

# The evolution of luxury marketing essay



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This article concentrates on the understanding of luxury food consumer perception as well as on the creation of a multisensory experience. The empirical study is exploratory in nature and relies on consumer narratives regarding luxury food consumer experiences. Based on relevant theories and the insights discovered during the face-to-face interview, this article aims to evaluate the different factors that influence the creation of a memorable consumer experience, which focus on the five senses experience, namely, sight, hearing, touch/feeling, taste and smell experiences. As revealed from the results, it is evident that the more a luxury food brand excites the five senses, the more likely it will create a memorable consumer experience; therefore, the more a consumer will be loyal to the luxury food brand. Building on these findings, this article contributes to the creation of a luxury food consumer experience from a consumer-centred perspective.

## **Key words**

Luxury food consumer experience, multisensory experience, experiential marketing

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## **CHAPTER 1: INTRODUCTION**

Experiential marketing is a growing trend worldwide. There is ample evidence to suggest that more and more companies are staging memorable consumer experience in order to maintain competitive advantage. The IKEA experience is about making better life with their co-creators by providing well-designed home furnishings with affordable prices as well as excellent and unique store experience. The Starbucks experience is about sharing their great coffee with their friends: the warm feeling of a neighbourhood store, the intimate connection and the sense of the community, a place for inspiration and conversation. The Ritz-Carlton experience is about ladies and gentlemen serving ladies and gentlemen – staffs are not only the co-designers of service delivery and of guest experience but also the creators of WOW stories for guests (Nixon and Rieple, 2010).

Experience economy was first introduced by Pine and Gilmore (1998) as part of their work. From a long-term perspective, they distinguished four stages in the progression of economic value: commodities, goods, services and experiences. They argued that the economic value has progressed through three stages and that we are now entering a fourth stage – the experience economy. At the new era of experience economy, the highest-value economic offerings are experiences. Companies are expected to stage memorable experiences for consumers in order to survive in the competitive marketplace. Experiences are the foundation for future economic growth.

Schmitt (1999) shared the same point of view with Pine and Gilmore, pointing out that traditional marketing was developed in response to the industrial age, not the information, branding and communications revolution we are facing today. In a new age, we need to shift away from the traditional marketing approach, which focuses on product features and consumer benefits. We need to consider new concepts and approaches that capitalize on the experiential economy. One such approach is experiential marketing that views consumers as emotional human beings in the pursuit of pleasurable experiences.

Surprisingly, experiential marketing is widely applied by many leading-edge companies in many industries; however, marketing in the luxury industry does not appear to have explicitly engaged the theoretical issues involved. Although luxury is a relative concept and therefore is rarely comprehensive, the natural evolution of luxury, with luxury brands originally being the preserve of the privileged few then today becoming more affordable to mass-market consumers, raises great challenge for marketing practitioners.

Many organizations suggest that they are using experiential marketing for luxury brands, when the reality is that they are simply repeating the mantra of traditional marketing strategies (Atwal and Williams, 2009). It is therefore necessary to apply new marketing tools and methods so as to stand in front of the new luxury consumers.

Bellaiche et al. (2010) stated that in addition to two traditional categories of luxury – hard luxury (i. e. watches and jewellery) and soft luxury (i. e. fashion and clothing), luxury extends to experience in the new world of luxury, such as alcohol and food, as well as travel, hotels and technology. The global market for luxury products is estimated to close to 1 trillion, where alcohol and food representing around €50 billion. The luxury food market is evaluated to attain €5. 3 billions in 2011, which makes its one of the markets that are not affected by the economic downturn; on the other hand, it is expected to increase progressively in the upcoming years, thanks to the unique luxury food characteristics – pleasing consumers with compelling culinary experience.

In terms of food, luxury conveys a complicated message. First, it is not simply just enough to be desired, to be expensive or to be a qualitative refinement. Luxury foods are not specific items of foods, but as foods offering a refinement of a basic food that is widely desired and a means of distinction (van der Veen, 2003). However, different from basic foods and gastronomy, luxury foods are often regarded as indulgence, extravagant and unnecessary, which are only consumed in particular place and time for particular purposes, such as family celebration and corporate feast. Second, as a means of distinction, luxury foods stress on the pleasure of possession

and the compelling experience (i. e. sense, feel, think, act, etc.). This total experience in question should be positive, enjoyable, memorable and convincing, since the duration of this consumption and possession lasts only a few seconds or minutes. Not only luxury foods should fulfil consumers' instrumental need (Berry, 1994), but also the surroundings that are reachable to consumers (i. e. packaging, presentation, atmosphere, etc.) should be taken into consideration to enhance the message of exclusivity and excellence.

Postmodernity has radically altered and expanded contemporary understandings towards luxury consumer behaviour. Consumers' subjective experience of luxury and their sense of identity have somehow changed significantly in the postmodern culture. Besides, as luxury foods are becoming more and more accessible, luxury food consumers are looking for other means to differentiate themselves from other consumers. As Tsai (2005) argued that the traditional product/service value proposition is no longer adequate for reaching consumers or creating significant differentiation. Business must facilitate the enhancement of a seamless total experience for consumers, which determines whether products or services maintain competitive edges. This urge is even more critical for luxury food brands.

This study aims at analysing luxury food consumer experience and revealing the way to create valuable consumer experience in order to assure the greatest success of luxury food brands. In an exploratory research using qualitative interviews, this study investigates luxury food perceptions and experience creation from a consumer-centred perspective. Building on these

empirical findings, the way luxury food brand can use to build a compelling and persuasive multisensory experience has been introduced.

