

Redefining Luxury

A Review Essay

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Creativity at Work:

Redefining luxury: A review essay

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November 2008



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Abstract

This paper seeks to establish a framework for the study of luxury based and to explore the contemporary luxury scene with the purpose of providing ideas and directions for more in-depth, focused investigations of the production and consumption of luxury goods. Drawing on sociological, anthropological and historical inquiry, it first addresses some of the key definitional, conceptual and moral issues arising in the analysis of luxury. Pointing to the challenges of even defining luxury, the paper adopts and extends a flexible scheme for conceptualizing luxury. This provides a framework for investigation the consumption and management of luxury today. We then examine contemporary luxury through different perspectives on “new luxury” and the related issue of Asia’s rise as the world’s primary market for luxury. While the paper does aim to give a sense of the characteristics of the present-day luxury scene, the central focus of the study is on discourses on luxury. We consider to what extent and in which ways luxury is being redefined – by “new luxury” and Asia’s ascent. Finally the paper suggests themes and pointers for further research.

Keywords

Luxury, new luxury, luxury industry, branding, morality, hedonism, consumption

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Introduction

This study first addresses some of the key definitional, conceptual and moral issues arising in the analysis of luxury. It points to the challenges of even defining luxury, and instead adopts and extends a flexible scheme for conceptualizing luxury. This provides a framework for investigation the consumption and management of luxury today. We then examine contemporary luxury through different perspectives on “new luxury” and the related issue of the rise of Asia as the world’s primary market for luxury. While the paper does aim to give a sense of the characteristics of the present-day luxury scene, the central focus of the study is on discourses on luxury. We consider to what extent and in which ways luxury is being redefined – by “new luxury” and Asia’s ascent. Finally the paper suggest themes and pointers for further research.

Reframing luxury: Definitional and conceptual issues

Where necessity ends

One of the most fundamental issues in the study of luxury is the concept’s relationship to necessity. “Luxury is any expenditure that goes beyond the necessary”, as Werner Sombart begins his essay on the concept and nature of luxury (Sombart, 92). While the notion that luxury is essentially superfluous is a common one, it has been contested in scholarly debates. Two centuries before Sombart, Mandeville had tackled the definition of luxury against necessity in “The Fable of The Bees”, his controversial defense of luxury against prevailing moral views of the age. He proposed that in a strict sense, luxury is “every thing [...] that is not immediately necessary to make Man subsist” (Mandeville, 32) p.107. However, considering that all people, even “naked Savages”, over time have made improvements upon their former manner of living, for instance in preparation of food or dwellings, it is self-evident for Mandeville, that the interpretation is too rigorous. Very little, by this definition, is not luxury. The strict interpretation in other words needs to be relaxed. But Mandeville is reluctant to do so, because he finds it impossible to determine where necessity ends,

[...]if once we depart from calling every thing Luxury that is not absolutely necessary to keep a Man alive, that then there is no Luxury at all; for if the wants of Men are innumerable, then what ought to supply them has no bounds; what is call’d superfluous to some degree of People, will be thought requisite to those of higher Quality; and

neither the World nor the Skill of Man can produce any thing so curious or extravagant, but some most Gracious Sovereign or other, if it either eases or diverts him, will reckon it among the Necessaries of Life; not meaning every Body's Life, but that of his Sacred Person.
(108)

While Mandeville can be accused of deliberately complicating or even obfuscating the concept of luxury in challenging what he saw as prejudiced views, his arguments can be said to foreshadow contemporary critique naturalistic or essentialist notions of need and utility (Baudrillard 1993, Appadurai 1986). Such a position assumes human needs, at least primary needs, to be fundamental instincts or reflexes and hence ahistorical and acultural (Mortelmans, 05) 502. Mandeville's inquiry provides other pointers for contemporary inquiry into luxury of which we shall note two.

First, his work points to the relativity of luxury. Concepts of luxury vary from person to person, depending on their social position (and personal consumption experiences). Societies, of course, develop norms for what are considered luxuries and necessities, but these are fuzzy and vary over time and across classes and cultures. This relativity implies a basic indeterminacy of luxury, and suggests that we cannot ignore individuals' notions and experiences of luxury or institutional efforts to define or fix what constitutes luxury in our considerations of the phenomenon. To compound the problem of pinning down what luxury means, the word is frequently used in a loose and clichéd manner in both everyday language and promotional discourse.

Second, Mandeville's polemic against prevailing moral values represents a significant moment in what Berry (Berry, 94) has called the "de-moralization of luxury", a historical process of erosion – or, at least, transformation – of the censorious attitude towards luxury that had dominated Western throughout the pre-modern era. We shall return to both points later.

In contrast to Mandeville, Sombart maintains that luxury can be meaningfully defined through its relationship to necessity, even if what is necessary is not fixed. Luxury is a "relational concept" (Relationsbegriff), whose content becomes intelligible when one knows what 'the necessary' is. What is deemed necessary differs "according to the climate of the historical epoch", but can be determined either by subjective judgment (ethical, aesthetical or whatever kind) or measured against some kind of objective yardstick – a basic human physiological minimum (Notdurft) or what Sombart calls cultural necessity (Kulturnotdurft) (Sombart, 92), 85. Other than pointing to their arbitrary nature, he does not interrogate either further, but moves on to make further definitions to clarify his conceptualization of luxury. Figure 1 illustrates the key components in Sombart's understanding of luxury.

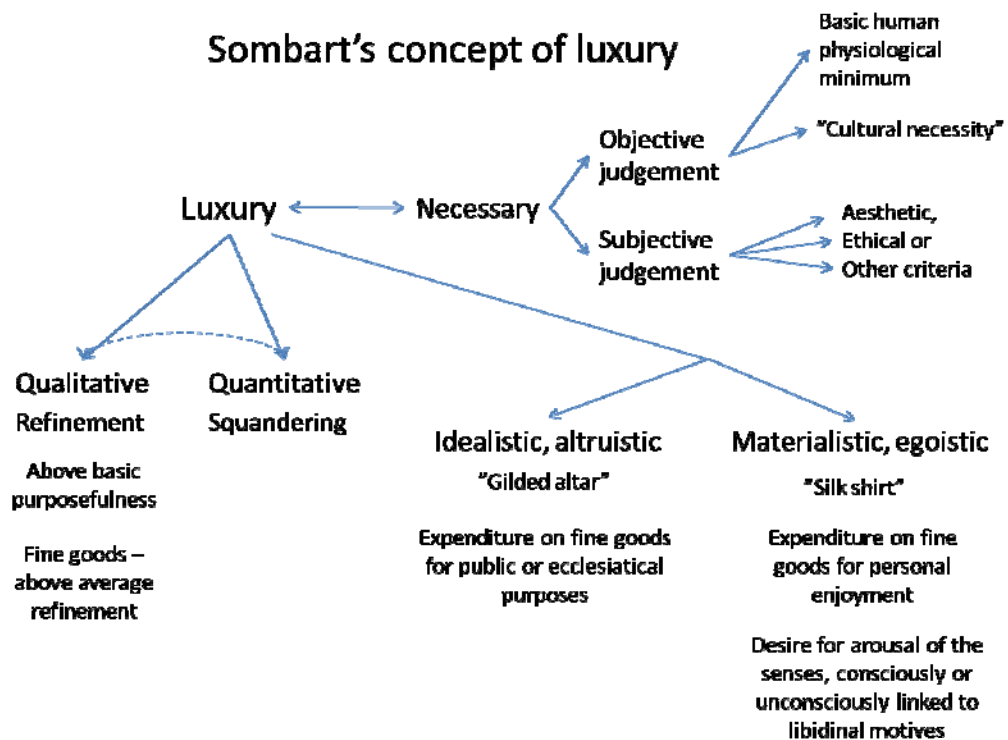


Figure 1: Sombart's concept of luxury

First, Sombart distinguishes between two senses of luxury – a quantitative and a qualitative. He associates luxury in the quantitative sense, with squandering, offering examples of having 100 waiters, when one can do the job; or using three matches to light a cigar. Luxury in the qualitative (and probably more common sense) means the use of better or more refined goods. Sombart defines refinement as all manufacture or preparation that exceeds basic purposefulness, and suggests that refinement can move in two directions, that of material and that of form or shape. Speaking in absolute terms, most consumer goods belong to the refined category, so we might think of luxury or fine goods in a narrower sense as being above average refinement. Qualitative and quantitative luxury can appear together and often do so.

