



THE FUTURE OF LUXURY

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ABOUT *THE FUTURE OF LUXURY* MONOGRAPH

THE FUTURE OF LUXURY

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The \$1.15 trillion luxury industry has experienced unprecedented growth and change over the last decade. Comprised of three sectors: personal (apparel, footwear, accessories), transportation (automotive, marine, personal aircraft), and experiential (home, furniture, hospitality, art, sports management), the luxury industry is diverse. Textiles play a significant role across all sectors of luxury.

Luxury is an industry historically built with a focus on rarity, excellence, expensiveness, and timelessness. However, the focus is now shifting to factors that have until recently been on the periphery: authenticity, uniqueness, pleasurable and experience. This shifting focus also comes a change in the luxury consumer, which is growing beyond the traditional affluent market. In the last decade a “new normal” (D’Arpizio, Levato, Zito, and Motgolfier, 2015, p. 5) has emerged where luxury companies must pay attention to a multitude of changes in the marketplace that impact who their target customer is and how they will produce products and services. These changes are being driven by a variety of circumstances, most notably the digital revolution. Digital is making an industry that was once financially and physically out of reach accessible, not only in products and services, but also in the form of a changing end consumer and associated preferences. Key consulting firms (e.g., Boston Consulting Group, Bain, McKinsey, Altagamma, The Luxury Institute, plus others) are now closely examining luxury marketplace dynamics.

The changes in the luxury industry require a new approach to thinking about, servicing and experiencing the luxury industry. The 2017 ITAA seminar session, *The Future of Luxury*, was designed to inspire a cross-disciplinary and critical discussion on this very topic. Proposals selected for this session, based on a call to the ITAA membership for participation, resulted in ten (10) proposals representing a variety of topics, with geographic representation of members interested in this important topic. During the session, research themes and strategies were explored using a Visible Thinking technique and exercises from Project Zero formed at Harvard Graduate School of Education. Project Zero uses observable representation that documents and supports the development of the group’s ongoing thoughts, questions, reasons and reflections. The Project Zero method encourages multiple intelligences, visible learning, and artful thinking (Tishman and Palmer, 20015).

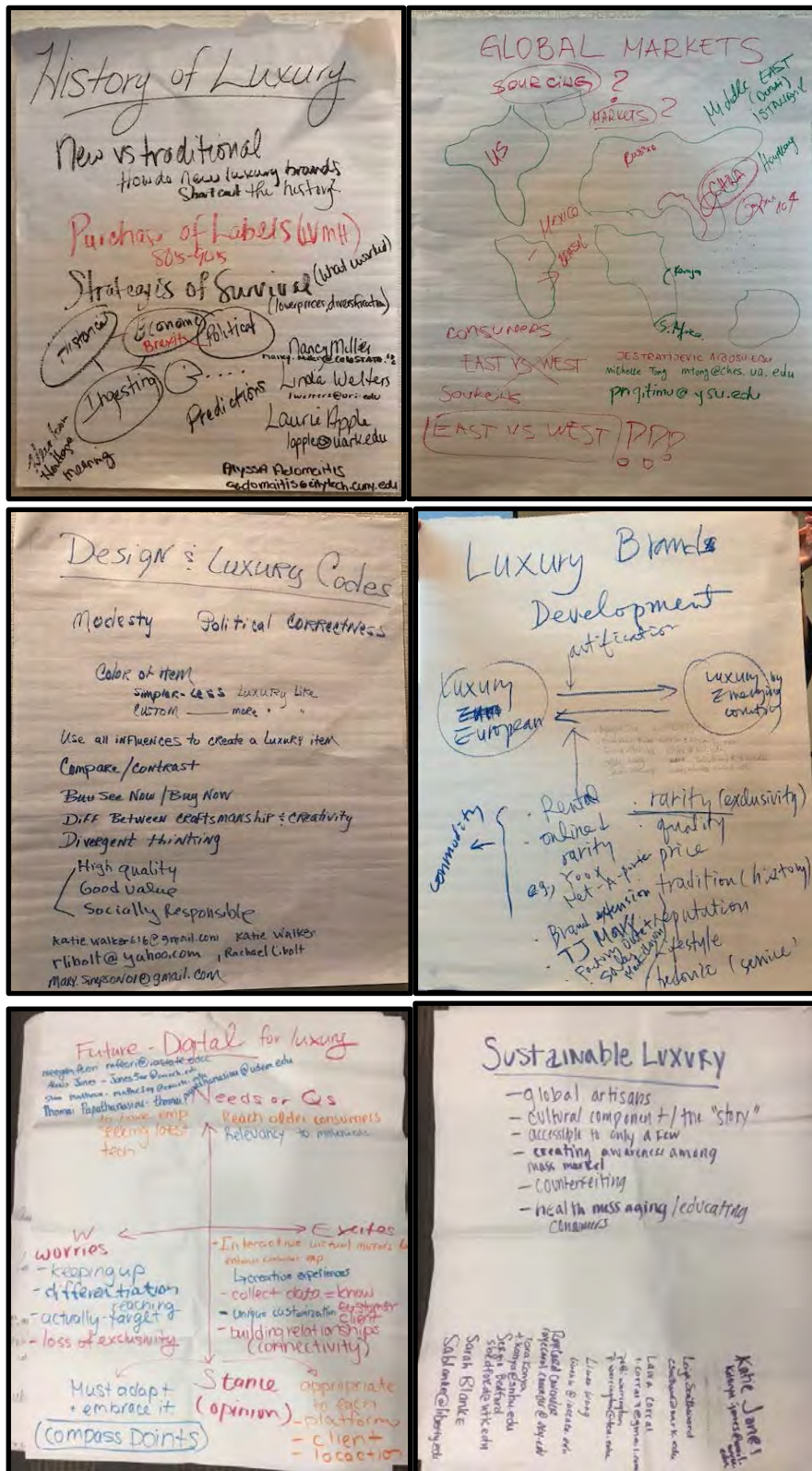
A total of 56 people participated in the session and worked together to identify and explore ideas that unfolded during the 2017 ITAA seminar session. Participants worked in breakout groups to capture their ideas on a selected topic and write them on visible thinking roadmaps, resulting in the papers for this *The Future of Luxury* monograph. The goal was to capture new knowledge, skill sets and untapped markets for key luxury products to prepare future leaders in the global luxury industry, the future of which is vast and highly opportunistic.



Photo 1-5. Over 50 ITAA members participated in the Future of Luxury discussion on November 17, 2017.

Topics explored during the working session of the seminar resulted in visual thinking posters on:

1. The Heritage/History of the Luxury Industry and Brands
2. Luxury and the Global Economy/Markets
3. Luxury Culture, Design and Codes
4. Luxury Brand Development
5. Luxury and Sustainability
6. Technology and Digital's Impact on Luxury



Photos 6-12. Visual Thinking Maps From the ITAA Session (November 2017) on a Variety of Luxury Related Topics

Following the 2017 ITAA Conference, a call for white papers was sent out to participants to further develop and explore ideas discussed during the working session. In total, nine papers were submitted on topics including:

1. Luxury throughout history
2. Embracing the Future of Luxury Products Through Product Innovation
3. Luxury 3 Women
4. Luxury Fashion in the Era of Technology
5. Luxury Throughout History - The Evaluation of the Industry
6. Millennials and Luxury
7. Artisan Luxury
8. The Influence of Sports Performance on Luxury
9. Marketing Crafts from Developing Countries
10. Luxury Markers

The diversity of these papers represent the luxury industry of today and reflect the characteristics that are increasing in importance in this day and age. Luxury is no longer easily defined or characterized, but rather it is fluid, evolving and dependent upon the individual from whom it is perceived.

SPECIAL ACKNOWLEDGEMENTS

We would like to thank the Philosophical Mission committee for accepting the Future of Luxury as a seminar session at the 2017 ITAA meeting in St. Petersburg, Florida. We give special thanks to scholars at the Harvard Graduate School of Education who's Project Zero and Visible Thinking techniques inspired the seminar session.

We want to thank all the attendees for their active participation in the session. As discussed in chapter 1, the session resulted in several visual depictions of thoughts and ideas. All attendees were invited to submit concept papers for this monograph. Ten peer-reviewed papers are the result of the process.

A special thank you to peer reviewers for their timely and thorough review of the submissions.

Finally, we want to thank the authors who submitted papers and made this monograph possible.

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CHAPTER ONE

LUXURY THROUGHOUT HISTORY: AN EVALUATION OF THE INDUSTRY

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Keywords: luxury, branding, conglomerates

Human beings have always had dualistic nature. This nature is to differentiate from but, also be part of a group. Fashion is one method in which differentiates social classes, especially luxury fashion. Fashion for those in a higher class is never the same as for those in the lower classes (Simmel, 1957). Fashion for upper class has always been driven by the idea of conspicuous consumption. This idea is brought about by the purchase of products that are for the sole purpose of being conspicuous in their leisure (Veblen, 1912). What better method to show wealth than to purchase products that one does not need, but rather wants for setting themselves apart from others.

Luxury Defined

Luxury has been identified as “something adding to pleasure or comfort but, not absolutely necessary,” (Merriam-Webster, 2018). The first known use of the term luxury was around the 14th century, when the experimentation of clothing started. During the middle ages, social classes of citizens were prescribed based on the styles of clothing worn in order to keep them from being frivolous. This type of sumptuary legislation was particularly prevalent in European countries like Britain, Greece and Italy. It was enforced to keep people from showing extravagance and served to reinforce hierarchy and status for those with extreme wealth (Who Wears What I, 2018). The French defined “luxurie” as ‘lust’ or ‘debauchery’. It was seen as a negative to live in excess of what you needed. The Romans thought of luxury as a “disruptive power of desire”. This thought only lasted until they began to conquer regions that valued luxury; thus began the concept of indulgence in luxury (Luxury Studies, 2011).

By the 17th century, the definition of luxury shifted; channels of distribution opened up opportunities for more exotic products to be traded. Silk, sugar and spices were luxury goods and considered unnecessary (A Brief History of Luxury, 2014). With the luxury of silk, consumerism revealed fashion from the 17th and 18th centuries taking extreme forms. Watteau backs for gowns were comprised of ever elongating trains. Ladies fashions were further embellished with embroidery for even a more conspicuous display of luxury. At the same time, London shopping habits changed from fairs to major centers for shopping. Luxury boutiques grew out of this evolution that created bespoke clothing and elaborate silk markets. James I was responsible for building the silk market in London through the production of raw materials and instructions for how to cultivate silk worms through the spinning of yarns and fabrics (Peck, 2005).

With the open channels of transportation, Asia became a source for luxury goods. Increased desire for luxury in

England brought about the desire to create domestic goods through “imitation” (Berg, 2007). Early English craftsman sought to replicate the techniques, produce and distribute goods for a larger population. This created new and desirable British products that launched the luxury market in England (Berg, 2014). The techniques learned were used to create British goods like cotton and wool.

Luxury Historically

According to Colson (2016), the top nine luxury brands of the world are Ralph Lauren, Michael Kors, Coach, Louis Vuitton, Gucci, Chanel, Burberry, Hermes and Louboutin. Of those listed in order of gross sales, six have a deep history in creating luxury brands. Based on the oldest to the youngest company, each has their own luxury brand identity and history.

Hermes. Hermes was established in 1837 Paris with the goal of creating harnesses and bridles for the elite French for the equine trade. The company slowly evolved into producing small leather goods, then clothing. In 1937, the Hermes scarf was born. This iconic emblem of Hermes was produced from fiber to screen print in house to control for quality (Vintage Fashion Guide, 2014). The company prides itself on quality products, not the quantity.

Louis Vuitton. Louis Vuitton (LV) was established in 1854 for trunk production. These trunks were not only fashionable, but functional. They were created from trianon canvas for lighter weight than traditional steamer trunks. The trunks were airtight with flat edges for stack ability (Vuitton, 2016). In 1896, the now famous LV monogram canvas was created followed by the equally famous Keepall Bag in 1924. Small leather goods with the LV logo were created in addition to the bag and the LVMH Company now produces a wide range of luxury goods such products as watches, scarves, clothing and footwear (A Dictionary of Modern Design, 2016).

Gucci. Gucci began as high end leather goods in 1921. This Italian company sought the finest leather products, finding them in Guccio Gucci’s birthplace of Florence. When WWI infiltrated Italy, Gucci created his signature handbags of cotton canvas due to the shortage of leather materials. The canvas was designed with the iconic double G symbols that included red and green bands for support. In 1953, the brand was expanded to New York. The spread of the Gucci trademarked bags was carried throughout the world by movie stars and wealthy travelers. During the 60s and 70s, Gucci’s product lines expanded to watches, jewelry, ties and eyewear. Tom Ford was a young and relatively unknown designer when he joined Gucci as a ready-to-wear designer. He brought the company a younger, more hip vision; customers from a wider age bracket became loyal to the Gucci luxury products. The company also realized that the quantity of styles was not the result of products. Focusing on fewer yet more desirable product offerings to this select customer base was the key to competing in a fierce market. During the 1990s, Gucci reduced its product offerings to 5,000 from 20,000 (WWD, 2011).

Chanel. Gabrielle “Coco” Chanel began her entry into fashion as a milliner. She then began making dresses out of jersey before any designer had thought of the fabric as usable for garments. Coco is best known however, for two luxury concepts; the tweed jacket with metal designed to stabilize a flow of the jacket and her fragrance, Chanel N°5. By 1924, Chanel was developing cosmetic and beauty products. In 1931, Chanel was invited to Hollywood to design wardrobes for movie stars. After WWII, Chanel reopened her couture house to a more successful fashion revolution. In 1955, Chanel created the iconic quilted handbag and in 1957, she created two-tone sling back shoes. The 1960s brought the rise of Hollywood stars fascinated with her revolutionary fashions (Inside Chanel, 2018). The strength and popularity of the Chanel luxury brand has stood the test of time.

Coach. Coach was founded in 1941 creating small leather goods. It is considered modern luxury maintaining quality and integrity during the entire production process (Coach, 2018). In 1958, the company introduced a cowhide leather bag that was much less structured. Over the next 30 years, Coach found itself partnering with Bonnie Cashin to create the iconic brass turn-key hardware. By 1996, Coach began to develop

more trendy style bags and became an international brand (Vogue, 2016).

Burberry. Burberry began in 1956 by British fashion designer Thomas Burberry. The classic trench coat and plaid lining made Burberry products recognizable worldwide. While the Burberry products were considered “classic”, by the late 1980s these same products were considered staid and outdated by the target market. The luxury goods competition was increasing and consumers craved new designs. The once extremely profitable company realized losses with its business plan. In an attempt to revitalize sales and profits, Burberry redesigned its luxury merchandise product offerings to become attractive to a younger target market while maintaining its more traditional and older customer base. The “Burberry plaid” became available in a different color each year (e.g., pale pink, red, pale blue) and product lines expanded for the home, pets and accessories (Moore & Birtwistle, 2004). The company’s business strategy further catapulted the success of the organization with adoption of digital retailing. Burberry created a concept called “Burberry Love”. It is through this theme that the once stoic luxury retailer has become to dominate the luxury market worldwide (Straker & Wrigley, 2016).

Ralph Lauren. Ralph Lauren began his career in 1967 designing, manufacturing and selling ties to major department stores. By 1972, Lauren had designed the now high recognized short sleeve cotton shirt with the polo player emblem embroidered in the upper left chest. In the 1980s, consumers’ acceptance of the Ralph Lauren brand continued to rise, resulting in boutiques being opened across the United States and abroad (Biography.com, 2015). The popularity of the Ralph Lauren products has been credited with creating a “lifestyle” luxury brand. This brand includes head to toe dressing as well as home good products. His inspiration was drawn from the lifestyles he appreciated from movies and magazines (Koepp, 1986).

Michael Kors. Michael Kors brand was established in 1981 for women’s apparel found in major retailers like Bloomingdale’s, Lord & Taylor, Bergdorf Goodman and Neiman Marcus. In 1990, KORS launched, but in 1993 Michael Kors had to declare bankruptcy and abandon the KORS line. In 1997, a lower priced apparel line was launched and in 2004 the KORS line was relaunched as well as the MICHAEL line focusing on handbags and shoes (Success Story, 2018). Perhaps what Michael Kors’ success different from other luxury designers was the influence television. It would be difficult to deny that his participation on Project Runway gave him a national platform to promote his name.

Louboutin. Louboutin is the youngest luxury brand on the top nine list of successful luxury retailers. The brand was created in 1991 by Christian Louboutin in Paris. In just 27 years, Louboutin has topped the luxury brand sales and declared the most prestigious women’s shoes for 2007, 2008 and 2009. The most recognizable feature is the signature red sole on all of his designs. His first famous customer, Princess Caroline of Monaco, catapulted his name to the forefront of shoe fashion (didyouknowfashion.com, 2018).

Luxury Conglomerates

Luxury conglomerates are relatively new to the business models in the luxury markets. Luxury conglomerates are groups that are somewhat diversified and hold a wide variety of brands. Conglomerates are able to negotiate a number of factors in the retail, manufacturing and product development area of business. Although some luxury brands are still independent (family owned) others have made the business decision to join a group or conglomerate. Some of the advantages of the conglomerate are management from different views on brands, well established and can acquired a variety of brand that would lead to potential financial benefit and a larger global presence. However, luxury brands can become less independent and design directions somewhat limited under conglomerates (Coursera, n.d.).

Historically, luxury goods had a competitive advantage due to their exclusivity in their specific designs. In order to remain competitive, luxury brands have had to improve their supply chain and diversify their distribution. Luxury brands like Louis Vuitton and Coach have distributed their products to major retailers as well as their own stores. On the other hand, some stores (e.g., Hermes) only distribute through their own stores.

Luxury Desired

It is no surprise that the European countries that once mandated what people wore are the same countries where the majority of luxury brands are produced today. Approximately 75% of luxury goods are produced in Europe, but the demand for luxury goods is worldwide. Major events, such as wars and economic crashes, have altered the course of luxury offerings and purchases. When people cannot afford the larger luxury items, they begin to purchase smaller luxury items or forego purchasing at all.

Luxury Destination

The concept of luxury is becoming difficult to define. A product and/or brand name that is considered luxury by one consumer may not be classified as such by another group of consumers (Nwankwo, Hamelin, & Khaled, 2014; Yeoman, 2010). As luxury is continually redefined, its destination is toward the emotional attributes not just on the luxury products themselves. Luxury is now more focused on the emotional connections through experiences rather than on tangible goods and products (A Brief History of Luxury 2014). This type of luxury includes perceptions about self-identity, satisfaction and confidence (Murray, 2016).

Imported merchandise promotes consumers interest in different, more novel fashion items. Thus, the desire for luxury items was heightened by the quest for individuality (Berg, 2004). During the inception of luxury goods (i.e., from the beginning of time through the 1800s), the merchandise was clearly visible (or labeled if you will) for the upper class. The cost inherently made the merchandise inaccessible to the middle and lower classes. In addition, advertising was marketed strictly to those who had the means and inclination to purchase luxury merchandise.

The advent of celebrities and mass media changed the way the public views luxury merchandise. The acquisition of even just one piece of luxury merchandise, preferably a highly visible item such as a car, purse or piece of jewelry, that is promoted or worn by a celebrity is one method 'being familiar' or close to that celebrity. It is no accident that over history luxury manufacturers have changed the manner in which they promote their goods. Prior to the 1800s, promotion was discrete, polite and sophisticated. Beginning in the 1990s, celebrities are hired to wear jewelry, drive cars and stroll down Park Avenue wearing a designer handbag. This dramatic change in the manner in which luxury brands are promoted also requires manufacturers to find an increasing number of ways to protect the brand from being "pedestrian". There is an ever fine line between celebrating in higher sales and suffering due to market saturation.

The luxury fashion industry offers its global customers high-end products (albeit suggesting a decent profit margin). The reality however, is that this market is changing (Okonkwo, 2017). Luxury manufacturers and retailers are adopting a strategic business decision that would have once been considered unthinkable; they are becoming more accessible through e-commerce, adapting designs to lifestyles and reaching out to a wider market segment (Okonkwo, 2017). It is a delicate balance luxury manufacturers and retailers struggle with as they strive to maintain an exclusive brand image while simultaneously increasing brand awareness, growing market share and stimulating sales (Kastanakis & Balabanis, 2012). Luxury goods were once available only in beautiful retail buildings adorned with marble floors, doorman and velvet covered chairs. Today any consumer with access to the Internet is able to bid for a Gucci or LV handbag on ebay.com. If you only want the luxury item temporarily, bagborroworsteal.com and milaandeddie.com helps individuals feel rich even if only for a few weeks (Okonkwo, 2017).

As the luxury market changes, the diversified strategy has resulted in a heavy reliance on one particular product category: handbags. The global handbag market is extremely important and profitable. It is estimated that middle class women who desire luxury possess approximately \$1380 in luxury handbags. Their handbags are viewed as long term investments. These same women however, do not spend excessively on apparel (Cynanthia, Wang, & Kennon, 2016). The acquisition of luxury fashion merchandise once belonged to the

extremely wealthy and/or established consumers. Today, fashion conscious young consumers are purchasing LV, Gucci and Chanel (Husic-Hehmediovic & Cicic, 2009). The merchandise is being used to satisfy many different urges, ranging from that of a personal orientation (e.g., personal motives) and/or social orientation (e.g., status symbol, prestige, feeling of being in a reference group) (Husic-Hehmediovic & Cicic, 2009; Nwankwo, Hamelin & Khaled, 2014; Tsai, 2005).

A potential side effect of the expansion of consumer adoption of luxury goods is the distillation of the brand. The luxury market, once identified in a rarified industry, is now being accessed by many in the mass market (Nueno & Quelch, 1998; Yeoman & McMahon-Beattie, 2006). Younger consumers comprise the fastest growing segment of the luxury market (Halpert, 2012). This younger and larger group of consumers is willing to save in one area in order to purchase luxury items (Twitchell, 2003). The luxury market also relates exceptionally well to different genders and races (Nwankwo, Hamelin & Khaled, 2014). So where does the older luxury consumers fit into the strategic plan? This group provides manufacturers and retailers in excess of 50% of global sales. The older luxury consumer is still extremely relevant and important (Roberts, 2014).

Luxury Counterfeited

Gucci, Chanel, and Louis Vuitton are not only among the top luxury brands in the world, they also each have a place on the list of most counterfeited apparel and accessory items. Despite being a federal and state crime, counterfeiting is big business (International Anti-counterfeiting Coalition (iacc.org)). The idea of copying designer garments dates back to Charles Frederick Worth, who is credited with opening the first design house in 1858 in Paris. Worth sewed signature labels in his creations so that customers would know they were authentic, but demand for his couture brand led to a market for copiers and the counterfeiting of designer apparel business began (Krick, 2004).

In the early 1900s, fashion forgers posed as buyers and would sketch designs they saw on the Paris runways and quickly reproduce them for sale. This trend of copiers posing as buyers continued and they soon began to collaborate. Several copiers would attend a fashion show and each would memorize part of the garment. Immediately afterwards, they would meet and combine into one sketch. Some couturiers even banned the press from their fashion shows (Crocker, 2014).

Paul Poiret traveled to the United States in 1913 and was disturbed to see copies of his designs selling for only \$15. Upon his return to Paris, he approached the publishers of major fashion magazines and proposed that couturiers form an organization to prevent counterfeiting from further damaging the industry and their reputations. In 1915, the Protective Association of French Couturiers was organized with founding members Poiret, Jeanne Lanvin, and Jeanne Paquin among others (Stewart, 2005). The association was never very effective, but evolved through the years to what is currently known as The Comité Colbert, a group of French producers of luxury brands (Giacalone, 2006).

Despite the intensive and continuous efforts of the Chambre Syndicale de la Haute Couture to prevent unauthorized copying of designer originals, while promoting it in the media, counterfeiting continued to be a major problem for the couture industry. Another early designer, Madeleine Vionnet, marked the labels in her designs with her thumbprint, but this did not discourage copiers. Vionnet revealed her famous beaded "Little Horses" dress in 1924, and it was quickly copied without her permission. Designs simulating Dior's New Look appeared almost immediately following the introduction in 1947 despite his marking his labels with invisible ink that could only be seen under a black light. Chanel's tweed suits were a favorite of copiers, yet she viewed copies as publicity, while most other designers hated the idea of their work being counterfeited (Crocker, 2014).

Early counterfeiters mainly gained access to designer originals in one of two ways. Some hired women to pose as customers and purchase haute couture designs that were then illegally copied. Others reproduced these

originals from designs dropped off to be altered at what turned out to be a copy house. Couturiers policies that alterations must be done in house to ensure standards fell on deaf ears. Overnight, workers in the copy house took the garments apart, made a pattern, and quickly began the process of illegally reproducing or counterfeiting the designs. Copy houses often employed talented seamstresses and sales people from couture houses on the side, and benefitted from their knowledge of the haute couture originals (Stewart, 2005).

Conclusion

This overview of the luxury market reveals several interesting and very important concepts. First, the luxury is first and foremost a global phenomenon. Any designer, manufacturer and/or retailer attempting in entering the luxury market must understand that it will be essential to have a global presence. This presence is due to the fact that the consumer market base (i.e., the luxury consumer) is scattered throughout the world.

