

# BAROMETER PROMISE CONSULTING - BNP EXANE "EXCLUSIVITY & DESIRABILITY" 2015: THE WEALTHIEST CHINESE WOMEN RANK LUXURY BRANDS

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Paris, 2016, 02 February. Some say that when China sneezes the rest of the world catches cold, but **the biggest luxury brands are catching on in China, becoming the most exclusive and desirable ones in fashion according to the wealthiest Chinese women.** Still, our ranking also reveals a stronger competition that is accentuated by the wealthy customers' increasingly stronger maturity. This barometer Promise Consulting / BNP Exane classifies the 15 most exclusive and desirable brands in China in the universe of feminine Fashion. This Barometer is conducted amongst the wealthiest Chinese women, and is about the 30 luxury brands in ready-to-wear/handbags/shoes/accessories that have invested the most in communication (source: Industry Interviews, Exane Paribas). Promise and BNP Exane already conducted the same survey amongst French women in May 2015 (<http://bit.ly/1ESTZGu>).

"This barometer in association with BNP Exane reflects our determination to move closer to the marketing and cross-section financial analysis. Our Monitoring Brand Assets® approach itself features very complementary analyzes with those conducted by BNP Exane's experts. Hence, the obtained results from our joined barometer are based on two different angles of expertise, marketing and financial, which brings a unique added value to the managers and decision-makers in the Luxury sector. More concretely, our measure of the exclusivity of a brand takes into account the upper and more constant quality of products, the strong and unique valuation of the customer, the brand's prestige, but also a matchless "savoir-faire" that justifies a very high price premium associated with top luxury. Finally, our measure of desirability synthesizes the dimensions of attractiveness of an intimate, social and symbolic nature, which are the strengths of exclusive brands, and characterize the particular relation that they maintain with their customers. In this respect, our Barometer synthesizes, in two proven scales, the numerous criteria to establish a ranking between the high-end brands from their customer's point of view", states Pr. Philippe Jourdan, Promise's CEO.

## Barometer "Exclusivity & Desirability" - China 2015

Promise Consulting - BNP Exane - November 2015

### Sample interviewed



Considering the strong uncertainties of the Chinese economy that have engendered concerns on the luxury sector – it is very reassuring to pinpoint that the upper French luxury brands, besides Prada, have a clear advance on our recent "Exclusivity and Desirability" Barometer.



Though the luxury brands' ostentatious role is temporarily setback, due to the fight against corruption conducted by the Chinese authorities, and though the identity function is less pronounced than before, the distinctive (i.e. rarity) and affective (i.e. sensorial and emotional needs) sides that characterize luxury brands still dominate in China: the 5 most exclusive brands are also the most desirable ones. (Philippe Jourdan)

### Top 5 most Well-known brands in China

Chanel leads on brand awareness in Greater China, followed by Gucci, Burberry, Hermès and Louis Vuitton.

Chanel	100
Gucci	79
Burberry	79
Hermès	76
Louis Vuitton	71

Index Chanel = 100

### Top 5 most Exclusive Fashion Brands

Hermès	162
Louis Vuitton	145
Chanel	144
Prada	127
Dior	105

Index - average: 100 on the 15 top brands

### Top 5 most Desirable Fashion brands

Chanel	121
Hermès	115
Prada	108
Louis Vuitton	107
Dior	103

Index - average: 100 on the 15 top brands

## HIGH LUXURY / EXCLUSIVITY

- Hermes, 1st brand on the luxury / exclusivity criterion amongst the wealthiest Chinese women.
- Respectively 2nd and 3rd, Louis Vuitton and Chanel are neck to neck.
- Respectively 4th and 5th, Prada and Dior complete the ranking of the 5 most exclusive brands.

## DESIRABILITY

- Chanel is the most desirable Fashion brand in China.
- Ranked 2nd, Hermes capitalizes on its strong association with high luxury.
- Prada, Louis Vuitton and Dior are neck and neck and complete the top 5.
- Burberry is the 6th most desirable brand (ranked 9th on exclusivity).

## EXCLUSIVITY: THE MAIN FRENCH HOUSES DOMINATE WITH ONE EXCEPTION

Considering the strong uncertainties of the Chinese economy – 2015 was marked by a slowdown of the Chinese growth, a strengthened battle against corruption, a crash on the Chinese stock market and a devaluation of the Yuan; all those elements have engendered concerns on the luxury sector – it is very reassuring to pinpoint that the upper French luxury brands, besides Prada, have a clear advance on our recent “*Exclusivity and Desirability*” Barometer.

