

RETAIL

## Discounting merchandise while maintaining brand integrity

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By **Larry Birnbaum**

Historically, luxury brands have avoided offering discounts on their products and for good reason.

For high-end brands, discounts bring a risk of overexposing products and damaging the brand image. Now, however, thanks to a natural evolution of the luxury retail cycle, some brands are able to safely discount products and reach an extended customer base in fact, the **discount luxury market is booming**.

But how can you maintain brand integrity while offering a discount?

The secret is thoughtful curation hand-selecting items you know your customers will love which ultimately leads to connection.

By incorporating discounted products into a well-curated collection, you expose your brand to previously unreached customers without overexposing the lower price point.

Skillful curation benefits the customer as well. In a world where customers are overwhelmed by choice, it helps them **effortlessly find** what they need.

Customers now want and expect luxury brands to **serve as tastemakers**, providing carefully curated content as well as product selection, after all.

So, how do you curate these product collections?

First, consider the evolving luxury customer profile. Millennials and Gen Z now **make up 70 percent** of all luxury customers.

This new evolution in luxury retail particularly appeals to younger consumers and those **concerned with sustainability**.

The latter seek quality products that will last for many years, which may draw them to invest in luxury goods, though they may not have an unlimited budget. And younger consumers whose income is fast increasing may aspire to soon purchase luxury goods, but are adamant about honoring eco-conscious beliefs.

It is transforming the business of luxury goods. By offering discounted goods to a new set of consumers who may not have been able to afford them previously brands are building a connection with younger people who are rising

not have been able to afford them previously, brands are building a connection with younger people who are rising in economic status without undercutting the value of other products. They are also building a connection with environmentally conscious customers, who will likely appreciate the elimination of waste and view luxury products as a long-term investment.

Meanwhile, they are not overexposing current-year products that may appeal more to another customer base with more disposable income.

Here are things to think about. Examine your own customer data to fine-tune your customer profile. Who visits your shop or website, and who makes purchases?

Consider whether you have some aspirational customers who might convert to actual customers with a discounted product.

Next, think of the stories you want to tell through curated collections.

By cultivating an inventory of multiple brands, you can tell a cohesive story using complementary products.

Rather than highlighting discounts as your key marketing strategy, instead offer an experience where customers get that magical feeling of discovering a store or collection that feels like it was created just for them.

How to find the products that align with that vision?

Consider the main values that your brand represents, making sure they align with customers' wants and needs and then choose products that encapsulate them.

For example, you might select products with timeless elegance. When curating past-year inventory, this offers both style and sustainability, eliminating waste while giving customers something they can cherish forever.

A good example is Loewe x Paula's Ibiza's line of colorful unisex beachwear that embodies playfulness and a free-spirited enjoyment of life. The brand offers pop-ups with [curated experiences](#) featuring their products, a creative way to reconnect with audiences.

Selecting a product mix that feels like it is tailored to your customer's tastes will deepen your connection with them. And it will pique their interest in returning to find out what you will offer next. They will discover new ideas that help them refine their own tastes, and you will maintain luxury and exclusivity status.

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