

Retail Luxury Strategy: Assembling Charisma through Art and Magic

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Abstract

Luxury retail strategy differs from other retail strategies not merely in distinctive formulations of product, price, distribution, and appeals to customer distinction. Instead, it increasingly stands or falls on the legitimacy of a charismatic creative director. The director offers an aesthetic brand ideology. Luxury retail draws on the principles of art and magic to assemble the charismatic persona of the creative director and to diffuse his aesthetic ideology to the brand. Moreover, luxury retail strategy enlists magical and aesthetic principles within and without the store to achieve these ends. Finally, retail luxury is producer rather than consumer oriented and seeks to generate awe rather than community. This strategy appears to be to some extent a response to legitimacy crises provoked by recent strategic extensions of luxury brands into mass marketing. We offer some implications for marketing in which the charisma of a key personage is at stake.

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After designer Alexander McQueen's suicide, the PPR Group announced that it would continue to produce fashion collections and accessories under the McQueen brand. Some analysts questioned the strategy's viability, implying that it would be difficult to continue promoting the brand without the actual designer's persona and vision (*The New York Times*, Feb 19th, 2010). Behind this concern lie the questions of how effective luxury retail strategy is created, who is the creative persona at the heart of luxury organizations (McCracken 1989; Stern 1994; Weierter 2001), and what role that creative persona plays in the effective staging of luxury retail (Wæraas 2007).

Responding to recent research on retail and luxury brand strategy, our aim is to answer these questions. Our general concern is to determine what dimensions differentiate luxury retailing strategy from other retail marketing strategies (Arnold and Reynolds 2003; Carù and Cova 2006). Following Verhoef et al. (2009), we want to establish what retail strategy is on offer in luxury outlets, that is, to identify a holistic configuration that characterizes luxury retail (Baker et al. 2002). To respond to our general question, we develop a theoretical perspective anchored

on the charismatic creative director in luxury retail; we examine how luxury retailing establishes brand legitimacy (Arnold, Kozinets, and Handelman 2001) by linking the retail offer to the charismatic persona of the creative director through magical principles; we assess what kind of ideology contributes to luxury retail strategy (Borghini et al. 2009; Floor 2006); and we suggest how luxury retail strategy differs from that of other themed retail (Kozinets et al. 2002). Our discussion contributes to understanding the nature and role of charisma, retail ideology, and persona in retail marketing management.

Theoretical background and context

To begin to determine what differentiates luxury retailing strategy from other retail marketing strategies we clarify our understanding of key constructs, for example, luxury brands, charismatic legitimacy, retail brand ideology, and magic.

Luxury brands

Whereas a premium good is an end-range product with better quality, higher prices, and so on; luxury goods have additional qualities (Chevalier and Mazzalovo 2008; Kapferer and Bastien 2009; Lipovetsky and Roux 2003). Their specificity is shaped by cultural and historical heritage (Assouly 2005; Kapferer and

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Bastien 2009; Mason 1993; Sicard 2005). Compared to fashion wedded to short-term cycles and perpetual change, luxury is typical inscribed in longer term traditions (Assouly 2005). And the specificity of luxury translates into tactics that invert many standard mass marketing approaches (for specific details see Dubois and Duquesne 1993; Kapferer and Bastien 2009).

We follow Assouly (2005), who emphasizes that philosophical reflection on luxury draws attention to its symbolic uses with little regard for the material form that it takes (clothes, car, housing, tourism, jewellery, cuisine, perfumes. . .), and towards the postures, ways of speaking, interests, and relationships to time and space that luxury organizes. Thus, we suggest it is not the objects that furnish us with a definition of luxury but the relationships that develop with regards to them. Consumption of luxury is often discussed in terms of aspirations to elite status or to assert symbolic dominance over others. Moreover, there is no intrinsic luxury good; instead we say retail marketing systems organize and govern not only access to luxury (e.g., DeBeers' distribution strategy that keeps diamonds artificially scarce, Dubois and Duquesne 1993), but the ways in which luxury is materialized and expressed in particular cultural contexts (Kapferer and Bastien 2009).

Next, whether brands or retail outlets, luxury offers hedonic appeal and this appeal is multisensorial; luxury is affect-rich, connecting with customers on an emotional level. Consequently, luxury has a high "ratio" of intangible value to price (Hagtvedt and Patrick 2009; Kapferer 1997; Nueno and Quelch 1998; Vigneron and Johnson 2004).