Observing that demand for finer goods serves vastly different purposes and has different origins, Sombart suggests another distinction, namely that between idealistic or altruistic luxury and materialistic, egoistic luxury. The former refers to expenditure on finer goods for public or ecclesiastical purposes, and he offers a gilded altar as an example. Sombart is preoccupied with and seeks to trace the origins of the latter, more personal form of luxury, which he argues increased greatly during the Renaissance. Invoking the silk shirt as an emblem, he claims that all personal luxury originates from the enjoyment of sensory pleasures. What arouses the eye, ear, nose, palate and sense of touch, becomes expressed ever more completely in consumer goods of different kind. For Sombart, all demand or desire for the increase and refinement of arousal of the senses (Sinnenreizmittel) can ultimately be traced to our sexual life. In his

analysis, sensual pleasure and the erotic are ultimately the same. So the impulse for the development of luxury can be traced to certain conscious or unconscious amorous sentiments or libidinal motives.

As suggested, the reflections of Mandeville and Sombart address definitional and conceptual issues of great relevance even to contemporary analysis of luxury. And the terms, themes and problems set out in their inquiries have influenced recent sociological and historical investigations of luxury. In extending our framework for the study of luxury, I will take a closer look of two important contributions.

In his introductory essay to "The Social Life of Things", the influential anthology on commodities in a cultural perspective, Arjun Appadurai offers a concise conception of luxury (Appadurai, 86), which might provide anchoring and directions for our inquiry. The section of the essay on luxury reads as a strong endorsement of Sombart's approach to the social history of capitalism with its focus on the role of consumption and demand as an alternative to dominant Marxist and Weberian views dealing mainly with the production side. But contrary to Sombart, Appadurai argues for a departure from the conception of luxury goods in contrast to necessities. He finds, echoing Mandeville, that the "needs" goods respond to are essentially political - they do not reflect any natural or universal human requirement. Instead, he proposes that luxury goods should be understood as "incarnated signs", whose predominant functions are rhetorical and social. Appadurai proposes that any good may move into a "luxury register" and be consumed as a luxury. But certain commodities are exemplary of this class, and these can be called luxury goods. He lists five characteristics of luxury (Appadurai, 86), 38:

- (1) Restriction to elites by law or price
- (2) Complexity of acquisition - which may or may not reflect real "scarcity"
- (3) Semiotic virtuosity
- (4) Codes for "appropriate" consumption demanding specialized knowledge
- (5) High degree of linkage of their consumption to body, person and personality

Appadurai argues that some or all of the attributes must be present for something to be understood as a luxury, but otherwise offers limited explication and qualification of his scheme. This leaves it open to criticism, but also elaboration and extension.

Appadurai on the luxury register

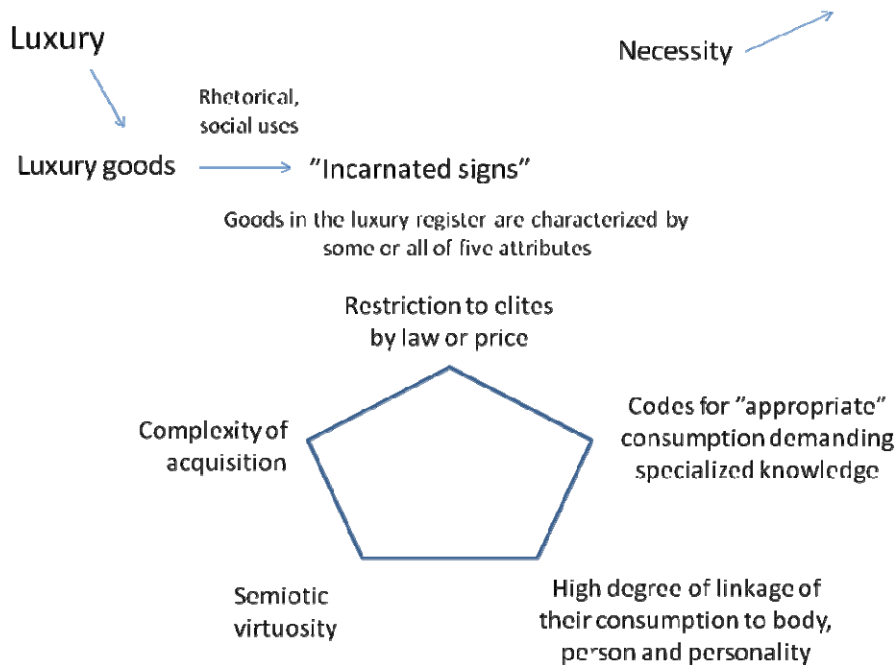


Figure 2: Appadurai's luxury register

First, we might ask whether any one of the five dimensions is required for a good to be classified as a luxury. Mortelmans (Mortelmans, 05) argues that "scarcity" is an essential component in the narrow definition employed by luxury industry institutions such as Comité Colbert to demarcate "their territory". The two other markers of luxury in this definition, "extra value" and "high quality", can be linked to (1) restriction to elites by price (to the extent that extra value translates into extra price) and (4) specialized knowledge, enabling the appreciation of "quality" and "value". Mortelmans suggests that luxury institutions have a vested interest in guarding a narrow conception, and we must therefore interrogate motives behind conventional and restricted interpretations of luxury.

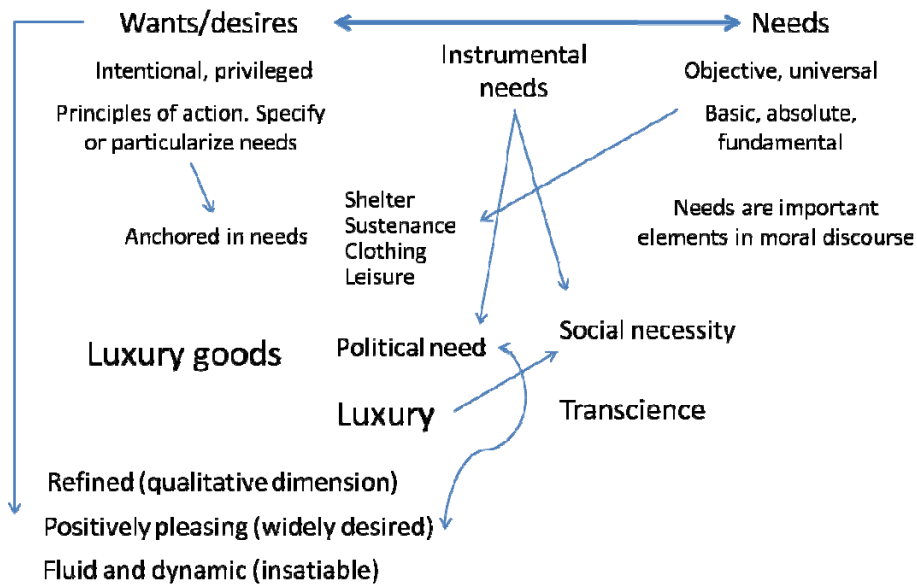
Berry, as we shall see, argues that luxuries are closely tied to the body and sensory stimulation, suggesting that (5) is a required attribute. Rarity or any of the other attributes do not seem to be sufficient conditions for luxury.

