Chapter 1

The Concept of Luxury

The word *luxury* has always been a source of discussion of what it is supposed to mean. This is the reason we added this chapter in the second edition of this book and have kept it since then. Since we are going to write about luxury along with text and diagrams, it only makes sense to explore the intricacies of what is meant by such a popular word. In this fourth edition we have added a section on the meaning of the expression *new luxury*, whose usage has been growing in the past few years.

A Problematic Definition

What is luxury? At first glance, it seems that we can answer in simple terms and to distinguish between what is luxury and what does not fall into it. But we sense, on reflection, that not everyone will agree on this distinction: luxury to one is not necessarily luxury to another.

The concept of luxury incorporates an aesthetic dimension that refers to a major theme of Western philosophy: How to characterize the notion of beauty?[1] In the twentieth century, the philosopher Theodor W. Adorno expressed the problem in these terms: "We cannot define the concept of beautiful nor give up its concept."[2] We believe that it is the same for luxury: without wanting to confuse it with the beautiful, it turns out, upon examination, no less elusive, and, perhaps, not less indispensable.

Therefore, it is probably unrealistic to seek a universal definition of luxury. But this reflection draws our attention to an initial important point: the definition of luxury has varied over time.

A Fluctuating Notion

What we commonly call *luxury* no longer has much to do with what was meant only a century ago; or, a little further back, in the years before the Industrial Revolution. We are not talking here about objects of luxury. A product like soap, for example, although a real luxury in the Middle Ages, has become largely democratic since then, and it has therefore ceased to be a luxury in our eyes. Today, the word has a very different meaning from how it was used, for example, in the seventeenth century. It connotes for us both positive and negative images; most of the negative images are derived from its historical heritage, while positive images are for the most of a recent introduction.

As we will see, the term has experienced, particularly in the past two centuries, important semantic changes that reflect the construction of our modern consumer society. These transformations are of great interest for our subject: they had direct impact on the progressive segmentation of the global luxury market and on the current positioning of brands claiming this territory.

The Paradox of Contemporary Luxury

Today's luxury market is based on a paradox. On the one hand, luxury operates as a social distinction; it is the sign of a practice reserved for the "happy few" and thus circumvents the masses. At the same time, contemporary luxury is promoted by the brands, and they remain linked

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[1] It is a question we find in Platon's *Hippias Major* and extensively studied by Kant and Hegel.
[2] Theodor Adorno, *Äesthetische Theorie*, translated by Marc Jimenez. Paris: Klincksieck, 1982.

to the logics of volume of production and distribution. How, therefore, can we reconcile exclusivity with the industrial and commercial logics of volume? Such is the dilemma for luxury brands, which each brand will try to solve by adjusting its positioning through innovative strategies of creation, communication, and distribution.

Even though it may not necessarily appear as such at first glance, contemporary luxury, in fact, presents an extensive and highly contrasted landscape. In order to grasp this complexity, a step back is needed; this is a historical detour that will allow us to comprehend it.

Chronicle of a Semantic Evolution

Luxury is a keyword whose use is becoming more frequent in our daily lives. We read it more often in all brand communication; we use it more often in our discourses (on the Internet, Google Trends shows that its use has increased by more than 30% on average between 2004 and 2020). There are two reasons for this increase:

1. Brands have realized that this (sometimes only apparent) positioning adds to their competitiveness.
2. On the other hand, a majority of consumers have developed a positive attitude toward the products, services, or experiences connoted by this feature.

We live in a world where luxury reigns. But the word itself was not born yesterday—definitions have accumulated for centuries. Since Plato, Epicurus, Veblen, Rousseau, and Voltaire, up to today's opinion leaders, the production and use of signs of wealth have always intrigued the philosophers, sociologists, and observers of their time.

The word *luxury*, as we understand it today, inherited this accumulation of proposals, sometimes with contradictory meanings. The acceleration of the number of definitions in the past 20 years comes to prove the growing current interest for the question.

Modern Dispersion

In order to measure this abundance of meanings, we may note the growing number of expressions that, today, use it. The term now needs articles and adjectives to clarify its meanings.

Here are a few modern examples: *authentic luxury* is quite frequent as an expression and we will discuss it further; *luxury and grand luxury* was advertised by the great car designer Battista Pininfarina (*lusso e gran lusso*) on a 1931 poster where a car was presented on a pedestal like in a museum. This is an interesting segmentation, where already lies the idea of a form of an affordable luxury suitable for all budgets. More recently, the economist Danielle Allérès extrapolated the common sense of Pininfarina suggesting a distinction between accessible, intermediate, and inaccessible luxuries. Even luxury yogurt is spreading in food marketing. We hear more and more in casual talks and in advertising the expression "my luxury"—which is not yours and has the defect of not constituting a market on its own.

Ostentatious luxury or "bling-bling" has long been present in the media. It may evoke a *traditional luxury* that is opposed, of course, to the *new luxury*, and so on. Social or even academic trends regularly provide their lot of new expressions on the subject.

Two relevant points can be detected in this diversity. The first is that to each his own luxury: the concept has ceased to mark a boundary between opulence and economic discomfort—it is now a sign that needs additional specific attributes to perform its function of distinction in a human group. This ability of luxury to indefinitely segment the markets shows us how it has been able to blend, by transforming itself, in our modern civilization of mass consumption.

The second point is that this modern luxury appears to carry rather positive connotations. Obviously, it also has its excesses, its indecency; however, the fact that we can now speak of luxury in positive terms already certifies a remarkable semantic evolution. In order to measure this evolution, we must return to the etymology.

Etymology and Transformations

The word *luxury* comes from the Latin *luxus*, which means "grow askew, excess." Its root is an old Indo-European word that meant "twist." In the same family, we find "luxuriant" (yielding abundantly) and "luxation" (dislocation). In short, the term originally refers to something of the order of aberration: it is almost devoid of any positive connotation.

We have used the dictionary *Le trésor de la langue française informatisé*, which offers a brief overview of two centuries of use.

1607: "way of life characterized by large expenditures to make shows of elegance and refinement"
1661: "character of which is expensive, refined," luxury clothing
1797: "expensive and superfluous object, pleasure"
1801: "excessive quantity," a luxury of vegetation
1802: "which is superfluous, unnecessary"

Little by little, the notion of guilty excess disappears, while the ideas of distinction and refinement gain in strength. In the Classical Age, luxury is already full of ambiguities: speaking of women's toilette, La Fontaine relates the "instruments of luxury" to everything "which contributes not only to cleanness, but also to delicateness." This does not prevent him from condemning, moralistically, "these women who have found the secret to become old at twenty years, and seem young at sixty."[3] Around the same time, the grammarian Pierre Nicole wishes that "great people," by their example, deter us from "luxury, blasphemy, debauchery, gambling, libertinage."[4] In sum, the luxury already connotes sophistication, but it remains morally suspect.

At the dawn of the Industrial Revolution, the connotation of superfluous—which is not motivated by economic and utilitarian logic—begins consolidating. It becomes more nuanced with the advent of mass consumption and the civilization of leisure. The superfluous is not debauchery; it is beyond the commercial sphere, but it can also mark the promotion of a certain quality of life.

As for the price dimension, it appears very early and remains virtually unchanged over the years: luxury is something that is to be paid for.

From the same French dictionary, we see that current usages of the word "luxury" show evolutionary meanings: the original meanings are enriched by others, introducing the word into the sphere of day-to-day experience ("little luxuries") while affirming the notion of a pleasure without complex ("innocent luxury"):

1. Social practice characterized by lavish expenditures, the search for expensive amenities or refined and superfluous goods, often motivated by a taste and desire for the ostentatious and fatuous.

[3] Jean de La Fontaine, *Les Amours de Psyché et de Cupidon*, 1669.
[4] Pierre Nicole, *De l'Éducation du Prince*, 1670.

2. Luxury (as an adjective). Of very high quality, sophisticated and expensive. Article, object, luxury product, grand luxury, semi-luxury, luxury style, luxury animal.
3. Refers to a thing, a behavior valuable because of the enjoyment it provides. "The toothbrush still plays me tricks and also the tube of toothpaste that always breaks from the bottom. One must sacrifice these small luxuries to the great luxury of time" (Paul Morand).[5]
4. Qualify a thing, a behavior valuable because of its rarity and sometimes by the fact that it is devoid of utilitarian function. "The emerging forms of society today are not making the existence of intellectual luxury one of their essential conditions. Probably, the unnecessary cannot nor should interest them" (Paul Valéry).[6]

The adventures of the word reflect those of the concept. It shows that luxury emerged first as a licit experience—a practice of distinction—and then, when everyone wanted to distinguish himself from everyone, as a common experience. From the etymology of excess or botanical deviation, the meaning extends into excessive or unnecessary, redundant, expensive objects. The previous senses are still present, but they evolve to include scarcity. Soon the meaning attached to the valuable, rare, and expensive object will apply to the lifestyles of their owners and mean wealth, ostentation, and, therefore, power.

