RCMOS – Revista Científica Multidisciplinar O Saber.
ISSN: 2675-9128. São Paulo-SP.

Year VII, Vol. 1, 2026 | Submitted: May 13, 2026 | Accepted: May 16, 2026 | Published: May 19, 2026

Cross-cultural strategies and the legitimacy of luxury brands in global markets

Estratégias transculturais e a legitimidade das marcas de luxo em mercados globais

Estrategias transculturales y legitimidad de las marcas de lujo en los mercados globales

Author: Anissa Arichi
Education: MBA ESG, ESMOD Paris

Abstract:
This paper analyzes how luxury brands manage the inherent tension between their cultural heritage (*heritage*) and the necessity of local adaptation in distinct markets. Through a theoretical and empirical study of the internationalization of European brands into the United States market, this research discusses cultural fluency as an essential managerial competency. The results suggest that brand authority is maintained by preserving core brand codes while adopting agility in local market execution.

Keywords: Luxury. Cross-Cultural Strategy. Governance. Internationalization.

Resumo:
Este artigo analisa como marcas de luxo gerenciam a tensão inerente entre sua herança cultural (*heritage*) e a necessidade de adaptação local em mercados distintos. Por meio de um estudo teórico e empírico sobre a internacionalização de marcas europeias no mercado dos Estados Unidos, a pesquisa discute a fluência cultural como uma competência gerencial essencial. Os resultados sugerem que a autoridade da marca é preservada pela manutenção dos códigos centrais, enquanto se adota agilidade na execução local.
Palavras-chave: luxo. Estratégia Transcultural. Governança. Internacionalização.

Introduction

The globalization of the luxury sector has transformed the landscape of brand management, necessitating a fundamental shift in how corporations balance global standardization with local relevance. While the heritage of a luxury brand serves as a bedrock of its legitimacy, the modern market environment demands a sophisticated level of cultural fluency to navigate heterogeneous consumer bases. This article examines the strategic paradox in which a brand must remain anchored in its historical origins while demonstrating its dynamic capacity to resonate in new, culturally distinct environments.

The central thesis of this research posits that legitimacy in global luxury markets is not achieved through homogenization, but through a dialectic process of "glocalization." By maintaining core brand codes—those elements that define the brand's DNA—while empowering local operational agility, luxury firms can transcend the risks of cultural alienation. The investigation focuses on the

dual challenge of preserving brand prestige while addressing the highly varied expectations of consumers in Europe and North America, drawing insights from current leadership paradigms.

Through an analysis of strategic governance models, this study explores how high-performance luxury groups manage this balance. It argues that the most resilient brands are those that foster a

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cross-cultural leadership style, capable of interpreting localized aesthetic and social codes without compromising the integrity of the master brand. Consequently, this research aims to contribute to the field of strategic management by providing a comprehensive framework for understanding how luxury firms sustain their elite status in an increasingly fragmented global economic landscape.

1. Heritage as a Bedrock of Strategic Legitimacy

Heritage serves as the primary source of competitive advantage for luxury brands, providing an undeniable narrative of authenticity that new entrants cannot replicate. However, heritage is not a static asset; it requires continual reactivation to remain relevant to contemporary consumers. The legitimacy of a luxury brand is intrinsically linked to its ability to connect its past narratives to modern contexts, creating a continuum that spans generations. When brands operate in global markets, heritage often becomes the universal language. Regardless of geography, the consumer seeks a sense of continuity and history that distinguishes the luxury purchase from mass consumption. The challenge lies in communicating this history in a way that respects local nuances without appearing archaic or disconnected from the target market's reality. The risk of becoming overly fixated on history is brand identity stagnation. A heritage-heavy strategy that fails to evolve can lead to a perception of irrelevance among younger demographics, who prioritize contemporary values alongside tradition. Therefore, the strategic use of heritage must be viewed as a dynamic platform for innovation rather than a museum-like preservation of the past. Authenticity, rooted in heritage, serves as a barrier to entry for counterfeiters and competitors lacking a deep historical foundation. It creates a psychological anchor that stabilizes the brand's position despite volatility in trends. Maintaining this anchor while navigating the high-speed requirements of a globalized market is the hallmark of sophisticated brand governance. Furthermore, heritage narratives must be carefully curated to align with universal values of excellence and rarity. When a brand enters a new culture, it must choose which elements of its history to emphasize, effectively acting as an editor of its own legacy to ensure resonance. This selective communication is essential to maintain the mystique of the brand. Ultimately, heritage provides the ethical and aesthetic framework within which all other strategies must operate. Without this foundation, the brand loses its "reason for being" and becomes vulnerable to price competition. The legitimacy conferred by heritage is the fundamental asset that justifies the luxury price premium in any market globally.

