

Search Results for Google

March 14, 2005 03:33 PM US Eastern Timezone

Luxury Institute Finds America's Wealthiest Rank Ritz-Carlton the Most Prestigious Luxury Brand

NEW YORK--(BUSINESS WIRE)--March 14, 2005--The Ritz-Carlton Hotel chain earned honors as the most prestigious brand in the latest Luxury Brand Status Index, ranking first among 52 luxury brands by wealthy consumers in four leading luxury categories surveyed by New York City-based Luxury Institute (www.luxuryinstitute.com), which surveyed: Automobiles, Hotels and Resorts, Fashion Designers and Retailers. Five of the top 10 brands are automobile companies, led by Porsche and Mercedes; three are fashion designers, led by Armani; Four Seasons Hotels also ranks in the top 10.

Ritz-Carlton took top luxury brand honors by consistently taking first or second place in the four individual drivers of luxury status. Ritz-Carlton rated at the top in terms of delivering consistently superior quality. Porsche was rated the most unique and exclusive brand, edging out Ritz-Carlton. The top two brands that are "used by people who are admired and respected" were hoteliers Ritz-Carlton and Four Seasons, followed by Mercedes. With respect to brands most able to "make the buyer/user feel special" Porsche, Ritz-Carlton and Mercedes took the top three ratings.

Wealthy consumers, who exercise their vast purchasing power with the utmost diligence and discretion, rated Ritz-Carlton and Porsche equally as brands most worthy of a significant price premium. Lexus and Porsche shared the honor of being the two brands that registered the greatest improvement in their status as luxury brands. Ten other brands received a significant or dramatic rise in luxury status as rated by America's wealthiest consumers.

The Luxury Institute's Luxury Brand Status Index (LBSI) is the only measure available of the value and equity of leading luxury brands based on statistically meaningful data collected directly from wealthy consumers. The LBSI incorporates four "pillars" of value: consistently superior quality, exclusivity, a measure of enhanced social status, and a measure of the ability of a brand to make a customer "feel special".

In addition to individual and composite metrics by age, gender, income and net worth segments among the wealthy, the survey also measures a brand's ability to merit a significant premium price and the correlation of price premium with the composite index of these four critical factors.

Another highly critical metric feature of the research is a rating by wealthy consumers as to a brand's erosion or enhancement as a luxury brand over the past 12 months.

Using LBSI, the Luxury Institute surveyed more than 200 households, with a minimum of \$200,000 in gross annual income and net worth of at least \$750,000 (including home equity). The brands to be rated were selected in individual interviews with wealthy consumers and using advertising expenditure rankings in luxury print media to determine the most relevant brands.

Luxury Firms Flying Blind

"Contrary to popular myth, it is the wealthy, not the young, who drive trends in luxury. Luxury firms are playing a high stakes game of growing by going down-market without measuring the impact this strategy has on their best customers' relationship with the brand," observes Luxury Institute CEO Milton Pedraza, "By virtue of their massively concentrated purchasing power, wealthy consumers are the initial and consistent heavy purchasers in the luxury product and services categories. As the objective and independent voice of the wealthy American

consumer, the Luxury Institute decided that it was time to have this critically important segment rate luxury brands directly."

Pedraza notes that with so much controversy and uncertainty surrounding the down-market expansion of leading luxury brands there is a need for independent consumer tracking research. This will guide and prevent luxury marketers, who are flying blind on critical branding decisions, from crashing and burning in the same way that several brands that were once the pinnacle of luxury have self-destructed or have had to be revived from failed "mass market" escapades."

"Daily contacts with executives at luxury firms tell us that there is a dire need for metrics to measure brand status on an on-going basis. It took months of developmental research to create a simple, powerful set of metrics that provides key insights to luxury marketers on the status of their luxury brands and their competitors" says Pedraza, whose clients include the leading private jet, luxury real estate, resorts, travel and leisure, credit card, automobile, financial services and private banking institutions.

Contacts

VISIBILITY
Len Stein, 914-712-2610
Lens@visibilitypr.com



[Print this](#)
[Release](#)

[Terms of Use](#) | © Business Wire 2005