With the emergence of the postmodern brand—that is, the appearance of brands communicating in the registry of luxury by offering imaginary worlds associated with luxurious lifestyles, without necessarily offering expensive and certainly not rare objects—new meanings emerge and are superimposed on the previous ones.

The aesthetic treatment of objects, design, and creativity become more relevant. At the social level, luxury gathers additional values of seduction and elitism, not foreign to the values of power and prestige. Hedonism becomes the latest addition to the valences of luxury, a characteristic of our times of postmodern consumerism.

The Advent of Intermediate Luxury

This transformation of meaning is based on a contemporary sociological revolution, a direct consequence of the mass production and especially of

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[5] Morand, *L'homme pressé*, 1941.
[6] *Regards sur monde act*, 1931.

the rise of the brands: the advent of intermediate luxury. Truly luxurious lifestyles are present, more than ever, in any modern communication: but they form only part of the equation. Intermediate luxury brands offer countless possibilities for the middle class to take part symbolically, partially, or virtually into this world.

The global luxury chessboard is therefore distributed on two levels, if not more: on the one hand, "true luxury"—which few people can afford—increases its hold on the market. The growth of the number of wealthy or well-to-do consumers (especially in the BRIC countries) combined with a bigger supply—investments in the luxury industries that have been yielding higher returns on investment than ordinary brands—have led to a strong visibility of luxurious lifestyles. The press and the media in general contribute actively by exposing the life of the rich and famous.

On the other hand, intermediate luxury brands, in applying their logic of volume of production and communication, ensure the democratization of luxury. They multiply the opportunities for consumers of the middle classes, to be in contact with the possible imaginary worlds they offer. What is more naturally human than to aspire to signs of social recognition, success, comfort, and prestige? This democratization is rampant. Nervesa, the Italian brand of men's ready-to-wear, does not hesitate to promote "low-cost prestige." The American brand Terner Jewelry promotes its products in airport shops with broad signs showing "Luxury at €12."

The ultimate symbol of this democratization could be the recent attention paid to soccer—a popular sport, anti-elitist par excellence—by some brands, much bigger than Terner and Nervesa. The kick-off had taken place in 1998 in Paris, when Yves Saint-Laurent presented a parade of some of his historic fashion models at the opening ceremony of the World Cup at the France Stadium. During the 2010 World Cup in South Africa, Louis Vuitton presented an advertising campaign where the mythical champions Pelé, Maradona, and Zidane competed in table soccer (baby-foot). Parmigiani, the Swiss watchmaker, was "the official watchmaker of the football club Olympique de Marseille" in the 2010s. Its direct competitor Hublot sponsors the soccer clubs Juventus of Torino, Chelsea, and Benfica, as well as Jose Mourinho (coach), Pele (the legendary Brazilian player), and Kylian Mbappé (an international French player at Paris-Saint-Germain). It was also the official timekeeper of the 2018 World Cup. The English Premier League is a favorite target of the luxury watches because of the widespread worldwide coverage it benefits from. Tag Heuer is with Manchester United, Jean Richard with Arsenal, and so on.

Brands are the main factor of the recent transformations of the concept of luxury. The essayist Dana Thomas traces this drift from the notions of exclusivity, quality, and tradition to those of accessibility and aesthetics in the 1960s, with the advent of a generation of young consumers anxious to break social barriers.[7] It is nevertheless in the 1990s that the modern connotations of the term *luxury* expand, as postmodern brands flourish with their multiple representations and proposals of possible worlds.

We see in any case that the concept can boast a rich history as well as a present that has never been more diverse or abundant. But if we have seen how luxury has evolved, it remains, in essence, difficult to identify. Its definitions are essentially subjective: they reflect the professional, social, and cultural trajectories of their users. Depending on whether one is an economist, brand manager, philosopher, sociologist, psychologist, or consumer, the dimensions that someone will retain will be obviously different.

However, this proliferation of representations is not devoid of meaning. There is logic to this wealth of definitions that can teach us about the overall economy and the meanings of luxury.

Classification of Existing Definitions

Beyond the tangible aspects of luxury products or services, we need to consider the phenomenon as a whole in terms of production, marketing, and communication. Luxury is a discourse, the assertion of a certain lifestyle. We can therefore distinguish between emission and perception of this discourse.

With this reading, the diversity of the current definitions and analyses of luxury can be divided into two broad categories: those relating to the supply of products or services and those related to the psychological and social implications of these products or services—in other words, consumers' perceptions.

[7] Dana Thomas, *Deluxe: How Luxury Lost Its Luster*. Penguin, 2008.

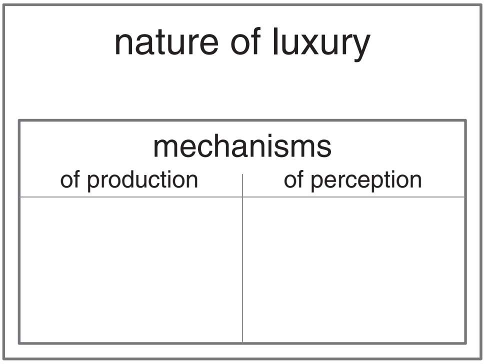

Figure 1.1 Analytical Scheme of the Definitions of Luxury

On the one hand, we therefore find definitions relating to the production of luxury; on the other, definitions relating to its perception (see Figure 1.1). Alternatively, in economic terms we could identify them as the supply and the usefulness logics.

Perceptual Approaches

Sociologists and psychologists are naturally interested in the resonance of luxury in the population—and are, therefore, on the side of the mechanisms of perception.

For some authors, such as Pierre Bourdieu, buying a luxury brand is a way to express a social position: according to him, luxury is essentially defined by its dimension of social communication.[8] The American economist Thorstein Veblen and his concept of "conspicuous waste" also belongs in this group.[9] According to him, highlighting one's consumption of pricey products is a method of building respectability for the man of leisure. Jean Baudrillard has a similar approach: for him, our objects, torn between their value of use and exchange value "are taken in the fundamental compromise to have to mean, that is to give a social sense."[10] In the same vein, Gilles Lipovetsky recently wrote: "Luxury is seen as perpetuating a form of mythical thinking at the heart of a desacralized

[8] Pierre Bourdieu, *La distinction et Critique sociale du jugement*. Minuit, 1979.
[9] Thorstein Veblen, *The Theory of the Leisure Class*. The MacMillan Company, 1899.
[10] Jean Baudrillard, *Pour une critique de l'économie du signe*. Gallimard, 1972.

commercial culture."[11] In other words, in a society where everything is measured and bought, luxury would reintroduce an almost magical, not strictly quantitative distinction among individuals.

Economists who have reflected upon the phenomenon of luxury are especially attached to integrating the question of its valorization into a global macroeconomic model. They are therefore positioned also on the side of the mechanisms of perception. For instance, the theory on the elasticity of demand for luxury goods is considered to be positive and greater than 1, which means that the demand, paradoxically, will increase when the price increases. This is obviously the symbolic value of the luxury product—its distinctive effect—that is the cause.

Productive Approaches

For this other category, the discourses oriented toward the mechanisms of the production of luxury are made by operational managers, executives concerned with the functioning of their brand and the conditions of production of "the luxury effect." They also need definitions, but more pragmatic ones.

Consider the case of Patrizio Bertelli, president of Prada: he defines luxury by a convergence of creation and intuition. Another example is the Comité Colbert, an association regrouping 82 French luxury houses in 2020 (plus 16 associated members and 6 European members), which stresses the alliance between tradition and modernity, know-how and creation, international reputation and culture of excellence.

For these approaches, what defines luxury is less its social implications than a set of qualifications embedded in the production of the object or service: quality of materials, technical know-how, and bold and creative talent, whose sustainability is ensured by the transmission of intangible values—tradition, artisanal exigency, quest for perfection.

The great fashion designer Coco Chanel used to define luxury simply as the opposite of vulgarity: a way to evade the question, which refers more to the mechanisms of perception, but which shows us *a contrario* how the discourses of the actors of the luxury world have become more profound in the postmodern world.

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[11] G. Lipovetsky and E. Roux *Le luxe Eternel*. Gallimard, 2003.