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2. Defining Cultural Fluency as a Managerial Competency

Cultural fluency is the capacity of a manager or organization to recognize, interpret, and navigate the subtle socio-cultural codes that govern consumer behavior and business interactions across different geographical regions. In the luxury sector, this is no longer a soft skill, but a prerequisite for sustainable expansion. A manager lacking cultural fluency risks misreading signals that can lead to catastrophic brand crises.

The development of this competency involves an ongoing education in social semiotics. It requires understanding the symbols, values, and power structures that underpin local societies. In luxury, where the product is inherently tied to social signaling, misinterpreting a brand's social function in a specific market can immediately alienate the desired demographic.

Cultural fluency also entails the ability to bridge the gap between organizational headquarters —often based in Europe—and local teams in North America or Asia. It involves translating corporate mandates into actionable, locally sensitive strategies. This mediation process is critical because a message that sounds aspirational in Paris may appear arrogant or irrelevant in New York. Leaders possessing high cultural fluency tend to build stronger cross-cultural teams. They encourage a diverse internal dialogue, recognizing that the most accurate market insights come from those who inhabit the culture. This decentralized approach to strategic thinking is a vital component of successful internationalization.

Training for cultural fluency must be integrated into the career development of high-potential luxury executives. Exposure to different operational realities, paired with formal education in sociology and international marketing, forms the basis of this executive maturation. The goal is to develop an intrinsically flexible leadership style.

As brands become more global, the collective cultural fluency of their management team becomes the primary safeguard against the homogenization of brand identity. Brands that master this competency grow stronger with each new market they enter, as they learn to synthesize global scale with local intimacy.

3. The Parisian Legacy: Formality and Aesthetic Codes

The Parisian luxury model represents a high-water mark of aesthetic formality and rigid brand architecture. For centuries, these *maisons* have relied on a strict adherence to their founding principles, establishing standards that have become the global language of luxury. This approach emphasizes the primacy of the designer's vision, often positioning the brand as a leader that shapes

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consumer taste rather than merely following it. However, this model of formality faces pressure in the current market environment. The global consumer, now accustomed to the informality of the digital era, sometimes perceives rigid Parisian protocols as a hurdle rather than a benefit. Brands must therefore strike a balance between preserving the dignity of *savoir-faire* and adopting a more accessible posture that invites the new generation into their ecosystems.

The aesthetic codes developed in Paris are characterized by timelessness and a focus on long-term value. This is a critical asset when competing in markets that are prone to fast-fashion cycles. By reinforcing their codes as "timeless," Parisian brands can shield themselves from the inflationary pressures of ephemeral trends, relying on their historical authority to command a premium.

The governance of these Parisian structures is often centralized, a model that has historically provided tight control over brand image. While this has been effective for maintaining consistency, it often creates bottlenecks in speed. The challenge for these houses today is to replicate the centralized quality control while distributing operational decision-making to regional hubs, such as New York or Shanghai.

Luxury brands from this tradition often view themselves as guardians of culture. This responsibility is both a strength and a limitation. It provides an unshakeable narrative but can also lead to inertia if not checked by a proactive innovation strategy. The most successful Parisian houses are those that treat their legacy as an active, living force.

In conclusion, the Parisian model is the masterclass in building brand equity through discipline. The contemporary challenge for these brands is to demonstrate that they can adapt their rigorous aesthetic to a global, diverse consumer without losing the essence of their unique cultural heritage.

4. The New York Model: Agility and Consumer-Centricity

In sharp contrast to the Parisian model, the New York luxury market is defined by an unparalleled emphasis on consumer-centricity and operational agility. Here, the brand exists to serve the customer's lifestyle, and its structure is optimized to ensure the customer remains engaged and satisfied. It is a market that prizes speed, data-driven feedback, and the ability to pivot strategies overnight.

The New York model views the brand as a service platform. The customer's expectation in Manhattan or the Hamptons is that the brand will anticipate their needs, provide seamless service, and integrate into their fast-paced life. This creates a high-pressure environment for luxury brands, as the threshold for dissatisfaction is very low; consumers are willing to abandon a brand the

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moment it ceases to offer convenience or prestige.
A robust data analytics infrastructure supports operational agility in this model. Decision-making is rarely based on intuition alone; real-time sales data, customer feedback loops, and digital engagement metrics validate it. This allows for a precision in marketing and product assortment that is highly effective for revenue maximization.
The governance structure in successful New York-based models is generally leaner and more decentralized. Regional directors possess significant authority to respond to market trends, providing a competitive edge over a centralized international structure. This autonomy empowers local teams to innovate and customize the brand experience to the local culture.
However, the New York model also risks over-commercialization. The constant drive for agility can sometimes dilute the brand's mystique if not properly managed. The most successful brands in this ecosystem are those that effectively marry American efficiency with a deeply rooted, aspirational brand narrative, ensuring they never become mere commodity players.
Ultimately, the New York model teaches the global luxury sector that efficiency is a form of respect for the consumer's time. Brands that can merge the aesthetic prestige of Paris with the operational excellence of New York create a winning formula that dominates the global competitive landscape.

