

The American Male's Evolving Taste for Luxury Goods

Recommendations for Top Menswear Brands
Moving Forward

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The Evolution of the Male Consumer

Until the late 1990s, the luxury goods market – broadly referred to as the segment of goods that are non-essential but make life more enjoyable – skewed towards women who accounted for 65% of the market. After a decade of social and economic change, this skew is gradually disappearing. According to Bain & Company, men now account for 40% of the total luxury goods market and 50% of luxury apparel. In 2009, men spent as much as women on luxury leather goods (bags, luggage and small leather goods, and belts).¹ Now, across all categories, the luxury men’s market is outperforming women’s.² This change represents a shifting paradigm, a transformation that is rooted in the evolving sophistication of the American male consumer.

For generations, American men were indoctrinated to believe that one cannot be both masculine and highly attentive to appearance. The desire to “refine and groom” was stereotyped as too feminine, too intellectual, too European, or a combination thereof. The “American man”, to whom we credit our nation’s strength and success, would never waste time “dressing up” or shopping on Madison Avenue.

Technology, globalization, and increased mobility continue to drive increased competition in both business and social marketplaces, thereby making physical appearance a new differentiator among men. Outward presentation is suddenly one more way by which men compare themselves to each other. This shift has challenged perspectives on masculinity and encouraged men to display their “inner peacock” more openly. According to a 2003 article in *The New York Times*, more men pick out their own clothing than ever before.³

¹ Bain & Company. *Global Luxury Goods Worldwide Market Study, 9th Edition*, 2010; and Bain & Company. *Global Luxury Goods Worldwide Market Study, 10th Edition*, 2011.

² Foreman, Katya “Luxury Brands Ride the Wave.” *WWD: Men’sWeek Issue*, November 10, 2011.

³ Rozhon, Tracie, “Men Ask: Who Needs To Buy Clothes?” *The New York Times*, June 8, 2003.

The twenty-first century man participates in more diverse activities and ascribes to a more dynamic lifestyle than his predecessors. As a result, men are looking for distinctive fashions and new ideas that can more appropriately express their personalities.

In comparing the men's luxury market of today to that of the mid-1990s, there is a much more explosive landscape reflective of the industry's strategic response to this evolution. One needs only to observe the boom in health and fitness merchandise, the inclusions of "style sections" in newspapers and magazines, and the proliferation of hair care products for men to be aware of the existence of this changing man.⁴ Ketty Maisonrouge, adjunct professor at Columbia Business School and a director on the board of the Luxury Education Foundation, remarked on this rapid transformation, "Just think: Five years ago most men did not even use moisturizer on their face."⁵ Today, men are more comfortable expanding the definition of masculinity and therefore more excited to take care of themselves and their appearance. This is leading to a burgeoning new consumer segment.

Despite the economic downturn that began in 2008 – which led to the delayed purchasing of traditional luxury goods such as watches and formalwear⁶ – the men's luxury market continues to expand and gain depth. A variety of niche-seeking brands, offering innovative takes on luxury, have blossomed in the past decade or so. Since 1998, the following brands have opened doors in the US to challenge industry giants ranging from Polo Ralph Lauren to Prada to Turnbull & Asser:

1998 *Seize sur Vingt*, James and Gwendolyn Jurney

1999 *Engineered Garments*, Daiki Suzuki
John Varvatos, John Varvatos
Jack Wills, Peter Williams and Robert Shaw

⁴ Pellegrin, Bertrand. *Branding the Man: Why men are the next frontier in fashion retail*, New York: Allworth Press, 2009.

⁵ Maisonrouge, Ketty. Personal interview. November 30, 2010.

⁶ Bain & Company.