We can already hold on to two universes of clearly distinct representations, whose issues diverge and even conflict. But it is possible to refine this classification further.

Social and Individual Aspects

For psychologists and sociologists focused on the perceptions of luxury, the interest is first on the paradoxical commitment to some object, apparently useless: What are the hidden reasons behind luxury consumption?

The perceptual approach reveals two types of motivations that do not overlap entirely: one can consume luxury (possibly unconsciously) in order to display it or, in a more personal approach, simply to have fun for his own pleasure. This dimension seems often neglected by the sociological discourse but cannot be reduced to the previous one. This is a more private dimension, a dimension of comfort and individual hedonism, as points out, for example, Jean-Paul Sartre in *L'Être et le Néant* (1943), when he wrote: "the luxury does not designate a quality of the object owned, but a quality of possession."

It is conceivable, for example, that I buy a luxury soap "because I'm worth it" to identify with the celebrity who makes the claim—in short, for the sake of social representation. But I also buy it because it smells good and its foam is smoother than soap from other brands. These qualities I do not need to show to anyone in order to enjoy them. The soap serves my own hedonism: it pleases me, and if I am no longer convinced that it smells better than the others, I will probably stop buying it, despite the prestige of its brand.

Still, the pleasure born from the consumption of luxury comes also from stories that can be told. Luxury makes us dream and we also can dream alone. How do I know whether my soap feels objectively better or if it is the brand advertising, the reference to a celebrity that convinced me? In this sense, social representation is never far from personal experience. This is what Jean Baudrillard stresses when writing "the private and the social are mutually exclusive only in the daily imagination."[12]

Without denying this analysis, one wonders if there is not, among sociologists of luxury, a certain moralist bias that encourages them to ignore the question of hedonism. In their discipline, social experience

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[12] Baudrillard, *Pour une critique de l'économie du signe*.

often overwhelms pure pleasure—or, said differently, the intrinsic qualities of the product. These qualities remain, consumers will agree, constitutive of experience.

The Brand and Its Manifestations

As we just mentioned, discourses about the mechanisms of production of luxury characterize the point of view of operational executives. They are, however, structured by the phenomenon of the brand. It introduced a second and critical dimension in a productive approach to luxury. The brand generates issues that the manager cannot confuse with those of the product itself.

For example, specific qualities are expected from a Hermès scarf, the results of a know-how that can be recognized visually and tactilely and that are the indispensable and defining attributes of Hermès scarves. However, something else is expected: a more intangible supplement, an idea, a prestige that will be called "Hermès"—as a brand or, more precisely, as a brand identity.

There is a sort of "beyond the actual product," that is the brand and that the product must promote without betrayal. But the product is only one of the possible brand manifestations, making brand management issues even more complex. Advertising, points of sale, store windows, websites, social networks, sponsorships, and so forth are other forms of brand manifestations and not less essential for the promotion of its identity.

Two dimensions of brand identity are usually distinguished: the brand ethics, the intelligible part that is made up of its values, its vision of the world, and its idealized representation; and the brand aesthetics, the sensory part that affects its physical and concrete manifestations or all imaginable interfaces between the brand and its consumers. The aesthetic treatments of the sensory part of the brand participate in the sensitive experience of the brand. The emergence of "lifestyle brands" tells us that this experience spread beyond products, in other areas, such as communication, spaces, or behaviors (see Chapter 8 on creation).

Now that we have split the production side into the brand and its manifestations and the perception side into its social and individual parts, we are able to position all the authors' definitions we have mentioned so far (see Figure 1.2).

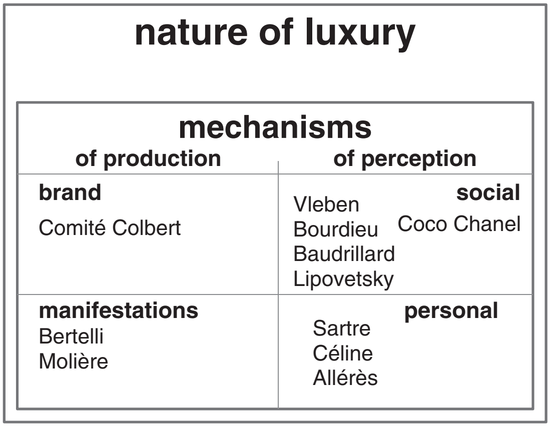

Figure 1.2 Positioning of Some Authors on the Analytical Scheme of the Definitions of the Notion of Luxury

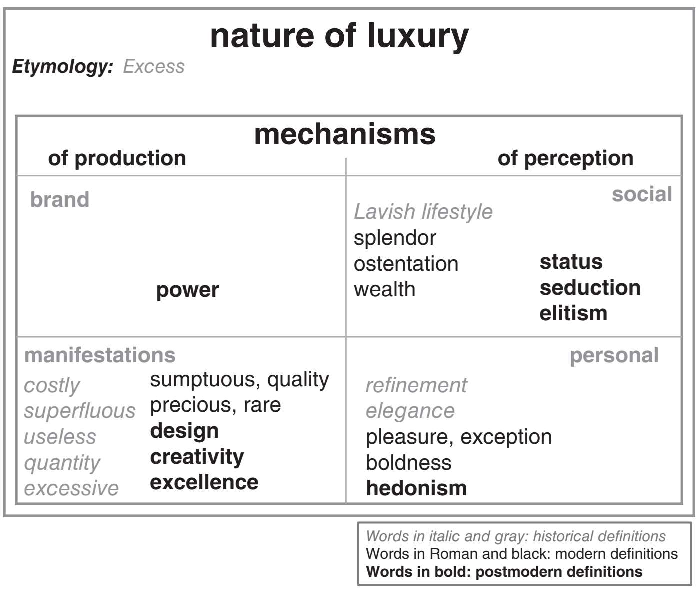

Figure 1.3 History of the Semantic Evolution of the Definitions of the Notion of Luxury

In order to close the loop, it remains to revert to the semantic history of the term *luxury* described earlier and insert the meanings identified in our analytical scheme (see Figure 1.3).

The progressive transformation of the concept becomes more noticeable. A number of modern or postmodern values (referring to lifestyle brands) that characterize contemporary luxury like elitism, hedonism, aesthetic creativity, and seduction can be regrouped within clusters. These meanings are mainly concentrated around social luxury perceptions and the positive connotations of its manifestations: it is a symptom of the growing social importance of luxury, especially through the intermediate luxury consumption, but it also reflects the rise of the brand as its main vehicle—without a doubt, the major and structuring phenomenon of this new market.

Luxury Values

Now that luxury is imposing its positive connotations to the contemporary world, how do consumers perceive it? What are the values they identify with luxury?

The Three Scales

An answer can come from a very relevant study, led by de Barnier, Falcy, and Valette-Florence, on a sample of over 500 persons in France. It allows synthesizing the values currently associated with luxury by consumers. This investigation offers the interest to compare three independent scales of value that explored the perception of luxury by consumers done by Kapferer,[13] Vigneron and Johnson,[14] and finally by Dubois et al.[15]

The statistical convergence of the three models highlights four main types of values, which we classify by order of intensity. In fact, we may recognize here four essential dimensions that consumers consider to be essential for a brand to belong to the luxury world.

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[13] J.-N. Kapferer, "Why Are We Seduced by Luxury Brands?," *Journal of Brand Management* 6, no. 1 (1998): 44–49.
[14] F. Vigneron and L. W. Johnson, "A Review and a Conceptual Framework of Prestige-Seeking Consumer Behavior," *Academy of Marketing Science Review* 3, no. 1 (1999): 1–15.
[15] B. Dubois, G. Laurent, and S. Czellar, "Consumer Rapport to Luxury: Analyzing Complex and Ambivalent Attitudes," HEC Research Papers Series 736. HEC Paris, 2001.

1. Elitism ("distinction," "select") is the dimension most present simultaneously on the three scales. The historical social dimension of luxury still plays its role fully as an indicator of social success—or a simulacrum of that success. The creation of a sense of belonging to a selected group appears as the essential experience dimension. The creation of a feeling of belonging to a chosen group appears to be the essential dimension of the experience.
2. Unsurprisingly, product quality and high prices are also significant characteristics. The concept of quality can extend to all brand manifestations such as communication, real and virtual places, people, and so on.
3. In the third position we find personal emotional and affective elements, such as hedonism, but with a weaker correlation. This is the generation of pleasure and emotions, key components of postmodern consumption, which applies here to luxury brands.
4. Finally, the power of the brand (resulting from past decisions and actions) appears at the side of reputation and uniqueness.