The second important concept we now are shown is that despite the economic highs and lows of countries, consumers the luxury market continues to thrive. To succeed in this market however, the company must (a) evolve in their marketing strategies, (b) adapt to the needs and wants of the existing consumer base, and (c) identify new consumers. Relying on methods of the past could possibly be the fastest method of going losing profits and ultimately going out of business.

The third concept that is all too important is to “preserve and protect”. To persons not in the fashion luxury industry, they may feel as if this industry is fun, exciting, and glamorous. In reality, this industry requires dedication, vigilance, hard work and a commitment to the brand. This commitment means constantly fighting against counterfeit goods, never sacrificing quality for quantity, and carefully monitoring the needs and wants of the consumer.

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CHAPTER TWO

EMBRACING THE FUTURE OF LUXURY PRODUCTS THROUGH PRODUCT INNOVATION, QUALITY CRAFTSMANSHIP, PRODUCT INTEGRITY, AND DESIGNER TRAINING

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Introduction

Luxury products. These simple words generate various thoughts about beautiful products created with impeccable detail. Made with the best quality goods and touched by the hands of the most skilled tradesmen, luxury items create a certain status level for the stores that sell these goods and simultaneously are a status symbol for the individuals that purchase them. Luxury products sold in today's market still have to meet their customer's expectations, but they also have to be aware of the impact of technology.

Historical Background and Digital Overview

Historically, luxury products are produced behind closed doors and without the influence or use of any technology. In today's market, these same companies are surrounded by digital influences and technological developments. Transitioning to the digital age, understanding the impact on product development, and how to market the product is a struggle for some luxury companies.

Just a few years ago most luxury managers ignored the digital channels and did not believe that luxury items intertwine with the digital economy (Langer, 2017). However, in just a few short years, this mentality and the availability of luxury items has changed. Thanks to e-commerce, the luxury goods of today are no longer associated solely with the affluent; these goods are increasingly becoming more accessible for mass consumption. This expanded digital availability has broadened luxury items from merely being focused on consumption to the implications of how to sell them in the future, and how the craftsmanship that luxury items are known for will be carried on in our contemporary, consumer-centric society.

Changes from a Consumer's Viewpoint

Luxury brands need to recognize that consumers, not the designers, are the final arbiters of luxury (Danziger, 2017a). Throughout time the fashion-consuming public has identified with the affluent and those at the top of society (DeLong, 1998). Working with the trickle-down theory (Veblen, 1899), fashion has been considered a vehicle that allows individuals to identify with individuals from the upper class. Central to the embodiment of fashion is the distribution and consumption of the product. The luxury product now has a new meaning for today's consumer who is looking for luxury items that deliver more value for the price such as, Knot Standard, a bespoke suiting company. This company does a beautiful job of integrating current technology to help individuals personalize a suit while simultaneously showing quality work in the final product (Danziger, 2017a).

Luxury brands need to continue to make the consumer enamored with their brand and their story. Keeping the emotion and inspiration alive will continue to attract and entice consumers to crave that feeling and want to purchase. Combining style and substance, such as the way the Canada Goose company has done, will help consumers understand the product's story and how they feel emotionally enriched when purchasing and using it (Danziger, 2017a). As Reiss, the company's CEO explains, "Canada Goose is an emotional brand, and I think consumers relate to it on an emotional level, especially because warmth and protection from the elements are

emotional experiences." This emotion is the type of experience that creates return customers (Forester 2018, p.5).

Additionally, luxury brands will have to evolve with their customer's lifestyles; that is, millennials, the 22 to the 37-year-old consumers, are more inclined to collect experiences rather than merchandise (Danziger, 2017b). However, the millennials are not alone in wanting the experiential luxury experience. Traditional luxury consumers such as the baby boomers who are 52 to 72, are also interested in this encounter (Serafino, 2018; Joy, Wang, Chan, Sherry, & Cui, 2014). This mentality is moving companies to become more open to showing how they source, create and produce their product.

One company that is turning the purchase of a luxury product into an experience is Calvin Klein. To show this company is more than just jeans and underwear, it has opened a bespoke service to the general consumers instead of reserving customization for celebrity friends (Danziger, 2017b). Engaging the general consumer supports the "see now, buy now" mentality of today's consumer (Wells, 2017). A company successfully tapping into customer's lifestyles is Kate Spade (Danziger, 2017a). This company focuses on the middle and upper-middle class consumer. The sleek, trendy, and colorful products created with a little bit of wit and whimsy easily attract the millennials (Hunter, 2016). The clever marketing campaign and bags that project an image of inconspicuous luxury drive customers toward this understated yet classically-chic brand (Makkar & Yap, 2018). Understanding their target customer allows the Kate Spade company to produce products that their customers can relate to on a personal level. As one Kate Spade customer stated, "I really feel like Kate knows the way to my heart with all her fun designs," (Leiber, 2016, p.5).

The Triadic Relationship

The new meaning of luxury has today's consumer looking for companies that produce high quality and well-crafted items, products that are both timeless and timely, and companies that are environmentally and socially responsible (Danziger, 2017a; Tsynkevich, 2017). Collectively, this process creates a triadic relationship between a. Product innovation, b. Quality craftsmanship, and c. The product or the company's integrity.

Product Innovation:

The first area in the triadic relationship is the association product innovation has with luxury items and the value these items have in the consumer-centric society. In other words, what is the consumer's vision for the luxury industry? Can luxury goods survive in today's market? Do the luxury goods need to adapt and if so, what are some methods to use for these products to be successful?

Today's luxury market is tackling the challenge of maintaining the high end and unique quality products that historically have become its beacon, while simultaneously acknowledging the environmentally conscious, highly digital, and socially-mindful fashion consumer (Tsynkevich, 2017). Luxury has a new meaning for consumers, and it has pushed luxury brands to adapt and create new ways to amend and innovate their products. Danziger (2017a) states, "Luxury brands must make the quantum leap to the now, presenting innovative ideas of luxury in line with the needs and expectations of today's, not yesterday's customers" (p. 1).

The current demographic of consumers looks for items that are high quality, responsibly crafted, and are both timeless and timely. Consumers want more than a label; they want to understand how to make the products and know the source of the materials. They want products that work for their lifestyle, not just look good being worn (Danziger, 2017b). Observing this new mindset can be seen in the type of products purchased. For example, millennials are not buying diamond jewelry at the same pace as past generations because of the cost and fear of the procedure used to mine the stones. These concerns moved companies, such as the Forevermark diamond, to share the story of when and where the diamonds are mined (Danziger, 2017b).

Traditionally, the final quality of the luxury brand has been the selling point. However, the mindset of today's consumer is changing. Curious about the process used to create the product and to help the consumer better understand the value of their purchase, companies such as Chanel are responding by investing in top ateliers that can reveal the techniques used when crafting an item. Techniques such as Lesage (pearl embroidery), Lemarie (feathers and camellias, and Causse (gloves) are just a few atelier skills where Chanel has invested. Noted by Dauge (2016), showcasing the materials and the precise methods used to produce an item allows companies to share how the product represents the quality it has to offer.

To create an aura or an experience when shopping, Karl Lagerfeld, the head designer and creative director for Chanel, uses a recreational vehicle (RV) for consumers to try on couture pieces, snap a picture of themselves in the outfit, and then upload the pics to social media. Guerlain and Yves Saint Laurent are using the social media platform Instagram to interact with people. Dior has created a virtual-reality headset to give the shopper a backstage view of the fashion show activities behind the runway (Dauge, 2016).

Luxury brands continue to reinvent themselves and merge product innovation with current consumer expectations by thinking of ways they can give back to the world and how the products they produce can make a better world. Hermes has created a new line using materials discarded in the process of crafting its high-end goods. Stella McCartney, a leader in the use of organic materials as well as recycling and renewable materials, operates with the same “don’t throw it out” ethic. The action taken by both of these companies indicates how the mentality of luxury brands is changing. They are taking a stand on the need to do better for the people and for the planet, which in turn is gaining the attention of shoppers (Dauge, 2016).

The past products that the luxury market has created reflect the traditional values of style, and quality (Danziger, 2017a). However, it is no longer enough to create a high-quality product. Luxury brands need to look beyond the label, focus on consumer demands and expectations, and integrate technology to create new products that build on their heritage to find their way in the future.

Quality Craftsmanship:

The second area of the triadic relationship focuses on quality craftsmanship. How can luxury companies create garments that have noted distinction and could be worn by the affluent while concurrently conforming and connecting to what Polhemus (1994) calls today’s “style tribes”? What is needed to maintain the success of the luxury brand? What are the trends with today’s consumers and how can luxury brands embrace the future?

Craftsmanship has always been a component of the luxury market. However, with the low-prices, quickly produced and intended to be disposable items from the fast fashion sector, and in contrast to the above information, some consumers are less concerned about the longevity or sustainability of a product (Joy, 2013). In this same study, Joy found a disconnect between what consumers believed and their actual purchasing decisions were. Even though today’s customer may believe in the mantra of fast fashion, (i.e., reduce, reuse, and recycle), most individuals engage very little in reusing and do even less in reducing their consumption. The most robust mantra activity was in the area of recycling.

Joy (2013) also reported that the young adults did feel some guilt for throwing out garments that had just been purchased a few weeks earlier and worn a handful of times. In other words, the participants from Joy’s study indicated that the lure of wearing a trendy outfit and the goal of saving the planet could be conflicting. Even though out of the three mantras of fast fashion the weakest was recycling, the poor quality of the fabric and the quickly outdated styles do not translate well into the recycling

process. The garments are unable to be used by another individual or be remade into another product as the clothes or fabric hardly holds up long enough to be worth passing on.

The terms "fast fashion" and "luxury" have set up a dichotic relationship. Fast fashion has promoted a mentality of the previously mentioned, "see now, buy now" (Wells, 2017) phenomenon and the ability to have a constant supply of trendy clothes at meager prices have fed into the consumer's mentality and excitement of acquiring new acquisitions. Changing this mindset will mean a change in the consumer's attitude and behavior, which includes developing an interest in high-quality items, such as what the luxury fashion sector produces (Joy, 2013).

Along with well-crafted items that will last for years, the term "luxury" connotes high prices and for many consumers unsustainable practices when creating the products. Some luxury brands are redesigning their packaging and are searching for sustainable practices that can be used to produce their products, such as lower energy consumption and the use of eco-friendly raw materials, for instance, Merino fur, to counter this (Joy).

What is not known by the public is that many companies, such as Louis Vuitton Moët Hennessy and Tiffany & Co., are silent about their environmental activities (Kapferer, 2010). Unlike mass-produced brands, luxury brands sell products that are rare and are very resource-dependent. These companies train individuals to have specialized artisanal skills in areas such as beading, weaving, textile design, and fabric dying, all of which are highly valued and add to the labor economy. As Joy (2013) noted, this makes luxury brands distinct from the mass-market culture. Luxury goods have a vested interest to make sure the way their products are sourced, manufactured, and sold is in their own best interest.

Getting the message out on the economic contribution of luxury companies and finding the correct balance between innovation and tradition, between the mechanized industry and the artisan craftsmanship, will be a challenge for many brands (Danziger 2017b; Van Bergen, 2017). However, facing this confrontation head-on may help enlighten consumers about the economic impact of the luxury companies and change their mindset about the positive way luxury markets are contributing to the environment (Joy, 2013).

In 2011, the Luxury Institute conducted a global survey of affluent customers from seven countries, (The United States, the United Kingdom, France, Germany, Italy, Japan, and China), to identify what earns a product the "luxury brand" label. Of the individuals surveyed, two-thirds identified superior quality as the number one factor (Sousa, 2016). The second most frequently cited defining characteristic, noted by 54% of the worldwide participants, was superior customer service. The third most identified item was superior design and the fourth most popular, especially in the U.S with 59% of the respondents answering, was superior craftsmanship (Sousa).

A survey from Deloitte (2017) gathered data from 1030 high-end consumers in eleven countries to explore their attitudes to luxury goods and their purchase behavior when buying apparel and footwear, bags and accessories, cosmetics and fragrances, jewelry and watches. The top three response areas included; reasoning for purchasing the products, the feeling the customer had after purchasing the products, and the value they placed on the hand-made item. In the first response, a total of 88% of the participants said they bought luxury products because they were premium quality products. A total of 82% agreed that purchasing a luxury product made them feel happy or confident. Finally, 75% of the participants said they bought luxury products because they were hand-made.

The importance of a well-produced product that has a strong craftsmanship component has repeatedly been echoed and needs to be highlighted by the luxury brands. To keep the message of craftsmanship alive and engage the experiential side of the millennials, companies such as Louis Vuitton, Gucci, Burberry and Prada have used YouTube to allow the artisan demonstrations to become

global (Doran, 2012). Enlightening consumers on how luxury companies are being environmentally responsible and are actively invested in and contributing to society is vital in changing the thinking of today's consumers toward craftsmanship in the luxury market.

Product Integrity:

The third triadic component involves all aspects of a product's existence from production to retirement. From producer to user and planner to servicer, the handling of the items defines the integrity of the end product (Owen, 1991).

The word "integrity" means wholeness or soundness. When products have integrity, they perform superbly, are a good value, and meet or exceed customers' expectations for performance, quality, and durability on all levels and the life of the product. If the product is modified or changed in some way, it may significantly improve the intended use of the product (Evans & Evans, 2001). Several companies succeed in consistently developing a product that does well and resonates with its customers. Others fall short (Owen, 1991).

Clive (2016) broadens this definition. He sees the company's integrity as representing the brand in both words and deeds. The company needs to present itself to be genuine and respectful in all that it does without compromising on their standards. In other words, when a company under delivers the promised value of a product or service, there is a lack of alignment. In turn, the company has a brand integrity issue. Consumers want and expect new products to work with their values and lifestyles yet blend with the existing components the product represents. That is, there is a consistency between the what the company is known for and the customers' current expectations (Clark & Fujimoto, 1990).

The holistic nature of integrity captures what is instinctively known to be true. The product produced represents the best of the best and excels in all ways (Owen, 1991). Ensuring integrity requires products to be manufactured with consistent rigor and discipline during all stages of the product lifecycle starting at the strategy or design level (Clark & Fujimoto, 1990). The luxury goods industry has a substantial market value and has experienced significant growth over the last ten years. As a general guideline, consumers associate the average luxury brand with four distinct characteristics; a high price, product features, aesthetics, and brand reputation. The typical luxury brand needs to take these features and emphasize them with their target consumers (Genier, 2014; Chen, 2016).

Pietro Beccari, Fendi's CEO, expanded on this thought. Authenticity and fun are the keys to a brand to capture the attention of the millennial generation. This generation wants and expects companies to be real or authentic (Chen, 2016). Clive (2016) echoed this same sentiment in his article. As he points out, indeed it is acceptable for a company to defend their product and the services they offer. However, businesses need to remember their primary focus is to serve and meet the needs of their customers. Placing people first and making the necessary corrections when an error occurs, with the ultimate goal of making the brand better will help the luxury companies to maintain integrity and credibility. Improving the luxury brand's focus on their customer priorities suggests that there may be a link between the product integrity and the public persona of the brand.

Brands need to build on the perception of what image they want their company to project through all avenues of communication, including social media. Companies need to strive to build a relationship with the millennials while continuing to relate to their traditional customers, who are considered to be their "bread and butter." According to the Deloitte Fashion and Luxury Report (as cited in Goldston, 2017, p. 3) there are 99 million millennials versus 77 million boomers that currently make up the luxury market and while the millennials are the group for the companies to build a relationship with, the boomers have the greater spending impact in today's marketplace. Goldston suggests that

companies should pay attention to the trends with millennials as their tastes are shaping the shopping projection for 2018. However, she added, do not forget about the boomers.

Companies need to have a narrative or story behind their brand. The highlighting of social and environmental efforts resonates with the millennials who are looking for companies they see as genuine, actively involved, and contribute to the values the company says they have. As Bailey said, they need to create and cultivate an "authentic relationship" with the millennials (Chen, 2016).

Consumers perceive companies in many ways. The products produced, images communicated through events such as advertising, the feedback from social media, and their overall reputation collectively creates a significant impact on the ultimate value and integrity the customer perceives the company has. Protecting a company's integrity has to begin with understanding and knowing what the brand stands for (Hall, 2015).

However, as Chen (2016) verbalized, companies also need to be more prudent about how they communicate with millennials. Social media has influenced garments and products offered to consumers. In turn, this has influenced e-commerce sites to launch more contemporary labels and aspirational buys. Luxury companies cannot be ossified in their approach. As referenced earlier, they need to embrace the four items that make them distinct: high price, product features, aesthetics, and brand reputation. Chen went on to say; companies need to retain the connection with the traditional customer and simultaneously set the tone for how they want to communicate with the younger and future spenders of tomorrow.

Luxury Products and Designer Training

Luxury products are produced with an emphasis on artisanal craftsmanship, making them inherently distinct from the mass-market throwaway culture (Joy, 2013). Even though collectively the millennials have lived in the ubiquitous world of fast fashion, in a traditional hierarchical society, people will continue to identify with affluent fashions. As Fionda and Moore (2008) note, when looking at the luxury goods in the marketplace regarding product integrity, the quality of the craftsmanship, and the innovative approach used when designing and producing these products is still essential.

The questions to ask are: how can today's student designers be motivated to recognize, design, and produce high-end goods that provide both quality and value for the money when their primary exposure has been to the low-cost/throwaway fashion? How can today's student designers be challenged to develop a different or divergent thinking process and create designs that focus on the traditional customers but still relate to the millennials? Designers of today are challenged to develop their divergent thinking process while adding to their body of knowledge, all of which helps them understand how to handle the ill-defined problems they are sure to face in the professional setting. Pink (2005) noted that in the past the future belonged to the person who had an analytical mind; the mind that could crunch the numbers and had a propensity to craft a contract. As Spencer (2018) stated, the corporate world which was once predictable, is now a maze and educators need to look at ways to integrate different methods of thinking into the everyday classroom experiences. In short, the future belongs to the big picture thinker (Pink).

Research has established a widely accepted association between divergent thinking and the association with creativity (Matlin, 2002; Sinha, 2002). Students strive to create products that are more creative but often struggle on how to accomplish this (Simpson, 2010). Ways to integrate divergent thinking into the classroom has long been a research focus by many individuals (Guilford, 1967; Finke, 1992; Mayer, 1999). The Investment Theory of Creativity sees creativity as a complex combination of attributes and has identified five essential elements. They are intelligence, knowledge, motivation, encouraging environment, appropriate thinking styles, and appropriate personality (Sternberg & Lubart, 1996; Amabile, 1996). Researchers in design pay specific attention to how designers think and their decision-making process (Lloyd & Scott, 1994).

In 2002, Matlin reported that creativity is a form of problem-solving or critical thinking. Design problems are a challenge to define; however, researchers Rowe (1991) and Lawson (1990) have identified two distinct types of "problems." The first one is the "well-defined" or external problem. These are problems where the goals are clear and apparent, such as algebraic equations with two unknown values, crossword puzzles, or chess moves. The second type of problem, known as the "ill-defined" problem, is the type of problem designers consistently face. In the ill-defined problem, the solution is unknown, and time is spent clarifying the problem. For example, several paths can be taken to produce the final garment. Influenced by things such as the textile selected, and the skill set and knowledge of the designer, the decision on how to proceed is not always clear and it takes time to understand which path to take (Rowe; Lawson).

Three conditions must exist for the participants to be proficient in problem-solving. First, the participants must have a desire to solve the problem and be prepared for both the expected as well as the unexpected. Switching between divergent and convergent thinking assists designers in these processes (Rickards, 1997; Simpson, 2010) as well as the ability to handle "ill-defined problems" that are present during the design process. The second component of success in problem-solving is that the participants must have acquired enough knowledge and skills about their specific domain that they can be considered an expert. According to Weinstein (1993), there are two types of experts.

The first type is the individual who has epistemic expertise. That is, they know the information well enough they can provide substantial justification for specific content in their domain. The second type of expert has the performative expertise or is capable of performing a specific skill well in their field of study. This viewpoint was echoed by Simon (1986) when he noted that all individuals need to acquire the knowledge and skills about the information in their domain before they can attain excellence.

The final element of success in problem-solving is that the participants are willing to accept a certain amount of risk as they explore new perspectives and solutions to problems in their designated field (Fleenor & Taylor, 2004). Research suggests that the fashion design problems and the solutions are interrelated (Davis, 1994; Wilson (1985), leading to the question, how can the designers of today develop their divergent thinking processes while adding to their body of knowledge? The process established in the Project Zero project will be used to answer this question.

Project Zero:

Project Zero (PZ) was founded in 1967 by the philosopher Nelson Goodman from the Harvard Graduate School of Education to study and improve education in the arts. He later went on to look at topics such as problem-solving and critical thinking. Today, PZ continues to focus on working with schools to identify how students can develop 21st-century skills such as creativity and critical thinking, and life-long learning skills (Harvard, n.d.).

Design students continuously say they are a visual learner (Simpson, 2010) and as noted in the article by Ritchhart and Perkins (2008) when students speak, write, or draw and share their ideas, their cognition deepens and since thinking is not a solitary endeavor, building on each other's ideas is enhanced when working in a team. Fostering classroom thinking builds the student's understanding of the content and increases their ability to think through the process and implications of their decisions. As the authors put it, "Learning is a consequence of thinking" (p.1).

Working in teams is embraced by Edelkoort (as cited in Trend Union, 2015, p.1) in her *Anti_Fashion's Manifesto for the Next Decade*, when she said, "institutions seem to be oblivious to the new world" (p. 1). According to Edelkoort, the fashion world operated in the 20th century. Other disciplines have acknowledged the need for students in an educational setting to cooperate and learn in teams. Not fashion. She went on to say that design students of today do not have or take the time to consider a conceptual approach. They "no longer know how to create what was once called fashion" (p.1). Edelkoort further states because the design

process is so compressed young designers just design clothing and not fashion; there is not enough time for a budding designer to consider a conceptual approach that may impact the silhouette or surpass dominant trends. Developing a creative mindset and the ability to think critically takes time (Simpson, 2010). However, Edelkoort says the design process so compacted in today's educational setting it is difficult for institutions to create a culture where there is enough time for students to inquire, reflect, and interpret what they have been exposed to and have learned.

The visible thinking initiative from PZ (Harvard, n.d.) will be used to illustrate the vision for the future of the luxury products and help reframe the learning process used in design schools. In the classroom, the interplay between the group and the learner is constant. That is, students are consistently learning from each other (Ritchhart & Perkins, 2008; Simpson 2010). The visible thinking techniques (externalizing their thoughts) integrate students' views on the subject matter. In turn, this process helps students to become better thinkers because the visible thinking routines go beyond the superficial by helping students dig deeper, thus making the complex accessible.

The visible thinking technique is divided into two parts. The first part focuses on discovering new avenues for creative ideas. More specifically, what influences and inspires creative thinking and aids in developing students' ability to envision ways to implement the new ideas or knowledge as they design and produce luxury products? The second approach looks at opportunities for students to broaden, reframe, and develop their divergent thinking process or problem-solving skills. The goal is for the students to link their knowledge of craftsmanship and creative thoughts, and to see how they could build on what is already known to help find solutions to the "ill-defined" problems.

Developing creative or critical thinking is a developed skill (Simpson, 2010). To develop this skill, PZ suggests brainstorming a list of questions about a particular topic, such as product quality, quality craftsmanship, or product integrity. The ability to explore and develop an interesting question is just as crucial to finding the solution (Harvard, n.d.).

Once this basic list has been formulated, transform some of the questions to challenge the students' imagination. For example, what would it be like if..., or suppose that..., or what would change if...? The visual thinking process continues when the students imaginatively explore these questions by playing out the possibilities through a scenario or conducting a thought experiment. Use these creative questions to deepen and expand the students' thinking, which in turn encourages curiosity and the students' motivation to inquire more. The final step is to reflect on the new ideas that have been suggested by the team or group. What did they learn about the topic, concept, or object that was not previously known? (Harvard, n.d.).

The visual thinking process may include making changes in the learning environment, investigating or challenging different perspectives by using a cross-disciplinary team, when designing or producing a product for the "new" luxury consumer. The ultimate goal is to widen students' connections and develop their divergent thinking as they apply the design process to the various components of the changing luxury market (Harvard, n.d.).

This approach supports the culture-based creativity linked to the ability of designers needing to think imaginatively while simultaneously challenging the conventional way of thinking. Since culture-based creativity can break with conventions and the usual way of thinking, it also allows for a new vision and product ideas (KEA, 2009).

Conclusion

Luxury products provide the foundation of what customers' dream to own. The design process used by design icons such as Dior and Chanel transformed the way women dress (Steele, 2000) and allow individuals at all societal levels to dream.

Luxury markets need to re-invent themselves. They must continually look for ways to evolve with the lifestyles of their customers; that is, recognizing the differences between the generations is vital. The companies need to look for ways to balance their product integrity with the societal demands of fast fashion.

The ability to help students successfully blend product innovation, integrity, and quality craftsmanship to meet the expectations of the traditional luxury customer while engaging the millennials is a challenge that begins in the classroom. Educators of today need to help students with their problem-solving skills. They need to help students see, think, connect, extend, wonder, and challenge. Integrating visual thinking processes, such as Project Zero (Harvard, n.d.) will help move this process forward. The industry and the academic world need to work together to build the necessary bridges that will prepare future design students to be the forward thinkers needed in tomorrow's world.

