

I'll patch your jacket, shall I?

By [Lynn Madeley](#), issued by [Havas Johannesburg](#)

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I was chatting to a client at the beginning of the year, just as the recession was beginning to bite, and he mentioned that Gucci has sent non-branded carrier bags to all its stores in New York. This got me thinking a bit more than I had already been about the economic crisis and I realised that most of us have a rather uni-faceted and short-term view of the situation.



What we focus on is that people are not able to afford things as they did during the boom times. But there is another more long-term dimension, one that I believe will make itself felt long after the economic tide turns again. There is the possibility that people will no longer want to buy certain things, even if they have the money to do so. Being rich and flaunting your wealth could just go out of fashion, in much the same way that fur coats became vulgar and attracted public outrage in the 80s. Is it going to become vulgar once more to talk about money and show your wealth? Are we about to witness the death of 'bling'?

If we are, the effect on luxury brands is going to be pretty significant. The 'noughties' decade saw an unashamed global trend towards flash materialism. The more bling the better. But recently, there has been a shift. Women are stashing their LV handbags at the back of their cupboards, the diamond encrusted gents Rolex is being put into the safe for another day. As we wean ourselves off these luxury brands, our addiction to them is slowly ebbing away. I can't afford the BMW but no matter - I now have a perfectly emotional reason not to buy one; it's no longer fashionable to have the luxury brand item.

Of course, luxury goods will always have a market, but the global trend of bling is slowly dying. May it rest in peace, some may add.

So what is the best way for a brand, luxury or not, to react?

A recent study done by Euro RSCG in New York uncovered, unsurprisingly perhaps, the fact that consumers are afraid. On a continuum of No Anxiety to Severe Anxiety, the average person is sitting at 72% towards anxiety. This Anxiety Factor has caused people to go back to basics, to lean towards traditional values. In other words, to throw out crass materialism and brand adoration, and make more cerebral decisions about what to purchase.

One might expect the economic depression to generate a mass search for the cheapest item, but the research proved that this is not necessarily the case. In fact, quite the contrary. There is an increasing conviction that low prices do not automatically equate to good value. In a market flooded with sales and specials, low prices can generate skepticism, a sense that un-sellable rubbish is being fobbed off on bargain-hunting consumers. The poor quality control of mass-produced cheap products coming out of Asia feeds this skepticism. The study also found that nearly 60% of consumers will only buy from a company they trust, an unsurprising trend given their high levels of anxiety.

So if consumers aren't looking for the cheapest item available, what are they looking for? The answer is value. Value that not about price, but about quality. People want something more for the same price, something that will last longer.

People want to feel that their hard-earned and limited money is buying something worthwhile. Increasingly they recognise that buying cheap is taking a risk, and society is currently very risk-averse. Getting good value is therefore about making the sensible choice.

And while hyper-inflated brands are not the sensible choice, neither is a cheap-and-nasty product. If luxury items are to survive beyond the current financial crisis, they will need to rely on their quality, not just their label.

What will South Africa be like without overt materialism?

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