Through this exercise, the consumer himself gives us his own definition of luxury. And although the fundamental intuition of sociologists (distinction) is confirmed, we discover that the consumer is not less attentive to the means of production of the luxury object and brands than to its personal and social impacts (see Figure 1.4). Yet again, luxury cannot be reduced to its sole effects of display.

Other considerations can be drawn from this study.

First, most consumers think and live luxury only in terms of brands. Could luxury be experienced outside of the brand world? We could refer to the imaginary world of two French novels, *À Rebours*[16] and *Les Choses*[17]: two portraits of characters, consumers obsessed by luxury. In both cases, the brands are absent from their universe: it is the quality of the products that holds their attention. Today, on the contrary, brands appear as the natural vehicles by which luxury plays its primary role in postmodern consumption.

Secondly, each brand develops its own specific strategies, which do not necessarily cover the four sectors of our analytical scheme.

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[16] J.-K. Huysmans, *À Rebours*. Charpentier, 1884.
[17] G. Perec, *Les Choses*. Julliard, 1965.

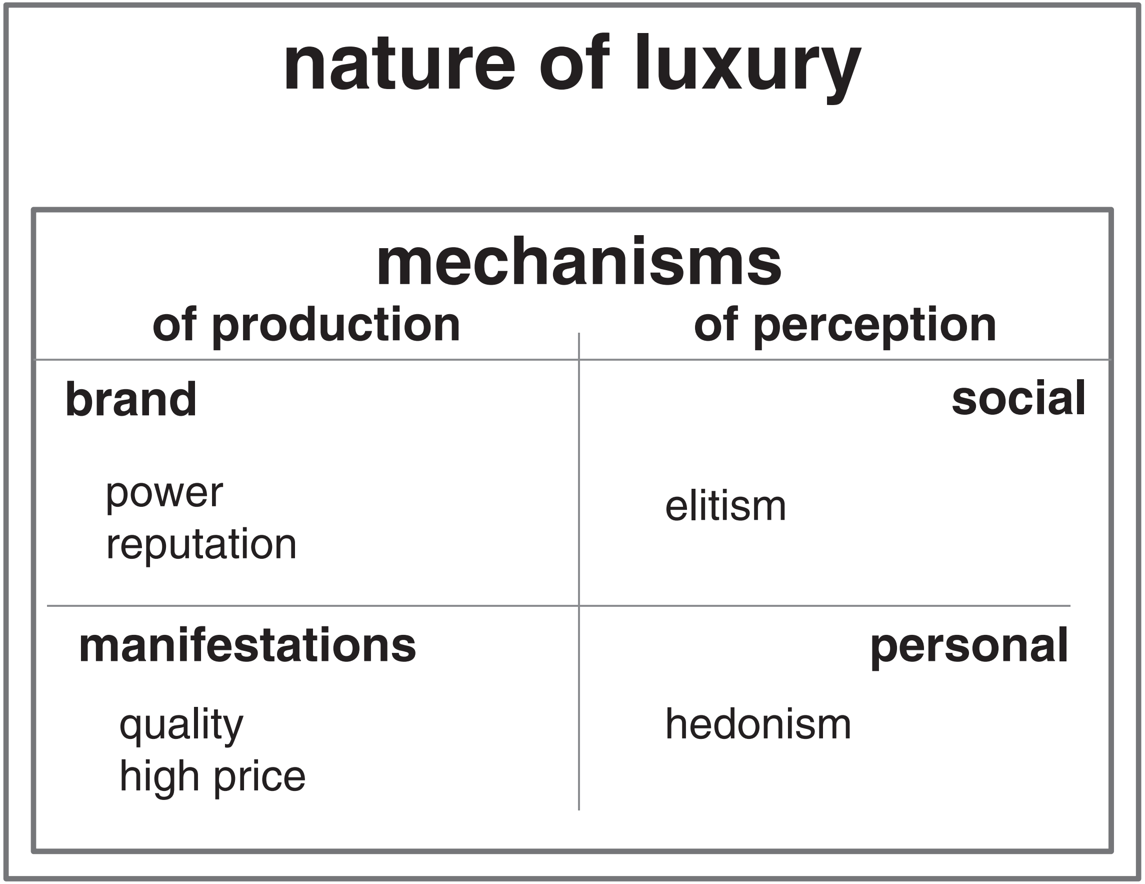

Figure 1.4 Positioning of the Definition of Luxury Given by Consumers

Finally, the study of de Barnier, Falcy, and Valette-Florence demonstrates the existence of a continuum of luxury with increasing intensity, from mass luxury to unaffordable luxury, via intermediary luxury.

The Semiotic Square of the Consumption Values

We briefly present a tool that will be described in more detail in Chapter 7. We anticipate its use because it can support some reasoning about luxury, especially with regard to the logics of consumer behavior, and thus refine our approach to a general definition of luxury.

This diagram is called a semiotic square. It is a way to present a group of contrary and contradictory concepts focusing on the manner in which they are opposed. These oppositions are dynamic, as the tension between the antagonists produces effects of meaning. (The same way as in an action movie where the opposition between "good" and "evil," between the hero and his opponent, can be the engine of the plot.)

This is also true for the discourses on the motivations of luxury consumers. The diagram of consumption values was originally developed by Jean-Marie Floch to help in the design of a supermarket layout. It covers the distribution of the definitions we have outlined earlier and allows exploring the motives of consumption luxury.

It distinguishes four types of logic (Figure 1.5), which are some of the motivations of possible purchase and who oppose each other or contradict: the logic of need ("we have no more bread"); the logic of interest ("I already have enough coffee at home, but I want to take advantage of this promotion"); the logic of desire ("an exotic dish is a way to travel"); the logic of pleasure ("I am crazy about chocolate"). It goes without saying that a purchase can perfectly obey several logics at the same time, despite their apparent contradictions: I can choose to buy organic chocolate or premium pasta.

If we seek to classify the values associated with luxury in this distribution, we realize that the logics of desire and pleasure on the right side of the square will be the predominant engines. Hedonism is in the logic of pleasure activated by diversionary/aesthetic values; elitism is located on the top right vertex, with the mythical/utopian values. As we noted, luxury brands, even more than others, must make customers dream of possible worlds and provide experiences intense in emotions, dreams, and pleasure.

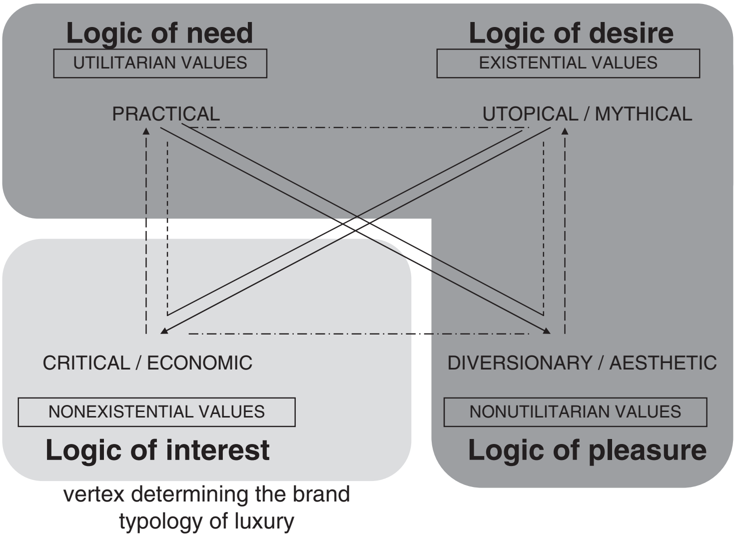

Figure 1.5 Semiotic Square of Consumption Values

But it is also possible to speak of "good deal luxury," sacrificing, partially, the logic of interest. In recent years, websites specializing in "private sales" have been flourishing on the Internet, offering luxury brand products with heavy discounts.

In fact, the economic logics are not identical for true luxury brands and those of intermediate luxury. As its name indicates, intermediate—or accessible—luxury is defined precisely by its affordable price.

In addition to private sales, luxury brands are often interested in developing more affordable collections or products, capitalizing on their notoriety. It is an obviously perilous exercise because of the risk of disrepute. However, some brands have been very successful at it. For the past 10 years, the Ferrari brand has been developing license agreements for all kinds of derivative products in areas that are carefully kept away from its core business: watches, clothes, perfumes, computer equipment, entertainment parks in the Persian Gulf and China, and so on. Ferrari manages the unusual feat of flooding the market with caps or keychains bearing its name and color without altering its true luxury image.