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CHAPTER THREE

SUSTAINABLE EXCLUSIVITY FOR THE GLOBAL MARKETPLACE

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Keywords: Luxury, sustainability, marketplace, consumers, fashion

Abstract

The world fashion market is evidently divided between “winners” and the “losers”, as twenty percent of global fashion companies contribute to the largest part of market profit share (The State of the Fashion, 2017). In light of economic, social and environmental instability, business success is no longer guaranteed by having recognizable brand heritage, superior product quality and a premium price. Consumers have increasingly questioned environmental and human abuse issues that surround apparel production (Ditty, 2017). Those concerns have resulted in increased abstention, or more discreet purchase, of luxury goods (Deloitte report, 2016). Even though, aspirational goods spending is continuing to rise in emerging markets across Asia and the Pacific, Latin America, the Middle East and Russia, Western markets have either remained flat, or are contracting, with evident luxury spending moving away from goods and moving toward luxurious experiences (Abtan et al., 2014; Frank, 2017). As luxury tastes are maturing towards greater interest in brand purpose, and additional product assets (origin, ingredients, quality, durability), luxury businesses are encouraged to put sustainability issues at the heart of their strategies (Jestratijevic & Rudd, 2018; Bendell & Kleanthous, 2007). Acknowledging that future competitiveness will depend on effectiveness of sustainable strategies in response to local needs, this study aims to elaborate on sustainable exclusivity and market specifics across regional and city clusters.

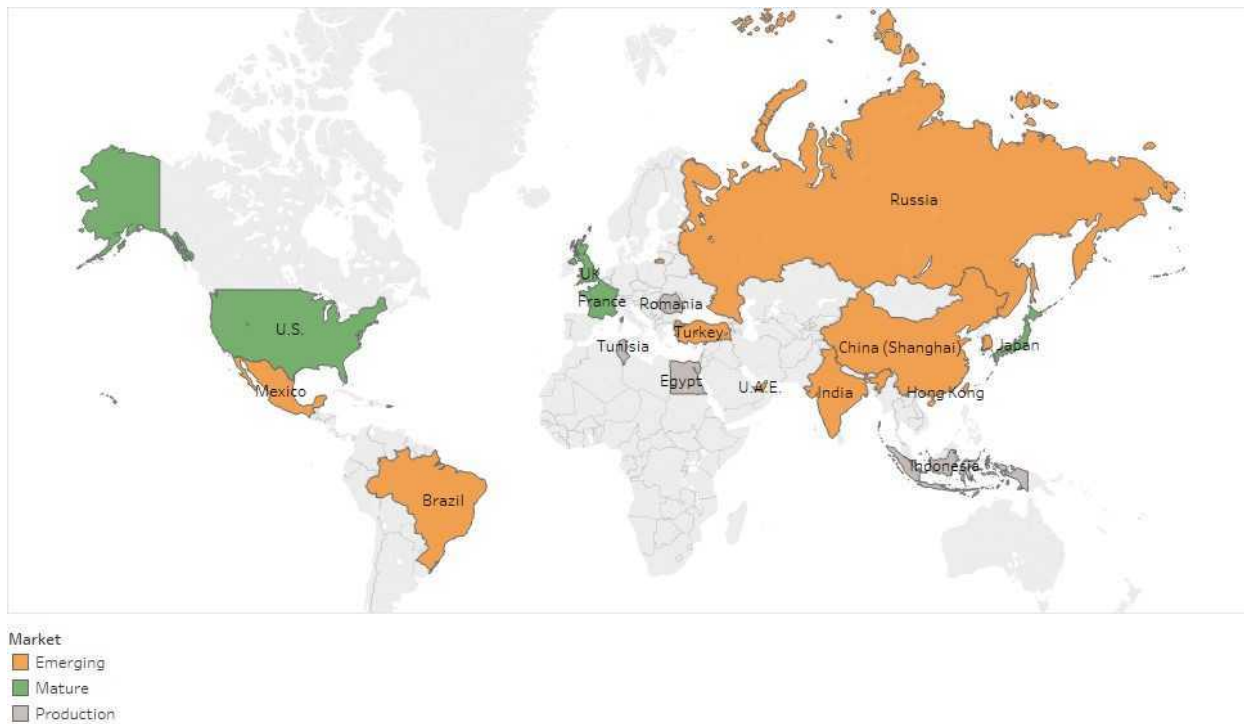


Figure 1. Mature, Emerging and Production Markets for luxury goods

Luxury Marketplace specifics and “made in” world order

The McKinsey Global Fashion Index forecasts apparel industry sales to nearly triple between 2016 and 2018, resulting in \$2.4 trillion in sales growth, from 1.5 percent growth to 3.5 - 4.5 percent (The State of Fashion, 2018). Compared to other industry segments, the market for personal luxury goods was flat in 2016, at €249 billion (equivalent to \$308 billion USD), with expected growth of 2-4% annually (D’Arpizio et al., 2016). Slower growth has affected worldwide luxury sales and the major markets slightly contracted. In 2016, the European luxury market (excluding UK) declined by 1%, affected by terroristic attacks (D’Arpizio et al., 2016; Deloitte report, 2016). American and Asian markets (excluding Japan) both contracted by 3% in the same year (D’Arpizio et al., 2016). In 2017, Western markets no longer led in luxury sales, as half of the apparel and footwear purchases originated outside North America and Europe (The state of Fashion, 2018). Accessible, and aspirational luxury became the fastest growing luxury segment, mainly purchased by middle-class households in Asia-Pacific, Latin America, the Middle East and Russia (Brun & Castelli, 2013). A common argument for such trend is that consumers in these emerging markets still wanted to “acquire the goods” to show off their growing wealth (Frank, 2017; Abtan et. al., 2014; The State of Fashion, 2018). Consequently, strong business investment in emerging markets was justified as a valuable tactic among BRICMIT nations (Brazil, Russia, India, China, Mexico, Indonesia and Turkey) who jointly contributed around 55 percent of global GDP growth between 2012- 2017 (Abtan et al., 2014). China alone became the fastest growing luxury market in the world. Even though by 2010, internal or domestic luxury market sales in China were smaller than total luxury sales in New York (Kapferer & Michaut-Denizeau, 2017), external luxury purchases made by Chinese travelling abroad were equal to their internal luxury sales (Kapferer, 2012). In 2016, Chinese government decreased internal tariffs on luxury goods, and domestic luxury purchases exceeded that of tourist purchases by 5 percent, for the first time since 2001 (D’Arpizio et al., 2016).

Parallel to China another important emerging luxury market region represents Latin America. In 2016 and 2017, the Business of Fashion report compared the growth trajectory of Latin America as comparable with clothing and footwear forecasts for Asia. Brazil alone accounts for more than 50 percent of South America’s wealth from high net worth individuals (The State of Fashion, 2017). This may explain why in spring 2016, despite the recession and Zika threat, the Louis Vuitton corporate team invited 500 guests to the Museum of

Contemporary Art in Rio de Janeiro to unveil their 2017 Cruise collection of apparel. The brand's creative director justified this decision as a necessary step in building the relationship with domestic customers who shop abroad where prices often are 50 to 60 percent lower, compared to domestic luxury good prices that include high import taxes (The State of Fashion, 2017). Current spending trends indicate that average Brazilians stay away from the most expensive goods, consequently, affordable luxury brands leading with Michael Kors continue to gain major market share (Deloitte report, 2017). A similar spending trend is found among Mexico's fast-growing middle and upper-class as they purchase more discreet luxury items to avoid appearing ostentatious in light of social and economic instability (Deloitte report, 2017).

As local politics, and economic climate, influence actual luxury spending behavior experts suggest that retailers should account particularities among domestic market segments (Deloitte report, 2016). Hence, they recommend that brands need to be more specific in size and scope of domestic markets by developing a city cluster approach rather than regional, or national market approach (Abtan et al., 2014). The latest example of cluster related market targeting has been developed within the Boston Consulting Group. The company proposed a list of 550 wealthiest cities, taking into account the latest luxury status and growth as defined by GDP per capita and local and tourist demand (Abtan et al., 2014). According to their market understandings, luxury shoppers in Abu Dhabi and Dubai have many things in common with their counterparts in Istanbul, Moscow, Shanghai, and Tokyo, while similarly, shoppers in New York City differ considerably from shoppers in Houston or Minneapolis (Abtan et al., 2014; Deloitte report, 2016). As a result, top luxury cities included five cities from Western Europe, twelve cities from America, nine cities from North and Southeast Asia, six cities from China (including Hong Kong and Taiwan) and five cities of the Middle East, revealing that the most prospective luxury places in the world are well balanced between Asia and the West (Abtan et al., 2014).

Even though such luxury places are well balanced among emerging and mature markets, the concept of luxury creation has clear Western origins. Before industrialization, luxury goods were produced by local artisans; precious objects represented fashion for royal families and church dignitaries (Brun & Castelli, 2013). In nineteenth century Europe, though, artists, designers and entrepreneurs strategically established business to create and provide exceptional clothing products for the emerging social elite (Brun & Castelli, 2013). Because growth potential in local markets was limited, companies expanded sales internationally, reaching a broader customer base (Antoni et al., 2004). Despite of international business expansion, a brand aura for core luxury brands was built around identifiable local reputations. Local heritage served as a valuable guarantee for brand expertise, authenticity, desirability and irreplaceability. Furthermore, brand heritage was inseparable from cultural heritage and both were inherent to place-specific origin (Visconti & Di Giuli, 2014). Modern marketing tactics strongly mapped epicenters of world luxury, revealing a strong Western monopoly over luxury creation. Such a centralized system recognized Paris as the world focal point of high fashion apparel, while Milan became known for luxury ready-to-wear apparel (Tokatli, 2014). The Florence leather industry was universally recognized for artisan handwork, while New York and London represented supporting cities for artistic and avant-gard fashion movements (Crane, 2012).

During the last few decades, the luxury system has moved away from traditionally established luxury "made in" world order. Current labeling trends among major luxury brands indicate that geography plays a different role. Some brands continue to act as patriots, placing the name of the city and place-specific narrative at the very essence of brand creation (Solca, 2015). For such brands, locality, production expertise, and cultural heritage represent the main determinants of brand significance (Kapferer, 2012). All these brands represent luxury giants that specify production in heritage countries on almost all product lines. In some cases, production in heritage countries applies exclusively to high level product lines, while diffused lines are outsourced. For example, Armani declares "Made in Italy" for his Giorgio Armani line and "Imported" for Armani Jeans, while Armani Exchange is labeled as "made in Egypt" or "made in Tunisia" (Solca, 2015). For some luxury brands, locality is less important, as core brand values are tied to creativity, style and design. For example, in 2010 the Burberry CEO publicly declared that "being made in UK is not a strategic factor to build consumer preference for the brand, which is mostly based on British style and not specific British "know-how"

(Kapferer, 2012, pp. 61). From that perspective, consumer satisfaction is guaranteed by the style itself and not by made in determinants. Thus, this once famous British company decided to delocalize the production to Asia, and changed its labelling from “Made in England” to “Imported” (Solca, 2015; Kapferer, 2012).

Following the Burberry path, another famous luxury brand publicly declared that place-specific heritage does not really matter (Visconti & Di Giuli, 2014). In Fall 2010, Miuccia Prada, the co-owner and designer of Prada, once a proud creator of the “Made in Italy” label, launched her “Prada Made In Global world” campaign that transparently praised outsourcing. The entire collection consisted of products that are sourced and produced all over the world. The designer was inspired by Scotland for tartan kilts and by Peru for alpaca knits. Their footwear was dyed with vegetable dyes from India, while their denim was strongly influenced by Japanese denim processing methods (Tokatli, 2013). Even though this designer defined Prada as representing the very essence of Italian style, she mapped the entire supply chain, announcing that her collection was produced through a network of 480 manufacturing suppliers located in China, Turkey, Vietnam, and Romania (Tokatli, 2013; Visconti & Di Giuli, 2014). As the geographical location was downplayed in Prada’s case, brand start using generic and non-spatially determined labels, “Made by Prada” for all product lines (Visconti & Di Giuli, 2014).

From the consumer perspective, however, labelling luxury goods with imported labels has raised numerous concerns, mainly about product authenticity (Han et al., 2010) product quality (Cheah et al., 2016), production ethics, and social and environmental regulation (Cheah et al., 2016; Arora et al., 2015; Ditty, 2017). In 2009, 1500 luxury buyers in Japan were surveyed, asking if they would buy luxury goods made in countries with low labor costs, and countries were identified as China, India and Vietnam (McKinsey, 2009). Only 14% of respondents reported that they would still buy such goods if they are genuinely from luxury brands, while 86% of respondents agreed that luxury brands should be produced in the country of brand heritage (Kapferer, 2012; McKinsey, 2009). A year later, French market research company Ipsos, asked consumers in emerging luxury markets whether the idea of luxury fits more with products that are produced in their country or somewhere in the West. Not surprisingly most consumers in Russia, South Korea, Brazil, China, Hong Kong, and India agreed that luxury brands have Western origins as they mainly originate from Italy, America and France (Ipsos, 2011; Kapferer & Bastien, 2012; Kapferer & Michaut, 2014; Kapferer & Michaut-Denizeau, 2017).

Furthermore, studies confirmed findings that labelled top luxury products with heritage places of their creation, a feature that is still considered to be a dominant marker of product quality. This is especially critical for high end hedonic luxury items (watches, bags and shoes), as consumers expect to see on the product label high congruence between country of brand heritage and country of product manufacture (Arora et al., 2015; Cheah et al., 2016). There is common understanding that luxury goods produced in developed markets are higher in quality, and production ethics, while consumers are concerned whether the same standards are applicable to production in developing economies (Kapferer & Bastien, 2012; Kapferer & Michaut, 2014; Cheah, et al., 2016; Kapferer & Michaut-Denizeau, 2017). In terms of consumer demographics, millennials (the generation of consumers born between 1980-2000) appear to be particularly suspicious of information they receive through fashion marketing campaigns, labels, and catchy slogans (Peretz, 2018; Kang & Hustvedt, 2014). More than any other generation, millennials are likely to invest time in researching product ingredients, marketing promises and brand ethics, and they increasingly seek authenticity, and good cause, to justify their fashion purchases (Peretz, 2018).

Sustainable exclusivity

Since the early 2000s, rapid global decline of natural resources and ongoing climate change have challenged luxury businesses to improve all strategies and procedures to sustain society, the environment, and business success. Sustainability was recognized as a holistic solution for this dramatic market shift, where outstanding business performance requires economic (profit), social (people), and environmental (planet) partnerships (Connell & Kozar, 2017; Lampikoski et al., 2014; Elkington, 1998). In light of growing challenges for a successful business, sustainable innovation is becoming the key criterion for competitive corporate differentiation

(Thomas, 2015; Thomas, 2017). In 2016, the market was evidently divided between “winners: and the “losers”, as only 20 percent of global fashion companies contributed to the largest part of market profit share (The State of the Fashion, 2017). Under such conditions, it becomes clear that having recognizable brand heritage, superior quality and premium price no longer guarantees the future luxury success. This was confirmed by research in Japan, a leading luxury market, where a majority of affluent consumers agreed that luxury is no longer defined by the brand itself (Bendell & Kleanthous, 2007). As luxury tastes are maturing towards greater interest in evidence of product *cause*, consumers who want to purchase high quality goods, want products that are accompanied by proven social and environmental performance. Most importantly, those demands are no longer made by a minority of socially-conscious people, but by a sizeable portion of mainstream middle class consumers from Latin America, Eastern Europe, Russia and Asia.

The quest for sustainable consumerism is driven by personal motivations that slightly differ among cultures and markets. The majority of international consumers believe that their support of ethical and green products reflects their personal values (Hennings et al., 2012). Sustainable consumption is frequently associated with social status (Griskevicius et al., 2010), or it contributes to greater feelings of national and/or religious identity (Cervellon & Shammas, 2013). Consumers from old European cultures believe that preservation of cultural heritage is an important aspect of creating sustainability (Cervellon & Shammas, 2013), while for Asian consumers ecological awareness is closely tied with spirituality inherent in Taoism and Buddhism (Bendell & Kleanthous, 2007). Universalities across cultures are also common, as 50% of international consumers with various demographics are said to value environmental and prosocial activities highly enough to influence their brand choices (Kleanthous et al., 2009), while over 66 percent of global consumers reported willingness to pay more for products provided by companies committed to positive impact (Ferrell & Fraedrich, 2015).

Guided by the necessity to redefine luxury in the current fast changing world, the World Wide Fund for Nature published the Deeper Luxury report (2007), inviting luxury businesses to put sustainability issues at the heart of their business strategies (Bendell & Kleanthous, 2007). A shifting paradigm in luxury business started motivating companies, consumers and governments to think differently about complex challenges in light of previous business failures and achievements (Archille et al., 2013). Luxury supply chains are globally fragmented (Ditty, 2017); there is lack of information on transparency and traceability of raw materials (Ma et al., 2016; Ditty, 2017), consumers are concerned about production ethics and workers’ rights (Bhaduri & Ha-Brookshire, 2011; Ha-Brookshire & Norum, 2011), and some governments treat luxury spending as a threat to social cohesion (Bendell & Kleanthous, 2007). Therefore, to create sustainable exclusivity, luxury businesses need new valuable assets that can be achieved through systematic change in the way products are designed, produced, promoted and used. Sustainable product attributes cannot be simply accomplished through *conscious*, *green* and *recycled* labels regardless of the production ethics and the true material provenance (Fletcher, 2013; Strähle, 2017). Nor is sustainability equal to linearity, and disposable market logic, where products are briefly used and quickly discarded (Jestratijevic & Rudd, 2018). As a matter of fact, in the context of fast, cheap and disposable fashion, the essence of luxury tied to superior quality, durability, and eternal style represents an ideal foundation for sustainable and luxurious creation (Hennings et al., 2013; Jung & Jin, 2014).

As opposed to a disposable business mindset, “conscientious aesthetics” demands goods that are designed and created to last. Therefore, transformative luxury businesses need to shift from linearity, reflected in *take-make-dispose* logic, and accept a circular mentality (known as Cradle to Cradle philosophy), where things are *used-and-re-used* (Niinimäki, 2011; Laitala & Klepp, 2017). In today’s world, such an approach may bring additional value and significance to consumers who are searching for a higher purpose in goods they buy, such that these goods contribute to greater quality of life or preservation of the environment. As research shows, buying durable, expensive products supports middle class consumers to justify luxury spending as an once-in-a-lifetime investment, and reduce purchase guilt (Cervellon & Carey, 2011; Cervellon & Shammas, 2013). Durable goods can be repaired, and if no longer needed they can be re-sold or shared (Jestratijevic & Rudd, 2018). Furthermore, clothes sharing and re-selling businesses bring commercial interest to these companies, since those businesses

are gaining momentum through revival of interest in vintage and high quality second hand products (Jestratijevic & Rudd, 2018).

As a response to this sustainable challenge and new consumer demands, some luxury businesses are finding appealing ways to stay resilient, creating progressive change in the global apparel market. Sustainable excellence is particularly effective in the case of disruptive small scale businesses and artisan productions. There are many interesting examples across world markets. For the American luxury brand, Alabama Chanin, local production and traditional quilting techniques, represents an important strategy of building authenticity. Natalie Chanin, brand designer, believes that local community engagement is an important aspect of sustainable strategy. In house production is located in Alabama, where vintage and second-hand materials are hand crafted by former factory workers, retired teachers and housewives. Alabama Chanin is relying on local thrift stores such as Goodwill and Salvation Army for textile sourcing.

Similar practices are used by artisans in very distant markets. The Korean brand Recode is entirely based on materials upcycling, as ready-made products found in local charities are disassembled and repurposed. This is how previously discarded seat covers, leather gloves and airbags are transformed into jackets, vests and bags that have a unique look and sell for a moderately high premium price. In India, the clothing brand Doodlage, combines discarded textiles from large local manufacturers and biodegradable, organic fabrics made mainly from corn and banana. The Kenyan brand Suave is producing artistic and colorful bags, backpacks and satchels, from industrial waste. They source waste offcuts from local leather manufactures and tanneries. Also, they collect textile leftovers from second hand markets located in Nairobi. As raw material sourcing in these given examples is random by nature, even if the designers wanted, it would not be possible to replicate previously created items. Hence, “local and light” is a clever strategy used by artisans who are basing their business progress on creativity, expertise and a small handful of local sources (McDonough & Braungart, 2002).

Proactive engagement in sustainable design creation is equally important for global and well-known brands. To promote sustainable exclusivity, the United Nations ambassador for sustainable fashion change, Livia Firth, launched the Green Carpet Challenge Event. Establishment celebrities, fashion media and design experts join annually to select cutting edge approaches for sustainable invention. Accounting product-led initiatives, life assessments, supply chain procedures, and overall brand purpose, Green Carpet represents an excellent international platform that promotes fashion with a purpose. There are other successful examples of collaborations that should be mentioned. The luxury giant, the Kering Group, established the Sustainable awards partnership (2014) between their company and the London College of Fashion, giving students opportunities to propose innovative design solutions for future luxury goods. Some of the previous awarded projects includes: using the Amadou mushroom as a renewable, biodegradable and vegetarian alternative to leather, organic tobacco dyes, cork and bio-resin as a biodegradable alternatives for plastic threads. Importantly, design solutions that received awards were then produced within Kering group brands. Alternative mushroom leather is used for Stella McCartney bags, natural tobacco dyes are used to color Brioni suits, while bio-resin and cork threads replaced plastic threads in a Gucci luggage collection. Such innovative applications of academic knowledge, and emerging ideas into well-established fashion brands, is the best evidence that collaboration is another important strategy for sustainable invention.

Despite exciting alternatives for sustainable and luxurious consumption, still there are realistic boundaries for greater sustainable fashion purchase. Perceptions of sustainable fashion as being recycled and less fashionable deters some consumers (Gleim et al., 2013). Lack of understanding of advantages of organic cotton or fair trade makes them unwilling to accept and pay higher product prices (Bhaduri & Ha-Brookshire, 2011; Kagawa, 2007). Consumers think that information about sustainable fashion market alternatives is not easily accessible (Shen, 2014), and there is a difficulty in interpreting unstandardized product labels (Van de Merwe et al. 2014). Therefore, providing access to complete and accurate sources of information about sustainable product attributes and advantages, will better equip consumers to make sound decisions and improve their consumption behaviors (Karaosman et al., 2017).

Discussion

Luxury is no longer defined simply by the brand (Bendell & Kleanthous, 2007). As luxury tastes are maturing towards greater interest in evidence of product *cause*, consumers who want to purchase quality products, also want products that are accompanied with proved social and environmental performance. Most importantly, those demands are no longer made by a minority of socially-conscious people, but by a sizeable portion of mainstream middle-class consumers from Latin America, Eastern Europe, Russia and Asia. Even though the most prospective luxury places in the world are well balanced among emerging and mature markets, and between Asia and the West, there is a common understanding that luxury goods produced in developed markets are higher in quality, and production ethics (Abtan et al., 2014; Arora et al., 2015; Cheah, et al., 2016). Luxury outsourcing has raised numerous concerns, mainly about product authenticity (Han et al., 2010), and social and environmental regulation (Cheah et al., 2016; Arora et al., 2015; Ditty, 2017). In light of growing challenges for a successful business, sustainable innovation is a prerequisite for competitive corporate differentiation. Operating in the moment when economic, social and environmental instability is shaking the world markets, companies are challenged to create luxury products that have a higher and visible purpose. Such challenges represent strong advantages for luxury businesses, as opposed to a disposable market logic. Sustainable exclusivity creates goods that last (Jestratijevic & Rudd, 2018). Purchasing expensive, but durable, repairable goods reduces purchase guilt (Cervellon & Carey, 2011), and motivates middle class consumers to perceive luxury spending as a lifetime investment (Jestratijevic & Rudd, 2018). As sustainable values are inherent to a luxury ethos (Cervellon & Shammass, 2013), luxury brands are not just expected to adopt necessary improvements, but to lead the sustainable movement, innovate, and motivate others to follow their path (Bendell & Kleanthous, 2007; Kapferer, 2012).

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CHAPTER FOUR

AN OVERVIEW OF THE MILLENNIAL LUXURY MARKET AND IMPLICATIONS FOR LUXURY BRANDS

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Abstract

As the baby boom generation ages out of the target market of the typical luxury consumer, the attention of luxury retailers has turned to millennials with their large size and purchasing power as the future of the luxury industry. However, relative to previous generations of luxury consumers, millennials have different spending priorities, valuing experiences over products, and different purchase motivations, making them a challenge to effectively target. This white paper provides a comprehensive overview of the latest research on the millennial market and their luxury purchasing habits. Profiles of specific luxury brands that have implemented effective strategies with millennials are included, and the paper concludes with specific recommendations for luxury brands who wish to target this large, influential, yet elusive market.

