

COLUMNS

British luxury brands eye US with Brexit looming

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"The British are coming!" That was the shout heard round New York recently as a delegation of 18 British luxury brands converged in the United States' luxury capital to talk luxury, British-style.

The meetings were organized by Walpole, a nonprofit association representing the "voice of British luxury," and the government-funded GREAT Britain campaign. With Brexit looming, the U.S. market has never been so important to U.K. luxury brands.

Among the Union flag's flag bearers were Helen Brocklebank, CEO of **Walpole**; Michael Ward, chairman of Walpole and managing director of **Harrods**; and Richard Turner, Her Majesty's consul in New York and regional director east USA for Britain's Department of International Trade.

Providing content for the meeting was **Brand Finance**, which shared research about the importance of the U.S. market to the British luxury sector, as well as the growing demand for U.K. luxury in no small part thanks to Britain's fashion-forward royals, Duchesses Kate Middleton and America's own Meghan Markle.

"Not only is the U.S. the single biggest market for British luxury," Ms. Brocklebank said, "but also it offers a huge growth opportunity for the sector, as the appetite of the U.S. customer for our brands and services grows every year."

Ms. Brocklebank added that the young royals have sparked demand among Americans ages 25-40, which "is a demographic that had previously not been engaged."

A relationship of mutual dependency

As the U.K. departs from the European Union, cultivating a strong trade partnership for British luxury brands stateside has never been so important. And with international trade deals the talk in Washington these days, the U.K. is one of our **net-positive trading partners**, showing that more trade back and forth over the pond is good for both countries.

The British luxury sector is valued at 32.2 billion (about \$41.1 billion), with roughly 80 percent of that total destined for export.

As the U.S. is Britain's **number one trading partner**, the lion's share of British luxury is destined for America's shores.

In organizing this second annual trade meet-and-greet, the delegation's goals were two-fold: to whet American's appetite for luxury British-style by forging connections with U.S. retail buyers and media, and to promote inbound American tourism for visiting and shopping there.

Nearly 4 million Americans visited the U.K. in 2017, according to Visit Britain, which was an increase of 13 percent over previous year. Further, Americans spent nearly 4 billion (\$5 billion) on holiday there.

Hoping to grab more of that tourist spending, the New West End Company joined the delegation. It represents more than 600 business in London's West End and Mayfair, encompassing the city's premium shopping districts including Bond Street, Oxford Street and Regent Street.

"We welcome the opportunity to share the unique mix of fashion, fine jewelry, art, craftsmanship and culture that have helped establish Mayfair as one of the world's most popular and exciting destinations," said Jace Tyrell, CEO of **New West End Company**.

Priming the pump for U.K. luxury

With America's concentration of wealth there were 17.4 million millionaires in 2018 (or 41 percent of the world's total), according to **Credit Suisse** some 75 percent of British luxury brands identify the U.S. as their priority growth market through 2021, based on a survey done by Walpole in association with McKinsey & Co.

The American luxury market is predicted to reach \$103.5 billion by 2021, reports Euromonitor.

Sarah Anderson, who heads up brand partnerships for **GREAT Britain**, believes British luxury brands have what it takes to make it here due to "British craftsmanship, quality and heritage in beautiful settings and with the valuable expertise of the industry's finest talent," which includes some 113,000 Britons employed in the luxury sector.

The crown jewel in this coming British luxury invasion is very simply the crown.

"The monarchy is one of the most defining features of Brand Britain and the royal impact on the desirability of British luxury brands cannot be overstated," said Alex Haigh, director of Brand Finance.

Whatever Kate and Meghan wear creates a rush to the store or Web site.

Mr. Haigh calls out the Finlay and Co. sunglasses that Meghan wore as driving a 2,700 percent increase in U.S. revenue for the brand and a white coat by Line the Label she was photographed wearing crashed the company's Web site in minutes.

"Interaction between a brand and any royal, but particularly the duchesses, is like the mythical golden touch and can transform a brand's performance overnight," Mr. Haigh said.

What our British cousins learned

Hosting a roundtable discussion during the three-day visit, **Luxury Daily** found the British panel members excited about opportunities to tell their brands' stories to U.S. consumers increasingly eager to hear and engage.

But they also learned that their traditional British stiff-upper-lip and more reticent marketing and branding messages must adapt to America's big, bold, out-there culture.

"The thing I've learned in the last few days is not to be afraid to be bold at what we are saying," Walpole's Ms. Brocklebank said. "The British personality can be quite modest and diffident, and we've got an incredible story to tell.

"What I'm hearing from everybody I meet in New York is Let's just hear it a bit more loudly," she said. "We think we are shouting, and it comes across as a whisper."

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