

Beyond face value: WHAT LUXURY MEANS



By Cyril Demaria

If the «Devil wears Prada», is it just because Prada has been chosen by the Devil; or is Prada transforming someone into the Devil? New academic findings illustrate that the latter case may be at stake.

«Tell me what you wear, I will tell you who you are» – or so goes the saying. Luxury goods consumption is related to the concept of personal desire and identity. The concept of luxury itself is connected to this desire. As this was shown by academic research,

goods are seen as more luxurious if they are an object of desire than if it is a relief of a state of need (or discomfort). In that respect, luxury goods are described as a progressive refinement of human needs, even though this analysis does not sum up the whole account of luxury consumption and the sense of luxury.

Behavioural science has shown that there is no such thing as homo oeconomicus, that is to say a rational individual taking informed decisions. Assumptions and preconceptions are routinely included in decisions to invest everyday on the stock exchange. In *Thinking Fast and Slow*, the Nobel Prize of Economy Daniel Kahneman explains that there are actually two thinking systems active in our daily routine: an automatic and mostly uncontrollable one («system 1») which is doing most of the work; and a second voluntary, slow and demanding one where we take an active role in our decisions («system 2»).

Academic research has in effect found that the exposure to luxury goods increases individual self-interested cognition and decision-making. In a nutshell, luxury goods emphasize selfishness, if not accompanied by an appropriate behaviour from the owner. The reason for that is that luxury activates mental representations which are affecting cognition and decision-making.

Grey matters

For example, when exposed to brands of cars, the individual medial prefrontal cortex activates. It is related to the self-reflection and self-relevant

processing of information. In certain settings, the presence of a stereotyped group identity or certain environmental artefacts can activate associated mental representations and affect subsequent behaviours. The adoption of Burberry's outfits by the British hip hop scene has triggered a different perception from the clientele of what it meant to buy these outfits. The brand had to undertake a series of actions to refocus its products and handle this burst of popularity among customers which were not its primary target.

Individuals also react to the exposure of objects in their behaviours. Certain objects related to the business context, for example, increase the competitive behaviour of individuals and reduce their cooperative spirit. Another experiment has shown that when a game is associated with prizes in cash, they become more oriented towards self-sufficiency, and maintain a social distance from others. In that context, individuals are less likely to ask for help as well.

The link between the notion of luxury and self-interest has recently been explored further by academic research. When primed with luxury goods, individuals are reacting in a similar way than when they get cash prizes. However, academic experiments have also isolated another phenomenon: luxury goods do not push individuals to harm others. Said differently, luxury goods are not to be confused with their face value: in the mind of individuals, these goods are not a substitute for money. Even though they retain a certain value, which can even increase over time due to rarity, the extra value that they deliver is based on a certain approach of a social behaviour.

In that sense, luxury consumption is merely a satisfaction of desires that come from our system 1. As such it has a self-centring impact on the individual. System 2 is here to mitigate and actually improve the overall luxury experience: this is why admiration to people living in luxury goes along with their capacity to handle the hidden load that goes with it. They have to live up to the standard. Should they fail, they are usually falling into the «nouveau riche» category and the «bling-bling» description. Living up to it delivers an impression of completeness which can go down to the use of simple daily objects, such as espresso machines or writing a letter.

Luxury is hence connected with the notion of «lifestyle investment». The motivation is beyond impressing socially other individuals, or gaining symbolic status: it is to satisfy self-directed desires and personal gratification. However, as this is not a pure consumption approach, but oriented towards the mid to long term, this approach is also related to a clear thinking («system 2») of what luxury goods mean.

What is luxury? An education

Hedonism has frequently been associated with the notion of luxury, and pleasure has a central part in the mechanism associated with luxury consumption and experience. Individuals aspire to luxury to fulfil a desire of experiencing something – and in that respect, luxury goes beyond basic consumption. Consuming, as the word states it, destroys the very object of the process. Luxury is perceived as an elevation, a part of the consumption process which is not destroyed but has a lasting value and promotes a higher degree of achievement.

In that respect, the sense of luxury is applicable to goods and services. The description of this sense goes beyond evaluating luxury goods or services through their value. Luxury is based on a lasting relationship between the conceiver and the user of these goods and services. This is why sometimes a lack of something can be perceived as luxurious: space is luxurious in a very large and mostly empty flat, for example. The way to promote light, space and the overall atmosphere of a flat is in essence creating the sense of luxury. Balance, coherence and vision are part of the vocabulary of luxury.

For the psychological bond to be created between the producer and the consumer of luxury, there need to be a common ground, and hence an education. Luxury providers have developed and refined the concept of their goods, but also their stores, the packaging and the overall approach of the acquisition and the experience of their goods. This implies that the client has the knowledge and the education to evaluate, appreciate and also experience the goods. In many respect, a relationship has been built and the luxury goods will develop and gain in value through the behaviour of the owner of these lasting goods. The psychological charge associated with luxury goods hence imply the ability for the customer to handle it appropriately. ■