"Tiffany Who? Not Your Mother’s Anyway": When Reinvention Turns Into Alienation

MANAGEMENT DECISIONS

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The case of Tiffany & Co. ended drastically with the backfire of the campaign "Not Your Mother's Tiffany", alienating their loyal older customer base in an attempt to become more relevant to a younger audience. In this chapter, the managerial decisions made by the new management and board of LVMH and Tiffany & Co. will be highlighted, as well as the aftermath and effects of the controversial campaign. Lastly, it will present how the acquisition of Tiffany & Co. unfolded and how it has affected the current state of the brand.

Acknowledgment of the Controversy

The aftermath of the release of the campaign could be explained as focusing on rapid damage control, rather than culminating in long-lasting apologetic statements and public announcements. The new executive vice president of Tiffany's, Alexandre Arnault, subsequently admitted to the consequences of their bold actions, acknowledging the backlash of the initiative. No explicit comments regarding the issue were however announced to the public, which aligned with the brand's typical approach to similar situations. Despite the storm of negative comments of the campaign and its meaning, the management did not share the negative and indignant opinions of the public. Instead, the firestorms arising from the launch was interpreted as rather well needed attention to the brand, and according to the strategic plan:

> *"It also had people who had never thought of Tiffany talk about us, which I view as a good sign."*- Alexandre Arnault, Executive Vice President (2021) (Bates 2022)

Looking back at the history of LVMH as an experienced acquirer of aging luxury brands, the strategic decisions and actions conducted by the new management team was nothing but expected. The initiative might have been a big bet and quite controversial, although led by the expert gamblers of the industry. LVMH was following its usual manual for rejuvenating aging luxury brands and was agreeing to the saying of "you win some, you lose some". Launching the campaign meant opening up and receiving attention from the wider public, meanwhile also risking the erosion of loyalty among its core customer base. Similar brand strategies have been visible and growing in popularity within the industry of luxury, where brand transformations are done in a way that sometimes transcends the brand's core or DNA and is done more radical than previously (Ritson, 2021).

The campaign was publicly live for less than two weeks before it was discontinued. In the light of the turbulent aftermath, however, the brand damage proved less substantial than what could have been anticipated. When asked regarding the opinions of the campaign, Tiffany veterans and loyal customers noted that neither their experience of the products nor the overall brand experience had changed significantly (Bates, 2022). The former core customer base of the brand was undeniably offended by the advertisements, yet their familiarity and loyalty to Tiffany's seemed to remain rather intact.

Bridging the Gap of the Customer Bases

Furthermore, the following campaigns launched in the late summer of 2021 seemed to continue in a similar manner, emphasizing the modern take and revitalization of Tiffany's. The partnership with Beyoncé and her husband Jay-Z, resulting in the widespread campaign named "About Love", seemed to connect their former traditional identity with their contemporary ambitions. In the campaign, they highlighted their trademarked Tiffany Blue (1837) as well as their iconic and traditional jewelry designs. Most notably, the legendary Tiffany Diamond was for the first time in history worn in the campaign, regarding one of the most significant gemstone discoveries of the past centuries. Purchased by Charles Lewis Tiffany in 1878, this grand reveal further emphasized the brand's heritage and signaled their long-lasting reputation as "King of Diamonds" (Tiffany and Company, 2021). Another feature of the campaign was the contemporary reinterpretation by Beyoncé of the song "Moon River" from Breakfast at Tiffany's, which appealed to the emotional memory of its traditional customer base and reinforcing the sense of familiarity. Overall, the campaign could be interpreted as a bridging between the customer bases, continuing with the modernization while simultaneously calling for their traditional customer base's attention.

The Recovery & Current State

Within a year of the controversy, the acquisition by LVMH together with the bold campaign seemed to yield its intended outcomes. The campaign not only boosted engagement for the brand, but also leveraged its investments. Furthermore, Bernard Arnault, the owner and chairman of Tiffany & Co. and father to Alexandre Arnault, stated that the campaign and the overall reinvention was successful. After the acquisition and the campaign, the brand went from stagnant in a fast-growing luxury industry to once again returning to its prestige and high-performance state (Bates, 2022). LVMH also noted that the 167% growth in revenues (between 2020 and 2021) within their jewelry and watch category was enabled by the acquisition of Tiffany's, indicating record performance and success (LVMH, 2022).

It is reasonable to argue that the controversy of "Not Your Mother's Tiffany" undeniably stirred up emotions and generated a hectic firestorm in social media. However, it seemed to have minor long-term consequences to the brand and might have even helped the brand more than hurting it. Tiffany's and LVMH embraced the crisis with fast actions, admitting to the backlash but avoided further attention and prolonged debates of the campaign. Instead, they continued launching less controversial but still strategically coherent campaigns reinforcing their repositioning, while enjoying the engagement boost and using it in their favor. In subsequent years, LVMH has continued to acknowledge the success of Tiffany & Co. as one of their largest contributors of revenue growth.

Although the campaign initially appeared rather bold and radical, it ultimately reflected LVMH's strategic and long-lasting expertise. They demonstrated a clear understanding of their strategic actions and will furthermore continue their legacy as expert rejuvenators of luxury with Tiffany & Co as their brightest star.

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