Introduction

The luxury market is experiencing a time of rapid transition as swiftly changing consumer habits and preferences are forcing an industry that is steeped in tradition to have to play catch-up for the first time in order to meet its consumers' expectations. Definitions of what precisely constitute "luxury" vary, however Deloitte (2017) takes an inclusive interpretation of the category, extending it from timepieces to watches and jewelry to even housewares with the defining characteristic that "price does not directly reflect function". As world events and economic downturns and technological upheaval have caused turmoil in other retail segments, the performance of the global luxury industry has shown that this highly specialized category is not immune to these market forces; as with other segments of the retail industry, luxury retail experienced a downturn in previous years. According to a Bain & Co. Luxury Study, conducted in collaboration with the Fondazione Altgamma, sales of luxury goods dropped to €249 billion in 2016, down from €251 billion in 2015 (Hoang, 2017).

However, there is hope for the luxury market in the form of millennial consumers. There is some variance in definition as to exactly which ages are included in the millennial demographic, for example, the Pew Research Center defined the millennial generation as those born between 1980 and 1996 with Gen-Z commencing in 1997 and ending in 2010 (Sherman & Young, 2017). By contrast, the U.S. Census Bureau defines the millennial generation as people born between the years 1982 and 2000, with the millennial generation currently comprised of approximately 92 million people, making them the biggest generation in U.S. history. As of 2016, under the U.S. Census Bureau delineation, millennials surpassed baby boomers (about 77 million people) as the largest generation; millennials currently make up nearly half of the current U.S. workforce and with an estimated \$200 billion in spending power, are seen as the future of the luxury industry (Frankel, 2017; Hays, 2018). Millennial luxury consumers "tend to be younger and more urban than other consumers; they have higher disposable income and both the ability and the propensity to spend on higher priced, higher margin products" (Deloitte, 2017). Combined with their younger counterparts, the Gen-Z consumers, these two

consumer segments are predicted to raise the value of the luxury goods market to €290 billion over the next three years, ultimately accounting for 45 percent of the market by 2025 (Hoang, 2017).

Luxury consumers typically hit their peak spending levels in their early to mid-fifties, followed by a drop in spending; current consumer demographics support this as the average customer age of luxury department store Neiman Marcus is 51 (Sherman & Young, 2017). However, although there is hope for the luxury industry due to millennials' large numbers and purchasing power, analysts at *Luxury Daily* state in their State of Luxury 2018 report that "hope is not a strategy." Because the future of the luxury industry lies in the hands of millennial consumers, several retail analysts have invested a great deal of resources to understand this diverse segment, and several recent large-scale surveys of millennial consumers have received a great deal of media attention. Among these, Deloitte (2017) surveyed 1,005 millennial consumers with average ages of 20-30 evenly divided between the US, UK, Italy and China who expressed an interest in luxury spending to learn about their luxury buying habits and attitudes, while ROTH Capital Partners (2017) in partnership with Research Now conducted a survey with 175 questions that was completed by 1,007 millennial-aged women and men (ROTH, 2017) and marketing agency Galore in partnership with The Business of Fashion conducted a survey of 769 predominantly female consumers aged 13-34 in July 2017 (Sherman & Young, 2017). Despite their breadth and number, these studies show remarkably similar findings about millennial luxury consumers, indicating a consistency among the market. Furthermore, survey results outline a large number of challenges and opportunities for luxury brands when targeting this influential yet elusive segment. This white paper will provide a detailed overview of research findings about the millennial luxury consumer, including their attitudes and purchasing habits. A profile of specific luxury retailers who have successfully targeted millennials follows, and the paper concludes with some specific recommendations that luxury retailers may consider when appealing to the millennial consumer.

Purchasing Characteristics of Millennial Luxury Consumers

Millennial and Gen-Z values are unlike any generational cohort before them, and rather than older consumers' desire for exclusivity and aspiration in luxury goods, younger consumers value community, authenticity and transparency, which are difficult concepts for traditional business models to target (Hoang, 2017). These values have begun to creep upward, influencing older generations who still represent the majority (73 percent) of luxury purchases. This "millennial state of mind" has three aspects to it, including 1) *uneasiness*, or the consulting of peers digitally in the decision process; 2) *urgency*, with younger customers spending one-third less time than older consumers on purchase decisions; and 3) *uniqueness*, or the expectation that brands will align with consumers' own personal values (D'Arpizio & Levato, 2017).

An inverse relationship exists among market maturity and brand loyalty, with consumers in more mature markets such as the US and Europe identifying as less brand loyal than consumers in China (Deloitte, 2017). Personalized communication offers an opportunity for luxury brands to increase brand loyalty among millennials, as only 6.5 percent of respondents of a survey conducted by SmarterHQ considered themselves to be brand loyal, but millennials who indicated that they preferred personalized communications had a 28 percent higher brand loyalty than those who do not. The possibility for personalized communications is easier with this segment than with older generations, as 70 percent of millennials said that they are comfortable with retailers tracking their purchasing and browsing behaviors, if it means they'll receive more relevant communications (Page, 2017). Communication channels and brand messages differ by country. Unlike other markets, in China, social media is not the most important method of communication; instead brand and fashion websites are rated as more important in China than elsewhere (Deloitte, 2017).

Purchasing Motivations

In the results of its research study entitled "Bling it On: What Makes a Millennial Spend More?" Deloitte (2017) found that millennials are inclined to purchase for themselves rather than to emulate media influencers or celebrities (although they may listen to them) or to impress others. When asked, "what are the main reasons

you are willing to spend money on high-end fashion or luxury items?” the most common response was “I like to treat myself”, indicated by 19.7 percent of millennials as the main reason, followed by “they are of high quality” at 18.0 percent. When asked “when do you tend to consider purchasing a high-end fashion or luxury item?”, the number one response was for a special occasion such as a wedding or party, cited by 20.5 percent of respondents, followed by 18.5 percent of respondents reporting that they did so to treat themselves, indicating that the purchasing habits of this group are more impulsive and fragmented rather than habitual. The episodic nature of these purchases had an unusual byproduct in that unlike their expectations for mass products, the majority of millennials do not indicate a propensity to pay a premium for sustainably and ethically made luxury goods, with only 49 percent of US consumers followed by 38 percent of Chinese consumers and far fewer European consumers indicating a willingness to do so (Deloitte, 2017).

Quality is the single most important motivation to purchase a luxury brand, with 39.1 percent of respondents naming it as their number one factor; this characteristic and uniqueness have more influence on luxury purchases than do brand heritage and aspirational qualities for millennial consumers. Related to this desire for uniqueness, the US millennial consumer places more value on personalization than other markets, as 98 percent of US consumers indicated they would probably or definitely pay a personalization premium (Deloitte, 2017).

The Desire for Experiences

The main competitor of the luxury market for millennials’ disposable income is not a product category but rather an experience, as in the US and Europe 50 percent or more consumers indicated they would choose a luxury experience over a luxury brand product, although among Chinese consumers that figure declines 34 percent (Deloitte, 2017). This preference has been observed consistently by researchers who survey millennials. In a study of 500 US millennials between the ages of 18-35, RBC found that luxury shoppers in this cohort indicated are still more interested in spending on an experience such as a dinner out, travel or a spa treatment rather than the purchase of a luxury product. When given the choice between spending on these types of experiences versus luxury accessories, apparel or jewelry, 64 percent indicated their preference was for an experience while only 12 percent of respondents said they would rather spend on one of the luxury goods options (Hays, 2018).

Despite their expressed preference for experiences over luxury products, millennials are purchasing luxury. According to data collected by retail analysis firm Edited from 30 U.S. luxury women’s wear retailers (with over 5,000 brands included in the analysis) comparing the first half of 2016 with the first half of 2017, analysts observe a five percent year-over year decrease of luxury retail discounts, which is good news for retailers (Doupnik, 2017). Edited found that the top-performing brands among millennials for the year, in descending order, were Louis Vuitton, Gucci, Saint Laurent, Valentino and Dolce & Gabbana. Of these, Gucci experienced a 595 percent increase in full-price sell-outs, while the handbag category showed the highest increases, with full-price sell-outs of the item were up 22 percent with an average price of \$1,465.07 (Doupnik, 2017). This consumption pattern is predicted to continue, as a growing percentage of millennial consumers have indicated an intention to increase their spending on certain luxury categories for 2018 over the previous year’s levels. RBC found that 23 percent of surveyed shoppers are planning to spend more on the apparel category in 2018, up from 17 percent of shoppers who planned to do so last year, while 18 percent plan to spend more in 2018 on shoes, up from about 14 percent in 2017 (Hays, 2018). The top brands in the Edited survey resembled those from the Galore/Business of Fashion survey of millennial and Gen-Z consumers which found that Chanel, Saint Laurent, Gucci and Dior had the highest ratings among all respondents while Balenciaga, Balmain, Prada and Hermès received average ratings, and Ferragamo and Coach underperformed, although differences in which brands ranked highest between the two generations, with Hermès scoring higher with millennials, and Gucci scoring higher with Gen-Z (Sherman & Young, 2017). Despite these minor discrepancies, the crucial element is that the results of the Edited and the Galore/Business of Fashion surveys support that luxury brands still resonate with younger consumers.

The Importance of Omni-channel

Stores are still the cornerstone of the luxury market, with 75 percent of purchases projected to still occur in a physical retail space by 2025 (D'Arpezio & Lovato, 2017). More than half of millennials indicated that they like to buy high end fashion or luxury items in store, with the ability to touch or feel the products (25.6 percent) or try products (24.2 percent) as leading reasons why, as opposed to store experience or advice from sales associates (D'Arpezio & Lovato, 2017). This is consistent with Astound Commerce's 2017 Global Brand Shoppers Survey, in which "the need to touch and feel the products" as the number one reason for shoppers visit brand manufacturer stores (Freedman, 2017). While the ability to experience the product firsthand, may compel millennials to visit a store, that does not mean that their expectations for the store experience are reduced; millennials overwhelmingly have higher expectations than non-millennials when it comes to in-store technology and related services such as mobile POS for faster and remote checkout or same-day delivery from the physical store (Freedman, 2017).

Millennials do not go into stores to browse, instead doing their browsing online, and then coming into the store to see and try the product, then make their purchase (Deloitte, 2017). An online visit to a brand's website is frequently the first step of the purchasing process as shoppers will research a product in anticipation of purchasing it online or in-store directly with brands or their retail partners (Freedman, 2017). Consumers report that nearly 80 percent of luxury sales today are "digitally influenced", meaning that in their purchasing process, consumers will connect with one or more digital touch points along the way. These digital touchpoints may include seeking the opinions of peers on social media based on their experiences, or looking for blogger recommendations, then post-purchase, posting online about their purchases (Achille, et. al, 2018). When gathering pre-purchase information, millennials use multiple information sources simultaneously upon which they then base their buying decisions, including fashion magazines (14.4 percent), brand websites (15.5 percent) and social media (20.5 percent) (Deloitte, 2017). Luxury brands that have shifted their advertising to social media have experienced cost savings; Luxury Daily cited a study conducted by Tribe Dynamics which calculates a new metric they call "Earned Media Value", which is how much a brand can save via its social media posts. Tribe Dynamic claimed in March 2017 that the top 10 luxury brands saved some \$33 million in advertising expenditures by shifting from print to digital in, a 33 percent increase over the previous year (Luxury Daily, 2018).

Furthermore, millennials are more inclined than other generational cohorts to use email and social media to interact with customer service representatives of brand (Freedman, 2017). Differences in which information channel is considered to be the most important exist across different markets, as social media is cited as the most important information channel everywhere except China, where brand and fashion websites are cited as the most important (Deloitte, 2017). Millennials also hold distinctive preferences for online retail sites, rating the ability to share photos, live chat connections and selling tactics as the most important attributes, while non-millennials care more about free shipping, comprehensive product information and clear return policies (Freedman, 2017).

Even if the purchase occurs in store, the importance of online interaction is crucial with an estimated 70 percent of luxury purchases occurring after at least one digital interaction has taken place with the brand or product prior to purchase (D'Arpizio & Lovato, 2017). This is consistent with other surveys that indicated that millennials primarily find ideas on which products or brands to purchase through websites/apps and social media, with 32 percent of millennials prefer to actually shop online, while another 43 percent research online before purchasing in store (ROTH, 2017). This browsing phenomenon is corroborated by the survey responses of luxury retailers who indicate that ecommerce direct-to-consumer sales do not contribute significantly to

their overall sales, with 42 percent of luxury retail insiders responding that only 10 percent or less of their revenues are from online sales (Luxury Daily, 2018).

Regardless of the point of purchase, luxury retailers must devote as much attention to providing their consumers with a superior online experience just as they would to their in-store experience in order to ensure a consistent image. When choosing an online retailer, millennials' general preference is to shop directly with brand sites over retailers who sell multiple brands, as 32 percent indicated that they 'strongly agree' that they perceive brand sites as more sophisticated with superior merchandising and shopping experiences (Freedman, 2017). As beneficial as online shopping may seem for luxury retailers, the format has its drawbacks; in a survey conducted by SmarterHQ, 95 percent of millennials responded that they are distracted while they are shopping because they are doing other things such as working, watching TV, or talking to friends, which may be a contributing factor as to why 50 percent of survey respondents indicated that they preferred shopping in-store (Page, 2017).

Because digital traffic to websites of luxury brands is twice that of the number of store visits, an omnichannel strategy is crucial for luxury retailers, as it is anticipated that online and monobrand stores will each represent 25 percent of luxury sales by 2025 (as opposed to retail sites such as airports, or off-price, specialty or department stores) (D'Arpizio & Lovato, 2017). There are currently approximately 20,000 luxury monobrand stores worldwide (Luxury Daily, 2018). An opportunity exists for retailers to increase the frequency of store visits, as 71 percent of millennials indicated that a significantly enhanced retail experience would increase their in-store visits and purchases (ROTH, 2017). Indeed, some analysts state that retail has evolved to the "reverse omnichannel" era, where it is now the store that must match the quality of the online experience (Achilles, et. al., 2018).

Luxury Brands Successfully Targeting Millennials

Some luxury brands have been more effective than others in their efforts to appeal to younger consumers. The following is a brief description of some key luxury brands that have managed to successfully make the transition to a millennial consumer and experienced a rise in their performance because of the shift.

Gucci

Owned by luxury conglomerate Kering, Gucci has experienced a full turnaround of its business thanks to its uncanny ability to target the millennial consumer under the direction of Creative Director Alessandro Michele. For its Cruise 2017 collection, Gucci collaborated with artist Trevor Andrew, also known as GucciGhost and partnered with streetwear website High Snobbery on a shoppable lookbook featuring the collection, resulting in over one million impressions and 2,700 hits on the Gucci e-commerce site within a week after it was introduced (Morency, 2017). Furthermore, Gucci chose to make its label fur-free to better align their values with those of millennials, who are more likely to be vegan and vegetarian, politically progressive, and care about animal rights and the environment (Petty, 2017).

Gucci's popularity earned it the top spot in a study conducted by Business of Fashion and global fashion search engine Lyst that analyzed data from over 70 million consumers. Gucci ranked number one in the Lyst Index "Hottest Brand" ranking for 2017, with more people entering the search term "Gucci" on Lyst over the course of the year than they did the generic terms "shoes" and "dresses". Gucci was also the number one searched-for brand globally on Google, and the brand added 8 million Instagram followers in 2017. ("Gucci or Balenciaga?", 2018). Gucci's popularity with millennials has translated into sales; the brand's year-over-year growth was up 44.5 percent in the nine months ending September 30, 2017. Gucci alone makes up 39 percent of parent company Kering's corporate revenues. Gucci is not the only star in Kering's portfolio; the company as a whole is experiencing financial success with revenues up 26.4 percent for the first three quarters of 2017 over last year (Danziger, 2017).

Balenciaga

Under the guidance of Creative Director Demna Gvasalia, who rose to prominence as the founder of streetwear line Vetements, which he still oversees, search traffic for Balenciaga has grown 50 percent in volume year over year, and the brand had two products in the Top 10 selling products of 2017: the Speed Boot and a logo tee. Balenciaga's Speed Boot sold out on numerous e-commerce sites on the first day of its release and with 77,000 "likes," the product shot of the Speed Boot had 10 times the engagement of its runway and campaign imagery. According to Balenciaga, 65 percent of their consumers are millennials and represent 50 percent of total sales ("Gucci or Balenciaga?" 2018).

Burberry

Burberry has been extremely successful in appealing to the millennial market by appealing to them with a see-now-buy-now business model, including live-streaming their runway shows and featuring styles on social media while allowing customers to pre-order the collection and forging tech partnerships with Google, Apple, WeChat and Snapchat. The brand has been similarly innovative with its design partnerships through its collaboration with Russian streetwear designer and photographer Gosha Rubchinskiy that prominently featured Burberry's iconic check (Petty, 2017).

Céline

In February 2017, LVMH brand Céline introduced its Instagram account followed by a WeChat account for Chinese consumers in November 2017. In December 2017, Céline introduced a revamped website in France that offered all product categories for purchase online, with plans to expand in Europe and the US in 2018 and Japan in 2019. As a spokesperson shared with *WWD*, "E-commerce is launching as planned with ambitious business objectives, but also as a key tool to increase visibility, recruit new clients and provide a full service to our clients who are looking for a global experience, mixing digital and physical touchpoints," (Diderich and Spencer, 2017).

Louis Vuitton

Louis Vuitton has long been a proponent of collaborations with artists dating back to former Creative Director Marc Jacobs' collaboration with Stephen Sprouse which resulted in the iconic Graffiti monogram collection. Vuitton followed up that successful venture with collaborations with artists such as Takashi Murakami (who created the wildly popular Multicolore Monogram collection), Richard Prince, Yayoi Kusama and Cindy Sherman (Cadogan, 2017). More recently, Louis Vuitton Men's Creative Director Kim Jones looked to the street rather than to the art world for its collaboration with streetwear label Supreme resulted in mass hysteria when the collection was dropped via pop-up launches in Tokyo, Paris, Los Angeles, Beijing, Sydney, Seoul and Miami (Ofiaza, 2017). According to the UBS European Luxury report, Louis Vuitton, has an estimated 20.7 million followers on Instagram, and 33 percent of its customers are millennials (Handley, 2018).

Dior

Dior's Maria Grazia Chiuri has successfully targeted millennials by appealing to their aesthetics through bright colors like bubblegum pink and bumblebee yellow in her designs, but more notably to their sense of social justice. Dior donated a portion of the proceeds from its \$710 "We Should All Be Feminists" shirts to pop star Rihanna's nonprofit, The Clara Lionel Foundation (CLF), which supports and funds education, health and emergency response programs in impoverished areas around the world (Branigan, 2017). The theme of Dior's spring/summer 2018 runway show was "Why have there not been great women artists" and the brand distributed copies of American feminist historian Linda Nochlin's 1971 essay of the same name to attendees. The aesthetic inspiration was artist Niki de Saint Phalle, whose paint strokes inspired the collection's bold and colorful palette. The artist's connection to Dior had deep roots, as De Saint Phalle was a close friend of former Dior creative chief Marc Bohan (Chen, 2017).

Recommendations and Conclusion

Rather than viewed as an obstacle, millennials represent a great opportunity for the luxury industry to reinvent itself in exciting and new ways, as fashion critics have already observed. Robin Givhan (2017) in her review of the autumn/winter Paris runway collection noted the situation thusly: “So thank God for millennials. Because fashion is changing — whether consciously or not — to lure them in. And those changes have, in many ways, been good for everyone.” The following is a summarized set of strategies to appeal to the millennial market that have been implemented successfully at various luxury brands.

- *Continue to look to streetwear for now* – luxury brands have had strong sell-through with bold, streetwear-inspired pieces including denim, caps and hoodies that reflect the athleisure trend in limited edition runs, although eventually the streetwear category as a whole will need to evolve.
- *Collaborations with artists* – Burberry’s collaboration with Chinese Canadian actor, singer, and model Kris Wu and Chanel’s sneaker collaboration with singer Pharrell Williams are among many successful collaborations between luxury brands and artists.
- *Capitalize on social media* – Instagram has become the preferred social media of millennials, due to how visual the platform is and how quickly users can bestow “likes” which increases brand engagement. Brands must keep an eye to the future and emerging forms of social media should not be dismissed as they are introduced, as tech changes rapidly.
- *Pick brand ambassadors that resonate* – Chanel has named young celebrities such as Willow Smith and Lily Rose Depp as recent brand ambassadors and featured them in advertising campaigns.
- *Meet consumers’ need for experience* – Upon its opening, customers waited up to four hours to be seated Tiffany and Co.’s Blue Box Café, but a restaurant is not the only type of in store experience. Stores can offer customers opportunities to have a shared experience together, by providing consumers with the opportunity to learn something new or participate in something philanthropic.
- *Make merchandising an integral part of the design process* – by including commercial merchandise such as belts and bags as a part of the design process rather than an afterthought, a brand can better translate its image to these products and resonate more with its customers.
- *Keep price accessible* – Of fashion search engine Lyst’s top products of the year for 2017, Gucci had the first, third, fourth and fifth best-selling products in the ranking, all with prices under \$500, and some at less than half of that price (“Gucci or Balenciaga?”, 2018), which enabled them to attract an entirely new customer.
- *Omnichannel consistency* – the look and feel of mobile commerce much match a brand’s website and in store experience, with consistent images, themes and merchandise and prices to ensure a seamless experience.

After hitting a slump due to the global recession and some initial challenges meeting the needs of changing consumer demographics and preferences, there is a general sense of optimism within the luxury industry. As with any time of rapid and expansive change, there will be winners and losers among luxury brands. Brands that embrace the new global digital marketplace stand to gain at the expense of others who remain stuck in the past.

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CHAPTER FIVE

THE INFLUENCE OF SPORT PERFORMANCE PRODUCTS ON LUXURY GOODS

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Abstract

It has been called sportswear, activewear and now athleisure. These American-led fashion trends were established when product technologies originally created for performance athletes, were adopted by fashion houses to dress non-athletes. This is the influence of sport performance products on luxury goods. The advent of the modern summer and winter Olympics (1896 and 1924 respectively) were great influencers of this phenomena. Sport performance products can include footwear, apparel and equipment. This white paper will review key sport performance product design details (silhouette, materials science and method of make) that have been adopted by luxury good makers throughout time, their performance characteristics, sport and luxury use.

Introduction

Sportswear, activewear and now athleisure - these American-led fashion trends were established when product technologies, originally created for performance athletes, were adopted by fashion houses to dress non-athletes. The influence of sport performance products on luxury goods is evident. Sport performance products can include footwear, apparel and equipment (Sokolowski, 2015). The design of these products has been influencing the luxury goods market for about the last 100 years. The advent of the modern summer and winter Olympics (1896 and 1924 respectively) influenced this phenomena. The Olympics inspire athletes to perform at their maximum capabilities and break world records. As a result of this search for perfection, better coaching, training regiments, and products were developed to enable athletes to win gold. Slowly, athletes substituted everyday dress with sport-specific, high-tech products (Sokolowski, 2018).

Elite athletes desire products that serve the many functional contradictions: lightweight + durable, thermally protective + thin, and moisture wicking + water proof. These needs, and advances in technology have influenced how sport products differ from everyday dress. Sport product manufacturers spend millions of dollars annually developing new technologies, making sure they enhance athletic performance, meet stringent event requirements, and are safe. The industry is known for inventing under secrecy and securing patents to block-out competitors from producing similar products. Its influence on luxury goods is quite remarkable; however, most of the technologies adopted by luxury makers are done so for their aesthetic attributes; rarely for functional purposes. This white paper will review key sport performance product design attributes (silhouette, materials science and method of make), with examples of popular technologies invented that were then adopted by luxury good makers; with explanation of their history, inventor-ship and intended performance characteristics.

Historical Background and Sports Product Overview

Since the advent of the modern summer and winter Olympics, better coaching, training regiments, and products were specially developed to enable athletes to break records and win gold (Sokolowski, 2018). These

products enhance athletic performance, meet stringent event requirements and are validated for their safety. There are three sports product classifications: footwear, apparel and equipment (Sokolowski, 2015).

Modern Summer Olympics – the First Inkling of Sport Performance Products

The first modern summer Olympics in Paris, France (1896), were a historical benchmark in time, where products were created for athletic performance and introduced on a global stage. Although the products worn were far from today's high-tech, lightweight, moisture wicking and aerodynamic ones of today, the inklings of sport-specific product performance attributes could be seen. Male athletes who competed in the events of cycling, fencing, shooting and tennis, wore items more like their everyday dress, including woven trousers, dress shirts, jackets, hats; knitted socks and leather shoes. Sometimes their trousers were shortened to below-the-knee for mobility and thermoregulation, and "proper" items like hats and jackets were doffed during competition to improve performance efficiency and overall comfort. More obvious product innovations were seen in the summer Olympic sporting events of athletics (track and field), gymnastics, swimming, weightlifting and wrestling. Men wore products adapted from knitted undergarment constructions and silhouettes that looked like "swimwear of the future" and nothing like every day dress. Portland Knitting Company's first rowing/swimsuits were in fact not launched until 1910 (Jantzen, 2016). These products were knitted from wool and cotton yarns. When traction was needed, athletes wore leather shoes with metal nail-like cleats.

Women first participated in the 1900 Summer Olympics (in Paris). Their competition dress followed more traditional Victorian standards including: corsets, long white day dresses with high collared tops and long sleeves, boots and gloves (Sokolowski, 2016). They competed in the sports of croquet, equestrian, golf, sailing and tennis, which demanded far less body-revealing products than their male counterparts. That was soon to change.