Are any of these attributes redundant or irrelevant then? We might ask whether semiotic virtuosity, i.e. the capacity for signaling fairly complex social messages, is distinctive trait of luxuries. It might be argued that if luxury goods are restricted to and signify elites, their expressive potential is narrowed down to the vertical dimension – i.e. they become status markers. Then we might ask, are luxuries restricted to elites, or does this represent an old-fashioned conception of luxury. The restriction of goods to elites by law, at least harks back to sumptuary laws that were repealed centuries ago. Berg (Berg, 07)

suggests that luxuries might just as well associated with festive expenditures and indulgences of non-elites. Finally, we might ask whether codes of appropriate consumption and associated special knowledge are regulated solely by fashion, as Appadurai implies, or whether they reflect education and cultural capital.

Despite these reservations, or, perhaps, because of its open-ended nature, Appadurai's framework provides a useful foundation for reflecting upon the nature and properties of luxury. While Appadurai's reflections on luxury represent only a brief section in a broader essay on commodities, exchange and value, Christopher Berry (Berry, 94) provides one of the most comprehensive recent investigations of the concept of luxury, particularly its intellectual history. Later, we shall draw more extensively on his work as a source for tracing the moral problematization of luxury in Western thought. But it is worth considering some of Berry's arguments regarding the conceptualization of luxury. Berry acknowledges the problems of identifying luxury with what is not necessary or useful, but is unlike Appadurai not ready to do away with the language of needs in exploring the meaning of luxury. "It is important in a consideration of luxury not to identify it with redundancy or uselessness", he suggests (Berry, 94), 40, but maintains that luxury goods can be "defined negatively by their not being goods that are deemed socially necessary; nor utilitarian instruments, necessary means to an end; nor objects of fervent desire; nor cherished possessions". Berry is well aware of the problems of establishing what "needs" and "necessities" are in any strict sense. But thinking of needs in contrast to wants and desires in each end of a continuum, enables him to analyze the complicated ways luxury, desires and (more or less socially constructed) needs are related.

Berry's conceptual frame



Superfluity – redundant, substitutable

Figure 3: Berry's conceptual frame

Luxury goods are primarily associated with desires and wants. But since desires build on human needs, which they specify and particularize, luxuries are indirectly connected to basic needs, the body and sensory experience. But since they do not merely remove pain or meet bare necessities, but gratify the senses, luxuries are “positively pleasing” and widely desired. The link also leads Berry to suggest that luxury falls into four categories reflecting to basic universal needs for shelter, sustenance, clothing and leisure. While the categories can be stretched far, they do suggest a bodily and material anchoring of luxury (which is not as pronounced in Appadurai’s luxury register).

Berry distinction of needs and desires is complicated by notions of instrumental needs, political needs and social necessities, which confuse terms of and distinctions between desires and needs and point the need to tread carefully in analyzing luxury along these lines. Instrumental needs are volitional and purposive, while (basic) needs are non-intentional. We might thus need something to ultimately obtain a desired object. A political need refers to something that is instrumental to maintaining a position in society, for instance appropriate (luxurious) attire or standards of hospitality. Social necessities are similar to Sombart’s notion of cultural necessity. They refer to possessions or levels of material comfort deemed necessary to maintain a minimum standard of decency or dignity in a given society at a given time. The luxuries of one era or society may be necessities in others.

It is clear from Berry’s model that luxury is something dynamic, a subject to constant redefinition. Desires drive a continual refinement of goods and

experiences. As luxuries become commonplace, they are reclassified to social necessities. Berry refers to the “transience of luxury”. There are constraints on this process. Berry notes that needs are an important element in moralistic discourse, and in the course of history, luxury has been subject to criticism and regulation. In the following section, we turn the moral aspects of luxury.

The moral problematization of luxury

From the first literate societies until high modernity the figure of Luxury has excited moral condemnation and stimulated the regulatory reflex. The moralization of luxury has exhibited remarkable persistence. The invocation of luxury is one of the most ancient and most pervasive negative principles around and through which social criticism and regulatory activity has been articulated. (Hunt 1995, 353)

Why address moral discourses on luxury?

This section takes a closer look at the moral discourses that have accompanied luxury from the earliest human societies. In recent years a considerable number of studies have addressed the moral problematization of luxury, and provide us with a fairly comprehensive picture of the dominant attitudes towards the consumption of luxury in Western thought of various historical eras. While studies generally agree on the main lines of critique in the pre-modern era and the fact that the condemnations lost their force during the 18th century, some disagreement exists on the extent and significance of negative attitudes towards luxury in contemporary debates.

If, as some claim, the moral problematization of luxury, if not ceased, then abated, more than two centuries ago, what is the point of dwelling on the censorious attitudes of the past.

First, I would suggest that even if the critique has relaxed, the process of de-moralization was at best incomplete. Moral condemnation of luxury persists and has a certain influence contemporary discourse and public policy. I will also argue that while indictments of luxury are less visible in public debates than previously, because they have been subsumed under broader debates of the morality of consumption. Veblen’s Theory of the Leisure Class, which has been paradigmatic for sociological critique of consumption in the 20th century, only mentions “luxury” a couple of times. But evidently, the work is linked to an older tradition for moral critique of luxury, and its influence on contemporary thought on luxury is beyond doubt.

Miller (2001) castigates recent studies for being locked in a pre-established moral position that prevents them from investigating the complex and contradictory nature of consumption experiences. Instead they make facile identifications of consumption with materialism, capitalism and Americanization. Our investigation would suffer if we failed to at least reflect

upon tacit conceptions and norms regarding luxury that might affect our analyses or those we draw upon.

On the other hand, much of the recent literature relevant to the study of luxury suffers from the opposite, a conspicuous absence of considerations of moral dimensions of luxury. Consumption – luxury consumption in particular – inevitably raises moral issues about freedom, justice and the common good in every culture (Wilk). This certainly includes relations and conditions under which luxury goods are produced. Any analysis either ignoring such issues or failing to reflect upon the moral schemes, we project onto luxury, is, I would argue, incomplete and deficient.

Luxury in the history of Western thought

Berry (Berry, 94) traces the moral problematization of luxury in the history of Western thought from the Ancient Greece to our age. He documents that luxury was subject to deep moral concern and carried mainly negative connotations at least up until the seventeenth century.

In Classical Greek thought, luxurious living was a concern because it was believed to be unhealthy, foster effeminacy, corrupt individual and society, and threaten the very existence of the polis. Men who lived a life of luxury were thought to become soft and emasculated, which made them incapable as warriors, undermining the polis' ability to defend itself and its interests. Furthermore, luxury was seen to incite maleficent desires which took society beyond the concern for need satisfaction. Unlike needs, desires were boundless and insatiable; they led to invidious comparison, envy and dispute, and therefore had to be kept in check. Greek philosophers, such as Plato, saw luxury as a threat to the social order, subject to measures of control and moderation.

The Romans adopted key ideas and assumptions on luxury from the Greek, but added issues of their own and went further in institutionalizing means for regulating it. Luxury was a preoccupation of both Roman moralists and legislators. Their discussions of virtue and corruption emerged in response to Rome's perceived decadence, and led to the first sumptuary laws. Examples included the regulation of women's dress (no colored robes) and possession of gold (Lex Oppia) and expenditures on feast days (Lex Fannia) limiting the number of non-family guests and the values of the silverware as well as banning foreign wine¹ (Berry, 94). Luxury was seen to undermine both civic virtue and a proper ordering of ranks. It represented the use of wealth to serve private satisfactions, rather than expenditure of 'surplus' for public good. Private luxury reflected and induced self-indulgence, the emasculation of virtue, greed (avaritia) and ambition (which undermined proper hierarchy).

¹ Here we find an early example of concerns about the effects of foreign luxuries on the domestic economy and subsequent protectionist measures.

An important reference point in Roman thought on needs and luxury was the Stoic's idealized notion of "natural life", where human bodily needs, which are few and simple, are met but otherwise kept in place. Notions of a simple, natural life became a "normative benchmark against which unnatural, unfree or corrupt lives could be assessed" (Berry, 94). According to Berry, Roman debates on and regulation of luxury illustrate that efforts to establish and fix the boundary for what is 'natural' are tricky, arbitrary, and, of course, political.