In addition, based on Benjamin (1927/2002; see also Arvidsson and Malossi 2011) and following Heilbrunn (1999, p. 189), we propose that successful luxury brands are *auratic*. Similar to works of art, they "possess an aura of authenticity which surrounded the original – nonmechanically reproducible – work, endowing it with qualities of uniqueness, distance and otherness." Thus, managing luxury consists in managing the aura of the brand over time. Similarly to retro brands (Brown, Sherry, and Kozinets 2003) the challenge is to create new products within the brand but without losing brand's aura. These qualities are in question for many luxury brands because of recent mass marketing experiments that pose a legitimacy predicament for them. Following Shaw (2001), we suggest that the key to maintaining luxury brand legitimacy despite mass distribution is managing the charismatic aura of the creative director.

Beyond conventional explanations focused on ostentation (Han, Nunes, and Drèze 2010; Leibenstein 1950; Veblen 1899/2004), symbolic Han, Nunes, and Drèze 2010; Leibenstein 1950; Veblen 1899/2004 domination (Bourdieu and Delsaut 1975) or hedonism (Hagtvedt and Patrick 2009; Lipovetsky and Roux 2003), we will argue that successful luxury retail strategy relies on a logic of adoration which has a charismatic basis.

From traditional to charismatic legitimacy

For a long time, the legitimacy of luxury relied on traditional qualities: the rarity of materials and the finesse of craftsmanship (Roche 1989; Sicard 2005), and some luxury brands continue to rely on these criteria, for example, Hermès. However, in the

90s, the luxury retail sector began mass marketing based on (1) an intensification in distribution methods (increased number of shops opened, development of on-line business and opening of shop-in-shops in duty-free areas); (2) an evolution in production methods (a changeover from craft production to mass production); and (3) a modification in the structure of inventory turnover, now depending financially on the marketing of accessories (handbags, perfumes, cosmetics, etc.) targeting a wider public. This mass distribution strategy, as in Benjamin's (1927/2002) analysis of the effects of mass reproduction on art, reduces perceptions of exclusivity, aesthetic and technical superiority, distinction, and singularity, thereby threatening luxury brand legitimacy (Assouly 2005; Brown et al. 2003; Heilbrunn 1999, 2005; Lipovetsky and Roux 2003; Marion 2005). The resulting challenge for luxury brands is to balance broader distribution while reasserting the singularity of its offerings (Remaury 2005). To address problems of brand legitimacy, we argue luxury brands such as Vuitton, Dior and Chanel have linked traditional legitimacy based on craft skills and know-how to charismatic legitimacy based on an exceptional charismatic persona, the artistic director who designs the products.

Charismatic legitimacy is based on creating devotion to (adoration of) the exceptional character of a leader (Wæraas 2007). Charismatic legitimacy is not based on law and rules as in legal-rational legitimacy found in the traditional corporation. Charismatic legitimacy rests on the exceptional qualities of the leader, dramatized in his or her persona, and the compliance of followers with the leader's mission out of affectionate devotion to this persona (Weber 1915/1996). In a marketing context, luxury strategy will be concerned primarily with effective expression of the leader's charisma; we need to show that luxury retail strategy is also built on what Heilbrunn (1999) calls an *ideology of expression*, diffusion of the leader's aesthetic vision. Here we want to examine how luxury brands' charismatic ideologies are expressed through the retail strategy.

According to Weber (1915/1996), charisma is "an exceptional quality that a man has (regardless of whether that quality is real, presumed or faked)," which gives that person an authority to which others submit. That is, charismatics have a kind of aura. Charismatic authority appears as "a domination over men to which they submit because they believe in the quality associated with that person in particular" (Weber 1915/1996, p. 370). Management research has followed this line of thinking in investigating charismatic leadership (Avolio, Walumbwa, and Weber 2009; Campbell et al. 2008; Judge and Piccolo 2004). This psychologically oriented work establishes the significance of charismatic leadership but provides little guidance either in understanding how charisma might be communicated extra-organizationally or of its strategic value in marketing.

Unlike management research, however, we base our work on the related concept of persona, which allows us to take a fresh look at how charisma may be integrated into luxury retail brand management strategy. The term persona refers to clusters of images or symbols and may constitute an archetype or a fiction deeply embedded in the consumer imagination. A commercial or brand persona is the "someone" created within a marketing communications effort (McCracken 1989; Stern 1994, p. 389).

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