Modern Winter Olympics

The first modern Winter Olympics were in Chamonix, France (1924). Much like the Summer Olympics, the uniforms were adapted from everyday dress styles. Male curlers, bobsledders and ski jumpers wore wool trousers or knickers, sweaters and jackets, with shirts, ties and caps. Female figure skaters, wore wool coats, skirts and sweaters, that flowed and swirled (Sokolowski, 2018). Specialized products began to surface in ice hockey and speed skating. Hockey players wore protective leather pads and gloves with wool knitted sweaters, leggings and socks. Speed skaters wore semi-fitted leggings and tops, with stocking hats; much like the track and field uniforms worn by men at the summer Olympics (Sokolowski, 2018).

Sport Performance Footwear, Apparel and Equipment

In order to understand how the industry invents new technologies for athletes, it is important to know how manufacturers classify products - footwear, apparel and equipment - and their typical performance innovation platforms. *Sport performance footwear products* usually encompass the foot, ankle and/or calf, and include slide, shoe and boot silhouettes. New footwear innovations are developed for the athlete to provide benefits of cushioning, flexibility, stability/support, traction/spinning, customization and sizing/fit/comfort (Sokolowski, 2015). New footwear technologies may also be created for sport-specificity, athlete-specific skills, economic and gender needs. *Sport performance apparel* includes the product classifications of tops, bottoms, base layers, fleece, support/compression, outerwear, speed suits and/or socks. Sport apparel technologies are developed for the athletic benefits of thermoregulation (for hot and cold environments), water/wind protection, impact protection, support/compression, recovery, aerodynamics, hydrodynamics, mobility, customization and sizing/fit/comfort (Sokolowski, 2015). Like footwear, innovations may be developed for sport-specificity, athlete-specific skills, economic and gender needs. *Sport equipment products* are typically supplemental to apparel and footwear. New sport equipment technologies are developed under the athlete benefits of: impact absorption and resistance, inflate-ability (balls and water products), dexterity, cranial/spine protection, portability/ transportability, customization and sizing/fit/comfort (Sokolowski, 2015). Like footwear and apparel, technologies may be developed for sport-specificity, athlete-specific skills, economic and gender needs.

The influence of the Olympics on the development of innovative sport performance products, product classifications and the needs of athletes serves as the foundation of this white paper, where key sport performance product design attributes, including silhouette, materials science and method of make will be reviewed. For each performance attribute, popular sport technological inventions will be presented that were then adopted by luxury good makers. For each technology, an explanation of its history, inventor-ship and intended performance characteristics will be presented, along with how luxury goods designers adopted the technologies for their collections.

Silhouette Adoption

A product's silhouette is its' overall outline or shape. Throughout the history of sports product creation; many new footwear, apparel and equipment performance silhouettes have been invented and adopted by luxury brands. Some of the most recognized silhouettes include the sneaker, puffer jacket, and baseball mitt.

Sneakers

The term "sneaker" was a marketing term established around the turn of the 20th century, in the United States to describe shoes constructed with a canvas upper attached to a vulcanized rubber outsole (Sokolowski, 2004). "Sand shoes" and "Plimsolls" were the first iterations of this construction, and over time the silhouette evolved to include an increased amount of vulcanized rubber around the sidewall and toe box, for better abrasion resistance and sport functionality (Sokolowski, 2004). Functional outsole patterns (e.g., herringbone) were also molded into the outsole rubber to add traction, pivoting and durability. Throughout the last 100 years, the sneaker silhouette has evolved, mostly in how the midsole and outsole are constructed. Some of the well-known constructions include the cup sole, cut and buffed, molded (including midsoles with encapsulated cushioning units), mechanical and 3D printed. Nevertheless, what sneakers all share in common is a flexible and breathable upper, with a durable and flexible rubber and/or foam midsole/outsole appropriate for playing sports (Sokolowski, 2004). Recently, manufacturers have been devising new upper technologies, including: engineered knitting, weaving and 3D printing.

It may be surprising to note that it was not until 1984, that a luxury brand debuted a sneaker silhouette for their collection. Gucci's traditionally styled Plimsoll was the first to hit the runway. The sneaker was embellished with the brand's signature green and red stripes along the center back heel, and "Gucci" printed on the top of the tongue (Alleyne, 2015). In 1996, Prada debuted the PS0906, a yachting shoe that kicked-off the movement of seeing high-end sneakers on the runway more frequently (Alleyne, 2015). In 2009, "co-labs" – collaborations between fashion houses and a celebrities became more prevalent. For example, the fashion house Louis Vuitton partnered with Kanye West to design a sneaker for the luxury market. Today co-labs are a dime a dozen, but they help infuse energy into a brand and can attract new consumers. Sport manufacturers are also part of this co-lab practice. They will work with luxury design houses or celebrities to design micro-collections. For example, Kanye West now has his own label Yeezy through Adidas, launched in 2015.

Puffer Jacket

The Skyliner, was the first puffer jacket invented in 1936 (patented in 1940), by Eddie Bauer (Eddie Bauer, 2018). This silhouette is defined by its quilted batts that are filled with goose feathers (also known as down). The technology keeps the body warm, by trapping air within the feather batting to insulate the body. It also creates a "puffy" silhouette. Bauer outfitted military personnel and climbers on several expeditions to Everest and Antarctica with this technology.

The puffer silhouette was immediately adopted by luxury designer Charles James in 1937 and interpreted into a quilted satin evening jacket, that became an iconic product design (Marshall, 2016). The puffer silhouette re-appeared in the luxury space during the 70's, when designer Norma Kamali created her "sleeping bag coat." Prototypes of this coat used two synthetic fill camping sleeping bags, lined back to back to create a reversible

coat (Marshall, 2016). Since the 70's, synthetic fill has been technically advanced by the military and sports industry to make it warmer and thinner, and resilient to wet conditions. It is also animal-friendly, easier to clean and more economical than down (Sierra Trading Post, 2018).

More recently, the puffer silhouette has been reimagined by luxury brands through the creation of oversized batts, asymmetrical details, cropped hems and off-the-shoulder looks. In 1999, Maison Martin Margiela debuted the multipurpose "Artisanal Duvet Coat," made from a Featherlite™ down filled duvet (1stdibs, 2018). Several designers in 2016 experimented with men's and women's puffer styles, including: Marques Almeida, Caitlin Price, Demna Gvasalia for Balenciaga, Alexander Wang, Stella McCartney, Heron Preston and Palm Angels (Marshall, 2016; Danielou, 2017; Pieri, 2016). In the spirit of co-labs, Marc Jacobs partnered with Canada Goose in 2016, and designed a collection of puffer jackets embellished with sequins and feathers (Matera, 2016; Pieri, 2016).

Baseball Glove

The baseball glove is a protective piece of sports equipment worn by players of the defending team, when catching and fielding balls hit by a batter or thrown by a teammate. Original glove silhouettes were made of leather, and sometimes padded on the palm, with the fingertips removed, for better ball control. The glove was first debuted in 1875 by St. Louis outfielder and first baseman, Charlie Waitt (Schwarz, 2000). His glove was nude in color to act as camouflage because "he was a bit ashamed to wear it, but had it on to save his hand" (Schwarz, 2000). In 1920, another St. Louis player, pitcher Bill Doaka patented a silhouette, to include a web structure between the first finger and the thumb, to create a catching pocket. Doaka sold his glove idea to Rawlings, enabling them to become the preferred brand of professional players. Variations of the web structure construction are still used today. Gloves in the U.S. market can cost anywhere from \$25 for a synthetic leather kid's model, to \$360 for a high quality leather model, to \$550 for a customized elite model (JustBallGloves.com, 2018).

Baseball aficionados love to collect gloves, uniforms, cleats, bats, balls and cards. The sports memorabilia market is estimated to a billion dollar industry, and baseball collectors are some of the most dedicated (Belson, 2017). Their collections are carefully curated and are often focused on a particular sport, team, athlete or designer. More recently, luxury brands have taken advantage of this practice, and have created products for the sports luxury aficionado. For example, Hermes in 2011, created a baseball glove that retailed for \$8500 USD, for the opening of their new store in New York City. It sold out. In 2014, they launched another baseball glove made of gold swift calfskin. Representatives from Hermes stated that each glove took 25 hours to stitch and retailed for \$14,100 USD (Picchi, 2014). Coach, in 2014 created a limited edition capsule baseball collection for Father's Day, consisting of a varsity jacket, bags, glove, baseball and bat (Killip, 2014). As an extreme example, designer Bernard Maquin, in 2008 created gold soccer balls of various sizes, set with natural diamonds (Universe of Luxury, 2009).

Materials Science Adoption

In the sports industry, great efforts have been made in materials science to produce technologies that improve athletic performance. Material technologies that enhance performance can be developed at the fiber, yarn, construction and finish level. Some of the most popular technologies created for sport products include spandex, polyester and neoprene. Over time, these technologies have also been adopted by luxury brands.

Spandex

The name spandex is an anagram of the word "expands" (Kandolph & Marcketti, 2017). It was invented in 1959 by DuPont chemist Joseph Shivers, as an alternative to natural rubber. When commercially introduced in 1962 as Lycra™ spandex, it revolutionized the body wear and sports product industries. Unlike natural rubber, spandex can be repeatedly stretched, and returns to its original shape. It is lightweight, resistant to abrasion, body oils, sweat and detergents - all important characteristics that athletes desire (Romanowski, 2018). Spandex also has the ability to be co-spun with other fibers to produce materials that have dual benefits (e.g.,

moisture management, soft hand, appearance). In the sports industry spandex is often coupled with polyester, nylon and cotton fibers (DuPont, 2018). Products with this fiber or fiber combinations can be knitted or woven. Notable sport products made from spandex, include sport bras, tights/leggings, speed suits, briefs, base layers, T-shirts, swimsuits, bicycle shorts and recovery products. When stretch, tight fit and/or compression are desired for a sports product – spandex is likely used.

More recently luxury brands have been quite smitten with spandex, especially when it is incorporated into a sport-inspired leggings. Who can resist a slim, body hugging fit bottom, with your favorite designer's name on the hangtag? As a comparison, typical sport performance leggings/tights will retail anywhere from \$25 to \$150 (with the higher price point providing a proven patented performance benefit), where luxury leggings made from the same materials (maybe even inferior materials, as they were not validated for sport performance) are selling from \$250 to \$1200. In an article titled "the most expensive leggings people (allegedly) work out in," products from luxury designers Mary Katrantzou, Alexander Wang, Chloé, Dolce and Gabbana, Givenchy, Helmut Lang, Hervé Léger and Lanvin were featured to demonstrate how luxury consumers will buy into the spandex sport leggings aesthetic for not working out (The Cut, 2018).

Polyester

Although, we may think polyester was an American invention, it was actually formulated by the British scientists Whinfield and Dickson, in 1941 (What is Polyester, 2015). Products with polyester were first introduced to the American market in 1951, and were marketed as products made from "magical fabric that needed no ironing" (What is Polyester, 2015). Polyester fibers are indeed magical; they are strong, resist chemicals, stretching and shrinking, are wrinkle, mildew and abrasion resistant (Contrado, 2017). They are also easy to wash and quick dry, and can be used for insulation when it is extruded with a hollow core (Socha, 2008). It makes sense why a large majority of sport products are made from polyester fibers, as they have so many performance characteristics desired by athletes. In the 1980's, sport companies began to monopolize on polyester's performance and created their own materials with proprietary metrics (e.g., dry time, wick-ability, weight and wash durability). Patagonia's Capilene™, was one of the first to be established (Patagonia, 2018). Some of the other well-known sport polyester material trade names include: DriFit™ (Nike), ClimaCool™ (Adidas) and HeatGear™ (Under Armour). Although luxury brands are heavy users of natural fibers (e.g., wool, silk cotton,) they do use polyester. Issey Miyake, Elbaz for Lanvin and Rei Kawakubo of Commes des Garçons have all expressed their desire to work with the fiber (Socha, 2008). Miyake developed the Pleats Please franchise in 1993, from crinkled, high-twist polyester fibers. He explained how the fiber was easy to work with (especially to pleat), wear, care for and vibrantly colored (Socha, 2008). Lanvin used polyester made by a Japanese company, in 2008 because he loved the feel and "fly-away" volume it created for coats and dresses (Socha, 2008). Conversely, Kawakubo uses "kitsch" polyester as it "crumples" easily. In an interview she also stated, "we have always liked polyester and have experimented with and used it for the last 25 years. We have always believed since day one that fabric technology is vital in making creative fashion, and have designed each collection starting with the thread." (Socha, 2008; Binkley, 2017).

Over the last 20 years there has been a practice in the sports industry of using recycled polyester. The fiber can be made from soda bottles, manufacturing waste and disused polyester apparel. Using recycled polyester decreases dependence on petroleum as a source of raw materials. In 1993, Patagonia was the first sports company to lead this effort (Patagonia, 2018). Luxury brands such as Calvin Klein, Armani, Stella McCartney and Gabriela Hearst have all explored using this fiber for their collections, and are using social media or celebrity endorsements to explain how they too are protecting the environment (Saad, 2015; de Klerk, 2017).

It is expected that as the sports industry furthers its' development of polyester, including microfiber innovation, fiber texturing and material construction, it will continue to increase desirability by luxury brands as its appearance and hand improves.

Neoprene

A great demand for natural rubber in the 1920's, led to elevated prices, and an interest for a synthetic version. In 1931, DuPont formulated duprene, a material that was more resistant to water, oils, heat and solvents than natural rubber (Seventhwave Wetsuits, 2016). However, it off-gassed a horrible odor, and was redeveloped as neoprene, in 1937 (Seventhwave Wetsuits, 2016). When it became available again to the public after World War II, University of California, Berkeley physicist Hugh Bradner built a wetsuit from it in 1950 (Seventhwave Wetsuits, 2016). He had the insight that neoprene could trap a thin layer of water next to the skin, and the material could insulate the water to keep the surfer more thermally comfortable. Bradner is considered the "father of the modern wetsuit" (Seventhwave Wetsuits, 2016).

Wetsuits were originally made with raw sheets of neoprene that did not have any backing materials. Suits required extra caution while donning because the synthetic rubber by itself would rip easily and was sticky next-to-skin. In the early 1960's, nylon jersey knit was laminating to the front and back surfaces of the neoprene, to strengthen the material and provide a canvas for designers to apply color and graphics.

Although neoprene is thick, heavy and thermally protective, it has been frequently adopted since the mid-90's by luxury designers for their collections. Neoprene is unique, as it can be sculpted through machine and hand stitching to create new fashion silhouettes. It can also be combined with other materials, and embellished with non-sport graphics and finishes. Japanese fashion designer Yohji Yamamoto is well known for originally using neoprene in his collections in 1996/1997 (Fashion Spyder, 2014). Balenciaga, Louis Vuitton, Comme des Garçons, Alexander McQueen, MiuMiu, and Alexander Wang have subsequently used neoprene for their collections, in dress, jacket, pant and skirt silhouettes (Fashion Spyder, 2014). More recently, high end designers Maison Margiela, James Perse, Marni and Christopher Kane have created sneakers and espadrilles with neoprene (Berlinger, 2016).

Method of Make Adoption

The sports performance industry, hands-down, leads the effort in method-of-make innovation. Examples of 3D printing, seam sealing and engineered knitting will be reviewed and discussed, as well as how luxury makers have adopted these technologies for their collections.

3D Printing

3D printing is any manufacturing process that additively builds or forms 3D parts in layers from Computer Aided Design (CAD) data (Stratasys Direct, 2018). This method of make was invented over 35 years ago, in 1981 by Hideo Kodama of the Nagoya Municipal Industrial Research Institute (Flynt, 2018). The technology was adopted by sport companies in the mid-to-late 1990's as a method to mock-up and verify 3D parts during the design process, before cutting metal molds, typically for footwear and equipment. Over time, the output materials from 3D printers have improved so much (to include color and different resin densities), that footwear and equipment manufacturers can realistically print commercial and customized products directly for the consumer. All of the major sport footwear companies: Nike, Adidas, Under Armour, Reebok and New Balance have generated products with this technology as promo pieces or in small scale production runs

(Berman, 2016; Schoffer, 2016; Carroll, 2017). Sport equipment companies have also produced products ranging from mouth guards to surf boards, and prosthetics to golf tees with this technology (Carroll, 2017). There is still much research and development needed in this space, before apparel can be effectively 3D printed. What separates apparel from footwear and equipment, is that it needs to be washable using different temperatures, comfortable next-to-skin, and durable when fitted over variable and moving body shapes. Researchers have been experimenting with 3D apparel, but the pieces are mostly art forms, instead of commercialized products that can be truly worn for day-to-day activities (Materialise, 2018; Jacobson, 2017; Oltuski, 2017; Tarmy, 2016). The same situation exists with fashion footwear, where there are a few ideas, but nothing is 100% commercial where the upper, midsole and outsole are fully printed. So, what does 3D printing mean to the luxury market? There are two points of view on the topic – in favor of the technology and not in favor.

Luxury makers who are in favor of 3D printing, feel it creates an opportunity to develop unique, one-of-a-kind pieces - like the creation of a single precious button versus the requirement mass manufacturers have to place on large trim orders (Vogue Paris, 2016). This method of make allows for customization, tailored fit, weight reduction and waste reduction because files can be engineered to print just what you need, instead of using sheets of material (Vogue Paris, 2016). There is also the potential to develop resins that are sustainable, like nylon 11, to create a better cradle-to-cradle product lifespan. Because printers can be anywhere in the world, and technicians require limited training, the technology is positioned and appropriate for domestic manufacture with no need to outsource to Asia or a developing country (Vogue Paris, 2016). Another advantage is that products could be made on demand, avoiding issues related to inventory (Vogue Paris, 2016).

On the other hand, there are luxury makers that are not in favor of 3D printing. They fear the technology will enable counterfeiting, which can undermine and undervalue a brand (Chapter, 2018). Some argue that 3D printing fine quality pieces could be too slow of a process. For example student designer Danit Peleg spent over 2,000 hours printing just five pieces of apparel for her collection (Oltuski, 2017). In a field where the amount of labor time affects the price, is that a good or bad thing for the luxury market? Will luxury makers charge even more and market their products on how much it takes to print the product? Some naysayers worry that printing could eliminate jobs of highly skilled patternmakers, drapers, sewers, cobblers and tailors who spent years honing their crafts (Chapter, 2018). Does machining a product take away the human touch and the ever-so-slight imperfections that make a product beautiful? 3D printing also has the potential to take away the luxury shopping experience, as consumers of the future could just print their products at home foregoing concierge services, personal fittings and the physical process of shopping for luxury products.

Seam Sealing

Seam sealing (also known as bonding or seam taping) was developed as a method to create waterproof or water resistant seams for products used underwater (e.g., wetsuits), or outdoors in the rain/snow (e.g., raincoats, parkas, tents). This method of seam construction can be made with an impermeable tape that is glued with cement or heat-pressed to a seam allowance with hot melt glue. Before this method existed, waterproofing was typically achieved through materials that were woven tightly, waxed or coated. Even animal intestines were once hand sewn together to protect the body from the elements (Siler, 2015). But in all cases the sewn seams were vulnerable, because the pin holes from the stitching allowed water to leak through.

Seam sealing was first used in the sports industry for wetsuits and tents, and then as waterproof and resistant films were developed in the late 1960's (e.g., GoreTex™), they were incorporated into more products (Outdoor Gear Coach, 2018; Northwest Tech, 2015). The first products with these films were technical rain/snow jackets, pants, gloves and boots. Over the last ten years, seam sealing has been widely adopted by the sports industry. The method can be seen in footwear, bags, bras, tights, shorts, gloves, swimsuits T-shirts, etc., where weight reduction, low profile and seam stability are desired.

This method of make was recently adopted by luxury goods makers, as factories are now better equipped with specialized machinery, and confidence in the methods of seam sealing products together from a variety of fabrics and fiber compositions. In most cases, when seam sealing is used by a luxury designer, it is for aesthetic purposes. It creates a modern and streamlined appearance. Tapes can also be colored, so they can contrast with fabric colors giving a high-quality, hand-crafted look. Designers, including Alexander Wang, Dyne and Burberry have created products with this technology to established smoother lines, a lighter feel, and a sportier look (Segran, 2017).

Engineered Knitting

Most academics who study fashion are familiar with the fully-fashioned twin set. However, the same machines that make these preppy sweaters can also be programmed to make engineered knits for sport products. Instead of knitting the same sweater over and over again, product innovators have programmed these same machines to add or drop stitches, adjust modulus, grade sizes and change out colors, to create new performance products for athletes (Ashan, 2012). Footwear, apparel and equipment manufacturers have been exploring how to innovate in this area for the last 10-15 years with the key machine manufacturers - Stoll and Shima Seiki. Footwear products were first launched, and included the following technologies: FlyKnit™ (Nike), Primeknit™ (Adidas) and EvoKnit™ (Puma). Over the last two to three years, engineered knit apparel items have been commercialized too, including: tights, sport bras, track suits and soccer jerseys. Like 3D printing, this method of make can reduce material waste and manual labor.

Both Maison Margiela and Balenciaga over the last year brought products to market that were reminiscent of the knitted pieces launched by the sports performance industry. Bain (2017) and Jones (2017) discussed in separate articles how these brands created expensive, sub-par knock-offs, yet surprisingly sold out. In Fall 2017, engineered knit apparel was also quite prevalent on the luxury apparel runway. Designers showed body mapped products with multi-directional ribbing, basket weave and puff stitches, and numerous kinds of seed, moss, pebble and other grainy textures (Charles, 2018). Relevant designers using this method of make include: Alexander Wang, Orley, Chloe, Philosophy di Lorenzo Serafini, Fendi and Chanel.

Conclusion

There are so many more examples of how sports performance innovations have been adopted by luxury brands. For example, the most obvious sport product aesthetic attributes - graphics and color were not covered in this white paper. These details were created for sport products to depict team and player identity, and sometimes recognize financial sponsorship. Graphics and color can also identify brand marks and can keep the athlete safe by reflecting or camouflaging. These aesthetically driven attributes are much easier for a luxury designer to adopt and often blur the line between function and fashion.

Consumers today are also wearing the same products for working out, work and social activities. The future of this space is pointing to an interesting direction, where new innovations may be driven beyond athletic performance – where sport and luxury needs are blended and both equally important. What if the future of luxury apparel was defined by how well it physically enhanced the wearer's life - not just the price, designer name and quality? Could attributes of self-cleaning, recovery/rejuvenation and customization become new luxury trends? It is amazing how the sports industry has evolved product silhouette, materials science and method of make over the last 100 years; however, it is even more exciting to imagine how it will further develop and be adopted by luxury makers.

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CHAPTER SIX

THE FUTURE OF LUXURY: CASE STUDIES OF THREE PROFESSIONAL WOMEN'S EXPERIENCES WITH DESIGNER FASHION

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Keywords: women, locale, designer wardrobes, design museum

Abstract

Luxury is examined through case studies of three women whose professional and personal experiences with designer fashions are explored through their clothing used as prompts in each of their in-depth interviews. All three women had important careers in the Twin Cities of Minneapolis, Saint Paul, MN that spanned the 20th century. Their careers included retailer, occupational therapist, and journalist. Each woman wore clothing by significant designers of the 20th century, such as Norell, Beene, Yves Saint Laurent, Armani, and Missoni, but for different reasons. As a result, luxury is redefined as needing to consider product life cycle, context of trends, locale, and women's ways of wearing for work and leisure.

Introduction:

We often study the history of the fashion industry as though it stops with the design, manufacture and distribution of the product. Though we give tacit acknowledgement to the consumer of the product, the story of the wearer's behavior with the product after purchase is just now being recognized as important (Woodward, 2007). Breward (2003) writing in *Fashion*, recognizes this deficiency in the following statement, "In these various literatures, if consumers or audiences are acknowledged at all, their behavior has been classified as simply reactive or passive. Yet fashionable clothing clearly enjoys a communicative role that does not cease once the product is purchased" (p.159).

Luxury is often associated with the wealthy woman of leisure and the wearing of luxury fashion is considered the privilege of just a few (Lantz 2016). Terms used to describe luxury include excessive, sumptuous, and extravagant. However, acquisitions of the Goldstein Museum of Design have created an opportunity to learn about three career women who were motivated to purchase and experience their wardrobes that consisted of what most would call luxury designer fashions. These women's motivations for wearing designer fashion are examined through conversations prompted by examples of designer fashion from their wardrobes, each of which included over 100 items that they have donated to the museum.

All three women had important careers in the Twin Cities of Minneapolis, Saint Paul, MN spanning the 20th century. Their careers varied from retailer to occupational therapist, and journalist. Each woman's wardrobe is exquisite and unique; each woman wore clothing by significant designers of the 20th century, such as Norell, Beene, YSL, Armani, and Missoni, but for different reasons. Exploring their motivations for wearing such designer fashion helps in the reconsideration of the concept of luxury.

Background:

We often create personal attachments to designed products that we value, establishing meaning through our lived stories with these products. Increasingly researchers are recognizing the importance of considering this

meaning that is embodied in their clothing. Clothing is a product of our near environment that we attach and give meaning to because of our experiences with wearing, i.e. occasions of work and play, and our sensory experiences when wearing them — the textures against our skin, the colors interacting with our coloring, how they make us feel.