More significant, perhaps, is the current trend that sees middle-market brands, born in general on the left side of the semiotic square of consumption values, developing to the right side, using the codes of behavior of traditional luxury brands in terms of communication, creation, and coherence in the management of brand identity (re)oriented toward luxury. It is a typical movement of mid-range leather-goods brands such as Furla, Longchamp, Coach, Lancel, and so on. Lew Frankfurt, former CEO of the American brand Coach, used to define his brand as "a democratized luxury brand."[18]

Certainly, today, to remain competitive, all brands must excel on all four vertices of the square of consumption values. But intermediate luxury is distinguished from true luxury by its presence on the economic vertex, that is, how it positions itself within the logic of interest. Where the real luxury is not afraid of its relative expensiveness, intermediary luxury seeks minimum cost and affordable prices.

True Luxury, Intermediate Luxury

Historical and current definitions of luxury have been classified according to their receptive and productive dimensions; this has also been applied to the most common representations of consumers on luxury. Finally, some analytical instruments have been introduced.

We have seen that mass brands have learned to manage their operations by adopting the rules of traditional luxury: they seek to be present on the four vertices of the semiotic square of consumption values.

Therefore, what may differentiate a true luxury brand, in the sense that was intended 50 years ago, from a new entrant with a proper strategic understanding of the luxury industry and the talent to run an intermediate luxury positioning? One could mention longevity (the tradition, the legacy), but these criteria do not appear to have been taken into account, at least consciously, by the consumers interviewed for the study of the three scales. Are there other differentiating factors? How to distinguish, for example, Hermès from Bottega Veneta or Fendi?

We can invoke what Jean-Marie Floch calls "the refusal of an overall economic hegemony,"[19] a brand attitude focusing on other values

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[18] Suzy Menkes, "Coach Gallops into Europe," *International Herald Tribune*, November 1, 2010.

[19] J.-M. Floch and E. Roux, "Gérer l'ingérable: La contradiction interne à toute maison de luxe," *Décisions Marketing* 9 (1996): 15–23.

than the pure logic of profit. In other words, where intermediate luxury is seeking affordability, true luxury is going to position itself not as unaffordable but as foreign to the issue: the left side of the consumption square seems deserted. The stakes are elsewhere.

Very high luxury brands cultivate this type of signal to their consumers when they guarantee their products for life (as Bally was still doing in 2000 for the men's shoe model Scribe that it was repairing when sent back to headquarters), or even when they try to suggest that there is no preferential treatment—that all their customers receive the same (exceptional) attention to service, regardless of their volume of purchases. Some very selective brands can even promote sales models based on cooptation, where purchasing power seem irrelevant, in appearance, at least. This is a way of saying "our demand for quality puts us above mercantile considerations." This confirms the differentiating role of the critical/economy vertex of the consumption square for true luxury brands (Figure 1.5).

In strict business logic, it is an irrational behavior and in fact it will naturally find its limits. But it is interesting to see that the brand claims it as a posture, that it makes it one of the keys of its identity. This is a major point of differentiation between true luxury and intermediate luxury: the latter cannot afford indifference, or even a hint of indifference, to economic imperatives. One can see also, in this somehow unnatural posture of a true luxury brand, a deviation that brings us back to the etymological sources of the word *luxury*. Luxury is an excess, a gap, a discontinuity, an eccentricity. It involves a shift from a norm, from a position retained as normal.

Eccentric Luxury

Let's position luxury as a differential with respect to a standard. Can the conditions of this eccentricity be specified? What norms or standards will real luxury brands break from?

For Jean-Marie Floch, the foil is the natural mercantile attitude seeking the optimization of profits in the short term. In fact, anything that is driven by logics of mass markets should remain outside of the realm of luxury: Is the consumer not seeking there, precisely, signs of distinction?

A definition from Jean-Louis Dumas-Hermès (late chairman of Hermès), reported by Lallement, goes in the same direction: "luxury brand is one that manages to meet three conditions: designing beautiful objects; choosing the consumer as the best vector of communication; and finally, deciding freely."[20] What a great formula! Beauty; clients as heralds of the brand; and, finally, freedom, where we meet again with the refusal of the overall economic logics.

Designing beautiful objects is not the exclusive domain of luxury anymore (think of the design of Ikea, Conran, etc.), and the concept of beauty is subjective. Choosing its consumer as a main vector of communication is already a most sought-after strategy, including for brands that aspire to lifestyle status. But it applies in areas other than luxury, for example, in the activation of social networks on the Internet.

We are left with the third part of the Dumas-Hermès statement: freedom. This independence from constraints, standards, and habits is the prerogative of a luxury that is defined by something extraordinary, a meaningful and relevant differential gap. The luxury product distinguishes us from others; it is a sign of being exceptional and freed (with respect to specific norms). Similarly, it should be distributed and promoted in an outstanding manner reflecting somehow this freedom.

Deviation from Norms. Such would be the essence of luxury, the basis for most of the definitions we have seen, for both the productive and perceptual types.

Luxury is not only the denial of mass mercantilism, but also the refusal of certain norms, within the meaning of a convention accepted by the greatest number, a positioning reflecting the distinctive character of luxury as highlighted by sociologists. The antithesis of a standard, luxury will be rare, elitist, expensive, beautiful, original, surprising, superfluous, refined, creative, inaccessible, representative of authority, and so on. Everything will depend on the chosen norms and on the type of perceived deviation.

If one accepts this definition as the "mother" of all the others, the implications are many. Each brand will have to set its own luxury, that is, the way to be competitive as a luxury brand, specifying both the norms it intends to depart from and the differentials on which this gap will rely.

In fact, most major luxury brands carefully cultivate their originality (i.e. their differentials), which they often develop in several directions at

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[20] O. Lallement, *Caractérisation des éléments spécifiques de la marque de luxe dans l'esprit du consommateur. Une étude des images mentales associées a un visuel publicitaire*. IAE Montpellier, 2000.

a time: a way for them to express luxury, but also to affirm the richness of their identity. This ability to mark its difference may characterize a luxury brand only if it is accompanied by a positioning on the right side of the semiotic square of consumption values: playing on the logics of desire and pleasure, respectively activating myths and dreams as well as fun and aesthetics.

Consider the case of Ferrari: the prestigious manufacturer used to be known to limit the number of vehicles it produced each year. From 2007 to 2017, the number of cars manufactured was oscillating between 5,000 and 7,000 cars per year. This Malthusianism was first a guarantee of exclusivity for the happy (few) customers of the brand. Since 2017, the policy has been altered and the volume of cars manufactured increased to around 8,500; the number of cars shipped was 10,131. It introduces also a spectacular difference from Porsche, its reference competitor, which shipped 280,800 vehicles in 2019. The other "luxury" of Ferrari obviously rests on its almost-century-old presence in the circuits of international motor racing and especially in Formula 1. Since 1950, the Scuderia Ferrari has won 238 Grand Prix races, 16 Constructor World titles, and 15 Drivers' World titles. It is a euphemism to say that the amateurs of exceptional automobiles dream about Ferrari cars: in 70 years of existence, the brand has been able to jealously preserve its status as a myth. The absolute differential belongs to the winner with respect to all the other (defeated) competitors.

The glassmaker Daum cultivates its difference by being the only European brand to produce "pâte de cristal" using the lost wax method. Its history is intimately linked to that of the Arts décoratifs and l'Ecole de Nancy in the early twentieth century. Daum appears, in this regard, to be a good example of these traditional luxury brands relying on a glorious past often linked to an artistic movement. It is an asset with which younger competitors can hardly compete; however, the prestige of tradition alone is not enough to guarantee the relevance or today's competitiveness of Daum's product offering.

Reasonable Luxury

As a counterpoint to these two examples, the Zara case can bring further light to the luxury concept. From an original business model, this brand of mainly ready-to-wear is the only one to propose, in a continuous, fast, and efficient way, the latest fashion products. Zara founded its difference on the service (new products every other week) and psychological comfort (a guarantee to be in fashion) that it provides to its clients through a logistical mastery, superior to that of its competitors. Its time-to-market (between 2D designs to product in the store) is less than two weeks.

The approach is innovative, and it is the most successful business model in that industry. This success is based on logic of volume supported by logistical excellence, which position the brand outside of the perimeter that we have qualified as true luxury. This is confirmed by Zara's positioning on the square of consumption values. The constant renewal of its products is both strength and weakness: the ever-fluctuating universe of the brand cannot offer strong representations, the possible world that consumers would dream about. Zara is weak on the utopian/mythical vertex. However, it is anchored in hedonism—pleasure and fun to be in fashion—which gives competitiveness to its offering. Moreover, the brand cultivates the research for minimum costs in order to be able to offer products at the lowest possible prices, which is the antithesis of the strategies of true luxury (see Figure 1.5).