Early Christian thought retained the earlier connections between luxury and corruption and other elements from of Greek and Roman thought suitable for its agenda. Concepts of necessity or natural order, against which luxury was a violation, were backed up by divine authority. Vice became sin, as luxury was identified with lechery, in opposition to sobriety and chastity. The connection of luxury to femininity (with its misogynist undercurrent) found in Greek and Roman ideas about emasculating "softness", indulgence and lack of self-control, was extended through links to Christian mythology (Eve's temptation of Adam) and norms concerning sexuality and marriage. Later, the pride and envy came in focus as sins induced by luxury. Hunts argues for theological differences in the way Catholicism and Protestantism treat luxury. Broadly speaking, Catholicism condemned luxury as a personal sin of pride, whereas Protestantism was more concerned with the immorality and dissoluteness. Puritanism castigated luxury for wasting resources that would otherwise be available for charitable works, echoing perhaps the juxtaposition of the harmfulness of luxury to the rich and concern for the plight of the poor found in the New Testament.

During the 17th and 18th centuries, debates over luxury intensified and flowed back and forth. Advocates of commerce, such as Barbon and Mandeville stirred controversially by suggested that luxuries, however sinful, are beneficial for the wealth of nations. Over time figures such as Hume and Adam Smith contributed shifts in the evaluation of luxury that all but overturned the old tradition that had seen luxury as a threat to the social order and public good. Hume for instance linked refinement, luxury and civilization, and Adam Smith concluded that all things considered 'opulent and civilized' nations were superior to 'poor and barbarous'. And where earlier moralists had evoked natural order and life in their polemics against luxuries, liberal thinkers now argued that aspirations to a life of luxury were natural. The debates over luxury gradually settled as Adam Smith argument that "individual greed and acquisitiveness were necessary prerequisites for the stimulation of the economy" gained currency, and human well-being came to be conceived in terms of economics, rather than a moral or religious basis (Hilton p. 102). Berry's notion of the "de-moralization of luxury" refers to this shift.

An important part of the explanation for the changing attitudes in the 18th century was that luxury itself was being transformed. Maxine Berg (2007) argues that a new, more widely accessible form of luxury had emerged, one

that was not to the same extent as old luxury susceptible to traditional lines of moral critique.

Berg analyses how Western markets for new domestic and decorative objects developed in response to the exotic luxury goods – such as fine textiles, china and lacquered furniture – that were imported in unprecedented quantities by European East India companies by the 17th and 18th century. Asia of course had been the source of early exotic luxuries in Europe such as spices, scents, tea and silk. By the late 17th century, Asian manufactures could produce craft objects offering quality and delight in such quantity and variety, that it represented a whole new category of luxury and stimulated new ways of thinking about household possessions and ornament. It opened the possibility for a higher, more civilized way of life for the broad segments of the population.

Eventually the access to these goods, also led to European strategies for matching Asia luxury production. British manufacturers so successful in ‘imitating’ Asian luxuries – absorbing certain principles, adapting others and developing their own – that English ‘modern luxury’ rose to prominence in world markets during the second half of the 18th century. According to Berg, the new luxury and semi-luxury items that emerged reflected an ‘economy of quality and delight’. They were not associated with the excess and ostentation of older elite consumption, nor foreign imports thought to harm the domestic economy; but expressed civility, comfort, fashion, taste and moderation. They appealed primarily to the urban middling classes of Britain, but engendered changes in material culture that also affected the laboring poor and wealthy elites, and gradually swept through continental Europe and markets beyond.

Much of the stigma that had previously been attached to luxuries, did not apply to new consumer goods such as tea sets, glassware, tableware, brass and silver candelabra, boxes, cabinets etc. In the analysis of policy-makers, Berg (p. 19) concludes, the economic advantages of a “more broadly based consumption of superfluties”, especially as new consumer goods were increasing produced at home, outweighed moralists’ lingering “concerns about social dislocation and moral corruption attendant on luxury consumption”.

As argued, the process of de-moralization does not mean that moral concerns about luxury cease. The case can be made, according to Hunt (Hunt, 95), that the critique of luxury has carried its conventional and moral force well into the 20th Century. Hilton argues that the 18th century luxury debates have left a legacy over the past two centuries, which suggests its issues were not entirely settled at the time. Furthermore he suggests a trend towards the re-moralization of consumption and markets taking place. However, subsequent streams of problematization and critique seem to address luxury less directly; instead they have been subsumed under moralization of consumption more broadly. This can perhaps be attributed to the indeterminacy and transience of luxury. In a consumer society, the boundaries between luxuries and non-luxuries are blurred and in constant flux.

In a critical review, Wilk (2001) traces three main currents in the social sciences addressing consumption in moral terms. The first, Veblen's sociological approach, posits that consumption is motivated by social competition and emulation. It regards (conspicuous) consumption as wasteful, and reflective of false and shallow values. The implication of Veblen's thought, for Wilk, is that fashion and modern material goods become empty and arbitrary, without meaning and content. This, and the fact that it fails to offer criteria for deciding what is productive and authentic and is wasteful and fake, makes this line of moral critique untenable, according to Wilk (p. 247). The second moral critique of consumption is psychological. It regards people's desire for goods as a failed attempt to cope with the pressures of modern life and its repression of individual creative energies and sexual desires. Modern consumption reflects an excessive fixation on objects or investment of meanings in them as substitutes for real human relations. This approach informs two otherwise different strands of thought: a conservative critique of mass culture and a more liberal analysis of the commodity self. The third approach derives from Marx's critique of modern capitalism. The capitalist mode of production means that all aspects of life become commoditized, causing profound sense of alienation. Consumption is motivated by people's desire to recover a sense of unity and human wholeness, which consumer goods of course cannot provide. For Wilk, the overarching problem of the Marxist position is that it forecloses considerations of consumers' accounts for their own consumption, which per definition reflect false consciousness and commodity fetishism. Berry points out that socialist critique indicts capitalism for supporting the ability to acquire luxury, ahead of the moral obligation of ensuring that needs are met (p. 19). The lack of a fixed concept of need would appear to undermine this line of argumentation; however the recourse to need retains its force and popularity in social criticism by reframing need. Needs thus refer to 'relative' rather than 'absolute' poverty and become defined as the requirements to participate effectively in or retain autonomy in society (Berry, p. 21).

While it seems obvious that both the critical approaches to consumption linked to Marx and Veblen applies to luxury, the conservative strand of the psychological critique of consumption is directed at mass production and consumption. Luxury consumption, to the extent that we are dealing with craft products which are out reach of the mass, escapes critique and might even be idealized.

An example of contemporary criticism of luxury, that invokes themes found in older moral discourses as well as more recent currents of critique of consumption, is Robert Franks' (2001) *Luxury Fever: Why Money Fails to Satisfy in an Era of Excess*. Franks' work addresses the detrimental social, economical and environmental impact of growing inequality and escalating luxury consumption in the U.S. in recent decades, and prescribes progressive consumption tax is the only rational cure for this 'luxury fever'. He finds that the trickle-down economics that emerged with Reagan and more or less still holds sway, has created "pockets of wealth to match even the most florid ones

of the Gilded Age" (p. 15). The parallels between the contemporary era and the Gilded Age, in Frank's view, suggests that Veblen's analysis of conspicuous consumption – which of course emerged in response to the excesses of late 19th century America – must be revived and updated. But we also find echoes of the Marxist approach to consumption: "At a time when many truly pressing needs remain unmet", Franks writes referring to investments in the refinements of luxury sports vehicles and watches rather than, for instance, health care, "we must question the wisdom of spending millions of dollars to reduce zero-to-sixty acceleration times by another few tenths of a second, or to refine mechanical devices, that will further attenuate the already negligible effect of gravity on timepieces" (p. 221). The images of luxury conjured up by Frank are those of maldistribution of wealth favoring the suppperich, immoderacy, wastefulness and refinement in absurdum. If the 18th de-moralization of luxury, as Berg suggests, was linked to consumption of the middling classes and goods embodying civility, taste and moderation, it is to be expected that realities (or images) depicted by Frank or Veblen, might provoke re-moralization, in which some of the very same themes that preoccupied minds of antiquity or medieval Europe reappear, along with new ones such as environmental sustainability of luxury consumption.