This research draws from the collection of the Goldstein Museum of Design and focuses on the stories three women tell about experiences with their clothing, including motivation for selecting items, what they valued when they wore them, and those practices and experiences of wearing these items that make them special. The wardrobes of the three women illustrate the various sides of meaning for them: i.e. fun, serious, innovative, and functional. Each woman attached different meanings based upon her relationship to the clothing that made up her wardrobe. And this meaning evolved as her life happened.

Sophie Woodward, in *Why Women Wear What They Wear* (2007), noted that choosing what to wear is always particular to each individual woman as her sense of self is reflected through the social position conveyed through her clothes (i.e. occupation, ethnicity, religion). These practices do not occur in a vacuum. How people create their identities through clothing occurs in the context of their personal history and culture.

Remember John Molloy's (1977) *The Woman's Dress for Success* and his suggestion that women dress in a feminine version of men's wear? These women did not heed his advice. This research explores the visual result of clothing of these three women, and their motivations for wearing such clothing that varied from simply gaining pleasure in wearing beautiful clothing hidden under a lab coat, to clothing that aided in the promotion of a competent woman who knew the value of wearing the fashions she was in the business of selling. How do these women explain how their appearance influenced their positions in the work force and how does this help us to redefine luxury?

Luxury Defined

Luxury is defined by many as the quality of the fabric, detail and the labor, in descriptions of the weight and feel of a fabric, hand sewn stitches, and "buttons made in jewelry factories" (Laroca, 2005; Morris, 1987). Luxury is often defined by what it is not, e.g. not a necessity (Lauterbach, 1957). And for many it is defined as things that are purchased and shown as conspicuous consumption (Veblen, 2009). Luxury, especially that of fashion, can also be clothing purchased to build trust within the communities in which you exist, or in which you work to serve or educate (Agins, 1999; Olejarz, 2015; Lehrer, 2010; and Goldsmith, 2000). Very few researchers, however, appear to consider another reason for owning and wearing luxury clothes — for the enjoyment of doing so during work and play (Laroca 2005, Murphy, 2017).

Women's Roles in the 20th Century

Women played a vital role in the 20th century and their dress echoed their various roles. We all know the images of female dress brought to mind with "Rosie the Riveter," Dior's "New Look," and later "Dress for Success" (Molloy, 1977). We all know about Friedan's treatise on femininity and the plight of the suburban wife she so aptly describes in *The Feminine Mystique* (1963). Friedan pointed out that by mid-century the drop in the age of women marrying, the drop in women finishing a degree in higher education and entering professions, and the number of women who worked in the late 1950s in part-time jobs i.e., as secretaries or in selling, that set off a way of feminism in the USA in the late 20th century (p.60).

However, in the 20th century the overall number of women in the labor force was on the rise; women were making headway in their quest for meaningful employment—even careers. It began early in the century with women needing to fill jobs during the two world wars. Women's participation in the U.S. labor force climbed from 32.7% in 1948 to 56.8% in 2016, and the proportion of women with college degrees in the labor force has almost quadrupled from 11% in 1970 to 40% in 2016. The range of occupations women workers hold has expanded, with women making notable gains in professional and managerial occupations that lead to careers.

For example, in 1974, one in ten lawyers were women and in 2016, one in three lawyers were women (U.S. Dept. of Labor).

In today's workforce, women number 74.6 million and they have become an important part of the labor force; in fact, 47% of U.S. workers are women (U.S. Dept. of Labor). However, a recent *Star Tribune* feature reports that the female labor force has dropped from 68% in 2000 to 61% in 2016 for the never married woman with no children. The experts are searching for answers for loss of women in the work force.

The women in these case studies were all part of the 20th century workforce who pursued successful careers and wore designer fashion. What factors influenced these women to stay in the workplace and pursue a career? How do they believe their appearance influenced their position?

The Locale of the Three Women

The Twin Cities of Minneapolis-Saint Paul is a multicultural center for the Upper Midwest region including the MN History Center, Minneapolis Institute of Art, Walker Art Center, Weisman Art Museum, Goldstein Museum of Design, and several ethnic institutes, i.e., Swedish, Norwegian, Russian. Education is valued as there are nine universities all in relative proximity in the Twin Cities. Other local cultural venues include a plethora of theater, and sport stadiums continue to increase, with separate stadiums for professional and collegiate baseball, football, basketball and now soccer. Four distinct seasons are celebrated, i.e. winter with the St Paul Winter Carnival and the summer with the Minneapolis Aquatennial. All in all, the activities and the culture surrounding the Twin Cities offer substantial opportunities for experiences of art and culture. In his book, *The Rise of the Creative Class* (2002), Florida names this area an example of a creative locale.

Procedure

Van Manen explains that the “point of phenomenological research is to borrow other people's experiences and their reflections on their experiences with the purpose of better understanding the deeper meaning or significance of human experience in the context of the whole of human experience” (p.62). The well-crafted wardrobes of these three women illustrate through phenomenological methods the various shades of meaning that make up their lives, both professionally and personally. Each lived in the Twin Cities, was well educated, but pursued very different careers. They lived lives — publicly and privately — that led to specific wardrobe experiences and perspectives on their clothing.

Using their clothing as prompts, each told stories about her relationship to various clothing items and to the activities of her life — work, entertaining, sports — and to life events. In this way we learned about each woman's perspective that grew from her career experiences and ensuing motivations.

Because clothing is a product that has meaning both personally and professionally, it can serve the wearer on these several levels as well: for example — on an aesthetic level where appreciation for the designer gives the wearer the pure pleasure of wearing exceptional design; on the level of its economic value, how innovative is it to my clientele — e.g., Will it sell? OR to the journalist who focuses on its importance to her culture at this specific time: “I can write about this!” Each perspective is evident in and played out by one of these women and we named each according to her experiences:

- The **Retailer** selects her clothing for its economic and promotional value and she must always ask, “Will my clientele find it innovative and will it sell?”
- The **Aesthete** demonstrates appreciation for the designer and derives pleasure in wearing exceptional design for aesthetic reasons.
- The **Journalist** focuses on how the item she selects will help define and frame the culture at this specific time and says, “I *need* to write about this! This is *important!*”

Dorothy — The Minneapolis Retailer (*Name changed)

Dorothy began her retail career at the iconic Dayton's Department Store while she was still a student at the University of Minnesota. She continued at Dayton's in several positions: Assistant Fashion Coordinator, Coordinator of the Teen and College Boards, and Buyer of Junior Dresses (during the 1960s when Juniors were the center of attention in the fashion world). She said, "The rapid turnover of stock provided valuable experience in identifying trends and I gained proficiency in spotting a trend quickly."

Dorothy was among the first to use innovative fashion tools that allowed tracking trends. In the mid-1960s, she was instrumental in bringing the "Youth-quake Movement" to Minneapolis (DeLong, *MN Creates fashion for a Century*). This was the time of the Beatles and Mary Quant, the London-based designer of the Chelsea look, and the model Twiggy who dressed in miniskirts and go-go boots. In time, Dorothy moved to Merchandise Coordinator of women's ready-to-wear and then Divisional Merchandise Manager in the Oval Room. She reflected: "Analyzing and charting our stocks and openly discussing them became a *Fashion Trend Talk-Out*. I saw many new trends come to Minnesota first, and big name designers would get their start here." By the late 1970s, Dorothy became President of a high-end specialty women's store on Nicollet Avenue in Minneapolis.

As her retail experience grew, Dorothy became adept at spotting trends and increased her impact by wearing them. This proved highly influential to her promotions within retail because her colleagues often commented upon what she wore. For example: Stanley Marcus of Neiman Marcus visited her store, and Dorothy was wearing an innovative but refined outfit by the designer, Escada. Mr. Marcus was so impressed that after inquiring about the name of the designer, he directed Neiman Marcus to start buying Escada.

During her interview Dorothy revealed that her wardrobe was significant, to "mark the dramatic moments of one's life" as well as to wear for work. As a retailer she remarked, "When you go to market you don't want to wear last year's clothes. You want to wear this year's clothes. So it kind of forces you to purchase new clothes and the new thing. And many times, when the buy was being done I'd say, 'let's get one of those in my size because I want it.' It was fun while it lasted." She selected her wedding dress in this way—off the runway of a fall collection. For work, she described an Armani suit as a work staple. As she explained, "I bought two Armani suits, a taupe one and a green tweed. They were my work horse outfits." But they were innovative—Armani designed a tailored casual suit, which she described as "much more a dressmaker's suit than a tailored suit and really fun to wear."

Figures 1. Suit,
Giorgio Armanic.

1990, Italy

Women's suit with jacket, pants, belt, wool

Object #: 2009.066.007a-b

Courtesy of the Goldstein Museum of Design



Throughout the interview, Dorothy's position as a prominent retailer in the Twin Cities permeated her responses and retailers know they must dress to reflect their customers' choices, "When I started out at Dayton's, I had been wearing Junior and Miss Dayton clothes. Suddenly, I am appointed to the Oval Room and I wanted to start wearing Oval clothes, which can become an expensive proposition." One way she extended her wardrobe was through small changes that created a different look. The Donald Brooks mock turtleneck dress (figure 2) has two belts, a light camel leather or white satin, topstitched in repeating rows. She explained, "I could change them depending upon the occasion—leather in the daytime and satin in the evening. When I traveled to New York, I would take both belts—just in case I was invited out to dinner, I could change belts for the evening. I loved wearing this dress; it is a very young look with the full skirt."

Figure 2. Dress with belts

Donald Brooks

c. 1968, United States of America

Black dress, mock turtleneck, 2 alternative belts – (a) light brown leather, (b) white satin belt.

Object #: 2009.066.006a-c

Courtesy of the Goldstein Museum of Design

**Figure 3. Dress, Geoffrey Beene**

1960-1969, United States of America

Black wool crepe dress; multiple rows of brown and white feather trim

Object #: 2017.003.009

Courtesy of the Goldstein Museum of Design



Figure 4. Dress, Norman Norell

No date listed, United States of America

Black high neck dress with low pockets; rhinestone belt in custom box

Object # 2016.027.023a-c

Courtesy of the Goldstein Museum of Design



Dorothy explained, “I started by buying designer fashions to wear to work. With my discount I could afford to buy one dress a month. I did so until I had five, one for each work day. That is how I got started. I bought this dress out of Geoffrey Beene in New York. (Insert figure 3) I thought ‘oh! This is so fabulous.’ I bought it to wear at the Art Institute Ball. As far as I was concerned it was a hit. Years later, when the new Harold’s store opened in 1990, I became center stage as the new president. I searched in my closet for something to wear and pulled out this Beene for the opening and it was a hit all over again.” She added, “Geoffrey Beene is my personal favorite designer. I probably had the most clothes from him. I felt good putting them on. The fabrics were unbelievable, so substantial. They were dresses that could go to work and then out to dinner at night. They were easy to travel with because it was just one piece.”

Dorothy carried her eye for designers and trends to her life outside of the Oval Room and Harold. This Norman Norell (figure 4) sleeveless black high neck wool dress has low pockets and a rhinestone belt. She wore this Norman Norell dress to a friend’s evening party in San Francisco, explaining “Nobody out there probably even knew it was a Norell. But I did. The dress was fabulous; the belt set it off. I wore this dress often with or without the rhinestone belt and wore the belt with many other evening pant outfits. And the belt came in a Cartier box!”

Elizabeth—the Aesthete

Elizabeth was born in California and grew up in Grand Forks, North Dakota. As an adult she moved to the Twin Cities to establish her career as an occupational therapist. Eventually she was co-founder and president of a Medicare-certified rehabilitation agency specializing in gerontology.

As a child she loved the creativity of designing simple clothing for her Troll dolls and combining her own clothing in flattering ways. Although she won first place in a Singer sewing contest, she decided against pursuing a design career and instead pursued wearing the work of designer Yves Saint Laurent (YSL). Elizabeth became aware of YSL couture as a teenager. The first time she saw an YSL jacket she was awe-struck, an experience that led her to appreciate the designer’s beautiful fabrics and good design.

Her love of YSL coincided with his launch of the Rive Gauche line that began a significant dialogue of this designer with career women. In the 1960s YSL observed, “Fashion would be a sad business if all it did was put

clothes on rich women” (Savignon, Bure & Berge, 2012). This seed of an idea launched the Rive Gauche line of apparel directed towards career-oriented females. The objective for YSL was to meet the needs of these women who possessed the drive and desire to dress well by reopening the dialogue between the designer and the professional woman. The result was Rive Gauche that opened in the 1960s on the Left Bank in Paris. Here YSL created designs with details, tailoring and finishing that could be produced in the factory. In this way he confined his creativity to the factory’s capabilities and therefore transformed the inherent intention of the high-end fashion system that could address the expanding needs of the professional female.

And Elizabeth developed an absolute trust in Yves Saint Laurent (YSL) and his Rive Gauche line. Through extensive experiences with this one designer, she learned how to make the pieces work for her. Elizabeth explained that she rarely purchased a complete ensemble. She discovered that separates were multi-functional so she acquired them one at a time and even in different seasons. She started with a jacket and then when she could afford it, a skirt or trousers. When one of the pieces wore out she would replace it with another from a different season. And because from her perspective the individual items were produced with the same aesthetic, they allowed her to satisfy her passion for innovation by rearranging them to wear in different ways. Soon, her wardrobe consisted only of YSL.

Through her love for experimentation with this designer, Elizabeth learned to rely on YSL’s quality of materials and construction plus the effortlessness in purchasing and availability, often directly from the YSL catalog. YSL’s designs were fluid in the way they spanned seasons and thus simplifying transitions. Throughout her entire career, she almost exclusively wore YSL from head to toe — not only garments, but shoes, hats, jewelry, and bags. Elizabeth’s love of good design results in what she calls her “confident” clothes. When asked if by confident she referred to the clothes or the wearer, she reflected—and then agreed it was both and involved an interaction.

She explained that YSL served to stoke her creative urges and satisfied her need for innovation—her urge to design through experiencing the pieces through the experience of wearing them. She could be innovative by simply rearranging the pieces to wear in different ways because as she explained—“everything went together.” There are two matching suits in her collection but most of the collection consists of separates. Beth donated a number of knit separates in a nautical theme that she was adamant to explain that none were worn as ensembles — “I used them as separates because they could be worn any number of ways.” She explained that she liked to assemble in new ways each time she wore an item of clothing, and they took her from “boardroom to boat.”

Elizabeth’s exclusive interest in YSL resulted from her deepening appreciation of how his designs met the needs of her life. Her discovery that “it all goes together” persisted, even when purchasing separate items from different seasons. This allowed her creativity through experimenting with unique combinations and the development of her most individual style. As YSL’s business partner noted, the designer in his Rive Gauche line sought to provide women with tools — clothes that could meet their own unique needs. And through our discussions, we learned of some innovative uses for her wardrobe—even beyond the experience of wearing. For example, the gold satin cape (figure 5) — in addition to wearing it frequently as intended for formal occasions — one Christmas she used the cape as a Christmas tree skirt.

Figure 5. Cape and Skirt

Yves Saint Laurent

1991-1992, France

Yellow silk satin quilted cape

Object # 2015.042.019a-b

Courtesy of the Goldstein Museum of Design



As her career flourished she continued to purchase more YSL Rive Gauche, as well as some of YSL's haute couture designs. As she found herself increasingly lacking time to shop, she continued to put her confidence in YSL. In the interview, she repeated, "I discovered my separates were multifunctional: As I moved from daytime, I could hide my YSL boots under my lab coat, to reveal them in the evening to host a celebratory dinner." She very much appreciated this multifunctional quality.

Margaret—the Journalist

Margaret, a life-long journalist, began her career in New York City as fur editor for *Women's Wear Daily* and subsequently held several positions with Fairchild Publishing that took her all over Europe. There she met many prominent designers and important manufacturers. After returning to the Twin Cities, Margaret became publicity director for Walker Art Center describing it as "the best job I ever had!" She became the Walker's project director which included organizing opening nights of the Guthrie Theater. She worked as a freelance writer for Twin Cities publications and wrote a weekly arts and fashion column. Margaret later formed the first all-women public relations firm in the Twin Cities.

Margaret was always interested in fashion; she founded "The Friends" and facilitated the start of the Goldstein Museum of Design's (GMD) extensive fashion collection. She fought to include fashion in museums, stating, "What we wear is the face we give to the world. It reflects us in much the same way as the art we hang on our walls." Margaret was committed to preserving and exhibiting the important aesthetic objects of fashion. In one conversation she was adamant that a good fashion writer looks at what is coming, what is new, what is here, and what is historical. She said that a real fashion writer does not judge fashion but rather looks at what is significant. She said, "Fashion is more than a footnote to history. Fashion is our history, and I want that aspect of who we are preserved!"

Figure 6. Evening Dress

Nettie Rosenstein

1940-1945, United States of America

Ombre blue silk satin strapless evening dress

Object # 1975.002.012.a-d

Courtesy of the Goldstein Museum of Design



In an early foray into wearing serious designer fashion, she explained, “I wore this Nettie Rosenstein gown (figure 6) with its matching shoes, stole, and evening bag to an Adrian show in the 1940s with my mother in California. My mother was one of the first of five buyers in the country to go to California and buy from Adrian when he opened his couture business. Margaret elaborated, “Everyone was expected to be dressed in formal attire. And after we had all come out, all jazzed up in his gorgeous showroom, they didn’t serve us anything but ice water!”

Figure 7. Dress

Hattie Carnegie

1950-1955, United States of America

Beige silk crepe dress

Object # 1975.002.014a-b

Courtesy of the Goldstein Museum of Design



Margaret donated this beige silk Hattie Carnegie dress c. 1940-1950 (figure 7) that she said saw a lot of dates! She mused, “This dress was from the days when garments were understated and beautifully made, and it felt very good when I put it on.” Carnegie’s designs were youthful and sophisticated with beautiful fabrics and excellent workmanship.

Margaret explained this Courreges grey jersey (figure 8) one-piece dress in this way, “This garment is particularly important!” Even though Courreges was a French designer, he understood the importance of the Youthquake movement that came out of London in the early 1960s, marking the triumph of London ready-to-wear. The youth culture profoundly altered global fashion. Courreges injected elements of the Youthquake into haute couture and helped to create an unmistakable style that defined an era.

Figure 8. Dress with Belt

André Courrèges

1960-1964, France

Grey wool jersey one piece short sleeve dress, zipper front, white jersey trimming

Object # 1975.002.015a-b

Courtesy of the Goldstein Museum of Design



Figure 9. Blouse and Skirt

Rosita and Ottavio Missoni

1970-1979, Italy

Two piece dress, multi-colored tulip print silk knit

Object # 1987.040.004a-b

Courtesy of the Goldstein Museum of Design



Of a Missoni dress with a tulip printed pattern (figure 9), Margaret exclaimed, “Oh I love this tulip print! It was one of my favorites. We had anywhere from 3,000 to 6,000 tulips in our back yard. For a while I bought anything with a tulip motif, but the tulip dress is a beautiful print with exceptional coloration. My husband was responsible for the tulips and eagerly perused every catalog looking for new colors and varieties. The garden probably violates every tenant of conventional gardening lore but when the tulips of every shade are in bloom, they are the glory of the neighborhood. Every year or two we have ‘the tulip party’ for our closest friends to view the glories of the yard.”

Figure 10. Coat

Koos van den Akker

1980, United States of America

Wool coat, purple with patches of black and white designs

Object # 1981.121.001

Courtesy of the Goldstein Museum of Design



Of this striking coat, Margaret said, “I bought this coat from Koos van den Akker’s New York showroom in 1980. My husband didn’t like this coat, but many others did.” van den Akker (figure 10) is known for his “painterly delight” in mixing colors, pattern, and textures in unusual, often one-of-a-kind garments. In fact, what he creates is collage, layering color and pattern, often using fabrics that are or look handmade, and which he turns into one-of-a-kind fashion. van den Akker, a Dutch born American designer with a celebrity clientele, was in the Twin Cities in October 1981 to present his resort collection at a fashionable retailer in St. Paul, Minnesota. Ever the journalist, she explained, “They did very well with Koos.”

Conclusions

So, what is luxury to these women? First, these women all understood the importance of having what most would consider a luxury wardrobe but we must consider how these women used their clothing. If clothing has a life after purchase, then clothing has intentional meaning to the wearers, to their careers, and who they were as individuals. As such their clothing had meaning for them in ways that extend beyond purchase. Again, Van Manen posits that phenomenological research borrows other people’s experiences and reflects the significance of human experience. We might ask, is the experience of these women a portrayal of luxury in disguise? Each used designer clothing throughout professional and personal activities.

Second, these women all earned the right to wear designer clothing — not as a woman of leisure who afforded luxury through inheritance or family relationships, but through developing their careers to afford their own purchases. Each woman portrayed elements of sustainable practices: extended and multiple uses, innovative,

and multifunctional ways of wearing their clothing. A takeaway message is that we must consider product life cycle in any future definition of luxury.

Third, we must recognize the importance of the intricacies of culture and the inspiration of the arts to these women: Margaret, the journalist viewed clothing as an art collection and Elizabeth approached her wardrobe focused on YSL, the designer, rather than paying attention to yearly fashion and change. Luxury did not necessarily require attention to yearly fashion for these women.

Fourth, the relation of the women to the locale must be mentioned. You might wonder where and how these women wore their clothing to feel comfortable in their surroundings. The city as place was an inspiration, not only in terms of their careers but also the variety of activities experienced. They each sought to establish a presence with their clothing, i.e., Elizabeth talked about confident clothing in her evolving appearance and that wearing confident clothing helped to make her feel confident.

Fifth, all three discussed the way their clothing was used through repeated wearing, i.e. Dorothy with her workhorse Armani suits—could afford two and wore them every week to work and as she explained they were “a joy to wear”. Elizabeth mentioned multi-functional clothing that she used in innovative ways. All mentioned the importance of taking care of their clothing i.e., storing, cleaning. Margaret remarked, “If we don’t save some of these now they soon won’t be available.” She was committed to preserving and exhibiting important historic and aesthetic objects. In the exhibition, viewers remarked that even the workhorse pieces still look new.

Sixth, designer fashion in much of the 20th century held a different position in the minds of most women as something to covet. However more recently with movements such as deconstruction and grunge fashion, the characteristics of luxury products have changed and there doesn’t seem to be as straight a path to dressing luxuriously. Women in the USA are dressing more casually, and this could influence perceptions of and desires for luxury.

Finally, there was a tie of wardrobe and career at this time; these women’s experiences influenced their wardrobes and their use of clothing in the 20th century. We might well ask: What will happen in the 21st century? Trends include: women pursuing a greater variety of careers – veterinary medicine, doctor, lawyer — well beyond the careers of these women. In many cases women outnumber men in certain careers that used to be “men’s careers.” Another trend: clothing is globally produced yet these women’s experiences all related to a specific locale. How will this local/global trend play out? Will USA women buy fewer designer/luxury clothing and more mass-produced clothing of lesser quality? With time limitations, will the career woman of the 21st century look elsewhere than luxury fashion for her appearance? Does buying online encourage or discourage the purchase of luxury clothing? What will happen to our wardrobes with increased use of social media? Will we look back on these 20th century women whose careers, lives, and appearances were so well integrated as an anomaly of an experience with stealth luxury or as a harbinger of the future?

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CHAPTER SEVEN

EVALUATING EQUITY IN ARTISAN/DESIGNER COLLABORATIONS FOR LUXURY GOODS

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Artisanship is about mastery of technique, as well as distinct and identifiable stylistic attributes that are characteristic of a region, group or singular artisan. The concept of artisanship is robust in the luxury sector (Innovating the future, 2018). High-level artisanship is achieved through rigorous training, laborious practice, and through critical design analysis and perfectionism in technical execution. While artisanal luxury provides opportunities for artisans and designers to creatively develop new products with elevated aesthetics, quality, and high value, it is not without disparate and reciprocal learning curves for both artisan and designer. The purpose of this paper is to explore the influence of designer interventions in craft-making communities in Mexico, identify challenges associated with artisan/designer projects, and propose key points that may contribute to the creation of an equitable system of partnership for the collaborative development of luxury fashion products in Mexico, and perhaps serve as a framework for collaborative engagements elsewhere.

Background

The luxury sector is undergoing a paradigm shift from a mindset once characterized by conspicuous consumption and materialism towards a more subtle, altruistic approach when it comes to fashion products. Shifts in values towards global sustainability, particularly for affluent consumers of high design, are inspiring greater commitment to social justice and production transparency. As such, luxury fashion brands with missions of ethics and social responsibility have grown exponentially in the past two decades as (Maxwell, 2011; Fashion Transparency Index 2018, n.d.; Kapferer, 2014) more and more artisanal luxury goods have been designed to satisfy the demands for artisan-made fair-trade goods by an emerging “new luxury” consumer. *New Luxury* status is communicated less through the material value of the object, but through the ethical story that the object tells (Kapferer 2014; Murray 2010), creating a new a form of social currency driven by altruism. Philanthropy is the new driver for artisan luxury where intellectual status, ethical values and worldliness trump ostentatious material wealth of luxury’s past. Artisan luxury items represent exclusive membership to the club of cultural enlightenment.

