

From art performance to luxury experience: A new paradigm to preserve exclusivity in a democratic environment

Abstract:

To the extent that luxury products and services become more easily accessible, luxury brand marketers must make sure the brand delivers the superior, different and inimitable experiential values that touch the consumer emotionally and make luxury even more exclusive by making the consumer feel special and unique. Art lends itself willingly to this mission, because its accessibility is complex and its comprehensibility difficult.

From an in-depth analysis of the practices of the major worldwide brands in the luxury industry we identified that four main types of collaboration between a luxury brand and art exist, which are: Business Collaboration, Mecenat, Foundations and, Artistic Mentoring.

This article presents the underlying mechanisms of these collaborations between luxury brands and art.

Key-words:

Arts, Luxury, Exclusivity, brand, Luxury brands

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Introduction

Over the last twenty years the market for luxury products and services has grown dramatically with an estimated sales of more than 200 billion Euros in 2012 representing an increase of +7% over 2011, and forecasts of 250 billion Euros in 2015 (Altagamma, 2012).

During the same timeframe art has become a major component to this evolution because art allows being out of the ordinary (Fillis, 2009; Schroeder, 2010; Fillis, 2011) at a time when the proliferation of signs, commoditization and massification of luxury (Nueno and Quelch, 1998; Thomas, 2007) require luxury brands to distinguish themselves from and beyond the mere product (Keller, 2009; Kapferer and Bastien, 2009). This is so as to inspire consumers with a different flavor and make them dream via something else. Art and luxury have been flirting between seduction and mutual benefit since the late twentieth century, enhancing art-based luxury goods' differentiation because luxury marketers need to do something vastly different to get their luxury branding messages to consumers and drive consumers to action. This comes at a time when the brand story needs to be revised, refined and permanently reinvented as the values of the consumer change. As stated by Patrick Thomas CEO of Hermès¹: "*... I am wary of the paradox of luxury: The more one is desired, the more one grows, but the more one grows, the less desirable*".

In summer 2012 the house Céline was inspired by Mondrian's color blocks for its handbags while Buren was creating silk scarves for Hermès, Anselm Reyle was designing bags Dior and Stuart Vevers was re-interpreting some Escher drawings for Loewe. Yves Carcelle, the CEO of Louis Vuitton, said recently² "*The world of luxury shares the values of emotion and passion for creation with the world of art. If the brand inspires artists, they stimulate our house back. This is a very productive process of mutual inspirations*".

While the worlds of art, fashion and luxury are growing closer together every day, a key question which thus arises is the need to better understand the links between art and luxury brands.

Within this context, we examined the diversity of the relationships which can exist between luxury brands and art because a clarification of these relationships could expand knowledge in luxury brand management including its strategic dimension (Riezebos, 2003; Berthon *et al.*, 2007). Our overall goal is to examine the nature of this relationship between art and luxury brands, particularly the similarities, differences, complementarities or conflicts between the different binding modes linking art and luxury brands. By binding modes we refer to the type and nature of the relationship between an artist or an artistic event and a luxury brand. Particularly we aim at establishing a typology of these links and connections between art and luxury brands, in order to classify these links, to better understand their nature and to assess the appropriateness of a chosen binding mode with brand specificity.

Methodology

We have chosen to study the links between art and the main French and Italian luxury brands. For historical reasons, these two countries represent the largest portion of the world's luxury goods. It is considered that both countries represent up to 55% of worldwide luxury goods sales, and it was therefore logical and reasonable to focus on luxury brands from these two countries.

¹ Feb. 2011

² In *Les Echos-Série Limitée*, n° 195, February 2012, p. 151

The data come from the study of publicly available data from companies who are members of the Comité Colbert in France and the Altagamma Association in Italy. These two associations unite most of the key players in the luxury field in each country, with very strict membership criteria. Moreover, membership is by co-op nomination, providing a guarantee for brands who are already members that any new members will uphold the standards in place.

We have identified a total of 142 luxury brands, either product- or service-oriented, of which 76 are members of the Comité Colbert while 76 are Altagamma Association members. For each brand, we then researched if they were engaged in any initiatives connected to the arts and if so we then identified which type of initiatives.

Results

The study of the artistic initiatives of each member brand in the two associations allowed for the identification of four binding modes, which are:

- artistic mentoring,
- business collaboration,
- foundations, and
- patronage

Artistic mentoring and support for artistic creation

Mentorship is a relationship in which a more experienced or more knowledgeable person helps guide a less experienced or less knowledgeable person. The roots of the practice are lost in antiquity and the word itself was inspired by the character of Mentor, who in Greek mythology is Telemachus' tutor and a friend to Ulysses. The goddess Athena takes on Mentor's appearance in order to guide young Telemachus in his time of difficulty. Artistic mentoring and support for artistic creation from luxury brands consist of aiding young artists to emerge or affirm themselves. This aid can come in many forms, such as temporary exhibitions of their work, purchasing pieces and/or rights to certain pieces, or organising expositions allowing artists to showcase their talent. Several luxury brands implement mentoring programmes such as Rolex, or Fendi.

Business collaboration and development of commercial creations by artists

Business collaboration is established through a classic business relationship base between the artist and the brand. The artist commits to creating a product or a line for the brand for a generally determined timeperiod and receives remuneration in recompense. This method is relatively easy to implement and requires no long-term commitment, which makes it quite attractive for several brands including Dior, Vuitton or Ruinart.

