	1953
5	Fendi	Fur and leather	1925	Fur coat	Outerwear	1925
				Baguette	Bag	1997
6	Armani	Men's wear	1975	Unconstructed jacket	Clothing	1980s
				Dress for the red carpet	Clothing	1980s
7	Prada	Leather goods	1913	Nylon tote bag	Bag	1980s
				Nylon bag pack	Bag	1980s
8	Burberry	Fabric	1856	Trench coat	Outerwear	1915
				Scarf	Small product	1967

Source: Company websites

### ***Questionnaire participants and data collection***

A questionnaire was administered to graduate and university students of SDA Bocconi (School of Management) in March 2014. The total number of participants was 69 and was composed of 41 university students (20 to 24 years old) and 28 graduate students (22 to 30 years old). A total of 60% were female and 40% were male. With respect to nationality, 70% of the total was European. The majority of participants expressed approval of luxury brands, 90%, and 95% of participants claimed to be well-informed with respect to luxury brands. The democratization of luxury is obvious and luxury companies are targeting on young people as their potential customer. We selected graduate and university students of Management School rather than Fashion Design assuming that those are who get a job as the management role and accomplish relatively high income in the future. They could be one of the groups to be luxury product consumers.

A total of 19 questions were included in the questionnaire and are described in Table 2. A rating scale method was used for analysis.

Table 2 Questionnaire and ranking

This product is iconic because of its	Strongly agree	Agree	Agree nor disagree	Disagree	Strongly disagree
1 Color	5	4	3	2	1
2 Shape	5	4	3	2	1
3 Material	5	4	3	2	1
4 Brand logo	5	4	3	2	1
5 Brand name	5	4	3	2	1
6 Parts	5	4	3	2	1
7 Pattern/Print	5	4	3	2	1
8 History	5	4	3	2	1
9 Legend/Story	5	4	3	2	1
10 Personnel	5	4	3	2	1
11 Place of origin	5	4	3	2	1
12 feeling of luxury	5	4	3	2	1
13 Noble touch	5	4	3	2	1
14 Tradition	5	4	3	2	1
15 Culture	5	4	3	2	1
16 Trendy touch	5	4	3	2	1
17 Creativity	5	4	3	2	1
18 Exclusiveness	5	4	3	2	1
19 Overall design	5	4	3	2	1

Note: The survey participants were given the following instructions. 'Look at the product. If you understand the question concerning the product, please choose the answer according to the ranking "5" for strongly agree" to "1" for strongly disagree'.

## Results and Implications

We conducted the analysis of principal components using SPSS, statistical analysis software by IBM. The results after varimax rotation are shown in Table 3. We selected four factors (the cumulative contribution ratio was 58.5%) that show a value above 0.65.

### *Prime factors of iconic products*

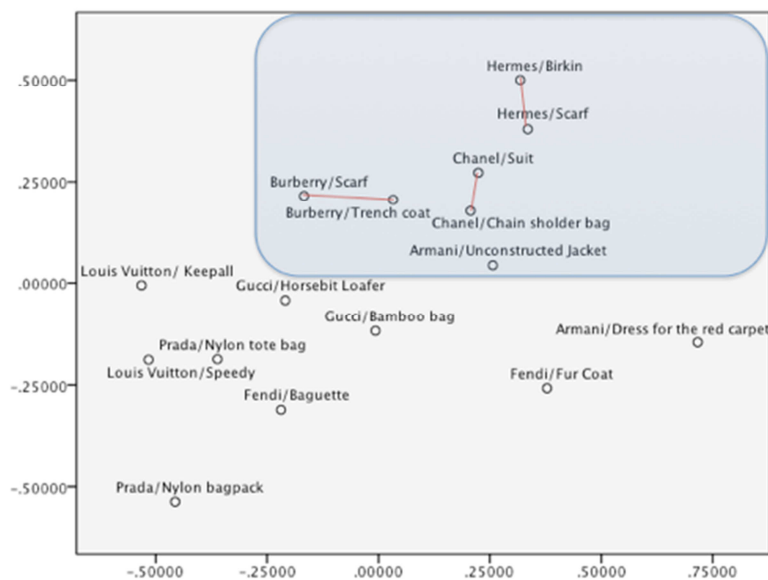
The results show that consumers consider that an item is iconic primarily according to invisible rather than visible (physical) design aspects such as color, material, and shape (Table 3).

Factor 1 is exclusiveness, and Factor 2 is history/legend. It is significant that both factors include mainly invisible and only one visible attribute with respect to the physical design.

