

An Alternative Concept of Luxury: Putting Craftspeople Front and Center

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Jana M. Hawley, University of North Texas
Fabio Duma, Zurich University of Applied Sciences

Introduction

It is human nature to surround ourselves with beautiful things. Companies of luxury products understand this and have produced luxury goods that are not only beautiful, but also bring prestige, aspiration, symbolic value, and well-being to the consumer (Sinha and Som, 2016). While ateliers still employ hundreds of skilled craftspeople who create superb products, most of today's luxury companies focus on profits that are driven from brand recognition. When scholars write about luxury markets, they often focus on an analysis of luxury companies and the markets they serve. This concept paper takes a position that there is an emerging alternative luxury market that focuses on the artisans themselves and their traditional production methods as a path of the future. This alternative model of luxury gives more attention on the artisans and skilled craftspeople who produce products that provide meaning to consumers.

Background

Today's global luxury market, with major players such as LVMH, Kering, and Richemont continues to be a major economic force with the top 100 luxury companies generating revenues of more than US\$305 billion in 2021 (Deloitte, November 30, 2022). Post-COVID, luxury companies refocused on their core luxury brands to enhance profitability and financial stability. Traditionally, companies of luxury brands relied on expert craftsmanship to be the touchpoint of the luxury; yet evidence reveals that even though executives from luxury companies recognize the importance of craftsmanship to the luxury experience, they use craftsmanship as an abstract concept instead of recognizing the craftspeople as human beings that contribute significantly to the brand reputation (Tarquini, Muhlbacher, & Kreuzer, 2022). Formerly family-owned heritage luxury companies such as Louis Vuitton and Hermes, are now consolidated conglomerates that focus on brand management (Hoffmann & Lecamp, 2015) with obligations of growth and profitability. Products have become simpler and easier to produce. Despite claims of craftsmanship and the perpetuation of tradition and heritage, many luxury brands have grown by expanding their operations to low-cost factories, licensing and selling mass-produced, high-margin accessories (Kapferer & Michaut-Denizeau, 2017; Thomas, 2007). Sadly, the relationship to the craftsperson has waned in lieu of profits.

While top luxury companies remain powerhouses, alternative luxury markets and changing consumer attitudes are emerging that draw attention to the artisan rather than the brand, and to the social relationship rather than mere profits. Our vision in this position paper is to suggest that there is a growing alternative to traditional luxury businesses where skilled craftspeople have opportunity to be front and center of the luxury goods.

A craftsperson is not just someone who works with their hands, but an expert who performs their work with excellence. Craftspeople are driven by a deep personal commitment to the final product with attention to detail and innovation. For years, centuries really, the luxury segment was linked to impeccable design and creativity with a high respect for those who crafted the products, especially the master craftspeople from Europe. But today's luxury companies are faced with increasing challenges in attracting new craftspeople. Tarquini, Mulbacher, and Kreuzer (2022) noted that even though managers recognize the importance of craftsmanship, the term 'craftsmanship' is used in abstract form and no longer applies to the human hands that contribute to product excellence.

An alternative and emerging luxury market offers opportunity for traditional artisans to find opportunities in the global marketplace. While it is true that large luxury groups have a stronghold on the world's luxury markets, we believe that artisans, even from remote parts of the world, have opportunity to create market share when they showcase their craft to consumers who seek a close relationship with the maker. We also argue that luxury requires a context. Attitudes toward luxury are dependent on cultural concerns and personal dreams. Today, consumers of luxury not only want luxury brands, but they also desire products that are unique, imbued with story, or embodied with soul (Darling, 2015). Added to this is the recent concern of the exploitation of human and material resources used in the conventional luxury market. The emerging alternative luxury market connects the producer to the consumer. We believe this critical and provocative position challenges structural management practices in the luxury market and presents new ideas on emerging luxury markets that support the workers, consumer preferences, and the interrelationship between the two.

Data Collection and Analysis

This paper is based on more than fifteen years of interaction with craftspeople from the most remote parts of the world whose products are imbued with tradition, bestowed with pride, embedded with culture, and produced with innovation. Evidence from observations, interviews with consumers, interviews with artisans, photo-documentation, and participant observation reveal that when true craftspeople get the right kinds of opportunities, they have a pathway to an alternative luxury market. New ideas are emerging from artisans in remote areas who are driven by principles rather than profits. With no big factories involved, the artisans can work from home, expand to include their communities, commit to protecting their workforce, all while creating products that are highly desired in the global marketplace.

Finally, we argue that luxury requires a context as attitudes toward luxury are dependent on cultural concerns and personal dreams. Added to that is the recent concern of the exploitation of human and material resources used in the conventional luxury market at a time when the very idea of human when the very idea of *human connection* is a luxury. As a result, the emerging alternative luxury market connects the producer to the consumer, in other words the emerging luxury revalorizes the human element.

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