For the wealthiest Chinese customers, upper luxury is above all incarnated by **Hermes**, whose market positioning, devoted to social elite in leather goods (handbags and shoes) as exclusive in ready-to-wear, comforts its high-end luxury image. The brand is ranked first, its index equaling 162<sup>1</sup> (100: the average of the 15 first top brands), and capitalizes on a comfortable advance vs. **Louis Vuitton** (145) and **Chanel** (144) – those 2 brands being neck and neck (cf the infographics)

## DESIRABILITY: THE 5 MOST EXCLUSIVE BRANDS ARE ALSO THE MOST DESIRABLE ONES

The wealthiest Chinese women rank **Chanel** on the 1st position of the most desirable brands, with a clear advance v. its direct competitors : **Chanel's** index equals 121 vs. 115 for **Hermes** and respectively 108 for **Prada**, 107 for **Louis Vuitton** and 103 for **Dior**. That first position is the consecration of a very coherent strategy in the fashion, handbags and shoes universes, without neglecting high-end jewelry and fragrance' s relay: “*The refinement of the Haute Couture collections, the success of the Cruises and ready-to-wear collections, the tribute to arts and crafts, including the 2010 Paris-Shanghai collection, contribute to an irresistible ascension for the brand with the 2 Cs, strengthened by successful cultural and artistic manifestations: Chanel Culture in Shanghai, Beijing, then Guangzhou, and The Little Black Jacket, in Beijing and then Shanghai, etc. Those expositions contribute to increase the brand's desirability and their itinerant feature participate to the integration of the luxury Chinese market to the worldwide global market*” (Philippe Jourdan).

## SURVEY METHODOLOGY

The PROMISE - BNP EXANE “EXCLUSIVITY AND DESIRABILITY” Barometer has an international vocation, is renewed every year in several countries and on several categories of products. Both criteria that are measured here are precious tools to help managers and investors of the luxury sector evaluate and take decisions. These two criteria arise from the more general model of measurement of the brand's performance and ROI, Monitoring Brand Assets®, marketed by Promise for numerous brands in the sectors of the Fashion, Beauty and Selective Distribution.

- Collection method: online Access Panel.
- Period of data collection: September 2015.
- Country: China
- Universe: luxury (ready-to-wear, handbags and shoes).
- Sample: 600 adult women (18-54 years old) who belong to the 3% wealthiest households
- Theme: barometer “Luxury and Desirability” 2015.
- List: 30 evaluated brands (available on request).
- Measured criteria: exclusivity and desirability of the luxury women fashion brands.

## ABOUT PROMISE CONSULTING

Promise Consulting is a group specialized in consulting and marketing surveys. It consists in the following companies: Promise Consulting Inc., JPL Consulting and Panel on the Web. Promise's consulting and survey services provide a strong added value. The group has created an innovative methodology to measure the performance of brands and the ROI centered on brand: Monitoring Brand Assets®. This methodology has been deployed in 50 countries for now, studying 250 brands in various sectors and collecting almost 1.000.000 questionnaires online.

Promise's CEO, Philippe Jourdan, is the chief-editor of the Adetem's review, the French Marketing Review (RFM) since 2011. He publishes in academic international magazines on issues related to brand equity in universes of luxury, beauty and selective retailing. He also publishes in the economic and news press (Le Monde, Les Echos, Le Figaro, l'Opinion, La Revue des Marques, etc.). Philippe is also an associate professor, researcher at the IRG (CNRS) and was awarded for the best Research Paper, AFM in 2000.

For further information : <http://promiseconsulting-blog.com>

## ABOUT BNP EXANE

Specializing in European equities, BNP Exane is active in three businesses:

- Cash equities: under the brand name Exane BNP Paribas, Exane provides institutional investors with a range of services, such as research sales and execution on European equities;
- Equity derivatives: Exane derivatives has built a robust structured products franchise, based on its longstanding leadership in European convertible bonds and options;
- Asset management: Exane Asset Management is one of the leaders in long/short equity fund management in Europe.

For further information: <http://www.exane.com>.

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