

THE NEW VOICE OF FASHION

Imran Amed is founder of the influential website The Business of Fashion, consultant to leading fashion brands and one of the 100 Most Influential Men in Britain, according to GQ. LUX's Editor in Chief Darius Sanai catches up with him over an espresso in Mayfair



Louis Vuitton

DS: Fashion brands are having a 'China moment' and some are reporting higher revenues from China than from the rest of the world combined. Are they in danger of forgetting their roots?

IA: I don't think so, no. I feel that perhaps there's not enough attention being paid. There are other things that brands could be doing to capture the opportunity. A lot of the brands are using superficial strategies to pay heed to the Asian market but I think there are more meaningful, substantive strategies they could deploy.

DS: Can you give me an example?

IA: A lot of the brands are focusing on image. I have just come back from the menswear shows in Milan and Paris and Louis Vuitton had an Asian model for its menswear campaign for the first time. The Ermenegildo Zegna show for autumn/winter was a digital show with projections of Chinese landscapes in the background and the entire collection was inspired by China. Everyone is paying attention to the surface of the Asian consumer and trying to appeal to that consumer in a way by using a mirror saying "you can see yourself in our brand because we are communicating about our brand with people who resemble you at least physically".

But I think the Asian consumer is a lot smarter and savvier than that and I think that what the top global consumers in luxury whether they are Chinese, Indian, Brazilian, European or American have high levels of taste, they operate at a global level they are almost interchangeable at the very top level. If you

SUCCESSFUL BRANDS STAY TRUE TO THEIR HERITAGE REGARDLESS OF WHERE THEY ARE GOING TO

really want to reach those consumers, and those are the ones who are providing a disproportionate amount of revenue for these brands, you need to get to know those consumers. You need to get to know them by name, you need to have relationships with them. You need to employ more customer relationship management than just marketing.

DS: What should they be doing?

IA: Some of the things that have been very effective have been to bring the brands and events to the Chinese market, connecting with these eager consumers in person. People everywhere in the world want to feel close to the brands they love and I think local events -- like Fendi's Great Wall of China show, Prada's recent consumer-focused fashion show for Spring/Summer 2011, and a recent event by Phillip Lim, a brand based in America but with Chinese roots - seem to have a lot of impact because it helps consumers feel part of the brand. The amount of effort, coordination, time and thought that had to go in on executing these events is enormous, but it's worth it. That's the kind of PR that

is effective at the ground level, going beyond just the image of the way the brand is communicated.

DS: Western brands are still relatively new to China -- is there an opportunity for less hallowed brands to establish themselves?

IA: Yes there is always an opportunity. I think the Chinese consumer is diverse in terms of its taste level and experience of luxury. But it is a mistake to paint a China, or Asia, with one brush. There are different levels of sophistication and experience with luxury even within China. There are consumers in China for whom the credibility of a European luxury brand still means a lot. There are others who are simply looking for beautiful fine products and experiences and that could come from a local company or it could come from a brand from elsewhere.

DS: Will the European heritage of major brands become less important over time?

IA: Successful brands stay true to their heritage regardless of where they are going to. They think about how they can adapt and communicate their heritage in a way that resonates with the local market.

DS: What are the most interesting brands right now, globally?

IA: For me the brand to watch right now is Burberry. Many people would argue that Burberry isn't a truly luxury brand because of its price positioning, because it has a lot of sub-brands but I think they



Ermenegildo Zegna

have been doing a lot of things right both with respect to China and with respect to things in digital. Recently Burberry bought back all of its retail stores in China. That's a very important strategic move to make and it's not cheap to do. It says, "This is a market that we need to control and be more actively involved in how our brand is manifested in this market". And it gives them insight that they might not have been able to glean had they been relying on a franchise to operate their retail.

On the digital front Burberry has also been incredibly innovative, sometimes making errors but always experimenting and trying new things. I think that many luxury brands risk being held back by conservatism and an unwillingness to try out new things. The one thing that Burberry has shown, regardless of whether their experiments have been successful or not, is that they are willing to try things out. Sometimes it comes off as a little bit forced or gimmicky, but generally their digital approach with live streaming and "click to buy" and "Art of the Trench", "Burberry Bespoke" and suchlike is quite impressive. The share price has soared. The market is recognising finally that Burberry is a stock and a business to watch.

DS: On the digital side, how do you solve the dichotomy of luxury brands and social media? Isn't social media the antithesis of exclusivity?

IA: I don't believe the way that we define luxury brands now is necessarily linked to exclusivity anymore. Exclusivity comes down to price at the end of the day in this market. And anyway if you look at any of the most beautiful luxury brands, you can buy a Chanel lipstick, you can buy Hermes cologne, you can buy Dior perfume at very accessible prices so all these brands that have a luxury positioning also have a mass positioning. There is an internal contradiction with people who say that because a brand is on the internet it's not exclusive all of a sudden. None of these brands are really truly exclusive anymore, apart from maybe Hermes. I think we will see increasing levels of engagement with consumers and these luxury brands on Facebook. There are a growing number of older people on Facebook but some of the most active users are younger consumers who still don't have a lot of disposable income. Fast forward 10, 15 or 20 years and they may believe they are building relationships for the long term.

DS: What excites you about the fashion industry right now?

IA: I'm really excited about the brands that offer value. I think many consumers are thinking about value and they can find value in a beautifully cut, well manufactured, well priced garment from



Prada

Uniqlo that is timeless, made well and costs less than £200. And they can find value in a beautifully made (Hermes) Birkin bag that is going to last forever and is not available everywhere all the time and is hard to get. Value can come from exclusivity or limited distribution. It can come from design. It can come from uniqueness. It can come from all sorts of things. What we are seeing in particular the ready to wear market is the emergence of value fashion. I specifically reference brands like Phillip Lim and Alexander Wang and Tory Burch. All of these brands make products primarily in the Far East but their position and communicated about as fashion brands. If you go on to style.com, Phillip Lim and Alexander Wang are in the same list of brands as Chanel and Louis Vuitton yet the price points that people can access those products are markedly different. That contemporary fashion market is one of the most rapidly growing segments of the fashion business anywhere.

DS: "There is a flight to quality, and a rush to the bottom, and nothing in the middle." Agree or disagree?

IA: There is definitely a flight to quality in some respects for certain kinds of products. I will invest in a really good suit that is going to last me a long time but if I want to buy a trend based fashion item that probably won't be in style in a year, why should I spend \$1500-\$2000 on it? I probably want something a little bit better made than something I can buy at H & M and Zara, but I don't want to pay too much. I think there is investment fashion and that is a really big part of what is going on, but things are moving really fast now. People are bombarded with images, there's so much stuff going on. Smart consumers know where to invest for the long term and where to cherry pick things for the short term.

Imran Amed is founder of businessoffashion.com



Ermenegildo Zegna