

# Interpreting Luxury

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[Article]

## Interpreting Luxury

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### 1. INTRODUCTION: The concept of luxury

What does luxury mean to consumers? We explored this question by conducting detailed interviews with five U.S. and five Japanese respondents, which helped us to identify several dimensions of luxury.

Luxury is frequently condemned as being synonymous with over-consumption or vanity in capitalistic economies. However, Werner Sombart, the German economist of the early 20th century, defined luxury as a growth engine for the national economy. Whereas Max Weber argued that stoic Protestantism promoted the growth of capitalism, Sombart concluded that it was luxury that helped to establish the basis for contemporary capitalism. According to Sombart, rather than being a negative concept, luxury can be understood as a historically positive concept. For instance, in Medieval Italy, trade mainly consisted of exchanging fragrances, textiles, and accessories for spices used as medicine and in daily foods. By the 19<sup>th</sup> century, four major items that were traded were nonessential, luxurious products: namely, tobacco, coffee, tea, and cocoa.

Sombart defined luxury simply as being any spending over and beyond the necessities of life. While he acknowledged that this definition depends on the definition of necessities, what he was probing was not social or religious luxury but personal luxury. To him, personal luxury was something that is not necessary but which enhances the quality of personal life based on egoistic motivations. Sombart particularly gave particular attention to the kinds of luxury that were bestowed on women by the men who loved them. For example, under 18<sup>th</sup> century absolutism, the French King Louis the 14<sup>th</sup> spent one-third of the nation's

budget on constructing a palace for his mistress, Louise de La Vallière.

More recently, consumer behavior researchers report that different consumer groups define luxury differently. Lindquist and Sirgy (2006) showed that the word luxury has various meaning associations among ethnic groups. *American Demographics Magazine* (Lindquist & Sirgy, 2006) conducted a survey of African Americans, Hispanic Americans and White Americans to see what word associations each group had. Whites tended to associate luxury with “prestigious” and “exclusive” more than African Americans (53% vs. 43%). African Americans and Hispanics responded with “trendy” and “fashionable” much more than Whites (30%, 33%, and 18% respectively). Whites and Hispanics also perceived luxurious products as being “comforting,” “relaxing,” and “pampering” more than African Americans (58%, 51%, and 38% respectively).

The results of this survey suggest that ethnicity, culture, lifestyle, and social hierarchy may affect the associations people have of luxury. Luxury is commonly regarded as something gorgeous among all ethnic groups; however, the viewpoints or values people associate with luxury can differ greatly from one group to another. Overall, it was found that luxury is perceived as trendy or relaxing things which are enjoyed by an exclusive group of people.

Solomon (2007) categorized consumer attitudes towards luxury into the following three dimensions based on SRI survey:

- (1) Luxury is functional.
- (2) Luxury is reward.
- (3) Luxury is indulgence.

This result suggests that demographic variables such as age affect the notion of luxury. As people grow older, their concept of luxury evolves from enjoyment to conspicuousity and then to more practical experiences.

Michman and Mazze (2006) pointed out the changing nature of luxury among affluent American consumers. The strategy of launching less expensive versions of high-end products is one example. Bentley, one of the most prestigious automobile brands, is usually priced over \$300,000; however, the company successfully launched Bentley Continental GT at close to half that price, \$156,000. The typical owner of Bentley is a person who owns more than \$5 million in assets, excluding real estate. While still high-end, the lower priced models are being purchased by the “mass-affluent,” that is, people who recently joined the rank of the wealthy.

As seen, meaning of luxury has changed over time. Luxury has become more common and is no longer necessarily limited to certain social groups. This has resulted in a phenomenon in which values of family, human relations, and community become even more critical in luxury experience. For example, tourism industry has started to provide new services for families who accompany top executives to conferences and trade shows. The new lifestyle of luxury also includes spending money on animal companions, in particular on maintaining their health.

In summary, the literature suggests that there is not just one definition for concept of luxury but that it differs among demographic groups and historical periods. If so, how is it possible to define the essence of luxury? This study aims to explore shared meaning of luxury among different cultural groups so that we can reach a common understanding of luxury.