Zara is therefore a brand of affordable (or mass) consumption, selling to the highest possible number of customers. Of course, Zara offers a distinctive feature, fashion at a reasonable price, but this distinction is a fugitive one. It is a very relevant business positioning and no doubt still promised to a rich future; however, it cannot be confused with that of real luxury.

Authentic Luxury

In opposition to Zara's positioning—mass affordable latest fashion—we can evoke the watchmaker Patek Philippe's 2018 advertising campaign for its men's collection: a video in black and white, a timeless tone, a father with his young son, a mother with her daughter in luxury contexts around the world; a watch model shown at the end of the video after the legendary slogan: "You never actually own a Patek Philippe. You merely look after it for the next generation." The slogan has been used for more than 10 years, and that makes it one with the most longevity. The advertising highlights tradition and heritage values, permanence, and uniqueness of the product, all in opposition to the logic of volume.

The key ingredients of true luxury are gathered in this communication, cleverly removing any culpability for the buyer. The economic and utilitarian dimensions are fully occulted in favor of the transmission of values: the watch is no longer a luxury in the sense of an expensive whim; it becomes a pure symbol of tradition, and a wise investment.

We have used the term *true luxury* to distinguish it from *intermediate luxury*, because the question of authenticity is decisive. True luxury never lies or pretends to be what it is not. Patek Philippe promotes its authenticity through the transparency between its brand identity and its communication. The watchmaker shows itself as a family business whose roots date back to the nineteenth century, defending a lasting legacy of excellence and innovation and intending to promote its watches through its brand values. The brand comments its own campaigns in terms that clearly refer to the existential values of the top right vertex of the semiotic square of consumption values: "our visuals show a father introducing his son to the idealized world of Patek Philippe—a world where our customers can belong and share the perennial values of our family business."

Luxury, Being and Appearing

The issue of authenticity is an obsession of our time. Very fashionable in academic circles, it concerns, rightly, most of the managers of luxury brands whether product- or service-based: it is probably the major challenge that faces brands in the twenty-first century. The online *Merriam-Webster Dictionary* gives this definition of the adjective "authentic": "True to one's own personality, spirit, or character."

The French Dictionary *Le Petit Robert* proposes: "That which expresses a profound truth of the individual and not superficial habits or conventions": one understands how luxury, in a perpetual quest for distinction and assertiveness in a world of appearances, may be trying to acquire this quality. How do brands manage to meet this requirement? Another semiotic square can help us understand it.

The Square of Veracity

The semiotic square can be applied to the meanings generated by the semantic axis "being/appearing": It is the square of veracity, proposed by the semiotician A. J. Greimas (1917–1992) and used extensively in the analysis of representations.

This scheme may initially seem abstract, but its use is simple. As in the previous model, contrary and contradictory relationships generate four types of concepts: being/appearing, not being/not appearing.

From the tensions created between these different poles emerge several categories of meaning that will allow us to classify various discourses of luxury and, hence, better identify issues that brands have to face.

Being and appearing simultaneously is truth: in other words, one is really what he seems to be. On the other hand, being and not appearing is the secret: one does not show what he really is. Not being and appearing is the lie or sham and imitation: one sets out to be something other than what he or she really is. Finally, not appearing and not being escapes the space of discourses: it shows nothing and is nothing. It is here in the category of wrong, false, or simulacrum.

Armed with this representation, we can characterize the different forms of luxury we have mentioned so far (see Figure 1.6). The sides of the square can be assimilated to axes of intensity on which we can position various categories of luxury—or, more specifically, various brands.

What we called "true luxury," to distinguish it from "intermediate luxury," is positioned around the top left vertex, in the category of the truth. However, we see that we need to introduce a separate new

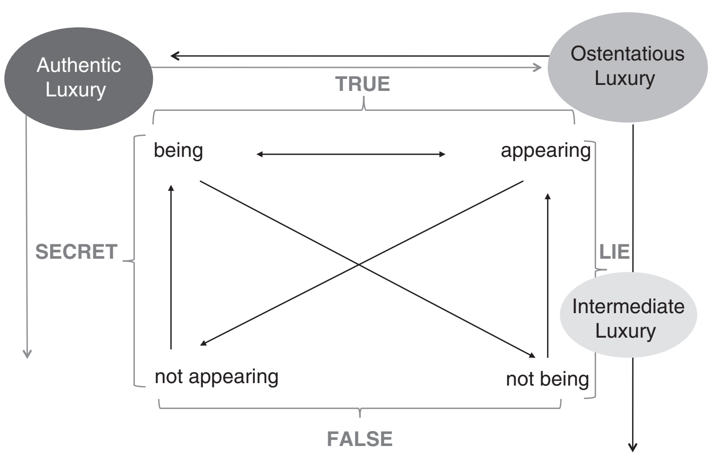

Figure 1.6 Semiotic Square of Veracity

distinction, because that genuine luxury can be either displayed, such as the bright red Ferrari car, or kept discreet, as the Patek Philippe watch.

Of course, this expensive Swiss watch is also noticeable: for many potential buyers, it will be important that it can be displayed, and Patek Philippe does not intend to discourage such buyers. We feel, however, that its watches have no vocation to be staged with the same ostentation of bright Italian luxury cars or golden Rolexes with diamonds. Patek Philippe communication respects this nuance. In the visual communication material, the product is not predominant; it appears almost inadvertently, as a symbolic detail of a scene centered on the transmission of family values. In Ferrari communication, on the contrary, the car is the inescapable star.

If Patek Philippe is positioned on the upper left vertex of the square at the intersection of the secret and truth axis, Ferrari would be more on the top horizontal line on the right side of our scheme.

No one doubts the authenticity of the luxury of Ferrari, which is based on three sources of differentiations:

1. Its innovative capacity at the level of motorization and design of high-performance cars
2. Its competence, continually renewed, to be competitive in Formula 1 racing
3. The relative rarity of its cars maintained through appropriate self-imposed productive limitations

We are thus in the presence of two brands, Ferrari and Patek Philippe, both having unambiguously established their status as authentic luxury. The fact that this real luxury is conspicuous for Ferrari and discreet for Patek Philippe derives from the use made of their products by their respective consumers. The profile of the majority of the owners of branded products influences their brand identity, but there will always be the exception of the "Ferrarista" who uses his car discreetly and the newly rich showing off with his new Patek Philippe.

Leaving the area of true luxury of the upper part of the veracity square, we find, on the right-hand side, the area of intermediate luxury. Taken in contradictory dynamics, intermediate luxury claims appearance, but it is dragged down toward the false by its economic constraints. It can be located anywhere on the axis of the lie except on the vertex of not being, where it would simply cease to exist. Intermediate luxury reflects the continuum of modern luxury: brands ranging throughout the axis of imitation (lie), from the most expensive ostentation to the low range of light and cheap imitation still able to promote a meaningful sham of distinction.

There is, of course, no judgment of value in our analysis: all positions are legitimate, and a brand can hold its identity at some point of the scale, provided that it remains aware of its positioning.

In the world of intermediate luxury, the ambition is to give a feeling of exclusivity and of true luxury, thanks to products that remain economically affordable to the greatest number. It is therefore a world of appearance and imitation, located on the right side of the veracity square. And for good reason: facing economic constraints, these brands cannot differentiate as strongly as others merely through the superior quality of their products. They cannot avail themselves of a deep authenticity and, therefore, their clients would not find any advantage cultivating discretion and secrets: they have nothing worthwhile to hide.

Intermediate luxury wants and must be seen: it will therefore find strength in mass communication, which does not forbid the preservation of some form of distinction by carefully choosing its vectors. Brands such as Dolce & Gabbana, Longchamp, and even Ralph Lauren and Michael Kors have been successful in this positioning by creating, thanks to the talent of their communicators, an imaginary world seemingly reserved for a selected few but in fact transposable to the multitude. This is the strategy of intermediate luxury: feeling of access to luxury, for everybody and at affordable prices.

The rise of a brand such as Swarovski illustrates the success of this category. Crystals substitute for diamonds that few people can afford. It is crystal, but it sparkles: it is made for display! The *strass* (or rhinestone), icon of our times, attribute of a civilization of virtual fantasy (such as costume jewelry) that cultivates superficiality. The "do as if" creates a sort of a pact between the brand and its consumers, through a playful communication where the wildest desires are encouraged through image.

Intermediate luxury (and the *strass*) is therefore distributed along the scale of the lie/imitation axis of the veracity square, which spans from appearing to not being, where reigns the need of imitation of social classes, tribes, or characters.