Both Miller and Wilk argue that we must retain an openness towards the complex and contradictory nature of consumption experiences, and move beyond facile judgments of what constitutes good and bad consumption. This would seem to involve, as our inquiry so far suggests, to acknowledge the ambiguous attitudes with which humans have approached luxury historically, and how these contradictions are inscribed in contemporary production, consumption and discourses of luxury.

Perspectives on New Luxury

The term "new luxury" is frequently invoked to explain the contemporary market for luxury, but just as in the case of luxury in general, we find ourselves without a consensus definition. In the following pages, we will explore different takes, mainly from the management oriented literature, on what new luxury is, what it tells us about the current state of the business and consumption of luxury today.

Trading up and marking down

Michael J. Silverstein and Neil Fiske, two executives with ties to Boston Consulting Group, have had a formative influence on – and have a strong claim to – the very concept of new luxury. In their bestseller *Trading Up* (Silverstein and Fiske, 05), first published in 2003, they present new luxury as profitable business strategy based on developing and marketing high quality products to middle-market consumers who are willing and even eager to pay premium prices in those product categories, they give priority too. Drawing on case

studies of companies both in and outside conventional fields of luxury goods— from wine and lingerie to golf clubs and pet food— Silverstein and Fiske identify a common formula that successfully makes high-end products accessible and appealing to broader groups of consumers than traditional luxury.

Their analysis depicts three distinct types of new luxury goods: accessible superpremium, old luxury brand extensions and mass prestige or mass-tige. Accessible superpremium designates products that are considered at or near the top of their categories in terms of quality, and are sold at a considerable premium. Despite the comparatively high price they are accessible to a majority of consumers because they are in relatively inexpensive, “low-ticket” product classes. The authors give vodka and pet food as immediate examples and we might also think of most foods and beverages, many types of apparel and leisure equipment, services, fragrances and beauty products. Old luxury brand extension are used about lower priced models or subbrands offered by established purveyors of luxury goods, which bring items in high ticket product categories such as prestige automobiles within the reach of others than the most wealthy. Mass-tige goods take a middle road between mass and prestige, commanding a premium price, yet selling considerable quantities and thereby defying conventional wisdom about the relationship between price and demand, and profitability of the particular product markets.

According to Fiske and Silverstein the three kinds of “new luxury” share certain common traits, which set them apart from old luxury. Whereas old luxury goods were based on status, class and exclusivity, a new luxury philosophy inspires consumers to forge stronger emotional ties to the products and brands. Companies engage consumers and reap the benefits by connecting with them at three levels, the so-called “ladder of beliefs”. The path to emotional engagement and premium prices goes through improvements in design and/or technology, which lead to reliability, quality and superior functional performance and finally needs to pass through consumers’ issues of brand values and corporate ethos.

The authors are adamant that “new luxury” is sustainable trend. They identify a set of demographic, economical and cultural factors which, working both through the supply and demand side, have created conditions of possibility for the emergent phenomenon. On the supply side, key components have been committed, visionary entrepreneurial leaders, a retail infrastructure facilitating rapid national expansion, and access to efficient global supply-chain networks which have supplied upscale goods at moderate prices. A complex interplay of multiple forces has stimulated demand. Americans possess more discretionary wealth and income than ever. Silverstein and Fiske point to rising property prices and hence “home equity” that can be leveraged for luxury consumption. They also observe that household incomes rose more than 50 percent over the three last decades in the 20th Century, with both the two top quintiles outpacing the remaining three, particularly the top fifth which

increased by 70 percent. Since spending has not quite followed suit with income raises – perhaps partly as a consequence of the lower costs of living brought about by new large discount retailers – the authors believe that an untapped pool of luxury spending has been built up. Factors related to changing roles of gender and family also support the rise of demand for new luxury. The increased presence and higher earnings of women in the workforce, not only have increased their spending power but also their sense of entitlement to spend on themselves, or whoever they chose. The trend towards marrying later in life, if at all, and higher divorce rates, are also seen as conducive to new luxury expenditure, as singles spend more in the areas of personal luxury, travel and lifestyle. Furthermore, higher levels of education have not only given made middle class consumers the financial means for acquiring luxury, but also made them more sophisticated, adventurous and discerning. This has made them susceptible to more the trappings of new luxury and giving them the skills, knowledge and confidence to acquire them. .

While the economic and demographic factors provide the necessary foundation, Fiske and Silverstein argue it required a change in cultural values and attitudes towards consumption for a new emotionally driven consumer to emerge and release demand for new luxury. The concern for self-actualization, fulfillment of dreams, and satisfaction of emotional needs which emerged under the cultural upwelling of the 1960s, were channeled into consumption. The sense of guilt that traditionally had inhibited carefree consumption gradually faded, and new influential media figures like Oprah Winfrey and Martha Stewart to TV shows like “Queer Eye for the Straight Guy” and “Sex in the City” through their guidance on fulfilling lifestyles and stylish living have advanced a consumerist ethos that new luxury taps into.

The book’s notion of “trading up” refers a tendency for skewed buying habits and “disharmony of consumption”. New luxury goods are available to many consumers because they represent a redefined, broader idea of luxury, encompassing what might be called low ticket, abridged and diluted luxury. But luxury is further democratized because new emotionally driven consumers without top incomes choose to “trade up” to new luxury in certain product categories, which have particular significance to them, and “trade down” to save in other areas. Fiske and Silverstein call this disproportionate spending on selected meaningful categories, “rocketing”.

The authors surveyed the feelings consumers attached to buying goods across different product categories, to understand the emotions that trigger trading up and new luxury consumption. They identified four “emotional spaces” which they label “taking care of me”, “connecting”, “questing” and “individual style”. “Take care of me” refers to therapeutic and hedonist consumption acts, anything which provides relief and regeneration for the self – alleviating the pressures of life. “Connecting” reflects concerns about establishing and strengthening relationships and luxury goods’ instrumental role in this purpose. Silverstein and Fiske elaborate on their thesis about in the

impact of today's fluid relationships and a fragile institution of marriage, analyzing the changing nature and significance of dating. They argue that luxury products serve important functions as "tools of attraction" in the matchmaking process and courtship rituals, particularly through their capacity to express personal taste, knowledge, achievements and values to potential partners. They mention, but have less to say about, the role of gift giving in developing and symbolizing social ties – kinship, romantic, friendship or other. "Questing" relates to experiences, consumption with the aim of enriching one's existence, through play, excitement or physical and intellectual stimulation. Finally, the emotional space of "Individual style" revolves around concerns about identity. It is suggested that new luxury consumer motivated not so much by their desire for status nor are they infatuated with brand names, but they do use luxury goods to express (and explore and develop) themselves as well as align themselves with people whose values and interests they share.

The rise of the luxury industry

Silverstein and Fiske do not devote much attention to where the rise of new luxury leaves producers and brands associated with old luxury. For other observers, transformations in ownership and the adoption of new management styles and strategies in the luxury industry are at the center of "new luxury" (Thomas, 08), (Nueno and Quelch, 98), (Chadha and Husband, 06), (Danziger, 05), (Chevalier and Mazzalovo, 08).