- 2000** *Unis*, Eunice Lee
Adriano Goldschmied, Adriano Goldschmied and Yul Ku
- 2001** *Junya Watanabe*, Junya Watanabe
Duckie Brown, Steven Cox and Daniel Silver
- 2002** *Rag & Bone*, Marcus Wainwright and David Neville
- 2003** *Freeman's Sporting Club*, Taavo Somer
Rogue's Gallery, Alex Carleton
- 2004** *Band of Outsiders*, Scott Sternberg
Billy Reid, Billy Reid
- 2005** *Barker Black*, Derrick Miller
Nom de Guerre, Holly Harnsongkram, Isa Saalabi, Wil Whitney, and Devon Ojas
Tom Ford, Tom Ford
- 2006** *Woolrich Woolen Mills*, Daiki Suzuki
Michael Bastian, Michael Bastian
Simon Spurr, Simon Spurr
- 2007** *Limoland*, Jean Pigozzi
Orlebar Brown, Adam Brown
- 2008** *Aubin & Wills*, Jack Wills
- 2009** *Burkman Brothers*, Doug and Ben Burkman
Caulfield Preparatory, Vincent Flumiani
- 2010** *Miller's Oath*, Kirk Miller
Mr. By Roland Mouret, Roland Mouret

As new brands have aggressively pursued the men's luxury apparel market, more established industry giants, including many female focused brands such as Dolce & Gabbana and Gucci, have responded in kind by expanding men's budgets and adding men's lines. A recent example of this practice is Chanel, a traditional luxury clothier, entering the men's luxury watch market in 2010 with a focused collection. Also recognizing the increasing viability

of the male consumer, luxury powerhouse Hermès opened its first men’s-only store in New York City early in 2010. The opening of this Madison Avenue boutique is an exclamation to Hermès’ belief in the male consumer. They followed up this conviction by opening a shop on Wall Street “with a special focus on the men who work in the surrounding banks and financial institutions and on the area’s growing residential population, the majority of which is male.”⁷

Furthermore, luxury retailers are shifting their business strategies to reach this new and expanding market. Michael Gould, CEO of Bloomingdale’s, affirmed, “There is more growth in accessories, footwear, and most importantly the men’s business.”⁸ As a result, the archetypical retailer renovated and expanded the men’s tailored-clothing floor at its New York flagship store during the last five years, by, for example, dropping some traditional brands in favor of lesser-known, newer fashions. These changes led to an estimated 3-4% growth in Bloomingdale’s men’s category.⁹ J. Crew, who CEO Millard “Mickey” Drexler describes as a “modern version of luxury – selecting, editing, and curating the best brands and sourcing the best fabrics worldwide,”¹⁰ has opened a handful of men’s-only stores since 2008, including the “Liquor Store” in Tribeca (New York City) and “The Ludlow Shop” at 50 Hudson (New York City) this year, which aims to create authentic male-centric environments with unique merchandise, displays, and design. In the face of the recession, luxury department store Neiman Marcus committed to pushing a wider range of men’s merchandise at the higher end, according to men’s fashion director Colby McWilliams¹¹. A true testament to this shift in men’s purchasing habits, traditional Italian leather goods manufacturer, Salvatore Ferragamo, who started in the mid 1900’s by cobbling women’s shoes, opened a men’s-

⁷ Wilson, Claire. “Hermes Tempts the Men of Wall Street,” *New York Times*, July 29, 2007.

⁸ Gould, Michael. “5th Annual Retail & Luxury Goods Conference,” speech conducted at Columbia Business School, February 4, 2011.

⁹ Palmieri, Jean E. “Men’s Wear Evolves at Bloomingdale’s,” *WWD*, December 5, 2011.

¹⁰ Drexler, Millard. Personal interviews. April 18, 2011 and March 27, 2012.

¹¹ Smith, Ray. “Counting on Guys to Buy,” *The Wall Street Journal*. November 29, 2008.

only boutique in Los Angeles, CA in 2008. Lastly, Christian Louboutin has announced plans to open a 1,035-square-foot men's store in New York City in the spring of 2012.¹²

The story of men's tastes will continue to develop, and competition in the men's luxury goods market will continue to intensify in the years to come. Opportunities will grow for new entrants, existing niche brands, and established luxury goods manufacturers looking to effectively capture the new male consumer – a consumer with a desire to express individuality and to engage in a more thoughtful approach to purchasing luxury goods.