Today's artisan luxury customers are cultural creatives (CC's); consumers who are characterized by a love of nature, concern for the environment and global society, and are prolific users of media. They exhibit sympathy, spirituality, and support education and sustainable community development (Ray & Anderson, 2001; Lee & Littrell, 2006). CC fashion consumers are influenced by shifting social mores about reduced consumption, product longevity and value, and transparency in production. Artisan luxury is affordable to these and other affluent, educated tastemakers that “enjoy people, places, and things that are considered exotic” (Ray & Anderson, 2001). They seek out destinations with access to places where mainstream tourists rarely visit. Artisan luxury items are often acquired through these luxury travel experiences.

Artisans in Mexico

Design collaborations with local craftspeople are happening worldwide, and designers are utilizing age-old artisan techniques indicative of regional cultural heritages for new product designs. Those products represent

the tastes of luxury elites: refined color, new styles and the finest-quality materials and craftsmanship- values upon which heritage luxury brands have always prided themselves. Beautifully handmade is a growing market (Restauri, 2015) and luxury fashion's foundational focus on limited availability and exclusivity has opened opportunities to capitalize on the visible workmanship of artisans by adding ethical value to luxury fashion goods.

Mexican artisans are particularly well-positioned to address artisanal luxury because of their immensely beautiful cultural heritage, technical craftmaking skill, and the immense appeal of the country's geographic beauty. 15% of the overall population of Mexico are indigenous, and more than ten million people in Mexico consider themselves to be artisans or possess craft skills (Flores, Ignacio, Calderon, & Rogelio, 2013; Hernandez Gonzalez, 2013; How much do you know, 2016), but few consider themselves to be designers. By and large, in Mexican culture, handicraft making is still considered colloquial despite the eco-tourism and maker's movements (i.e., social movement focusing on the desire to create and make things through crafting, tinkering and do-it-yourself learning) as important drivers for artisanal luxury product development in Mexico. Increased tourist visitation to Mexico has provided an opportunity for artisans to commodify heritage crafts for this luxury tourism market; CC's who value refined seeking well designed handcrafted goods. Designer interventions have been the point of entry for many artisan craft communities to reach these luxury markets. Additionally, Mexican design entrepreneurs are reclaiming agency over their artisanal creativity as part of the Hecho en Mexico Movement (i.e. Made in Mexico), starting brands that use local materials, traditional techniques and imagery in their products. This resurgence has given rise to newfound nationalism among the millennial makers in Mexico and has stimulated global interest in Mexican artisans and design. Artisan-made luxury fashion products all tend to target the CC market and imbue the aesthetic tastes of those customers; and does not segment only on the basis of money, but also considers culture, intelligence and the ability to value artwork (Kapferer, 2014).

Much good work is being done to conserve dying heritage crafts and alleviate poverty for Mexico's cultural artisan groups. Review of international and domestic models from companies and organizations like FONART¹, Taller Maya, Aid to Artisans, and CADA Foundation², share several core values which include respect, transparency, responsibility, and solidarity between artisans and designers.

Taller Maya³ is working with artisans in Yucatan for the social and economic development of Mayan communities. By supporting the artisan's formal inclusion in the value chains, they are making artisans protagonists of their growth path (More about Mexicaba, n.d.). To facilitate the collaboration between the artisans of Taller Maya/Fundacion Haciendas del Mundo Maya (FHHM) and Christian Louboutin connected the artisans with the designer and guided them throughout the process, always ensuring that the economic, social, cultural and labor conditions of the collaboration were just. Taller Maya is an organization that is a vetted member of the World Fair Trade Organization (WFTO) materials and adhering to their core engagement standards.

Alternatively, FONART (Funda promotes poverty alleviation by education, employment, income generation, self-employment and training, and the promotion of craft making, however their action underlies a clear tie to the monetary aspect of the artisanal activity (Flores et al., 2013) and less to the creative development of the artisans as designers. These examples show the range of issues that companies, organizations, and luxury designers have taken in collaborating with artisan groups, each offering their own similar approach, although none of which are consistent across the board.

¹ FONART: National Fund for the Promotion of Handicrafts: A Mexican government funded organization that supports artisan development.

Challenges in Artisan/Designer Collaborations

Craft communities and product designers face many challenges in initiating and sustaining healthy collaborative relationships. Beyond basic craft collaborations, a lack of consistent cultural codes, quality definitions, taste/education disparities, communication barriers and finance are especially complicated with luxury companies. The roles of artisans and designers should be explicit in the onset of a collaborative project.

Typically, the artisan's role is to apply their mastery of technique and tactic knowledge of handwork, which is the most time and labor-intensive part of the design process. One consistent aspect of new luxury product development is the modification of the craft technique to elevate the quality and/or aesthetics by using a more refined material, a more intensive process, or a new design style. A high level of tactic knowledge by the craftsperson is critical. As a part of luxury collaborations, artisans are generally trained by designers to refine their methods, detect trends, innovate, and maintain high-quality standards.

Often designers act as representatives of organizations or brands: They are instructors, not makers, in the process often dictating design direction to the artisan makers, thus reinforcing hierarchy between worker and supervisor. Designers have traditionally acted as gatekeepers between artisans and the luxury market, transmitting trend and market information to artisans and providing design advice to adapt products. Dictation by designers to artisans on the key design features of a product is common, however not always the case: those designers who approach artisans with a deep understanding and regard for artisanal techniques and local culture understand that direct and clear communication with artisans is foundational to collaboration and are able to foster sustainable relationships.

Quality Control Standards

As the appeal of artisan luxury grows, manufacturing remains a challenge: (luxury) fashion companies are accustomed to the reliability of factory-made goods, and usually do not have to deal with obstacles like [hurricane] season (Felder, 2014). Most artisans are independent rural homeworkers, not working in clock-in, clock-out factories or cleanroom ateliers. Childcare, cooking, cleaning, and crafting is all done simultaneously in open-air homes where products can get soiled or damaged, and production is often slow. This poses a challenging problem for luxury brands when pristine products are needed for on-time market delivery. It is easy to point out a handmade item, even by the most refined handwork when compared to manufactured luxury products.

The navigation of cultural codes is a critical aspect of nurturing successful design collaborations, particularly from the designer perspective. Artisan crafts typically use methods, materials, and processes that are an integral part of the community's intangible cultural heritage (UNESCO policy, 2018). Opportunities to commodify cultural crafts to meet the needs of the luxury market at the urging of designers has led many artisan communities to modify processes that change the characteristics of traditional craft (style, color, material or function). Products utilizing modern materials, new skills and design features often beget a higher price than original craft forms and provide higher income for artisans. Many agree that these modifications have been economically positive for artisan and designer, particularly in luxury products where artisans are paid fairly (Murray, 2010; Kapur & Mittar, 2015; Gardetti, 2015), but catering to the market necessitates a decline in workmanship, leading to an eventual loss of skills over a few generations (Kapur & Mittar, 2015). This is particularly true when high volume production requires that products be simplified, or designs watered down. Luxury products rarely require simplification, however both high volume and reproducible high-quality craft are required. Meeting designer-imposed deadlines is often a challenge for artisans when adaptations to the craft process are required. Many artisans are accustomed to working independently, and the shift to teamwork (when bulk orders must be completed) can cause bottlenecks, not excluding the designer who is tasked to monitor efficiency and distribution of work. When artisan work is distributed based on individual skill level, internal rivalries can cause social rifts in the group dynamics, causing problems that span well beyond the design collaboration itself. Variations across artisan aesthetics and skill level are hard to gauge without on-the-ground experience, observation, analysis and vetting.

Expectations are high, and the learning curve is steep for both parties in the onset. Disparities across skill, education level and art/design training among designers & artisans often pose further barriers with communicating expectations. Living up to luxury quality standards is difficult for artisans because the definition of good work for a luxury company and that of an artisan community producing a craft in the same way for generations varies dramatically. Modifying an age-old technique is uncomfortable for artisans, in part because it is difficult to train oneself to think and see something familiar in a different way, and it encroaches on traditional forms of making. Furthermore, luxury quality definitions are largely undefined in the artisan sector. When processes and practices are likely changing from artisan group to artisan group, standardization is nearly impossible. Rebecca van Bergen, the founder of Nest, in an interview with the New York Times asked, “How do you take largely home workers who have produced for local markets with many different standards of quality, and translate that to a luxury fashion industry, that has very stringent requirements in terms of quality and replicability?” (Felder, 2014). Closing this gap requires a very in-depth analysis of the existing crafts and the definition and strict articulation of expectations from the luxury designer. The absence of this initial evaluation may likely result in sub-par products and could bring many luxury companies and artisan groups to an impasse.

(Mis)Communication

Inconsistency and miscommunication often abound. Clear communication and constant contact are challenging for foreign designers who are not fully immersed or full-time participants in the foreign culture. Designers often rely on on-the-ground intermediaries for initial contact and sustained communication. International travel is expensive and time-consuming, which can be frustrating when collaborations do not go as planned, and problems cannot be solved remotely. In a series of long form interviews with artisans in Punta Laguna, Mexico in 2016, artisans note that designers and customers either work with them on a single project and never return, wholesalers only visit annually to buy items in bulk and wipe out their inventory for low price per item, or commission custom work that is not paid for when hidden quality control standards of the luxury company aren't met. This is usually due to errors made in the project onset- poor communication between designer and artisan on the detailed production specifications of the design, lack of proper training, and a general lack of clarity between the two parties as a result of language barriers, cultural difference, and inconsistent communication.

Designers cannot always spend the time needed to establish the relationship properly. Furthermore, opportunities for artisans to travel to designer workshops or luxury headquarters are rarely seen due to logistics, cost, and legal barriers hindering the process for artisan travel. Most artisans are rural homeworkers who may not feel comfortable leaving their home, so this can go both ways. Non-Government Organizations like Aid to Artisans and the International Fair Artisan Market have programs that support and encourage artisan who wish to travel. Such opportunities often boost self-esteem and continued project engagement for artisans and incites aspirational behavior for many artisans. Sometimes artisans apply new and old skills to create their own versions of the co-designed products that they have worked on with luxury brands, often undercutting their collaborators. This can occur unknowingly because of in-descript agreements, incomplete disclosures, or aspects of the contract stipulations that are often not fully explained by the brand/organization or understood by the artisans. Furthermore, the question of appropriation is a challenging one when propriety of product design and cultural craft heritage intersects.

Design Attribution

The World Economic Forum reported that artisan exports captured a 34 billion dollar share of the global industry (Bergen, n.d.), so there is a great motivation for luxury fashion companies to capitalize. To nurture positive and sustained customer engagement, marketers use strategies that emphasize the socio-economic benefits that artisan communities receive resulting from collaboration, but do not always fully acknowledge the artisan in these cases. Traditionally, the fashion industry has relied on strict secrecy about production sources. The concept of sharing one's valuable producers is contradictory by historical standards; however,

with a shift in the market towards transparency and corporate social responsibility, luxury brands are devising strategies to use attribution as a promotional marketing tool by sharing stories of people and processes that they use to produce goods. Retailers often have policies in place to protect novel designs from risk of piracy by the public; for example, photographs of merchandise are not permitted inside many retail venues carrying luxury artisanal goods, similar to what you would expect in an art gallery or high-end fashion house. There is a subliminal code of conduct and inappropriate behavior in this regard is another form of subtle cultural currency that nuanced artisanal luxury consumers are expected to know. Rarely are specific names of artisans or locations of villages shared on product tags or in social media posts. Many luxury designers feel that the process modifications they have developed in collaboration with artisans are proprietary to their brand or organization. This is debatable given that the origin of the process is likely considered indigenous craft knowledge or intangible cultural heritage, although adapted, and arguably improved, through design intervention. Often non-disclosure agreements are required for visits to workshops and information about location, artisan names or photos are not to be shared online without permission and attribution to the luxury brand or designer for fear of counterfeiting and forgery. The aforementioned actions are often taken in an effort to protect the collaboration and relationships between artisan and designer but are often developed in an “ad-hoc” manner only after a negative experience brings issues of piracy to light. Standards and protections for counterfeiting in the luxury artisanship space are needed to prevent further issues.

Products cannot be developed without the heritage skills of artisans; however, their actual voices are rarely heard, and individual and wider cultural attribution is often left out of the marketing message. Therefore, artisans’ lack of direct access to the consumer is a barrier. In one instance, an artisan community was commissioned to create products for an exclusive product launch event for a widely-known tastemaker in Tulum. The artisans were paid fairly for their work only after a lengthy and time-consuming negotiation and rework of the original samples and products were delivered. Editorial lifestyle images were posted on social media accounts crediting the tastemakers and the designer that commissioned the artisan work, yet the artisans’ names, the group name or their location was never mentioned in the posting. Artisans were not informed of where, and for whom the products would be promoted, and what kind of credit would be given to them after their work was completed, nor did they have the experience or accumen to ask about this in advance. The potential to gain a global audience was missed because of this lack of media attribution by a careless designer. As a result, the artisan group is now wary of collaborations with luxury companies because of this negative experience.

Large, multinational fashion corporations like Mango and Isabel Marant have come under fire in recent years for their questionable collaborative practices. These companies have caused damage to the brand and artisan communities because of cultural design appropriation, and disparate high pricing bringing questions of unfair pay to artisans. In the case of Mango, intangible cultural heritage claims on behalf of Mixe artisans were brought against French designer Isabel Marant in 2015 for presenting as her own a 600 year old traditional huipil design “inspired” by the community of Santa Maria Tlahuitoltepec (Varagur, 2016). The significance of the traditional garment form, materials and symbolism were plagiarized in this case. There was little legal recourse because the affected community had not submitted the design as intangible heritage to UNESCO. When a scandal of cultural appropriation of this scale comes to light via social media, the negative implications of public scrutiny can tarnish both the brand’s image and destroy the artisan group’s potential for future collaborations. Without a set of standards in place, the risk of a potential cultural appropriation discrepancy and the subsequent negative media attention may deter designers for fear of bad publicity. Artisan communities would potentially lose the benefit of assistance from luxury collaborations. If best practices are transparently demystified, and intentions are properly disclosed, then there is nothing to fear.

The Evolving Nature of Collaborative Luxury Relationships

Organizations and luxury brands providing aid to artisans often have similar core values, but different missions/approaches, creating some confusion for artisan groups and luxury designers initiating new projects. Most artisan/design projects aiming to alleviate poverty for artisans have the potential to offer skilled crafters

recognition and financial stability if the pathway for promotion from crafter to artisan to designer is fulfilled. Research shows that high design is a critical factor in the purchasing behavior of consumers of luxury artisan products (Achabou & Dekhili, 2013; Lee & Littrell, 2006; Kapferer, 2014). Therefore, design intervention is needed to infuse the process with a refined design aesthetic and manage quality control to develop luxury goods that will be saleable to the discerning customer. In this sense, the designer's role has been critical to past collaborative design projects. Today, artisans use Facebook, WhatsApp, and Instagram to communicate globally. Artisans are free to explore Pinterest for inspiration, follow YouTube tutorials to learn new craft methods and order materials from the global online marketplace. As a result, many artisans are no longer reliant on designers as intermediaries. In this way, the role of the designer and artisan have shifted as artisans have become more tech-savvy, creative and adaptable.

The conscious shift to more equitable collaborations is commendable and working well with exemplary luxury companies such as Carla Fernandez, The Citizenry, Ana Paula Fuentes and Maddalenda Forcella of the CADA foundation, only to name a few, who work equitably with artisans across Mexico to preserve heritage techniques, earn money, and gain creative and design skill for sustained growth in collaboration (Guzman, 2017). But as fashion cycles shift, how are issues of controlled growth and trend longevity concerns to be addressed? Kapferer (2014) says that growth is the biggest challenge for the luxury brand in that "volume dilutes the brand cachet" and that "supply should always be below demand" for luxury products. This poses a problem and an opportunity for the producers of handmade artisanal crafts, which have become increasingly in high demand in the fair-trade luxury textile and apparel sector.

Slow and controlled artisan production results in coveted items that have social value for the luxury customer. However, the painstaking production and high price may be a deal-breaker for both producer and marketer when returns are slow. Also, the aesthetic trends of the time must be a natural fit with the technique of the artisan for the product to sell. Artisans and designers must be trained to adapt and sensitize themselves to the markets they serve. Although people are interested in the allure of ethical and artisan made items, the high price is often a deterrent. If the item does not have perfect aesthetics and function, then it will not sell, regardless of who made it. If product designs don't sell, there is a risk that the partnership with the cultural artisan or group will not be extended. This can significantly damage the economy of a community reliant on that income. A systematic and thorough analysis of the positive return for designers and artisans should be developed as a function of sustaining the relationship and providing transparency to customers. Measurement of the effectiveness of these collaborations, through data collection, product evaluation, and sales is a must.

Recommendations for Artisan/Designer Collaborations

Recognition for all creative partners in a project is the keystone of equitable collaboration. Furthermore, the creative novelty of the collaborations and issues of intellectual property, plagiarism, and cultural authentication should be fully addressed. Just as organic and fair-trade certifications have created equitability in their respective product categories, the luxury fashion industry, in partnership with global, national and local organizations, should also develop a certification for artisan engagement to ensure across-the-board transparency protection for all parties. Just as large corporations have social responsibility policies, so should small artisan luxury brands. An equity-based system of best practices followed by designers, artisans, marketers and luxury consumers along the course of the design, production and marketing process for luxury, artisan-made goods is needed to combat issues of cultural appropriation and attribution.

An effort to develop a set of tools to strategize more equitable practices in the early stages of engagement would be a good start. Systems of engagement would need to be fluid enough to adapt to the specific circumstances, regions, methods/practices and needs of stakeholders for each new project. Mandating adherence to guidelines and standard setting practices would be difficult, but could mitigate future problems that could have otherwise been avoided if these practices were followed. Overarching frameworks like this could be promoted by local government and design bodies and built into artisan/designer collaborative

projects in the onset. Furthermore, a communication system and implementation strategy would need to be developed between the parties.

An open access resource identifying specific methods, actionable activities and tools could assist artisans in selecting the best partner organization for their needs. Training for artisans and cultural immersion for designers and resource investments for both parties are critical to success. To reduce the negative impact in the onset, designers should pre-visit artisan workshops, dedicate themselves to learning the about local cultural codes, establish a personal relationship with artisans, listen, and answer questions to better understand the needs of the communities with whom they collaborate.

Care should be given in the approach of categorizing artisans by skill level to qualify high-level artisans to produce luxury goods as not to disrupt group dynamics. Adversely, artisans should be made aware of this categorization. Awareness of variations in skill levels may prove to be a motivator for the improvement of quality among artisans with lower skills, but avenues for training and improvement should also be made available. Collaborations with luxury companies should not be considered until the artisans have a sense of their internal organization and feel that the quality of their work is up to par. Luxury designers should expect that quality inconsistencies will occur due to the handmade nature of the product and they should embrace this to leverage the story. Changes to artisan processes should be the sole decision of the artisan group as a form of adaptation that they fully understand and are accepting of. No imposition of western views or processes that are irrelevant to the culture should be introduced without the full knowledge of the artisans.

In practice, streamlining this communication across geographic distances and various languages is challenging. It is also important that the artisans *and* designers have reciprocal intellectual property protection and that agreements are put in simple terms and fully explained and understood by all parties from the onset. Furthermore, it is of great importance for artisans, designers, marketers, and consumers to mitigate the risk of cultural insensitivity or worse, cultural appropriation. Progress toward this goal can be fostered by rigorously following proper background research protocols, engaging directly and frequently with artisan groups to understand their needs in a holistic way, and becoming familiar with customary practices and symbology of the groups with whom they hope to work. Luxury brands should limit their throughput expectations with regards to artisanal luxury products to not overwhelm the artisans with large tasks that they feel they need to rush through and to create market scarcity and exclusivity to reach their customer needs/desires.

Artisan communities can make a more informed decision on whether the collaboration makes sense for their situation if they receive information that outlines the intention and background of their stakeholders well in advance of the actual design and production of products, and are aware of and have access to assistance/consulting resources. This information should be clearly disseminated in languages common to all parties. It should not always be the designer approaching artisan groups; there should be resources for artisans to find outlets where they can reach companies interested in partnering, as well as avenues for cultural artisans to become independent designers after contracts are upheld. Online instructional resources for artisan communities on design education and development should be prioritized.

Lastly, designers and marketers should ensure that proper attribution is made to artisans, designers, and organizations in the marketing environment. It is the right of the artisans and designers to be recognized for their work or inspirations borrowed from their cultures. Luxury brands who are dedicated to collaborating with artisan groups should view this process as a standard priority. There is immense value for the company from a promotional standpoint and a necessity that artisans be properly acknowledged for their contributions to the design of the item, or the culture that inspired the design.

Conclusion

The sheer number of luxury artisan goods created as a result of artisan/designer collaborative projects provides evidence of the need for an organized, systematic approach to engagement that demystifies the

process of startup, design, and marketing artisan luxury goods, particularly in Mexico. For artisans, the potential for collaboration in the luxury fashion sector offers a formidable new direction that can meld traditional handcraft and high-end fashion design together in a socially responsible and mutually beneficial way. However collaborative efforts are often peppered with difficult barriers that need to be addressed in practice, as this paper has laid out. The pathway to designership is a key missing factor in these collaborations. Perhaps the singular nature of design as we know it does not fully fit into the communal model of artisan production- here we have an opportunity to redefine the terms by which artisans move into designer roles themselves.

Future evaluation and testing of a new engagement model and specific action items with luxury brands who are or would like to become engaged in working with artisans would be an ideal way to further test the validity of this concept. Ultimately, today's artisan luxury "story" is too often told at the expense of the makers, sometimes the designers, and all are happening despite efforts by a new generation of luxury consumers to do good. One major issue has been the lack of consistency within community partnerships, and many agree that a systematic code of engagement and practice could be beneficial (Cipriani, 2016; Kapur & Mittar, 2015; Kapferer, 2014; Lee & Littrell, 2006; Murray, 2010; Temeltas, 2017) to outline artisan/designer collaborations. On a larger scale, reflective feedback loops evaluating the quality of life, family dynamics, community development and cultural conservation efforts resulting from the partnership should be quantified to gauge positive or negative impact and guide forward action.

In developing a framework for engagement, it will be critical for the voice of the artisan/maker to be heard in the initial analysis of a viable collaborative design project. Time and time again, designers impart western value systems onto non-western communities, without properly considering the viewpoints and needs of those communities. Design thinking strategies and ethnographic research methods can be enacted and evaluated in advance to mitigate the risk of damaging practices and behaviors both in the short and long term.

Future luxury, informed by a new age of consumers, will be driven by inventiveness, creativity, discovery and giving back. In response, current luxury must shift in line from being detached and untouchable to finding inspiring ways to explore causes, blend influences and create awareness (Maxwell, 2011; Hernandez Gonzalez, 2013). The investigation of these questions will have a positive effect on the luxury, artisan-made textile and apparel craft marketplace simply by bringing the conversation to the forefront of the minds of those who are interested in establishing equitable luxury designer/artisan collaborations.

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CHAPTER EIGHT

A WINDOW OF OPPORTUNITY FOR TRADITIONAL CRAFT ARTISANS: A NEW GENRE OF LUXURY

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Keywords: *Traditional craft, artisans, luxury, International Folk Art Market, craft revival*

Abstract

Today there are consumers who seek luxury products that are not only unique and of high-quality, but also come with a story of the artisan and community from which it originates. This new genre of luxury is formed as traditional craft artisans from remote areas of the globe are exposed to the global marketplace and have opportunity to interact with consumers with discerning taste. The International Folk Art Alliance (IFAA) in Santa Fe, New Mexico, USA serves as an example of an innovative venue for traditional artisans to gain that exposure. IFAA strategies of education, market exposure, and opportunities for expansion help the artisans gain foothold in the global marketplace. Evidence is clear that artisans who have had this experience are better prepared to meet the demands of growing markets and discerning customers. This paper is based on qualitative data collected through interviews with artisans, participant observation, and photo documentation.

Introduction

Ideas of luxury are changing. In 2015, The Victoria and Albert Museum in London and the Crafts Council of the United Kingdom had an exhibit that questioned, “*What is Luxury*” for the 21st century. The exhibit inspired discourse to the controversial notion of luxury. If we think of luxury as goods and services it is well understood that luxury goods have often been associated with high price, limited production, and luxury brand recognition. Over time, changes in culture and communication have fueled interest in alternative forms of luxury, including desire for time and space. The exhibit also expanded the debate to include production of exceptional objects that demonstrate an extraordinary investment of time and craftsmanship. In recent years, consumer attitudes toward luxury have been shaped by cultural concerns, personal imaginings, and challenged notions of value (Banks, 2015).

In the luxury market, quality has never gone out of style, nor is price a limiting factor. Luxury production of good requires an investment in *time*. This applies to both the time spent making the object but also to the time required to learn the complex techniques of precision, attention to detail, and extraordinary finishes that the craftsperson brings to the production of the object. Such quality is achieved by challenging and broadening established standards of craftsmanship and accepted categories of design. The resulting work combines high levels of innovation with a respect for craft traditions. Today, consumers of luxury not only want luxury brands, but they also desire products that are unique, imbued with a story, or embodied with soul (Darling, 2015).