Before the 1990s, the luxury business, particularly high fashion, consisted mostly of small privately-owned companies, often run by the founder or his or her descendants. Many were poorly managed by conventional standards and suffered from the aftereffects of cultural and social turmoil of the 1960s, which had left the luxury business in the doldrums. The 1980s brought new opportunities for the luxury market, including the favorable demographic, socioeconomic and cultural trends diagnosed by Fiske and Silverstein. Pamela Danziger (Danziger, 05) argues that the emergence of new luxury should be dated to 1984 and cites three highly symbolic events taking place that year as justification. First, President Reagan was re-inaugurated in a lavish White House ceremony staged by the first lady – setting the tone for a return to luxury. The reelection implied an endorsement or at least continuation of the neo-liberal economic experiment, his administration had championed, and whose principles have affected economic policies and institutions all over the world in more or less concentrated forms ever since. At the time, Reagan had succeeded in restoring stock-market and consumer confidence, creating new wealth, credit and desire for luxury spending for the beneficiaries of the new economics. A second event marking the rise of new luxury was the introduction of American Express Platinum Card – signifying a license to travel and spend anywhere, anytime. Last but not least, 1984 was the year Bernard Arnault acquired the luxury fashion house Christian Dior from a French holding company in the middle of bankruptcy. The event represented the first step in Arnault's path to building the world's most profitable luxury group, LVMH.

Arnault is generally regarded as the preeminent figure of the luxury business. Though it might be debated how much he owes this position to the top executives and designers, he has surrounded himself with (Yves Carcelle, Marc Jacobs, John Galliano, Stella McCartney) or whether those of LVMH's rivals could be considered on equal terms, it is probably safe to claim that Arnault more than anyone represents the forces that have shaped – or even made – the luxury industry and rewritten its rules. The changes include a general process of corporatization, where executives with backgrounds outside luxury, brought in a more professional, or at least conventional, management mindset. As equity markets and consumer goods businesses recognized the new potential of the luxury sector, new investors and capital moved into the field. Many smaller luxury firms were bought up by large corporation with a mainstream focus and incorporated as their luxury divisions. Others became part of growing conglomerates specializing in the luxury sector, but often diversifying across its different sectors. Arnault's LVMH group – which now consists of some 50 luxury brands – Richemont and PPR Gucci are the three primary examples. Capital for acquisitions of luxury companies and international expansion was raised through IPOs. The new corporate structures, especially publicly listed firms, are subject to constant pressure for improved sales and earnings. Under such conditions, there is a “natural temptation” for management to extend brand reach to attract broader range of consumers, in the mass market and across the world (Nueno and Quelch 1998). The expansion of luxury brands downwards is not motivated so much by a vision of democratizing luxury, but by the desire to meet investors or shareholders' (including executives with stock options) expectations.

The paradoxes of luxury brand management

In the search for successful ways of managing luxury, companies have increasingly relied on techniques associated with mass marketing and branding. The dilemma facing them in mixing mass and class is to figure out, in the words of Nueno and Quelch (Nueno et al. 98), p.62, “at what point does a brand become so attainable to so many that it no longer represents luxury?”. A rapidly growing body of literature addresses the particular challenges of managing luxury brands profitably. A common assumption guiding contributions is that luxury represents a distinct domain where the usual rules of business do not necessarily apply, and management tools must be carefully adopted if the cachet and value of luxury is to be retained.

Arnault offered his own pronouncements on the subject in Harvard Business Review in 2001. The best luxury brands, or star brands, are able to defy strategic management logic and be simultaneously fast growing and profitable. This paradox can be achieved through another paradox, building brands that are, at the same time, timeless and modern. Creativity and innovation is vital for achieving this. As Arnault argues, companies can not charge premium prices for giving people what they expect. But managing creative talent and processes is not an easy task. Imposing limits on the creative

freedom of designers kills their talent and spirit. So, “you don’t ‘manage’ John Galliano” (Wetlaufer, 01), 118. Yet, Arnault discloses some of his subtle methods of “managing creativity for the sake of growth and profits (p.118)”. These include hiring managers with who are respectful and tolerant towards to freewheeling and chaotic creative processes, learning to spot and employ creative talent with a commercial instinct, maintaining a decentralized structure organized around independent brands and highly autonomous creative directors, directing designers (indirectly – not make them feel being steered towards anything) to sources of inspiration with commercial potential, and channeling creativity into the market in smart ways. The latter involves using the most edgy and experimental creative ideas in fashion shows and advertisement to create buzz, adapting some of these ideas slightly for limited, upscale lines, and retaining only few radical ideas in the broader, more classical lines. This minimizes the risk, while leveraging creative genius. It also leaves space for the timelessness, the star brands need to project. Timelessness, to Arnault, has to do with becoming an institution. He cites the example of Dom Perignon, which has an allure that has lasted centuries and will no doubt persist. It takes time for any brand to reach this stage; it needs to pay its dues. But the process is advanced through uncompromising quality standards. Dedicated employees in production and retailing are sources of authenticity which contribute to the process of maturing the brand. Quality means piecework and potentially high production costs that eat into profits. But according to Arnault, the “ateliers” within his company are able to attain an exceptional quality and craftsmanship and a level of efficiency than ensures handsome profits. They do this with the aid of advanced engineering technology to optimize work flows, training, discipline and rigor

Arnault concludes that star brands are rare. A brand must possess something special, something inexplicable – a magical quality – and even patience, resources and excellent management cannot guarantee a brand reaches the eminent star status.

The disenchantment of luxury

In Arnaults account, the luxury industry’s recipe for success is to strike a delicate balance between honoring the past and inventing the future. With a stroke of magic, creativity is fused with heritage, skilled craftsmanship is combined with Taylorist efficiency, and uncompromising quality coincides with fashion, growth link up with profits. However, dissenting and cynical views about the luxury industry and the new luxury formula exist.

Dana Thomas delivered something of a broadside against contemporary luxury in her 2007 book “Deluxe – How luxury lost its luster”. Thomas contrasts old and new luxury. Old luxury, while not shunning profits, was driven by a passion to produce the finest product as possible, she claims. Luxury denoted a history of tradition, superior quality, production in small

quantities – often made to order – and a pampered buying experience. It was the preserve of rich elites and a natural and expected element of upper class life.

Today, focus has moved from “what product is to what it represents”. She has no illusions about the motives and methods of luxury executives: Democratization and “accessible” may sound noble, but their “...goal plain and simple, was to make as much money as heavenly possible” (p.9)

She describes to formula, the new luxury conglomerates have used as a two-pronged attack of on the one hand hyping their brands mercilessly, and on the other, making their products available both physically and economically, so most anyone could approach and afford them.

Thomas details the approaches used hype the brands. The companies:

1. Trumpeting the brand’s historical legacy and the tradition of handcraftsmanship to give the products and air of luxury legitimacy.
2. Hiring a hip young designer to give the brand a modern sexy edge and encourage designers to stage extravagant or provocative fashion shows to drum of controversy and headlines.
3. Streamline the name and splashing the logo on everything from handbags to bikinis.
4. Advertising relentlessly and spending millions on deliberately shocking advertising campaigns (making brands as recognizable and common as Nike and Ford).
5. Enlisting celebrity power, dressing them up and letting them endorse the products to reporters and fans.
6. Engaging in high profile sponsorships (such as the Cannes Film Festival and America’s Cup)

Brand (re)presentation thus takes precedent over the art of luxury and product integrity, as the luxury business’ short-term, bottom line focus leads to the cutting of costs and corners. Thomas accuses some companies of using inferior material, many for covertly having outsourcing production to developing nations, and most for having replaced individual handcraftsmanship with assembly line production, mostly done by machines. Another common practice is the introducing cheaply made lower-priced accessories (logo-covered T-shirts, toiletry cases in nylon, denim handbags) which sell in big volumes.

So with certain exceptions (Thomas mentions Hermes, Chanel and a small group of detractors, who have formed small companies true to old luxury ideals), luxury in its present day incarnation is tainted and, to a large extent,

fake. Thomas also points to moral issues, some new and some echoing the well-known themes, we have traced in history writing on luxury. According to Thomas, luxury and its exorbitant profits incite illegal activities and immorality. Counterfeiting funds illicit drug trafficking, human trafficking, and terrorism. (surely drug and human trafficking are profit-driven activities) luxury encourages prostitution. Japanese teens and Chinese hostesses and others who transact with their “sugar daddies” through luxury goods – which they return to stores for cash. Without touching upon the darker sides of luxury in the manner Thomas does, other commentators such as Beverland (Beverland, 05) and Catry (Catry, 03) have explored the (dubious) ways in which business cultivates an air of luxury.