## 2. METHODOLOGY & FINDINGS

We first conducted a preliminary round of in-depth interviews. Three Japanese college female students participated in the research in June 2006. They were asked to choose three things they considered to be

luxuries at their homes, to take pictures of them, and then, showing the researchers the photos, to explain their reasoning.

Natsuki, 21, brought photos of her kimonos.

“I wore these kimonos for my Coming-of-Age Ceremony. My grandmother bought them for my mother for her ceremony. Then, my elder sister wore them at her ceremony. Ever since I saw her wearing them, I just couldn’t wait to wear them.”

Chie, 22, chose her father’s BMW.

“My father bought this BMW, and my family feel very proud to go out in this car.”

Miki, 22, chose a collection of pottery.

“This pottery was made by my grandfather. These pieces are very special to me.”

The items these informants chose led us to an insight that there are some other dimensions in luxury besides just conspicuous consumption.

Next, we conducted extensive studies in the US in August 2006 and in Japan in January 2007 and constructed “luxury value pyramid” to express new dimensions of luxury that we found.

All of the informants belong to the middle to upper social strata. The researchers visited each informant’s house and asked the following questions.

- (1) Bring things you can feel luxury.
- (2) Explain why you feel they are luxury.

The items each of them chose are listed in FIGURE 1. Though we meant luxury in terms of things or possessions, we also allowed the informants to choose experiences. Based on the in-depth interviews we had with the informants, we explore other dimensions of luxury which previous research has overlooked.

FIGURE 1. Informants and things they chose as luxury

## American Informants

Jean	30s, has no children	chinaware
Cathy	50s, owns quilt shop, has no children	Japanese bath
Ann	50s, has three sons	flower vases
Cathy	40s, has three daughters	oil painting by one daughter; koi pond her husband and one daughter made
Angelica	50s, came from Germany, has two children	German chest, massage

## Japanese Informants

Junko	50s, has two daughters	silk flowers, pottery
Yukiko	50s, has two children	deceased father-in-law's collection of antiques
Keiko	40s, has two children, used to live in Geneva and London	Chopard watches and rings, pottery
Fumi	40s, has three children, married to an American	deceased mother's collection of traditional Japanese hair combs and kimono accessories
Sachiyo	50s, has three children, married to a Spaniard	painting bought in Spain; children's education

### 3. DISCUSSION

#### A. Basic Values of Luxury

##### (1) Aesthetic Value

Many possessions have aesthetic value and rarity value. Both the American and the Japanese informants chose pottery or chinaware, and all the informants talked about their aesthetic value. Sachiyo chose the painting she and her husband had bought while vacationing in the Mediterranean. She said that, upon seeing it at an auction, she fell in love with it and just had to have it. Angelica's German chest and Ann's flower vases were also chosen for their aesthetic value.

We investigated how their values of beauty had emerged. It is sometimes hard for ordinary people to judge beauty, and for many artistic pieces they often depend on the opinion of experts. Contemporary art is judged relatively. Some informants chose things as being luxuries by relying on the judgment of others. For example, as can be seen in Yukiko's statement below, she herself did not originally appreciate the aesthetic value of her father-in-law's antique collection.

"At first, I didn't know the stories of how my father-in-law came to buy the antiques in the collection. When I married into my husband's family, I didn't pay much



PHOTO 1. Angelica's German Chest

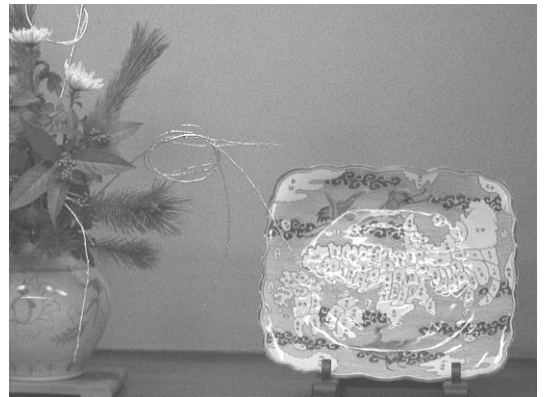


PHOTO 2. Yukiko's Antiques

attention to my father-in-law's collection of antiques. But my husband told me again and again the stories behind the collection, and the more I heard those stories, the more valuable the collection seemed and the closer it felt to me." (Yukiko, 50s)