As men increasingly look for fresh ways to represent themselves with the up-and-coming designers of tomorrow, success will depend on a luxury brand's ability to provide more options, better physical fit, and better service. Nelson Liriano, director of the Bergdorf Goodman Men's store, described such new offerings as "sophistication with an edge."¹³ With this broad understanding in mind, here are a few specific recommendations for luxury brands interested in aggressively pursuing the new man.

Recognize that the male consumer feels more comfortable in his own skin; then shape the shopping

experience and environment accordingly. Creating an explicitly masculine environment across all channels, from the store to the website, will be critical as brands seek to ingratiate themselves with the new male consumer. As already mentioned above, one effective technique is to house the company's men's brand in a stand-alone store (and website), often located next to the women's label store to promote cross shopping.

New York powerhouse, Bergdorf Goodman, broke from the department store pack by opening its men's store in 1990. Last year, Hermès successfully opened its first men's store in New York, across the street from its US flagship. Coach followed suit three months later with its first men's-only shop. The new luxury male consumer is tired of walking through perfume counters, and being restricted to one corner of a store while

¹² Edelson, Sharon "Christian Louboutin to Open Men's Store in NYC," *WWD*, December 12, 2011.

¹³ Liriano, Nelson. Personal interview. April 15, 2011.

women shop around them. The retail environment should be welcoming and understanding of the male customer and fully focused on servicing him. Just like the consumer electronics store that has carved into males' discretionary income, the men's retail store "should provide education and guidance for the man who is hungry for something more than the usual 'blue plate special' of khakis and polo shirts."¹⁴

However, as maintained by Ginny Hershey-Lambert, EVP of Merchandising at Bergdorf Goodman, the luxury retailer or brand must remain cognizant of the "extracurricular shopping" that women do for their husbands, boyfriends and family.¹⁵ A thoughtful balance between a masculine environment and a woman's desire to shop for her spouse should be struck.

Explicitly differentiate the men's brand from any pre-existing, in-house brands. This can be achieved by creating a definitive masculine shopping environment, as well as developing separate marketing materials, from packaging and advertisements to brand ambassadors and events. Control over the creation of a new men's brand image is critical. As Professor Maisonrouge advised, "You must know when to say, 'No,' and pull from retailers that do not represent your brand properly."¹⁶ The company must ensure consistency of image and brand messages about the men's category across all of its sales and marketing channels. Tight control of distribution and display, including the presentation and location within stores, is important in reassuring the male consumer that this is a brand for men intended to enrich a part of his lifestyle.

Such strategies and tactics are particularly relevant to existing women's-only brands seeking to launch a men's brand. Ensuring that the male and female perspectives are equally justified is a key to success. Men may not accept a line that is too closely associated with women's wear or one that has not demonstrated a

¹⁴ Pellegrin, Bertrand.

¹⁵ Hershey-Lambert, Ginny. Personal interview. April 15, 2011.

¹⁶ Maisonrouge, Ketty.

commitment to understanding the tastes of the contemporary male consumer. Conversely, the addition of a men's brand may distort the image of the women's brand among its core consumers. For example, Chanel's success is closely tied to the femininity of Mademoiselle Chanel's designs. How will legions of women react if Chanel starts to consistently display men's suits at their boutiques?

Focus product and marketing on the brand's high quality, heritage, and craftsmanship. The male luxury consumer is looking for durable, versatile products that will endure over time. "Double usage," something that women have understood for quite some time, is now starting to resonate among the male consumer, especially as he exposes himself to an array of different lifestyle activities. Do not stress trendiness. This year, Hermès launched the Festival des Métiers, a traveling exhibition of artisans. The event provided customers with an intimate education on how Hermès still makes its products by hand, not on an assembly line.