New luxury as experiential and individualized

A final less elaborated perspective on new luxury, deals with individuals’ experience of luxury. In her reflections on the concept, Pamela Danziger (Danziger, 05) observes that the term “new luxury” is bandied freely around without any clear-cut definition. She does recognize its connection with democratization and turn to more affordable luxury goods, but does not see anything fundamentally new in this. The real paradigm shift is the move to a more individualistic and experiential concept of luxury. In her view, luxury resides neither in objects, product nor brands; these are at best catalysts for experiences the consumer interprets as luxury. From this perspective, luxury is at heart democratic, even egalitarian; its association with elite lifestyles fades away and its original connection to sensate experience is restored.

The experience-based concept of luxury advanced by Danziger builds on a recent psychological research comparing the ability of (life) experiences to advancing human happiness with that of material possessions. The survey concludes with certain caveats that experiences are a greater source of happiness and satisfaction. It suggests that (a) experiences provide more hedonic value as they are more favorably recounted with time, whereas people adapt to material advances; (b) experiences have a greater identity value than things, i.e. they are generally more important in people’s identity construction, and easier to integrate in people’s sense of self, and (c) experiences have a greater social value, because facilitate social relationship better, since it is harder to share and related to other’s material possession than experiences. Danziger concludes that immaterial and experiential consumption provides greater happiness and that consumers are realizing this.

Danziger, as a consultant, acknowledges that her clients in the luxury business demand a clear-cut definition of luxury and more accurate numbers on the market for luxury, than her experiential notion permits. Danziger obliges and in her book does not explore the implications of her potentially ‘deconstructive’ approach, but assess the size and development of market segments across different luxury product areas. If we were to point to the directions an experience-based perspective could lead to, Campbell’s (1987)

distinction between old or traditional hedonism and new or modern hedonism. While the old hedonism is attached to a multitude of pleasures and the senses – taste, smell, touch, sight and hearing – new hedonism seeks pleasure in emotion accompanying all kinds of experiences. When decoupled from the senses, both illusions and delusions can supply pleasure. Modern hedonism becomes a matter of controlling and channeling emotions into pleasure and becomes highly self-illusory ((Gabriel and Lang, 06), 101). While Danziger seeks to restore the sensual dimension, new luxury seems to gravitate towards new hedonism.

We have reviewed three accounts of new luxury, each providing a different analysis of contemporary luxury. The table below summarizes some of the key points. While the three authors are at odds in many of their views on the luxury scene, they also in certain ways supplement each other.

Source	New Luxury	Old luxury	Position
Silverstein & Fiske (Silverstein et al. 05)	New luxury goods are more accessible than old luxury goods, but more limited than conventional mass-market goods. Within reach of 40 per cent of American consumers, price not prohibitive for 60 per cent. Have elements of craftsmanship, but are not completely hand-made or assembled manually.	... is about exclusivity. Old luxury goods are priced to ensure that only the top-earning 1-2 per cent of consumers can afford them, and allow profitability at low volumes. Carries a sense of elitism.	Celebrates the democratic nature of new luxury as well as the business opportunities it presents.
Thomas (Thomas, 08)	Focus has shifted from what the product is to what it represents. New luxury model (Arnault): Enhance timelessness, jazz up the design, advertise like crazy. For new brands: streamline and fold into corporate production, distribution and retail network (49)	...in the old-fashioned sense of the term is genuine personal attention, exquisite materials and beautiful handcraftsmanship (332). Small scale production. Old luxury is true luxury.	Laments the disappearance of old luxury virtues
Danziger (Danziger 05) Silverstein & Fiske	Represents a consumer-centric, experiential understanding of luxury. Emphasizes the personal and emotional dimensions of luxury. The individual consumer is the ultimate arbiter of luxury.	...reflected the view of luxury as something intrinsic to the object. The product's attributes, qualities and features qualified the item as worth the luxury label.... is about exclusivity.	A hedonistic approach. Return to luxuries sensory roots. Celebrate the democratic nature of new luxury as well as the business opportunities it presents.

The enigma of Asia's appetite for luxury - intercultural perspectives on luxury

Any survey of luxury today would be incomplete without attention to huge role Asian demand has for the luxury industry. In fact, the whole rise of luxury industry and its dominant multi brand empires like LVMH, Richemont and Gucci, owes much to South East Asia's appetite for European luxury. In one recent estimate, Asian accounted for 37 per cent of the global luxury goods market (Chadha et al. 06), but sales to Asian tourists elsewhere in the world may well bring that figure above 50 per cent. The most advanced markets for luxury products, Japan and Hong Kong, constitute around three quarters of Asia's demand. Japanese home and abroad are believed to make up at least 40 per cent of the major brands' total sales. With the rapid development of China's economy and clear signs that Chinese domestic and tourist consumers display a similar desire for European luxury brands, Asia is expected to extend its position as the primary market for luxury goods. And that is even without considering the prospects in India.

Asia's appetite for luxury has intrigued Western observers. Asian luxury consumption figures and patterns seem to defy standard ways of thinking about luxury. For instance, a study revealed that 92 per cent of women in their 20s in Tokyo owned at least one Louis Vuitton piece (similar figures apply for Gucci). Paradoxically, exclusive branded goods – sold at exorbitant prices – have turned commonplace. A growing number of investigations, some scholarly, some not, have sought to account for the phenomenon. Some approach it from the perspective of the luxury industry, seeking to uncover the success formulae followed by the major luxury players (Hata, 04; Thomas, 08). Others have sought to explain the differences in Asian and Western luxury consumption through the analysis of psychological, social and cultural factors. A top executive at Louis Vuitton in Japan, Hata provides an inside view on the company's progress in Japan. His account of Louis Vuitton's rise gives the impression that it is the Japan consumers that more than anyone have made the brand what it is. Through their high demands and expectations, they have pushed the firm to elevate the brand in terms of quality, service and design.

Asserting that practices of consumption are shaped by cultural orientations, Wong and Ahuvia (Wong and Ahuvia, 98) argue that certain aspects of the Confucian collectivist tradition are particularly relevant for understanding the distinctive traits of brand name luxury consumption in South-East Asia. They identify four intertwined features of Confucianism which they find motivate certain patterns of luxury consumer behavior: the interdependent self, group conformity, group affiliation and hierarchy.

The interdependent construal of the self reflects a belief in the fundamental connectedness of human beings to each other. In cultures where the interdependent self is dominant, social roles, kinship ties, and national or ethnic affiliations mean more than personal attributes and abilities in the construction of self-identities. According to Wong and Ahuvia this means that “interdependent” Asian consumers tend to place more emphasis on publicly visible possessions and their meanings than their “independent” Western counterparts. They also propose that Asian demand for symbolic goods tends to gravitate towards objects that mark socio-economic status differences, rather than broader meanings pertaining to social values, sexuality, age, ethnicity etc. This reflects not only the importance accorded to the outer public self, but also the hierarchical structure of Asian societies and dominant cultural values of respect for authority and obedience, as well as recent nature of widespread affluence in Asian societies.