Table 3 Rotated Component Matrix (<0.65)

Factor 1		Name	Factor 2		Name
Exclusiveness	.792	Exclusiveness	History	.802	History/ Legend
Creativity	.714		Legend/Story	.794	
Trendy touch	.709		Personnel	.665	
Overall design	.706				
Noble touch	.668				
Factor 3		Name	Factor 4		Name
Brand name	.844	Name/Logo	Parts	.726	Form
Brand logo	.839		Material	.696	
			Shape	.667	

Figure 1 shows a scatter diagram that identifies the relationship between factors and product positioning.



Note: Figure 1 x: Factor 1 (exclusiveness), y: Factor 2 (history/legend)

Products in the blue-colored area (Hermès/Birkin bag and scarf, Chanel/suit and shoulder bag, Burberry /scarf and trench coat) are rated highly. Additionally, it is significant that the Euclidean distance between two products of the same brand is close. Consumers perceive the same brand image on different product categories or different price ranges such as scarves and luxury bags. This indicates that consumers possess clear and strong images of these brands. Kapferer and Bastien (2009, p. 121) suggest that coherency is particularly important for luxury brands because it attracts consumers through brand identity. Therefore, if

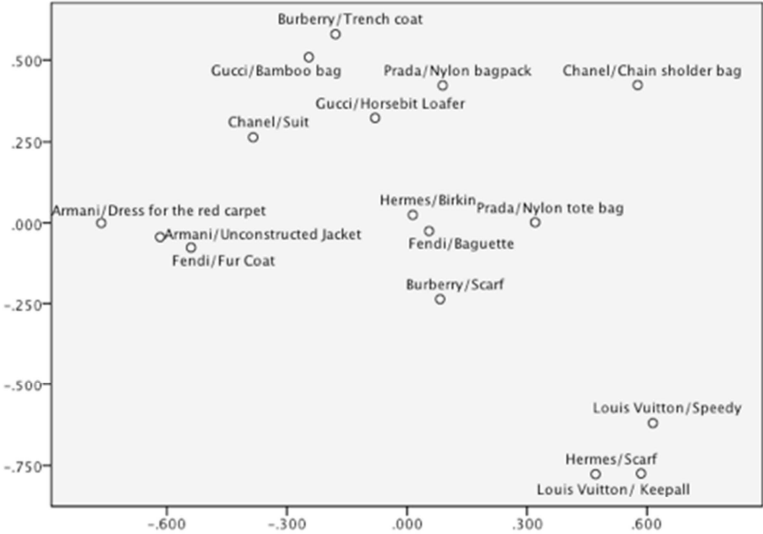


the brand has a strong brand identity with coherence, this could encourage brand stability. The risk of destroying brand value will be relatively low if the brand is renewed. Effective brand value communication maximises the potential of the product; therefore, the majority of companies adopt a systematic method and strategy that corresponds to the product life cycle (Urban, 1989, p. 21-22). Urban explains that in the maturation stage, there are three effective methods, one of which is product innovation.

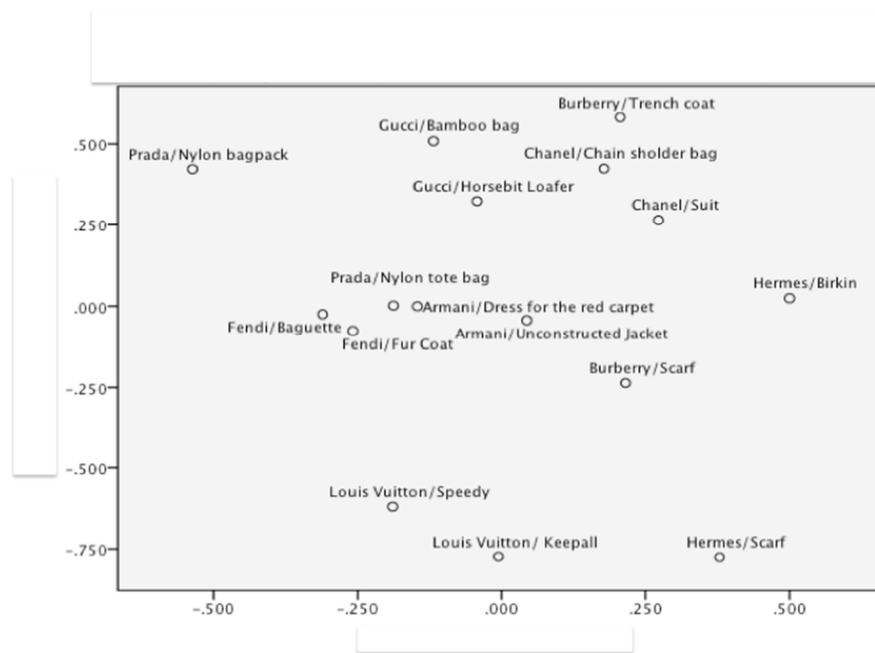
**Secondary factors of iconic products**