Foundations

A foundation is a legal categorization of nonprofit organizations that will typically either donate funds and support, or provide the source of funding for its own charitable purposes. A foundation's objective is a creation of general interest with a non-profit goal. In order for there to be general interest, the work needs to have character that is philanthropic, educational, scientific, social, humanitarian, athletic, family-oriented, cultural, or one which works towards showcasing national artistic heritage, defending the natural environment or spreading culture. Due to the strict parameters for its associated fiscal privileges, creating a foundation is complex and thus automatically implies long-term vision. World-renowned luxury brands such as Cartier and Louis Vuitton have created foundations.

Patronage

Patronage is the support, encouragement, privilege, or financial aid that an organization or individual bestows to another. Patrons operate as sponsors. Some languages still use the term *mecenate*, derived from the name of Gaius Maecenas, generous friend and adviser to the Roman Emperor Augustus. Sponsorship of artists and the commissioning of artwork is the best-known aspect of the patronage system and in the history of art, arts patronage refers to the support that kings or popes have provided to musicians, painters, and sculptors.

Many luxury brands such as Salvatore Ferragamo, Brioni or Breguet invest in artistic patronage in various fields such as contemporary art, heritage, dance, film, or photography.

In a second stage we looked at what were the brands associated with each of these modes. Table 2 summarizes this information (number of companies/percentage):

CATEGORIES	ALTAGAMMA	COMITÉ COLBERT
<i>foundations</i>	7 (9,2%)	6 (7,8%)
<i>patronage</i>	22 (28,9%)	21 (27,6%)
<i>commercial creations by artists</i>	29 (38,1%)	18 (23,6%)
<i>support to creation and artistic mentoring</i>	3 (3,9%)	7 (9,2%)
<i>No bonds with arts</i>	33 (43,4%)	45 (59,2%)

Interpretation

From a traditional perspective, luxury is made even more luxurious because it is unavailable to everybody else (Veblen, 1899).

However, this traditional view has faced a major change in the environment of luxury during the last fifteen years characterized by two complementary factors.

The first factor is the rise of an upper middle class that accesses certain affluence, especially in developing countries. This upper middle class has resources and generates a financial surplus that begs to be reused in the purchase of products with high symbolic value - luxury goods - which will go from affluence to a true recognition social.

The second factor is the recent emergence of luxury goods and services multinational companies (Wetlaufer, 2001) - as LVMH, Kering, Richemont - which due to their size and economic visibility auto-generate their own need for a regular growth in sales and profitability - even if they deny it.

The combination of these two factors makes partly obsolete the traditional model of luxury based on drastic scarcity management with price as the major adjustment variable. The economic model often actually in force in these multinationals is that of a true mass luxury (Nueno and Quelch, 1998; Thomas, 2007), while maintaining certain selectivity in particular through the total control of the brand and its corollary is that the distribution.

In other words, the democratic and financial ideal of luxury challenges the more traditional concept of exclusivity in luxury that is derived from ancient ideals of luxury. Luxury brands have thus to solve the 'Luxury is for everyone and different for everyone' equation in order to keep their legitimacy because this massification – even being high-priced based – brings much less luxury value to today's high-income luxury consumers who seek social status (Berthon *et al.*,

2007). To the extent that luxury products and services become more easily accessible, luxury brand marketers must make sure the brand delivers the superior, different and inimitable experiential values that touch the consumer emotionally and make luxury still more exclusive by making the consumer feel special and unique, but never let it turn into class snobbery or arrogance. This delicate balance is very difficult to achieve successfully.

For this reason, luxury brands seek to transfer the differences they convey towards a set of inimitable values, by migrating to a more sophisticated and more elitist ensemble of codes, more difficult to understand by stakeholders external to the brands. Art is ideally suited to this migration, because its access is complex and its understanding difficult for outsiders.

Art de facto moves the exclusivity associated with the luxury brand to a higher, more inaccessible level, also more difficult to copy by competitors. The relationship between art and luxury is thus proportional to the increasing ease of access to the luxury products and services, as the essence of the luxury brand exists much more by the distancing environment and experience it creates, vehicle, and maintain.

Indeed, the way a luxury brand is a higher symbolic value for the consumer is no longer only through the possession of the product, but shall be determined on an experience based on the knowledge of exclusive and complex – artistic – codes. Le luxe pour être luxe ne peut ni ne doit être disponible accessible pour tout le monde. Through the art, luxury becomes the experience of these unshared codes and knowledge, in a difficult to access environment whose understanding of is complex and subtle. Moreover, especially when contemporary, art owns the virtue to renew itself constantly, which supposes a continuous updating on the part of his worshipers who must constantly relearn the access keys to the new knowledge thus created, which enables luxury brands to constantly renew the distance created with mass consumption.

Luxury brands can thus built their new relational and experiential paradigm, detached from the mechanical execution of a mere product performance.

Conclusion: About the consubstantiality between art and luxury

Many luxury companies now use art to enhance their brand internationally, strengthen their legitimacy and credibility in the cultural milieu, but also to acquire a symbolic dimension allowing them accentuate their difference and affirm their identity. The more luxury brands are democratizing the more they need art to keep a distance with the world of non-luxury, and thus maintain a different image, source of value creation and margin.

The art is less an end in itself than a vector of luxury for luxury brands. Its introduction operates a blurring of boundaries and hierarchies through which the luxury consumer is elevated to an art lover. The art introduces a contribution of symbolic and aesthetic values to offset the risks due to the industrialization of luxury. The staging of the art in the luxury brand helps to transform the secular character of the goods in sacred value.

In this manner, the juxtaposition of a luxury brand *with* arts allows a company to generate a long-lasting sustainable competitive advantage and make the luxury brand model difficult to copy due to its idiosyncratic nature and because it is a powerful generator of causal ambiguity (Weick, 1976 ; Orton and Weick, 1990).

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