5. Semiotics and Symbolism in Global Branding

The global success of a luxury brand depends on its semiotic intelligence: the ability to manage the meaning associated with its symbols across cultures. A logo, a specific color, or even the layout of a boutique carries deep semiotic weights that can either elevate or damage a brand depending on the context. Managing this symbolism is a core governance task.
Global branding requires a standardized semiotic system that maintains a consistent brand promise worldwide. Simultaneously, it necessitates the skill to overlay this system with local symbols that ensure the brand is understood as a high-status entity within that specific cultural framework. This dual semiotic management is essential to prevent misinterpretation.
The luxury industry relies heavily on visual semiotics—the language of materials, craftsmanship, and aesthetic proportions. When this language is perceived as universally superior, the brand gains global legitimacy. The goal is to ensure that the consumer decodes the brand's symbols in a way that aligns with the brand's intended value proposition.
However, symbolic meaning is not fixed; it evolves. A symbol that meant "exclusivity" in 2010 might mean "ostentation" or "environmental negligence" in 2026. Global luxury brands must continually audit their symbolic portfolios to ensure they remain aligned with evolving societal

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values. This is a critical component of risk management for global firms.

Digital semiotics also plays an increasing role. How a brand appears on a social media feed—the tone of its captions, the quality of its videos—is part of its symbolic identity. In the phygital era, the brand must ensure its digital semiotics are as refined as its physical boutique environment, creating a coherent symbolic experience.

Finally, the most powerful luxury brands are those that transcend culture, becoming universal symbols of excellence. Achieving this universality requires years of consistent symbolic management, in which every action reinforces the brand's narrative across borders, ultimately making it part of the global cultural lexicon.

6. Strategic Governance: The Dilemma of Centralization

The governance dilemma for global luxury is the choice between total centralized control and decentralized market autonomy. Centralization ensures brand purity and operational consistency, but often results in slow decision-making. Decentralization offers market-responsive agility but risks fragmenting the brand's identity. The most successful global houses are adopting a "federalist" governance structure.

In this federalist model, the headquarters act as the guardian of brand values and creative direction, while local regional teams hold the power to execute the strategy in ways that respect local market idiosyncrasies. This hybrid governance is increasingly necessary as global markets become more complex and distinct from one another.

Success in this governance model requires an extremely high degree of trust and communication. The local teams must be fully indoctrinated in the brand's DNA so that their autonomous decisions remain aligned with the global strategy. This requires a shared corporate culture that transcends physical office locations.

Financial governance must also be integrated. Regional offices require the autonomy to allocate resources, but this must be overseen by a global financial oversight body that ensures healthy margins and capital discipline. Centralized finance and decentralized execution are a common winning combination for global groups.

Information flow is the key to managing this dilemma. Technologies such as cloud-based ERP systems and real-time dashboards allow global leadership to maintain oversight without resorting to micromanagement. This creates an environment where local teams feel empowered to perform, while global leadership retains the ability to pivot the brand when necessary.

Ultimately, effective governance in luxury is the ability to enable a large organization to behave

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with the agility of a startup. It is about creating a structure strong enough to hold the brand together yet flexible enough to let it grow in different, unpredictable directions simultaneously.

7. Sustainability as a Universal Luxury Code

Sustainability has evolved from a regulatory requirement into a core component of the luxury narrative. In the global market, ethics and environmental responsibility are becoming the universal codes of prestige. Consumers across all major markets—whether in Europe, the US, or Asia—now prioritize brands that demonstrate operational transparency (ALTAGAMMA, 2024). The luxury industry is uniquely positioned to lead the sustainability transition. Because the luxury business model is built on low volume and high durability, it is naturally aligned with the principles of circularity. Brands that capitalize on this by offering repair services, upcycling programs, and lifetime product support are reinforcing their value proposition. From a governance perspective, sustainability must be audited and reported with the same rigor as financial results. The use of blockchain to guarantee provenance, for instance, transforms ethical claims into verifiable data. This level of transparency creates a new form of "luxury trust" that is difficult for competitors to dismantle.

Global brands must also consider the social aspect of sustainability. Luxury has an immense influence on artisans and suppliers worldwide. By investing in the preservation of traditional crafts and ensuring fair wages throughout their supply chains, luxury brands reinforce their legitimacy and help sustain the very skills that create their products. However, the risk of "greenwashing" is extreme in the global luxury market. Consumers are highly sophisticated and quickly identify empty marketing claims. Therefore, sustainability governance must be substantive. A brand that claims to be sustainable must be prepared to prove it in every country where it operates.