The secondary factors of iconic products include the visible aspects such as brand name, brand logo, parts, material, and shape (see Table 4). It is significant that visible aspects such as color, pattern/print, and shape, which are defined as basic design components, were not evaluated as iconic product elements. Cooper and Matthews (2000) insist that color is critical in product choice; therefore, companies should include it in their product management strategy (p. xii). Many luxury brands use a proprietary color (Kapferer, 2009, p. 221), for example, the use of orange and black by Hermès and white by Chanel. Such colors remind people of the brand. However, the results of the questionnaire indicate that color is not a primary factor in iconic product luxury branding. Investigation is required because color is one of the main components of physical design.

There are considerable differences with respect to brand/product positioning reflected in the scatter diagrams (Figures 1 and 2).



Note: Figure 2 x: Factor 3 (name/logo), y: Factor 4 (form)



Note: Figure 3 x: Factor 2 (history/legend), y: Factor 4 (form)

## Discussions

### *Examples of discrepancy in the definitions between industry professionals and consumers*

Significantly, Louis Vuitton bags are not valued highly enough, although the brand retained the highest ranking from 2006 to 2013 (BrandZ, 2006 to 2013). Louis Vuitton bags appear to be well-positioned in Figures 2 and 4 only. The bags are not well-positioned in the figures that present the invisible factors and parts/materials/shape. This indicates that consumers see the monogram pattern of Louis Vuitton bags as the value characteristic. However, Louis Vuitton might have regarded it as a mass-produced luxury as Mark Jacobs, the former designer of Louis Vuitton stated (Thomas, 2007, p. 18). Although such an item used to be true luxury for the majority of consumers, that is not the case anymore. Today, Louis Vuitton products are not just for the elite (Thomas, 2007, p. 18).

Prada bags and the Fendi Baguette appear in the upper right corner and appear in the lower left corner (poor evaluation of invisible characteristics) in Figure 1, it is significant that the Fendi Baguette is positioned in the upper right corner only in Figure 2. This implies that the Fendi Baguette is evaluated as an iconic product only by virtue of visible aspects. This seems reasonable considering the origin and features of the product. Originally, the house of Fendi started as a fur and leather shop in Rome and later decided to venture into another product category—fine leather goods and textiles. Fendi developed the iconic Baguette handbag in 1999 in an effort to break into a new market. Currently, the Baguette is

available in more than 1,000 different materials and colors and celebrities love it. Thomas (2007, p. 193) noted that the Baguette contributed to Fendi’s transformation from a dowdy old fur company to a leading luxury fashion brand. Although the Baguette is extremely popular, it lacks two characteristics: sacredness and coherence. The product is merely 15 years old and without particular stories or origin of birth. The Baguette has a fashionable and creative image, but it is not necessarily the symbol of high-quality craftsmanship. Figures 1 and 2 reveal that the halo effect seen in Hermès, Burberry, and Chanel is not seen in Fendi products.

Similar significant features are seen in Prada products (Figures 2 and 3). Prada products are evaluated based on visible aspects only.

Table 4 Brand Z luxury goods ranking (2006 to 2013)

2006	2007	2008	2009
Louis Vuitton	Louis Vuitton	Louis Vuitton	Louis Vuitton
Chanel	Chanel	Hermès	Hermès
Hermès	Hermès	Gucci	Gucci
Gucci	Gucci	Chanel	Chanel
Fendi	Fendi	Armani	Fendi
Armani	Armani	Fendi	Prada
–	–	–	–
2010	2011	2012	2013
Louis Vuitton	Louis Vuitton	Louis Vuitton	Louis Vuitton
Hermès	Hermès	Hermès	Hermès
Gucci	Gucci	Gucci	Gucci
Chanel	Chanel	Chanel	Prada
Fendi	Fendi	Prada	Chanel
–	Burberry	Burberry	Burberry
–	–	–	Fendi

Source: BrandZ (2006 to 2013)

Prada began in 1913 as a family leather business in Milan, Italy. In 1987, Miuccia Prada, the granddaughter of the founder, introduced the brand’s iconic product—the famous black nylon bag with the signature triangle logo. This material is light and convenient for everyday use (Pedersen, 2006, p. 98). The Prada nylon bag became the 'must-have' bag (Thomas, 2007, p. 191), contributed to the expansion of the product line, and helped the house to become a global corporation. Luxury products must remain both current and timeless through painstaking design and durable materials that age well (Kapferer, 2009, p. 165). However, this is not the case with nylon because it is not durable. Nylon bags did not become popular for a

long time because the nylon wore out, unlike leather. Moreover, the nylon products cannot be seen as strongly coherent with the brand's core values and origins as high-quality leather manufacturer.