The collectivism implicit in the notion of the interdependent self also manifests itself as conformism. Wong and Ahuvia explain how conformity fuels luxury expenditure through the concept of “face”, or more specifically, the Chinese notion of “mei-tzu”. Mei-tzu is one of two forms of face in Chinese culture and is defined as “a reputation achieved through getting on in through success and ostentation” (Hu cited by Wong and Ahuvia, 1997). The other, *lian*, refers to a person’s basic moral worth life. *Mien-tzu* can be enhanced or maintained, for instance, by making enough money to build a lavish mansion, whereas *lian* can be maintained by making charitable donations (Lin & Yamaguchi 2004). The concern for building, maintaining or saving *mei-tzu* among the elite, percolates down into the middle and lower classes. The process of emulation, in Wong and Ahuvias analysis, is not driven so much by individuals desire to outdo those with whom they are in the habit of classing themselves, as Veblen would have it (1992, 81). It is more a matter of members seeking to fit in by conforming to the in-group’s “ever-escalating expectations of what possessions are needed to maintain a socially appropriate appearance” (p.432). The strong group affiliation characteristic of Asian societies thus fuels luxury consumption by establishing norms of expenditure and display individuals must conform to. But engaging in luxury consumption is not necessarily just a matter of individuals conforming to norms; it reflects members’ concern for the public reputation of their family or other in-groups. Another, source of luxury demand derives from social obligations for gift-giving. The strong group ties are reproduced through rituals of gift-giving, and luxury goods are recognized symbols to communicate esteem for the recipient and thus brings honor to the giver. Wong and Ahuvia (1998, p.434) give the example of Japanese *omiyage*, customary gifts given to as many as 19 categories of recipients following travels. They observe that it is misguided to see the possession of luxury goods as evidence of individualism and materialism; rather it is sign of social virtue in fulfilling familial obligation. The study of luxury in the Asian context reveals the extent to which theory of consumption

reflects a Western rationality. To make sense of the phenomenon, Wong and Ahuvia conclude, these theories need to be reinterpreted.

While Wong and Ahuvia put forward a set of seemingly plausible explanations for the distinct forms and context of luxury consumption in Asia, many questions remain. Their propositions regarding luxury consumer behavior are deduced from conventional cross-cultural theory, and are not subjected to empirical testing. There is little consideration of how luxury consumption is linked to gender, age or generation in Asia. East and West are taken as units of analysis, without much consideration of national or regional differences within the regions, or possible common traits between countries across the continents (for instance the impact of the departure from communist economic policies in China and the countries in Eastern and Central Europe).

In what they call the first book on Asia's love affair with luxury, Chadha and Husband (Chadha et al. 06) undertake a comprehensive investigation aimed at a broader audience – business, educators and consumers with an interest in luxury. In motivating their inquiry, they depict Asian luxury consumption as something of an enigma which defies Western economic rationality, common sense and morality. Images are conjured up of Asians buying Ferrigamo shoes on installment plans or spending their precious time in Paris queuing outside exclusive flagship stores, and Asian teens sleeping with middle-aged 'salarymen' to get money to afford the all-essential luxe bag.

The book's central thesis is that luxury brands are "a modern set of symbols that Asians are wearing to redefine their identity and social position" (p.). As the quote suggest, their focus is primarily items worn on the body, such as designer clothes, accessories, watches and jewelry, since this is where Asian luxury consumption gravitates towards. According to Chadha and Husband, the Asian luxury craze reflects massive the political, social and economic changes that have swept away rigid social orders defined by birth, caste, family position, or profession and turned money into the key classifying criterion. So while Wong and Ahuvia explain Asian luxury consumption as an expression of traditional Asian cultural values, which persist in modern Asian societies, Chadha and Husband identify it with cultural change.

The book treats each of the major country markets, identifying differences as well as commonalities. Asian countries vary in the degree to which the luxury markets have developed in relative size and level of sophistication. Japan is in the most advanced stage, which Chadha and Husband call "way of life". Here the luxury habit is entrenched in the society at large to the extent that a recession has not affected demand. Consumers are discerning and confident, demanding and appreciating high quality goods. The Japanese have advanced from an initial stage, "subjugation", marked by authoritarian rule, poverty and deprivation, through three stages through which luxury gradually diffuses from the elites to the majority, changes character from being motivated by the display of economic status to becoming more a matter of conforming. Chadha and Husband believe that other nations have followed a similar path and are

bound to progress along the same lines in the future. Hong Kong and Singapore are just behind Japan, having moved through the “fit in” face, where Taiwan and South Korea still are located. China is in the so-called “show-off” face, where only a fairly small proportion of the population is able to consume luxury goods, but do so in a conspicuous manner. India is a step further behind in the “start of money” face.

Though their “Spread of Luxury”-model deals with luxury consumption at a national level, Chadha and Husband are mindful of the existence of different luxury consumer behaviors and segments within nations, some of which cut across national boundaries. They initially distinguish between three groups of luxury consumers, based on their means to consume luxuries. In the upper crust, we find “luxury gourmards”, who are defined by having financial assets in excess of US\$1 million and thus have the means to buy top range luxury goods across most product categories. “Luxury regulars”, successful professional, entrepreneurs and business executives with a net worth of more than \$100,000, have access to “a staple diet of luxuries” and with more than 30 million already by 2004 this group represents a critical market for the luxury industry. Finally, “luxury nibblers” consist of people with limited assets, but an incomes, credit availability and life situation that permit them to buy selected luxury items. This group acquires luxury where the category’s entry level prices, diffusion lines, discounts (last season reductions), second hand or rental enables is to do so. The sheer number and growth of “luxury nibblers”, as well as the prospect of many of them advancing to the “regulars” categories during their careers, has made many Western luxury brand companies adjust their strategies to serve this group.

The three tiers of luxury consumers are each heterogeneous in terms of demographic and psychographic composition. Chadha and Husband attempt to profile to consumer more closely through six segments, which they call “celebrity set”, “tai-tais” (wealthy wives), “mistresses and junior wives”, “corporate climbers”, “office ladies” and “trendy teens”. The segments are not defined, researched or analyzed systematically or with much depth. In places, the prose used to describe them is closer to Danielle Steele and glossy magazines, than either marketing research reports or sociological analysis. Consider the following passage on luxury brand consumption in the mistresses and junior wives category:

“In South Korea, the bar hostesses favor Chanel suits – they feel that it helps them project an intellectual look, important since clients are typically from the top echelons of the corporate world. Thankfully, they are also known to buy glamorous evening gowns, Christian Lacroix among the designers”. (Chadha et al. 06) p.54

While the sketchy accounts of the segments, questions about the methods and extent of research, lapses into “logo-speak” and pseudo-sociology could lead us to dismiss their analysis altogether, there is no doubt that Chadha and Husband address issues that are essential not only for a deeper understanding

of the luxury phenomenon, but contemporary social and cultural change in Asia. For instance, they approach gender and sexuality head on. As we noted, Sombart argued that sexuality and amorous relations are the motivating forces behind the desire for luxury and ultimately the development of modern capitalism. The connections between sex and luxury consumption, apparently are different than in the Western context. While luxury items are linked to institutionalized extramarital relations, Asia is more conservative in terms of expression sexuality in luxury promotions and designs. As suggested it is not only the courtesans of today, they examine, but also – with explicit reference to Veblen – the role of wives of the wealthy as vicarious consumers at conspicuous leisure as markers of success in the contemporary Asian (luxury) context.

Consumption, and luxury consumption in particular, tends to be identified with leisure, personal identity and family life, but often luxury accoutrements are bought for and consumed at work. No doubt, clothing and other wearable luxuries are important props in the construction of professional identities and relationships in corporate Asia, and, consequently, organizational life and culture in Asia is vital for understanding patterns of Asian luxury consumption. The segmentation also acknowledges the significance of celebrities, although it seems that they – whether national, regional or Western of origin – play a larger part in promoting luxury than in constituting a substantial market themselves. Teenage participation in luxury brand consumption also represents an intriguing subject – where peer conformation, identity projects and the enculturation into luxury culture can be explored.

The inquiries into the enigma of Asian luxury consumption bring us to two closing issues. First, seen from a historical perspective there is nothing new about the close ties between East, West and luxury. But there is a certain irony to the reversal of source and destination of luxury goods in the late 20th and early 21st century (Berg, 07).

Second, to what extent do attitudes towards luxury reflect national cultural values, and to what extent, do the categories applied in the study of luxury reflect the cultural mindset of the observer. Dubois, Laurent and Czellar have (Dubois, Czellar, and Laurent, 05) studied prevailing attitudes towards luxury along national lines. Their research suggests great national variations. Our ways making sense of Asians desire for Western luxury goods, no doubt reveals as much information about the observer as the object.

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