



## How brands need to adapt in a time when our understanding of luxury changes

10/07/2020 As the director of Brand Management at Porsche, Deniz Keskin is responsible for the overall development and perception of the Porsche brand. He explains what new luxury means for Porsche and in which direction the brand is heading.

In the 17th century, Louis XIV, the Sun King, built the castle of Versailles — an embodiment of the power and luxurious life of the French royal court draped in gold, art, and ostentation. Today, more than 7.5 million tourists visit the historic monument every year. But probably only very few of them have the same understanding of luxury as Louis XIV.

What is defined as luxury in a society that is subject to rapid change? Today, we experience a shift from pure ownership to identification with specific values and I'm not going out on a limb here when I say that the future zeitgeist will be quite different from the Palace of Versailles. True luxury will be less connotated with the possession of physical goods but with relationships, experiences, and feelings.

## People demand a different form of luxury

We can already see that the understanding of luxury is changing within younger generations. It has become more subtle, some might even say more human. Time spent with friends and personal health move into focus. People have a claim to companies that they do not harm the planet, but on the contrary: they are supposed to change something for the better.

What does this mean for companies that manufacture premium products? Like the definition of luxury, the meaning of a brand is constantly changing. To give you an example: The word brand comes from the brand on livestock — in its original meaning, it is intricately linked to ownership. At the end of the 19th century, corner stores with a wide range of different products appeared. Brands had the task of giving customers orientation about the origin or quality of the product. Slowly their role changed, and brands needed to find a way to stand out. Advertising became an art form, again the relationship between a company and its customers changed.

## The bond between consumers and brands will deepen in the future

The most recent decisive change took place in 2007 when Apple introduced the iPhone. And thus, a product we always carry close to us and came to develop an extremely close connection with. Smartphones became our closest companions. This is when brands turned into experiences. You don't need to go to a store anymore to connect to a brand, it's right at your fingertip. I'm convinced that in the future the bond between customers and companies will become even closer: it will be a relationship. Brands will have an influence on how we define ourselves as a person, we choose them as a good friend.

This fundamental change between brands and customers will lead people to approach every company with a central question: What are you contributing to the world and to society?

## Luxury means to be able to live out your dreams

Porsche is in a successful place, but we have to be conscious of the fact that our target groups evolve and that the people who will buy our products in 20 or 30 years will have a different mindset. This is a fundamental change of perspective, which challenges companies to define their very soul, the reason they exist. In other words: we need to be clear about our purpose.

We at Porsche have found our answer: Driven by Dreams. As a brand, the place that we want to have in the hearts and the minds of our fans should be described with the feeling of making a dream come true.

## Driven by Dreams: Customers shall connect the Porsche brand with the feeling of making a dream come true.

You can find approaches to our definition of new luxury in new mobility solutions such as Porsche Drive Rental. The premium car rental service was initially launched in 2014 and is today available in five countries. The rental time is flexible — from three hours to 28 days. Just recently, five further locations have been opened in Germany. Another example is the first fully electric sports car, the Taycan. It is a car that gives you the classic feeling of a Porsche on the road, powered by sustainable technologies — interpreting the sports car dream in a completely different way.

This is where the circle closes for which Ferry Porsche laid the foundation stone more than 70 years ago with his quote:

We believe that in the future, real luxury will be understood as being able to live out your dreams. And that's what Porsche is all about.

### Info

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