Historically, global craft from developing countries has been undervalued and relegated to tourist keepsakes. On the other hand, craftsmanship from European countries is considered the zenith of contemporary luxury. This paper seeks to re-contextualize and revalue global artisanship so that products from developing countries can capture a piece of the market share for contemporary luxury.

The article focuses on the role of the International Folk Alliance (IFA) in developing an opportunity for artisans to grow their reputation and launch their products to the global marketplace. The new future of luxury, argued here, considers quality craftsmanship no matter where in the world it originates. This emerging genre speaks to consumers' desire for products that honor culture and revalue global artisanship as luxury goods. The challenge is for artisans from remote areas of the world to gain a better understanding of the complex world of marketing so that their products can obtain deserved status on the global stage.

What is luxury?

Traditionally, luxury goods are defined as “goods for which the mere use or display of a particular branded product brings prestige to the owner” (Husic & Cicic 2007). Dubois (1994) defined luxury as a specific tier of offer in almost any product or service category. Okonkwo (2007) notes that luxury products are not just over-priced goods, but rather offer a complete package of benefits to the consumer that appeal to their social and psychological well-being. Kapferer (2010) described luxury as goods that provide extra pleasure derived from sensory satisfaction. And Webster's New World dictionary (2013) defined it as the use and enjoyment of the best and the most-costly things that offer the most physical comfort and satisfaction.

In the eyes of the beholder, luxury is more about the consumer's experience or the personal dimensions of the luxury product - it is about aspiration and connection. It comprises elements of material value, price, quality, symbolic value, and scarcity (Sinha & Som 2016). At its fundamental level, luxury consists of craftsmanship, exclusivity, skill, and time (Singh, 2015). But we must also point out that luxury is a thriving industry with global influence. While descriptors such as prestige, premium, and rarity are all hallmarks of luxury, this article shows that luxury is a socially oriented behavior of consumption that goes beyond internationally recognized brands to include objects that require an extraordinary investment and skill in craftsmanship.

Montgomery (2016) outlined four indicators that predict that craft and luxury will converge. When the luxury market became more and more democratized, it began to lose its exclusivity, an essential aspect of luxury. On the other hand, items made by human hands (crafts), are: (1) unique, (2) authentic to the maker, (3) sustainable to the maker and community, and (4) tactile thus providing intimacy of touch. For the luxury consumer, exceptional craftsmanship is an anthology of time, skill, passion, and ideas. Luxury consumers want to distinguish themselves as people of taste and style and can accomplish this with craft products imbued with the human traits of personality, knowledge, traditions, and memory.

Makers of luxury are inspired by culture, passion, curiosity, and complex techniques. Those that produce luxury are not necessarily concerned with practical solutions but with the extraordinary expertise demonstrated with precision, detail, and remarkable craftsmanship. The result is a combination of established standards of craftsmanship combined with high levels of innovation and respect for the craft. A clear example is the Pagani Zonda Cinque roadster priced at \$2,300,00 USD. This car is considered the most complicated project the engineers and designers have ever embraced. It is a car “designed to celebrate the harmony between art and science....a car of unique beauty, like a work of art made from a block of Carrara marble.” It is the automobile for which the “richest men in the world are willing to spend a crazy amount of money. It is a car made from the absolute best materials, and made to achieve perfection in performance; [it] must also be a work of art” (<http://www.pagani.com/>).

Arguably, luxury always requires a context. Cultural concerns and personal aspirations shape our attitudes toward luxury. Recent concern over the exploitation of human and material resources in the conventional luxury market comes at a time when the very notion of *human connection* is a luxury. Gardetti maintains that if local ‘contents’ (Gardetti 2015c, p. 1) of production are maintained across the supply chain a stronger connection between the producer and the consumer will result.

The Craft Revival

The word *craft* means to make or fashion with skill, especially by hand (Hanks, 1979) and includes a wide variety of processes including weaving, leather-making, jewelry making, basketry, and so on. Craft has also been defined as a product made and designed by the same person (Harrod, 1995) with the craft producer being someone who has control over the processes involved in the manufacture of the good. Therefore, the crafter becomes the one who invests his or her self into the product so that the end-product is imbued with authentic aspects of humanness (Campbell, 2005).

Evidence shows that there is a craft revival occurring in the luxury market where persistent apprentices learn skills and the trade (Shih & Agrafiotis 2016). Almond (2011) notes that Vivienne Westwood and Alexander McQueen encouraged the use of traditional crafts that allowed bespoke luxury to be elevated to the forefront of their luxury fashion collections. This “in turn provoked a resurgence of interest in [...] craft” (p.2). *OakStreet Bookmakers* and *Quoddy*, are companies based in Maine, USA who make custom made shoes. Both companies take pride in crafting handmade shoes that are customized throughout. Another example is *London Connoisseur*, a company that bridges the gap between superb craftsmanship and customers who seek extraordinary products.

Craft consumers are reportedly of a higher level of income, more educated than the average, typically female, and older (Stoddard, Dave & Evans, 2008). Consumers of craft as luxury appreciate that items are one-of-a-kind. They also understand the passion and endless obsession with detail of these makers. In McIntyre’s (2010) survey of the craft consumer, he found that the craft consumer associates craft with other categories such as design, luxury, or art, but that s/he purchases craft because it suggests handmade, authenticity, workmanship, and genuineness. Compared to the other associative categories, craft was least likely to be mass-produced. Craft consumers felt that luxury items were high quality, sophisticated, expensive, and connoting status, but not necessarily more desirable than craft. Often crafts are seen as something that will have increased value over time.

Traditional craft is another genre of hand made. While Risatti (2007) pointed out that craft objects remain strikingly similar worldwide in terms of function, form, technique, and material, traditional craft is a distinct expression of cultural heritage and identity, created within a specific cultural context, often in rural, remote regions of the world. It is part of a long-held shared way of life. Traditional craft meets the social, cultural, and [increasingly] economic needs of emerging economies, but it can also serve to unite cultures. Traditional crafts are often collected by those who have had the luxury of traveling the world, as examples of unique, extraordinary art and also as remembrances of experiences of other countries and cultures. Examples include carpets from Nepal, ebony inlaid silver jewelry from Niger, or semi-precious gem inlay inspired by the same techniques used by craftsmen of the Taj Mahal in India.

Until recently, traditional craft did not equate to luxury. But, as ideas of luxury are changing and luxury brands have become more accessible, unique objects of cultural heritage can provide an ethical, ecological version of the exclusivity that is a key aspect of luxury. In his article on *Elegant Disruption*, Bendell (2013) says “disruption may not arise from a direct transfer of market share, but by influencing the way a whole category of products is understood, and thereby challenging existing

stories of value” (p 22). We ask, then, can traditional craft position itself as an emerging luxury category?

To make this possible, the artisan in remote areas of the world must be able to reach the global luxury market, have excellence in quality, and appeal to a sophisticated taste. It must evolve from home made to hand made. S/he must learn how to capitalize and market its aspect of exclusivity and experience for the luxury consumer.

Method

This paper is based on data collected from ten years of participation at the International Folk Art Market in Santa Fe, plus interactions with artisans and consumers from around the world. Data were collected from 2008-2017 and included qualitative methods of interviews with artisans, participant observation, photo documentation, production processes, and examination of finished projects. For seven years, the researcher has served as a volunteer for the International Folk Art Alliance including as an artist assistant during the Santa Fe, New Mexico, USA market, and as a trainer during the Mentor-to-Market training sessions held several days prior to the market each year. Data were analyzed through constant comparison, resolution of themes, and observation of issues and challenges. The author has also visited many of the remote villages around the world where artisans live and work.

Findings

The International Folk Art Market, Santa Fe, New Mexico, USA

In Klamer’s *Crafting Culture* (2012), it is proposed that craft must be buoyed by several externalities, including: (1) an active and interested community of stakeholders, (2) a well-developed distinctive taste for and appreciation of creative quality, (3) a willingness to pay, and (4) the presence of intermediaries to provide access to the market. For this study, the International Folk Art Alliance (IFAA) served that role for traditional craft artisans. Shoppers at IFAA are often well-traveled to off-the-beaten paths and have experienced crafters in remote villages of the world. Therefore they understand not only the high-quality craftsmanship, but they also understand the quality and limitations of production. It is not uncommon to see fashion designers such as Calvin Klein or Donna Karan, Hollywood celebrities, state and federal legislators, and well-known millionaires intermingled among the crowds of shoppers. The artisans have learned that they can charge “Santa Fe prices” which translates to more than double the retail price they would get in other venues.

IFAA began in 2004 as a market to showcase folk art and craftsmanship from the developing world. Today, its mission is to “celebrate and preserve living folk art traditions and create economic opportunities for and with the folk artists worldwide. [IFAA] envisions a world that values the dignity and humanity of the handmade, honors timeless cultural traditions, and supports the world of folk artists serving as entrepreneurs and catalysts for positive social change.” (<https://www.folkartalliance.org>). IFAA offers an exciting opportunity for a mutually beneficial, sustainable luxury market. It leverages the element of humanity as well as craftsmanship - and includes the increasingly important element of experience to develop an emerging luxury craft niche. IFAA provides direct connection between artisan and consumer, which suggests a bespoke and rarefied ‘new’ method for luxury distribution.

In the last ten years, craft artisans in some of the most remote villages of the world have learned about the IFAA and its reputation as the apex of accessible high quality craft markets. For artisans who are juried into the market, the economic stakes are enormous. For most artisans, the average

booth sales during three days of market are equivalent to more than two years' annual income for a small-scale producer.

Direct contact with a new market is the major benefit for artisans who attend IFAA. They experience the potential for showcasing their excellent work aimed at the luxury taste the IFAA consciously promotes. For example, the *Multicolores* group of Guatemala rug makers have earned more than \$65,000 during the 2 days of market. The average annual income in Guatemala is \$2740 USD. So in a very short time, they have increased their income more than 23 fold. During market the artisans listen carefully to shopper comments learning the color and design preferences to that product can evolve for next year's market. Artisans understanding how to innovate for clients is an essential aspect of their traditional crafts. Design education prepares them to recognize and use the strength of traditional craft to make a personal connection. With exposure and opportunity, artisan designers can absorb as much as possible from an IFAA experience, and tap this potential effectively as they go forward in their business development.

As an artist-centered model, IFAA has partnered with both UNESCO and the World Craft Council. In 2017, IFAA gave Liz Edelkoort the position of Honorary Chair for the 2017 market. Edelkoort is considered one of the foremost trend forecaster and prominent design educators in the world. TIME magazine (2004), recognized Edelkoort as one of the most influential people in fashion. Edelkoort understands the importance of culture-driven creativity to the world of product excellence. One of Edelkoort's passions is to assure that artisans from developing countries are successful. She believes that artisanal wisdom and cultural roots are an integral part of the global economy.

Each year the number of applications increases while at the same time the jury process becomes more selective. This increasingly rigorous process assures that the entries can meet expectations that the marketplace demands and ultimately so that the artisans are truly on their pathway to the luxury market. Special attention is given to applications from new artists and in 2017, a new division on innovation was added to the lineup.

From more than 600 applicants, approximately 170 artists are selected each year based on their quality craftsmanship, creativity in design, authenticity, aesthetic appeal, production processes, artistic knowledge, and the role or use of the artists art form in the artist's community. Because of the strict jury process, the market serves as a gatekeeper to some of the finest crafts from developing countries. Unlike other global markets of craft, the International Folk Art Market gives close attention to the human impact factor, including relationships that develop between the crafters, the volunteers, and the customers. Some of the artisans have reached celebrity status, while others are up and coming. Artists at the market must pass the keen eyes of jurors, curators, and consumers.

While agriculture remains the number one income in the developing work, craft is the second largest (Foote, 2015). Yet, most artisans lack sophisticated business skills to interact in a global marketplace. IFAA developed the *Mentor-to-Market* (M2M) training in 2005. This training occurs immediately prior to the two and a half day Market and provides short-courses focused on developing business and marketing skills for the artisans. The M2M program initiates understanding of global markets and prepares artisans to maximize their experience of IFAA. The ultimate goal of M2M is to provide economic security for the artisans, their families, and communities.

M2M trainers consist of experts in design, merchandising, and marketing who hold educational seminars for the artisans. Artists learn how to price their products, merchandise their selling space, build assets, and improve selling techniques. Each artisans is encouraged to "tell their story" to the

customers. The stories told by many of the artists are often heartfelt stories about struggles in the developing world. These extraordinary stories help build the connection between the artisan and their customer. Because many of the artisans do not speak English, translators assist in teaching the lessons so that in the end, artisans from remote areas of the world, speaking many different languages, can learn how to catapult their high-quality products to the global stage.

On Friday night of the market, entry is limited to exclusive VIP ticket-holders. Observations and interviews with these consumers revealed that these VIP ticket holders include state legislators and celebrities who have first access to the best of the market and often purchase showcase pieces that represent the best-of-the-best. Local, national, and international celebrities are among the shoppers, but some VIP ticket holders simply seek some of the best master crafts in the world. Observing the Friday night consumers affirms McIntyre's (2010) description of the craft consumer: primarily female, educated, culturally active, curious, has a general knowledge of the objects, and believes that arts and culture improve quality of life for all. These VIP customers are collectors of high-end objects that are leading this new genre of luxury.

With its commitment to raise the status of artisan products, IFAA has played a big role in shaping of tastes of consumers and influencing their aspirations and behavior by controlling the products available through the strong jurying process. In building its popular appeal, IFAA has also consciously emphasized the human, experiential element of the event, thus tapping into the desires of new, sustainable luxury clients. Its website, advertising campaign and banners during the event feature the faces of artisans- not their products. Visitors who come from all over the United States and even abroad can surely purchase craft closer to home. The draw of the Market is largely in being able to meet the artisans and purchase directly from them.

When artisans become directly involved with IFAA it opens the possibility moving their craft to this new luxury market and at the same time creates a more sustainable market for the products. Artisans listen to the customers and start to evolve their products based on what they learn. Effectively, they learn to create for them. As this evolution occurs, the artisans are creating while at the same time their traditions remain vital. Below are five cases of IFAA artisans who have been able to catapult their products into the global marketplace.

Below are five case examples of craft that has reached the global luxury market.

Case #1. "If You Continue Your Father's Work": Rasuljon Mirzaakhmedov. Ikat Artist from Uzbekistan

Margilan City, Uzbekistan is globally known for ikat weaving. Once threatened by the Soviet regime, traditional weaving methods are once again thriving with colorful ikats appearing on today's runway shows of major fashion houses. In 2004, Rasuljon Mirzaakhmedov launched the Crafts Development Center in Margilan. Rasuljon has been juried into IFAA for twelve years. He represents five generations of ikat weavers and feels responsible to pass it to the next generation. He works with a community of 25 weavers, many of whom are women, as well as master dyers who understand the complex tying and coloring techniques for ikat production. Rasuljon now teaches this ancient tradition worldwide, including master classes in San Francisco. His family is breaking into the global market with their revival of a traditional technique for velvet ikat. This difficult and rare technique uses white silk threads that are dyed and placed on a narrow loom. The process requires a month to produce just a few yards of fabric. In the past few years, ikats have experienced a revival of interest

for accessories such as scarves, purses, apparel, and interior textiles. In 2008, Oscar de la Renta used ikat in his couture collection that was made by Rasuljon himself. Rasuljon also exhibited at the UNESCO headquarters in Paris, France and was invited to Afghanistan by *Turquoise Mountain* to revive ikat weaving methods in Afghanistan (see YouTube video at <https://www.youtube.com/watch?v=xEiWPIgEnkE>).

These examples provide rich illustrations of how the IFAA has helped Rasuljon Mirzaakhmedov gain global recognition. Because UNESCO works closely with IFAA, Rasuljon's has now received the Seal of Excellence by UNESCO. His reputation has gained him global recognition but, humbly, Rasuljon believes an old Uzbek saying, "If you continue your father's work, you will be more prosperous."

Case #2. My Designs Foster a Sense of Community: Somporn Intaraprayong, Textile Designer, Thailand

Somporn Intaraprayong is a textile artist from Thailand who has a sophisticated eye for creative design. She has been at IFAA for nine years. Her garments honor traditional methods and techniques—some of which are centuries old—but her creativity definitely has a contemporary flair. As a textile artist, she imbues her items with creativity, passion, and discipline. Working mostly with natural dyes such as indigo, tamarind, and mango leaves, Somporn's designs speak to the consumer with urbane taste.

Somporn grew up in a difficult environment. Her struggles challenged her to become a self-sufficient adult, but at the same time she has empathy for others who struggle. She is committed to growing a community of textile artists throughout northeast Thailand. Somporn inspires artists in the community to incorporate her design sensitivity while at the same time they are empowered to add their own sense of technique, creativity, and passion.

Somporn built a community of women artists who weave, dye, embellish, and sew accessories and clothing for Somporn's growing global market. In the nine years that Somporn has participated in the Santa Fe Folk Art Market, her reputation has grown immensely. In fact, her booth is so popular at the market, that consumers are seen scrambling over each other in a buying frenzy.

One of the ancient techniques that Somporn incorporates in her work is a technique that uses animal blood and egg white. The silk or cotton fabric is treated with blood and buried in the iron-rich ground for up to two months. After the fabric is dug up, it is treated with an egg wash and laboriously beaten until it becomes shiny. The result is a highly coveted fabric referred to as mud silk or mud cotton. Narciso Rodriguez showed a coat in his Spring 2010 collection of this ancient mud silk process (Spades+Silk, 2014).

Case #3. From High-End Distribution to Tuareg Sultan: Elhadji Koumama, Silver Jewelry Artist from Niger

Elhadji Koumama has been juried into IFAA eight years. He is a member of the Tuareg nomadic group of Niger and was named a Sultan of Tuareg in 2015 for his contribution to the local economy. The Tuareg are indigenous to the Sahara Desert and are often called the "blue people of the desert" due to the indigo robes that stain their skin. Their nomadic lifestyle makes them fiercely independent and committed to their Tuareg ways.

The Tuareg believe that silver is the metal of the prophet. Over the generations, they have become extraordinary silversmiths producing distinctive silver jewelry embedded with cultural meaning (Zawadee, November 29, 2014). For more than 25 generations, the Koumama family has been making hand-crafted silver jewelry using 99% pure fine silver, ebony, and semi-precious stones. Over 50 silversmiths are part of the Koumama artisan community. Each piece of jewelry is made in the lost-wax method whereby molten metal is poured into a mold that has been created from a wax model. The jewelry is then hand hammered and embellished with local symbolism and motifs that are engraved into the silver with crude tools such as screwdrivers.

The symbolism behind each design has special significance. Crosses are given from fathers to sons, and triangular pieces are given from mothers to daughters. The diamond shape pendants, called 'igourou' are given by men to their brides, and square amulets encasing a selection from the Koran are worn by all ages to protect against evil spirits. Motifs symbolize the cosmos and wildlife. Necklaces worn by Tuareg women often depict a story of her people, her personal history, or her city of origin. Koumama Silver has been featured all over the world in such well-known venues as the Smithsonian Institution's National Museum of African Art, the Fowler Museum, and the National Museum of African Art. Elhadji's work also can be found in high-end stores throughout the world (<https://tuaregjewelry.com/about>)

Case #4. From Bhuj to Donna Karan Studios: Abdulaziz Alimamad Khatri and Suleman Umarfaruk Khatri, Textile Bandhani Artists from India

The word *bandhani* is a Sanskrit word that means "to tie" or "to bind". Bandhani is a highly skilled technique that involves dyeing a fabric that has been tied tightly with thread to produce a variety of intricate patterns. The Khatri community of the Kutchh and Saurashtra regions of Gujarat, India is known for its exquisite tie-dye work. A meter of cloth can have more than a thousand tiny knots, strategically placed to form the artisans design.

Abdulaziz "Aziz" Alimamad and Suleman Umarfaruk, both of the Khatri caste from Gujarat, have been juried into IFAA for only three years, yet the number of IFAA consumers who flock to the booth to buy their scarves and accessories IFAA is remarkable. These brothers are tenth-generation bandhani artists and experts in natural dyes. Aziz has also received formal education in water conservation and environmental concerns related to toxicity of dyes.

Aziz's work is becoming internationally known. He recently attended the Sustainable Fashion and Indian Textiles Day at Lakme Fashion Week. From that experience, Aziz notes, "I feel proud of the fact that despite being an artisan of a small village I got the opportunity to be here where there are stalwarts from the fashion industry and stand beside them as one. Our collection which is of bandhani has the theme of our village. In the near future I would love to collaborate with other designers as well" (The Free Press Journal, Feb 5, 2017).

On Sunday afternoon at the 2017 International Folk Art Market, Aziz was basking in his success at the market. Sales had been really strong but the market crowds were starting to slow down. Suddenly, a new customer came to his booth and bought bags and bags of bandhani scarves. Careful attention was given to the colors she was selecting. Who was this customer? American designer Donna Karan. While Aziz did not know who this customer was, she was recognized by others. In fact, Aziz was convinced to have his photo taken with her as a record. Within the matter of a few minutes, Aziz's bandhani masterpieces catapulted to new global recognition.

Case #5. *My Passion is the Architecture of Clothes*. Carla Fernández, Clothing Designer, Mexico City

Carla Fernandez was juried into IFAA for the first time this year (2017). Her work was accepted into the new innovation category and by the end of the third day, she was nearly sold out. Carla is a fashion designer from Mexico City who sees the richness of indigenous fabrics as her inspiration. Over the years, she has visited communities around Mexico City, collected and cataloged hundreds of indigenous garments, and studied their design techniques. What she noted in this process is that most of the indigenous garments are based on the rectangle that was then pleated, folded, and seamed into a wide array of garments. Today, her designs utilize hand-made textiles of the region. She works closely with more than 94 artists in five states and eight communities throughout Mexico. This community of artists not only produce hand-woven fabrics, but also embellish garments with hand embroidery, beadwork, or leather fretwork. Her business model pays the artisans not only for their hand labor involved, but also for their intellectual property.

Carla grew up in a household with a historian father and a fashion-savvy mother. This environment allowed her to grow a full appreciation of Mexican heritage and history. Her designs reflect indigenous clothing including geometry and artisan craft. The result is edgy, contemporary looks that are sophisticated yet linked to tradition. Her work is sold on *Coopertiva: Shop Luxury Latin American Style* website. Her work is also shown around the world in London, Japan, China, and US. She has illustrated how traditional craft and modern design can be merged with the luxury market.

Discussion and Conclusion

Luxury is about aspiration. But as luxury brands have been commoditized, a significant number of customers are exploring new forms of luxury status. To propose traditional craft as a new luxury market niche requires marketing strategies that addresses aspiration, experience, and exclusivity. Celebrity endorsements also can play an important role.

The current dynamic phase of the luxury climate provides a window of opportunity for artisans to enter the market. This current state, coupled with artisans having an opportunity to learn, develop, and ultimately find their path parallels Montgomery (2016) and McIntyre's (2010) ideas. They both supported the notion that opportunities for craft appear as examples of new connoisseurship and therefore have a window of opportunity to the luxury market. IFAA is an important vehicle for shaping the taste and behavior of consumers in this new genre. IFAA has encouraged artisan designers to focus innovation for the luxury market. If the experience can become a springboard rather than an end-point, artists can gain a sustained pathway to the luxury market. As IFAA moves consciously toward developing this new luxury niche, traditional artisans from around the world can learn to define and make inroads through this window of opportunity. As more and more artisans 'graduate' from the Mentor to Market workshops and new ones are brought in, IFAA and traditional artisans together can contribute to a phenomenon, an elegant disruption of the classic positioning model, which can move the perception of traditional craft to a luxury product that is sustainable and in turn serves to sustain traditional cultures.

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IN CLOSING

The changing landscape of the luxury industry and its consumers is requiring a new way of thinking and defining luxury. The future of luxury resides on this core idea, defining and understanding *What is Luxury* and *The Future of Luxury*. We hope these papers stimulated your thinking and opened your eyes to the vastness of the ideas of luxury and the prevalent role textiles play within this industry. Luxury, while historically clearly defined, is now not as explicit. Instead, luxury is becoming more personal with ideas of luxury residing within an individual's own perception and definition of luxury. The ability to explore ideas of luxury through the visible thinking techniques allowed us to think creatively, fluidly and with an evolving approach to understanding the many dynamics currently at play for future. It is our sincere hope that this monograph has allowed you an opportunity to further consider your own definition of luxury and the shifting marketplace dynamics of the industry and its consumers.

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With Nancy's leadership, the College of Textiles' restructured key academic programs, experiential and scholarship programs, and enhanced working relationships with the North Carolina Textile Foundation. Nancy led the establishment of the NC State/VF Corporation Strategic Partnership, with an initial gift by VF Corporation of one million dollars. This partnership provides collaborative opportunities for two NC State colleges (College of Textiles; Poole College of Management).

As TATM Department Head, she led the expansion of education and research program opportunities, established a “world class” Industry Advisory Board, enhanced global partnerships with industry and academe, recruited faculty talent, and implemented a 360° Career Management model for preparing future industry leaders. In 2015, a generous gift to the TATM Department of \$500,000 from the Burlington Foundation provided seed monies to establish the Student Life Center.

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