## (2) Rarity Value

Many of the things the informants chose pieces for their rarity; things that people can obtain anywhere have less value. Not only the available number of an item, but also some events or experiences are related to a particular item's value of rarity. As events have rareness, its value grows bigger. For example, Miki chose her pottery collection because the pieces were made by her grandfather and, therefore, are not replaceable. Natsuki chose kimonos because they are passed down from her grandmother to her mother, and then to her and her sister. Yukiko thinks of the items in her father-in-law's antique collection as luxurious, in part because few people could afford them.

Saeki (1993), referring Simmel's *Philosophy of Money*, argued that when there is a distance or an obstacle between people and things, they become eager to obtain them. In the same way, when there is a distance between consumers and things, and when they judge that distance to be wide, the desire to obtain them rises.

## (3) Time Value

In addition to aesthetic and rarity values, we found time and space values. The informants mentioned the origin of or the memories they have related to the items they chose as luxuries. Many times, time value relates to the past. Junko chose the tableware in part because some of the pieces were gifts from her mother. Further, Junko and her family moved several times due to her husband's work. For memory's sake, she had bought tableware in the cities where they had lived.

We found that this time can also relate to the future. Sachiyo felt that providing her children with a good education was luxury. She had sent her three children to an international school in Tokyo, spending

3 million yen (28,000 US dollars) a year per child a year. Her view of ensuring them a better future by providing a good education is an example of time value related to the future.



PHOTO 3. Junko's Tableware

## (4) Space Value

Space value is geographical value. For Angelica having massages is a luxury, and for Cathy relaxing in her Japanese bath at home is a luxury. Such relaxation spiritually takes them to a different space.

Space value also includes things from far away or from foreign countries.

"The painting holds many memories for me. Memories of the place my husband and I were, going out for a walk in Mediterranean area in Spain, and purchasing it. It reminds me of when we ventured out to buy it." (Sachiyo, 50s)



PHOTO 4. Sachiyo's Painting

“These remind me of my days in Geneva. Whenever I look at them, I remember my time there.” (Keiko, 40s)

We chose aesthetic, rarity, time, and space values as four basic values of luxury and put them at the base of our proposed Luxury Value Pyramid (see FIGURE 3).

## B. Central Values of Luxury

Four basic values of luxury further led us to four other values of luxury that we consider to make up the central part of our Luxury Value Pyramid.

First, from the data we gathered, we found “intrinsic” value and “extrinsic” value in luxury. “Intrinsic” means that the feeling of luxury is related to the informant herself. In other words, the consumer feels, judges, and has the sense of possessing that luxury. “Extrinsic” means that the feeling of luxury comes from being in relation to others or to society. That is, the consumer finds luxury value in things when they see them in relation to their family, society and/or culture.

We also found “other-directed” value and “inner-directed” value in luxury. “Other-directed” means value is created when things are important to others. “Inner-directed” means value is created when things are personally important for that person.

As can be seen in FIGURE 2, it is the intersection of these four values that makes up four values of luxury we put in the central part of the Luxury Value Pyramid in FIGURE 3.

Luxurious items are distinctively different from other items at home (**Distinctive**). Luxurious items are personally relevant to one, since they belong to him/her for personal reasons (**Relevant**). Luxurious items work as a conspicuous sign to others (**Conspicuous**). Luxurious items are not necessarily useful; however, this uselessness is one source of luxurious value (**Superfluous**).

FIGURE 2: Hypothetical Dimensions of Luxury

	Other-directed	Inner-directed
Intrinsic	<b>Distinctive</b>	<b>Relevant</b>
Extrinsic	<b>Conspicuous</b>	<b>Superfluous</b>

### (1) Distinctive

In most of the cases, the informants take good care of the items, keeping them in special places and carefully taking them out to show us. The items are special to them and distinctively different from other things at home.