Consequently, Prada shifted its focus back to leather bags and goods with its 2013 collection (Sugimoto, 2013, personal communication). An increase in sales of 41% for high-margin leather goods explains the effectiveness of this strategy. According to Carlo Mazzi, Chairperson and Executive Director of Prada 'leather-goods sales boomed because they are the most prominent items in new stores, and are best sellers among tourists' (Passariello, 2012).

### ***Brands with strong brand identity***

If the brand has established a strong brand image based on invisible factors, a halo effect will spread to other products. 'When a brand delivers a powerful myth that consumers find useful in cementing their identities, this identity value casts a halo on other aspects of the brand' (Holt, 2004, p. 10).

For instance, a Hermès scarf is far less expensive compared to a Birkin bag, although the Hermès scarf appears on the right upper corner in Figure 1. This implies that, regardless of inexpensiveness, the Hermès scarf is considered exclusive and has almost the same value as an iconic product that is very expensive and exclusive, the Birkin bag. Figure 3 supports the validity of this claim. The Hermès scarf appears in the lower right corner of Figure 3 implying that the value is perceived through the brand logo and name. Scarves are widely available in certain quantities; therefore, it must be less exclusive. However, it is regarded as exclusive and iconic probably because of an established brand image. A similar relationship is seen between the Burberry trench coat and scarf.

Chanel is the most successful example of this case. In 1910, Gabrielle Chanel opened her first shop in Paris and introduced a hat brand under the name CHANEL Modes. She created simple, elegant, and functional styles. Chanel items have changed women's relationships with their bodies and lifestyles. Everything Chanel introduced was innovative and accepted as an icon of the fashion industry (Nagasawa and Sugimoto, 2010, pp. 136-139). The chain shoulder bag appeared later in the brand's history. In the 1920s, Coco Chanel became tired of having to carry her handbags in her arms and designed a handbag that freed up her hands. Inspired by the straps found on soldiers' bags, she added thin straps and introduced the resulting design to the market. The varied features of this bag became icons of the Chanel brand and each part and style has a unique history that adds to the sacredness to

the products. Moreover, Chanel was not a leather goods brand originally and was not known for leather craftsmanship. However, consumers see consistency in the brand image to the extent that both suits and bags are highly rated.

Burberry was established in 1956 in England. The brand later became the official supplier to the royal family (Ahrendts, 2013, p. 41). The Burberry trench coat is iconic because of its shape, material, and the famous Burberry plaid. Originally, the Burberry plaid was used for lining trench coats; however, in 1924, the house began featuring it in diverse product categories. The Burberry plaid scarf became one of the most iconic products of the house. However, according to the former CEO Angela Ahrendts, since 2006, many other Burberry products lacked consistency with the brand's origin and luxury vision (Ahrendts, 2013, p. 40). The brand began to lose its status and brand value. Ahrendts began focusing on the brand's heritage—the trench coat. Consequently, the company's revenue grew rapidly compared to the slow 2% growth prior to fiscal year 2006. The brand ranked in the top 10 of luxury products in 2011 (Table 2).

## **Conclusion**

This study analysed 16 iconic products of luxury qualitatively and quantitatively. Our results suggest that brands can gain and sustain brand value by re-evaluating their core products and focusing on promoting their heritage in the long run. Even if a brand's designer or founder departs, the brand's iconic products can sustain brand value through the effectively application of the invisible and visible aspects of design. Companies face the risk of losing their brand image, reputation, and value after their designers or founders leave. Our analysis results suggest that the designer or founder who adopts a popular brand must consider brand icons as sources of sustainable brand value to achieve success in retaining the value of that brand. Moreover, we recommend that companies consider consciously creating and utilising iconic products as described in this study because they could greatly contribute to brand value retention over time.

## ***Limitations and future discussions***

This study analysed only 16 products of eight luxury brands; therefore, the number of products is limited. An analysis of a greater number of products and a wider variety of brands to strengthen the validity of our claims is desirable. Moreover, the number and nationality of questionnaire participants is limited and in-depth broader interviews should be conducted to validate findings. Today, luxury is a multi-dimensional concept and different people possess different perceptions of luxury (Corbellini and Saviolo, 2009, p. 21).

Additionally, the age ranges and economic circumstances of respondents might have affected the responses in this study.

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