Luxury male customers demand the highest quality of service. The sales force should provide an educational experience for the customer, but only to the extent that he wants education. A company must place great focus on the hiring, training, and continued evaluation and improvement of the brand's employees. For example, Bergdorf Goodman frequently invites its vendors into the store to explain product features and benefits to sales associates in order to make them more knowledgeable about the product's quality and craftsmanship, thus giving them more ammunition when working on the sales floor.

Additionally, sales associates and managers should be well informed on the brand's competitors and current industry trends. Information on new products, trends, and the competitive landscape should be communicated to the sales force regularly. As the brand's representatives on the frontlines, sales associates must be ready to provide the level of service that the customer perceives to be right. As Kirk Miller, Head Designer of the bespoke suit brand Miller's Oath says, "Working with customers is about knowing how to

manage your expertise. Through experience, you learn how much information to share and when to share it based on your read of the guy.”¹⁷ This sentiment has also converted into e-commerce success. For example, as recently launched men’s only luxury retail sites such as GiltMan.com (through Gilt Manual), ParkandBond.com, and MrPorter.com increased editorial content to educate and sell. With a strong uptick in sales, Mr. Porter (which launched a decade after the founding of women’s e-tail giant and owner Net-a-porter.com) has doubled its fashion offering this past fall.¹⁸

Moreover, sales associates should be empowered to communicate to management the shopping habits, trends and ideas that they are learning from their daily interaction with the client. This should be encouraged by regular, structured dialogue through strategy and trend meetings. This insight will help to better merchandise and speak to the evolving male consumer.

Lastly, as the male psyche is fragile (even though men tend not to admit it), experienced sales people should know a product’s size and dimensions and then help steer customers towards a product with the best fit, and therefore ease the frustration of shopping.

Marketing messages should reinforce brand values, not focus on selling. Marketing should be well planned, honest, and not focus explicitly on selling the company’s merchandise. Many luxury brands can learn from examples such as Patek Phillipe and Ralph Lauren who have demonstrated an uncanny ability to tailor messages for their clients that focus solely on client-relevant brand values. Additionally, a brand must be careful when marketing new products, crafting a subtle communication in the context of the overarching lifestyle of the brand.

¹⁷ Miller, Kirk. Personal interview. April 19, 2011.

¹⁸ Foreman, Katya.

Luxury brands must keep in mind the responsibility that they have to the sophisticated male consumer.

Men at the luxury level are interested in rewarding themselves for “making it.” Brands must remember that men’s dreams of “making it” lie deep within and have tremendous effect on the consumer’s perception of the luxury shopping experience. In this context, brands must consistently provide an experience that reflects the man’s perception of what success should feel like. This is all about the details, including store embellishment, presentation of product, fixtures, color tones and cleanliness. All of the details must be measured and designed to fit into the company’s specific brand positioning.

Additionally and importantly, sales associates must be educated accordingly so that they are capable of deploying the right kind of purchasing experience. Counter intuitively, a sales pitch centered on the value of the product relative to its price is likely to detract from the luxury purchasing experience. Mr. Liriano summed up the sentiment nicely, “It may be a beautiful [\$8,000] suit, but it’s neither the quality nor the price that drives this guy.... it’s the fact that when he walks into a boardroom not one of the other men in the room has his suit.”¹⁹

Overall, the evolved male consumer presents a tremendous opportunity for small niche brands and well-recognized industry players. Capturing the new man depends on a brand’s ability to recognize his tastes and provide an authentic and enriching experience in addition to quality, well-differentiated products. According to a recent article in WWD, there are still untapped opportunities to be had in the US since it is home to 39% of the world’s wealthiest households, but only accounts for 19% of global spending on luxury goods.²⁰

¹⁹ Liriano, Nelson. Personal interview. April 15, 2011.

²⁰ Clark, Evan. “American Luxe Goods Market May Offer Untapped Potential,” *WWD Issue*, December 5, 2011.

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