In some cases the luxury chosen was not an item but rather a certain space at home, such as a bath or a patio. We saw this only with the American informants, but in the future, it is conceivable that the Japanese consumers might pick certain spaces in their homes as luxury, too.

### (2) Relevant

The speakers did not describe the item in any detail. Rather, they spoke of some real-life connection between the item and themselves. Previous studies have emphasized social and objective values of luxury goods. Our findings, however, demonstrate that both social value and relevancy are required for an item to be considered as luxury.

“At first, I didn’t know the stories of how my father-in-law came to buy the antiques in the collection. When I married into my husband’s family, I didn’t pay much attention to my father-in-law’s collection of antiques. But my husband told me again and again the stories behind the collection, and the more I heard those stories, the more valuable the collection seemed and the closer it felt to me. One time, one of the tradesmen who had sold my father-in-law many of his antiques visited us, and from him I gained even more knowledge of the items, and this too changed my perception of them. I used to simply think of them as dishes. Now I think of them as THE dishes.” (Yukiko, 50s)

Even though the social value of the items has remained constant, their personal value for Yukiko rose over time as she came to know more about the items.

Fumi chose her mother’s collection of traditional Japanese hair combs and kimono accessories. Her mother passed away in 2006 at the age of 68, leaving

them to her. Her mother had begun collecting them when she was in her 50's. She had many opportunities to wear kimonos and, with them, the combs and accessories. All the items were originals that she had bought at curio shops and each was very old. The first time she had showed them to Fumi, she had been on her sickbed. Now not only are they Fumi's own personal collection, but they also have a very personal relevance to her.

### (3) Conspicuous

Luxurious items often work as a conspicuous sign of wealth to others. Many of the items have monetary values. Keiko's Chopard watch cost her 2 million yen (US \$22,000); the most expensive of her Chopard rings cost some 400,000 yen (US \$4,400), while the cheapest was 200,000 yen (US \$2,200). Done by none other than Pablo Picasso's teacher, Sachiyo's painting cost her more than 1.5 million yen (US \$16,700). Fumi's comb collection cost her mother 3 to 4 million yen (US \$33,000 to \$44,000).

Even though the items are expensive, the informants do not necessarily have the need to show them off to others since conspicuous consumption is not their reason for possessing them. The items contain personal memories that satisfy them. Of course, when the items do have a socially recognized value that does enhance the value when the informants choose to show them to others. The difference between their conspicuous consumption and the conspicuous consumption that previous researchers talk about is that our informants did not show their collections off to anybody but significant others.

### (4) Superfluous

Luxurious things are not necessary useful; however, this uselessness is one source of luxurious value. For example, Junko does not tuck her tableware away in the cupboard but uses them often because they enhance the meal and because they make her feel good. Using this prestigious tableware for daily meals is a luxury for her.

## C. Emotional Effects

We found that the basic and central values of luxury affect individuals in three ways: providing them with consolation, escape, or identity reinforcement, resulting in satisfaction.

### (1) Consolation

Consumers can feel consolation by watching, using or holding their luxurious items.

"I take them from the box and look at them when I feel lonely. Since my mother did this as well, when I look at them, I feel as if I am with her. They are my connection to my mother. She enjoyed purchasing and collecting them. They must have been very precious to her, and I treasure them out of respect to her. They are not for me alone. One day I would like to leave them to my children." (Fumi, 40s)

"I treasure them not only for their monetary value, but also because my mother gave them to me. I think of her whenever I look at them. I remember my time at home with her. She is still healthy, but seeing these, I am reminded of her. I use them, thinking, "These were my mother's, and she gave them to me." (Junko, 50s)

### (2) Escape

Consumers can escape from their daily lives by touching or experiencing luxurious things or services. Junko chose silk flowers she makes as luxury items. She related that, while making them, she forgets everything else and just concentrates on her work.