Conclusively, sustainability is no longer a choice; it is the fundamental infrastructure for 2026 and beyond. A luxury brand without a sustainable agenda is a brand without a future in the global arena. The new luxury is, by definition, the luxury that honors its footprint.

8. Leadership and Talent in a Global Ecosystem

Leadership in the global luxury sector is defined by the ability to harmonize diverse teams around a unified brand vision. The modern luxury executive must be both a visionary who inspires the creative team and a master of operations who guides the business team. This dual requirement makes

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the talent pool for luxury leadership exceptionally small and valuable.
The most effective leaders are those who prioritize developing cross-functional teams. Breaking silos is the single most important task for an executive at the helm of a luxury house. When the design, marketing, finance, and operations teams speak the same language, the brand achieves a level of operational excellence that is clearly visible in the consumer experience.
Talent management also involves cultivating a "global mindset." As brands expand, they must identify and promote talent that can move between markets, bringing best practices from one region to another. This mobility of talent is a vital tool for organizational learning and for maintaining a consistent global culture.
Leadership today also demands resilience. Managing a global brand involves facing crises that are often not of the brand's making—political, economic, or logistical. The leader's ability to remain steady and preserve the brand's identity during moments of disruption ultimately determines the brand's standing.
Furthermore, cultivating the next generation of creative and managerial leaders is a strategic imperative. Luxury houses must act as schools, ensuring that the implicit knowledge of their culture is passed down to those who will eventually take the helm. Succession planning is the ultimate act of strategic governance.
In the final analysis, global luxury leadership is about balance. It is about balancing the past with the future, the global with the local, and the creative with the analytical. Those who master this balance are the ones who define the industry's future, creating brands that thrive across time and geographies.

Conclusion

The evolution of luxury brands in the global market is a testament to the industry's resilience when guided by strategic discipline and cultural sensitivity. Throughout this analysis, we have demonstrated that the tension between brand heritage and the demands of local markets is not a problem to be solved, but a dynamic to be managed. The most successful luxury brands of 2026 are those that have synthesized their historical authority with the agility required by the present's digital and physical realities.
The legitimacy of a luxury brand in the global arena is predicated on a complex governance structure that respects the brand's origins while embracing modern operational excellence. This structure requires leaders who possess both high cultural fluency and deep technical expertise and are capable of navigating the dichotomy between Parisian heritage and New York operational realities. The

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ability to harmonize these forces is what creates an enduring competitive advantage in an industry defined by its pursuit of the exceptional.
Strategic governance, when applied correctly, serves as the nervous system of the luxury brand, ensuring that every local action aligns with the global brand promise. The shift toward federalist management models and the integration of advanced data analytics for personalized delivery have fundamentally altered the landscape. Brands that have achieved this synthesis operate with a level of clarity and efficiency that was impossible just a decade ago.
We have observed that the data-driven approach, far from diminishing the brand's mystique, actually enhances it by making it more personal, more relevant, and more anticipatory of consumers' needs. The synergy between digital data and human craft is not a contradiction, but the new synthesis of luxury. This realization is crucial for managers who wish to remain competitive.
Sustainability, meanwhile, has emerged as the definitive ethical code for luxury brands globally. In the future, the distinction between a "sustainable brand" and a "luxury brand" will vanish; they will become synonymous. This ethical mandate is a powerful opportunity for brands to align their business models with consumers' values, strengthening the bond of trust that is so vital in the luxury sector.
The importance of semiotic management cannot be overstated. A global brand is a master of symbols. Every interaction is an opportunity to either strengthen or weaken the brand's symbolic value. In an era of digital transparency, the semiotic management of a brand must be meticulous, ensuring that its message is coherent from the boutique in Tokyo to an influencer's feed in São Paulo.
Leadership in this complex environment is, fundamentally, an act of curation. The executive must curate not only products, but experiences, teams, and narratives. The ability to integrate diverse talents and perspectives while maintaining a focused vision is the defining characteristic of the successful global leader.
We must also recognize that the pace of innovation will only accelerate. The brands that lead in 2026 will be those that view innovation not as a response to crisis, but as a permanent state of organizational culture. The commitment to continuous learning and the willingness to challenge internal paradigms are what keep these brands at the pinnacle of their sector.
In summary, the strategies for maintaining legitimacy in global luxury markets are as diverse as the cultures they serve. However, they are all bound by the requirement for operational rigor and brand integrity. A global luxury brand is a fragile, valuable construct that requires constant tending. It is the result of decades of dedication to excellence, guided by a strategic vision that looks forward without losing sight of where the brand came from.

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This research reinforces that the future of luxury belongs to those who dare to embrace complexity. By integrating cultural fluency, operational data, and a commitment to sustainability, brands can ensure their relevance for generations to come. The goal is not merely to survive in the global market, but to define it—by continuing to set the standard for what constitutes the truly exceptional in an interconnected world.

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