The veracity square highlights the continuity existing between intermediate and ostentatious luxury: it is just a question of a difference in gradation—or resources—and, to some extent, intermediate luxury can be included as a degraded version of ostentatious luxury. This opens new opportunities for segmentation. This is an area where Ferrari has become a master: in the Ferrari Stores, the general public can cultivate its passion for the brand by buying all sorts of gadgets, T-shirts, key chains, and so on, in the colors of the Scuderia, while some happy few, through a completely disjoint distribution network, may acquire its automobiles.

Five Sources of Legitimacy

If luxury is defined by an opposition to a standard, if the credibility and the competitiveness of a luxury brand are built on the choice of this norm and on the type of selected deviations, what may be the main sources that will establish the legitimacy of luxury brands?

Gilmore and Pine, in their book *Authenticity*, suggest five main sources of brand authenticity.[21] They can be extended to the world of luxury.

What the authors call *authenticity* does not correspond exactly to the notion of true or real luxury that we introduced with the veracity square. Rather, they deal with brand credibility, that is, their ability to be recognized as a genuine sign of luxury. Whether we consider authentic, intermediate, discreet, or ostentatious luxury, all brands need sources of luxury legitimacy, each of them according to their respective needs. The intermediary luxury, for example, does not escape this requirement; but because of economic constraints, it will focus its efforts in communication and marketing where they are the most efficient, rather than on the products themselves.

Here are the sources of authenticity identified by Gilmore and Pine:

- *The natural.* It is the prerogative of the brands that rely on natural materials to legitimize an ecological approach, or cultivate a *Rousseauist* simple wildlife. Luxury has always used this approach: linen, cashmere, vicuña, precious metals and woods, and plant extracts are often utilized by luxury brands in products and communication, even more so when the simplicity of the materials is

[21] J. H. Gilmore and B. J. Pine II, *Authenticity: What Consumers* Really *Want*. Harvard Business School Press, 2007.

synonymous with scarcity, thus reinforcing the true luxury symbolic value.

- *The original.* The two authors especially have in mind the creative originality of objects or visuals. This source of differential legitimacy can be extended to all the brand manifestations. To be original means to be different from everything that existed previously. In communication, intermediate luxury cultivates originality, and even provocation. But it is also a source of major legitimacy for the big couture houses created by Dior, Chanel, Ferragamo, Valentino, and Saint-Laurent; combining their values of tradition with the audacity of talented couturiers, these houses manage to cultivate their strong identity.
- *The exceptional.* This is another way to express a way to go beyond the ordinary. The authors apply it primarily to service activities, to describe an action especially sensitive to the needs of the client. In luxury, we will find hotels that base their reputation on this dimension, with a hint of extravagance—as with the famous Icelandic Ice Hotel, entirely carved in ice, or even tropical palaces of the luxury chain Aman Resorts, where staff feed fish reefs by hand. But we can add all the arts and crafts, and brands that rely on outstanding craftsmanship, such as the Hermès (Puiforcat, John Lobb, Saint-Louis) group.
- *The referential.* The authors mean evocations of other contexts, historical in general, that serve as a benchmark for their clients; for example, the golden age of Roman *Dolce Vita*. The differential in this case is temporal: the concept of luxury is emerging out of a contrast between the present and the mythical period with which the brand wants to associate, in order to make us dream. This period will be suggested by an iconic object or a historical figure. The glamour of Ferragamo is built around international divas of the 1960s or 1970s (Audrey Hepburn, Sofia Loren, Anna Magnani), while Tod's seeks representatives among a certain Anglo-Saxon elegance: Steve McQueen, Sigourney Weaver. Other brands will put forward their association with an aristocrat, an artist, or a legendary athlete of the time. This so-called sponsorship from beyond the grave is a source of legitimacy more easily used by traditional historical brands. New entrants must use more recent or less-explicit references, often with lesser success.

- *The authority*. Authority is understood as an ability to influence others based on a humanist cause. This resource is used by brands calling upon the values of solidarity, ecology, fair trade, and so on. So far, luxury has used these themes only anecdotally. Obviously, brands are careful to communicate all their social initiatives, but only a few luxury brands base their identity on these themes. There is, indeed, little correlation between luxury and ecology. The first cultivates rarity, exclusivity, and distinction, while the second reasons in terms of environment and mass phenomena. The value of selectivity places luxury at odds with any mass logic: if luxury has the means to pay its handicraft suppliers decently, it remains suspicious of environmental recklessness by its taste for rare materials.

New Luxury

The following is an extract from a Pierre Bergé *New York Times* interview in 2015.

> First, I want to say this: The time of Chanel, Balenciaga, Dior and, of course, Yves (Saint Laurent), well, that time is over. Second, so too is the era of haute couture. Completely over, gone. This is why what we call luxe today is just ridiculous. To me, that whole industry now—all money and marketing—is all something like a lie. But people's perception of what luxury is has changed in such an extraordinary way. Their conception of what is fashion is so different now from the sort of fashion that Yves created—that I created with him. That no longer exists. A handbag that a woman takes with her all over the place—to a grocery store, through the airport—I cannot imagine how that can be considered luxury. That is not luxury.[22]

Coming from someone who has been one of the major actors of the luxury industry for 40 years, this is quite an unexpected but extremely relevant statement. Pierre Bergé, co-founder of the brand Yves Saint Laurent, was only reflecting what a lot of luxury consumers are feeling too: weariness and perplexity in front of the existential paradox of most of the self-called luxury brands that propose industrial products

[22] Elizabeth Paton, "Pierre Bergé on Luxury, Morocco and Hedi Slimane," *New York Times*, October 28, 2015. http://www.nytimes.com/2015/10/29/fashion/pierre-berge-on-luxury-morocco-and-hedi-slimane.html?_r=0.

manufactured and distributed in great volume and marketed as luxury products in terms of communication and price.

Product and Experience Luxuries

Specific trends are showing that some parts of the market have started to escape from the most traditional acceptance of luxury toward a more accessible, more experiential, and maybe more moral attitude toward it. In fact, we have been observing for more than 20 years the emergence of a luxury of experience in parallel to what we could call the luxury of products. Besides the ownership of products, such as watches, clothes, jewelry, accessories, fragrances, and beauty products, has grown the desire and therefore the markets for adventurous or luxury travel (Mont Blanc and Everest have never seen so many visitors), space trips, haute cuisine, spas, extraordinary shows (opera, concerts, sports events), and so on. The phenomenon goes beyond the emergence of new industries proposing luxury experiences like the ones we just liste, but also the experiences built around the products including physical environment, planned consumer path (pre- and post-purchase), associations to other themes than the product itself, and so on.

The change is not a banality as it has a lot of management implications for the brands that want to be competitive in this field and, frankly, none of the traditional luxury brands can afford not to consider this new dimension. After all, retail distribution always has had an experiential dimension, fragrances too. The advent of the Internet renders pre- and after-sales services even more important. Moreover, all service brands were already involved in experiential management. It is not a major discontinuity of the consumption process because, as we saw earlier in Figure 1.4., the product purchase has to do with the personal satisfaction of ownership but also with the experience of being socially involved in association with the products ("Have they seen me with my new Rolex?"). It is a shift at the microeconomic level with product brands paying more attention to the surrounding context in terms of place and time, and the purchase process of the products, as well as a shift at the macroeconomic level, with new industries and services defining a new kind of luxury.

Most of the managerial issues raised by experiential luxury are related to creation in general. How do you create these unforgettable, exceptional, intense moments in a better way than your competitors? Designing ambiances, atmospheres, and contexts is more complex and broad than just designing a product and often requires different skills. Event management, where ambiance, atmospheres, and contexts need to be created, is becoming crucial in the luxury field.

The Vaporization of Luxury

Yves Michaud introduces an interesting metaphor in characterizing the change of focus from product to experience luxury as a *vaporization of luxury*.[23]

As experience takes precedence over product, the objects tend to dissolve themselves into a vaster and composite multisensory space. This ethereal condition that characterizes a gaseous state like vapor finds its natural place into the trend of semantization of consumption initially highlighted by Barthes when he introduces the notion of "universal semantization of usage"[24] and by Baudrillard, who states that objects have become signs belonging themselves to larger systems of meaning where symbolization, virtualization, miniaturization, and transparence are becoming characteristics of the products we purchase.[25]

We find also a correspondence between the notion of product vaporization and the concept of aura introduced by Walter Benjamin, which he defines as being what makes an art piece authentic and unique, that is, "the unique phenomenon of a distance, however close it may be."[26] We may extrapolate that some consumption objects are so exceptional that they can generate emotional shocks, and that they can qualify as having a genuine aura (an engagement ring, a vintage collection car, a famous precious stone), a sort of halo, which transfigurates them, makes them distant, apparently unapproachable—although proximate because they are accessible through purchase. This could be a definition of luxury, where the power of an object reaches beyond its functional purpose and forces the customer into a different world, due to the apparent inaccessibility, exceptionality, intensity, and, sometimes, strangeness of the product.