PHOTO 5. Junko's Silk Flowers

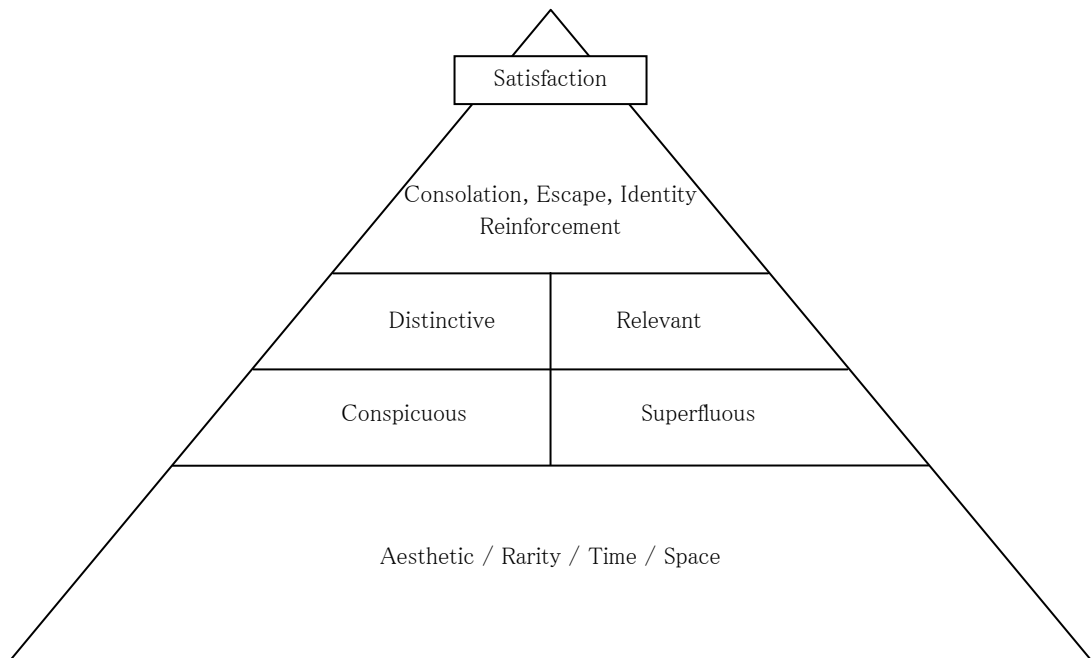


FIGURE 3. Luxury Value Pyramid

### (3) Identity Reinforcement

Consumers can reinforce their identity by using and consuming luxurious things.

“Silk flowers changed my life. When I became a silk flower teacher, I discovered a part of me I hadn’t know before: For the very first time in my adult life I was addressed by my name. I had always been called “Mom” or “Okusan” (Mrs. or wife). With my silk flowers, I now am Junko. I had never felt anything like that before. The feeling was so new to me. I was always a title that showed my relation to somebody else, such as my husband, my daughters, and my family. As a silk flower teacher, no one cares what I am to my family. They see me as a person.” (Junko, 50s)

The Luxury Value Pyramid shown in FIGURE 3 puts all these variables together. The base contains aesthetic and rarity values, along with time and space values that the informants mentioned. The middle part of the pyramid contains four values, but all four do not necessarily have to be there for an item to be considered a luxury; even just one can be enough. Finally, values in the bottom and central layers

influence consumers with consolation, escape, and/or identity reinforcement, which gives them satisfaction.

## 4. CONCLUSIONS

In this paper, we have attempted to define value dimensions of luxury. We found that luxury is an indispensable and, at the same time, complex concept by which human beings obtain satisfaction in life. This leads to the question of whether luxury exists as a common psychological construct among different cultures of the world.

Luxury contributes to the position we have within our social network. Perceived luxury basically derives from rarity and aestheticism, and brings us consolation and identity reinforcement. We are social animals and cannot live alone; we are always searching for our own place where we can be ourselves. At the same time, we strive to go beyond our limited existence. We feel limited within the boundaries of space and time; however, with the notion of luxury, we feel that we can live beyond our destiny. The experience of luxury helps us to expand possibilities in our lives.



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