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[23] Y. Michaud, *Le nouveau luxe: Experiences, arrogance, authenticité*. Paris: Stock, 2013.
[24] R. Barthes R. "Réthorique de l'image," *Communications* 4, no. 4 (1964): 40–51.
[25] J. Baudrillard, *Le système des objets*. Paris: Gallimard, 1978.
[26] W. Benjamin, *La obra de arte en la época de la reproductibilidad técnica*. Madrid: Taurus, 1936.

Exclusive versus Exceptional Luxuries

Rather than being constant and predictable, as we highlighted at the beginning of the chapter, the evolution of the connotation of the word *luxury* and its related perception of the phenomenon continues these days. As shown in Figure 1.7, the perception of luxury and its associated values changes according to the cultural and historical contexts.

This confirms Michaud's vaporization trend, where experience is proving to be the biggest expansion of the new luxury today. The figure highlights the fact that some of the values, such as hedonism, preciousness, memory, and sophistication, of the traditional luxury remain shared with the new one. Besides the two dichotomies, product/experience and exclusivity/exceptional, the main divide is related to the social/individual dialectic. The ostentatious nature and the sense of belonging to a restricted and exclusive group that is characteristic of the traditional luxury are essentially of a social nature, whereas new luxury is much more attached to a personal feeling where the social

Luxury market values evolution

Traditional Luxury	Evergreen	New Luxury
Exclusivity		**Exceptionality**
Social/Political		**Individual**
Porduct Focus		**Experience Focus**
Inaccessible Opulence Non-essential Investment Excess Ostentation Elitism Membership	Sophisticateness Pleasure (Hedonism) Preciousness Extraordinary Expertise Precision Legacy Memory	Innovation Authenticity Passion Personal Searches Newness Remix Privacy Skills Resources Journey Access

Figure 1.7 Evolution from Traditional to New Luxury

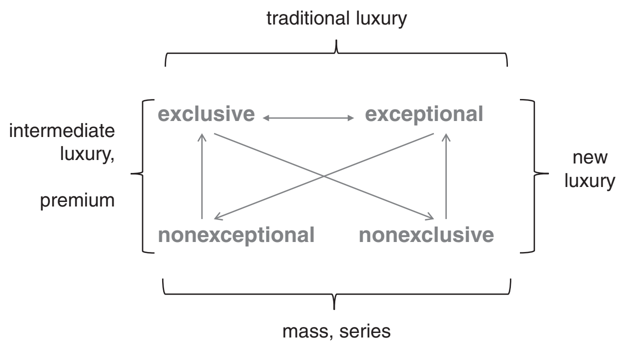

Figure 1.8 Semiotic Square on Different Types of Luxury

dimension is nonessential—even though the craze of selfies proves that when people experience something exceptional, they rush to share it on the Internet.

Within the process of analysis of Jim Thompson's brand identity in late 2015, we asked Professor Jorge Lozano (chair of theory of information at Complutense University in Madrid) to reflect on the reality and meaning of the emerging expression *new luxury*. The result of his reflection is a semiotic square (Figure 1.8) built on the semantic axis of exclusivity versus exceptionality that was published later in 2018.[27]

The notion of exclusivity implies the other qualities mentioned earlier, such as being rare, expensive, and inaccessible. The most meaningful dimension in which the notion of exceptionality can be opposed to exclusivity (and therefore considered as a contrary) lies in the fact that the latter is of the private, individual, and subjective sphere, whereas the former is in the social and public domain. Building the semiotic square by formalizing the contradictories to exclusive and exceptional, we come up with a scheme that classifies most of the luxury categories we have mentioned so far:

- Traditional luxury will combine both exclusive and exceptional. A vintage Jaguar type E could be an example.

[27] J. Lozano, *Semiótica del (nuevo) lujo. Entre lo exclusivo y lo excepcional,* in *Documentos del presente. Una mirada semiótica* (Jorge Lozano y Miguel Martín coord.). Madrid: Lengua de Trapo, 2018.

- The opposite position that combines nonexclusivity and nonexceptionality is mass luxury (an obvious oxymoron), which applies to all the brand products that are trying to trigger a luxury perception while being chain-manufactured. Marc by Marc Jacobs or Ibis hotels are relevant examples of this positioning.
- The side of the square combining exclusivity and nonexceptionality is the premium segment, or intermediate luxury. We will find there most of the wines and spirits brands, Svarowski, and Audi.
- Finally, the side of exceptional and nonexclusive defines new luxury, where accessibility becomes the main differentiating element with respect to traditional luxury.

In line with the notion of exceptionality that has been introduced, we could risk a new definition of luxury that would reflect this characteristic as well as moralize somewhat this type of consumption. Is luxury an exceptional co-investment from both parties concerned—the brand and the consumer?

> Products, services, experiences can be qualified as being of luxury nature, when both the brand and the customer have invested their resources beyond the norm(s) in the respective processes of proposing and acquiring them.

The customer investment goes beyond the acquisition price, it may involve a long research, a long study, sacrifices, and so on.

To conclude this section on new luxury, we quote Jorge Lozano, referred to earlier:

> Today, in the realm of Generalized Simulation, under the rules of big data, where the future becomes irrelevant and presentism reigns as the major tendency, emerges the authentic, which although it cannot replace the unique, the uniqueness, fundamental characteristic of the exclusive, it serves as a consolation. For its part, the exceptional of the original and genuine, of what possesses aura and belongs to the core of luxury, currently adopts other pregnant manifestations of subjectivity, expressed in cyberspace, configured with new materials. That new exceptionality can live perfectly with the non-exclusive, promoting what I consider to be the new luxury.[28]

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[28] Michaud, *Le nouveau luxe*.

Conclusion on the Notion of Luxury

Several lessons can be drawn from this very general overview of the different dimensions of luxury.

Luxury became first an elitist and rewarding practice and then, under the impulse of brands, a market that is submitted to an ever-increasing segmentation. Today, there is not one luxury but many of them, each aimed at a specific category of population, characterized by their purchasing power, social group codes, and specific ambitions. We must get used to an acceptance of the term much broader than in the past. It has now become necessary to clarify, each time, what sort of luxury we want to talk about.

Despite their many manifestations, luxuries provide some common benefits. Luxury divides and unites at the same time; it produces distinction under the banner of brands; it blurs (with the exception of very exclusive luxury) the line between discomfort and opulence, but it promises to all social layers to escape the mass by consuming better (in the case of true luxury) or just a little better (in the case of intermediate luxury) than our peers. Luxury re-creates tribes, groups of the happy few being in the sharing of practical or symbolic qualities. This may be the excellence of a product, originality, the newness of a style, or, more informally, the manifestation of a certain state of mind. Luxury should both make us dream (logic of desire) and comfort us by communicating sensual or emotional satisfactions (logic of pleasure).

Luxury works in opposition to a norm, to a convention shared by the greatest number—the "vulgar," in the etymological sense of the term. In this sense, the lapidary definition of Coco Chanel perfectly expresses its essence: "Luxury is the opposite of vulgarity."

The challenge for luxury brands is going to be defining what kind of convention it wants to be distinguished from and by which means it will show its differences. From there follows its positioning and its strategy. Authentic and discreet luxury follows the saying that "money does not matter." It is from the mercantile norms that it intends to deviate. Economic issues are occulted in favor of the affirmation of perennial values. Its eccentricity will be modeled on the axes of aesthetic research, qualitative perfection, rejection of the ephemeral, in short, of an investment of exception. For intermediate luxury, the norms it dissociates from are those of a degraded version of daily life—the ordinary—from which it promises to escape in a fugitive whiff of distinction and fantasy, as in role playing.

There are diverse means by which luxury is distinguished: the natural, the original, the exceptional, the referential, and the authority, suggest Gilmore and Pine. But other ways can be mentioned: lifestyles, cultures, know-how (such as very high quality crafts), and technologies (e.g., it just went bankrupt the American manufacturer Tesla Motors, which aspires to become a luxury brand of electric automobiles) are all potential sources to establish true luxury brands … as long as they offer us extraordinary and exceptional experiences and continue to make us dream.

And finally, luxury is anthropological. It is a constant and natural hedonistic research of human beings of all time.