In order to develop effective experiential marketing in the area of luxury food brands management, it is necessary to have an understanding of the conceptual issues related. This part of the paper outlines the conceptual foundations, which includes specifying the relevant definitions of the main terms and on that basis explaining the experiential marketing framework, which could serve to luxury food brand consumer experience building. Finally, the opportunities and challenges faced by luxury food brands will be presented.

## **2. 1 The evolution of luxury**

Luxury is part and parcel of humanity and of life in society (Kapferer and Bastien, 2009). Since the beginning of humanity, there have been extraordinary objects and symbols, extravagant lifestyles and increasing central power, organized societies restricted to the leading groups. The appearance of luxury originates from the symbols and objects specific to these leading groups.

The term luxury is derived from the old French *luxurie* meaning “rankness, exuberant growth; excess, dissipation, extravagance”. Reaching back further, it stems from the Latin *luxus*, meaning “excess, extravagance”. This negative classical perspective of luxury, positing luxury as “vicious indulgence”, stresses on its the non-essential nature. In the context of his celebrated proposal to study the nature of justice and injustice in the individual, Plato broached the subject of luxury by contrasting the necessary



appetite, what Plato called “ need” and the unnecessary appetite as “ desire” [in Cooper (1997)]:

“ Certain of the unnecessary pleasures and appetites I conceive to be unlawful ... I mean those which are awake when the reasoning and human and ruling power is asleep; then the wild beast within us, gorged with meat or drink, starts up and having shaken off sleep, goes forth to satisfy his desires ...”

Plato continued, in this book The Republic (Greek: Politeia) [in Cooper (1997)], to encourage men to control his “ desire” because a life with luxury is unworthy:

“ When a man’s pulse is healthy and temperate, and when before going to sleep he has awakened his rational powers, and fed them on noble thoughts and enquiries ... after having first indulged his appetites neither too much nor too little, but just enough to lay them to sleep, and prevent them and their enjoyments and pains from interfering with the higher principle ...”

The decisive reason for the negative evaluation of luxury in classical thought has its roots in historical structures of the social hierarchy. Aristotle placed luxuriousness at one extreme from hardiness with endurance [in Saunders (1981)]. Individuals whose lives were given over to a soft, luxurious life was incapable of defending themselves. The luxurious man was thus so “ soft” that he could endure no pain. Luxury produced military weakness. These men were effeminate because it was of essence of humanity to fight and to risk death [in Brown (2009)].

Luxury was gradually becoming a political issue and human desire was considered as potentially disruptive power. By admitting the impossibility to satisfy the insatiable appetite, which comes from human nature, Seneca [in Stewart (1900)] claimed that:

“ He who restrains himself within the limits prescribed by nature, will not feel poverty; he who exceeds them will always be poor, however great his wealth may be.”

According to Seneca, the wants of the body are few. It wants protection from the cold, and the means of allaying hunger and thirst; however, all desires beyond these are vices, not necessities. Body needs could be met by the Nature, which are small, few, and inexpensive [in King (1927)]. Luxury is on the contrary fine, or qualitative distinctions where in Nature there are no supply.

Luxury consumption is dangerous and therefore needed to be regulated. In order to restrain luxury or extravagance, sumptuary laws was born to regulate personal consumption, in particular, of food, dress and ornamentation (Hunt, 1996). For instance, one law which was enacted on May 31, 1517, declared that a cardinal could have nine dishes at one meal; but a duke archbishop, marquis, earl or bishop could have seven dishes at a meal; a lord, earl, lord mayor of London, knight of the garter and abbots could have six dishes; citizens who made around £40 to £100 could only be served three dishes at a meal (Alison, 1998). The enactment of these laws were motivated by the attempt to not only preserve social distinction, but

also limit luxury consumption among common people, so that, their fortunate could be of help if the sovereign was in need of it.

It is in the context of trade that we can discern a significant shift in the meaning of luxury (Berry, 1994). During the eighteenth and nineteenth centuries, following the Industrial Revolution, which increased considerably the living standards, more and more individuals obtained the financial power to luxury goods, thanks to the trade both in national and international levels. The eighteenth century was a period when the debate over luxury came into prominence.

Adam Smith (1776) theorized the nature of luxury in his work “ the Wealth of Nations” by associating it with goods that are in limited supply, difficult to obtain and expensive:

“ When the quantity of any commodity, which is brought to market falls short of the effectual demand ... some of them will be willing to give more. A competition will immediately begin among them, and the market price will rise more or less above the natural price ...”

Hume (1752) distinguished innocent from vicious luxury on the basis that one was beneficial, and the other pernicious, to political society. Innocent luxury produces “ economic and social goods”, while vicious luxury is the “ socially unproductive consumption of a small elite” (Marshall, 2000). Luxury is assumed as uniqueness, scarcity, ancestral heritage, personal history, aesthetics and social distinction, which are relevant to the fulfilment of human beings’ dream of becoming part of the superior class.

In his paper A Theory of Human Motivation, Maslow (1943) used the terms “Physiological, Safety, Belongingness and Love, Esteem, and Self-Actualization” needs to rationalize the pattern that human motivations generally move through. Maslow’s Hierarchy of Needs is often portrayed in the shape of a pyramid (Figure 1), with the largest and most fundamental levels of needs at the bottom, and the need for self-actualization at the top. Maslow suggested that the most basic level of needs must be met before the individual will strongly desire or focus the secondary or higher level needs; individual tends to care about more and more his moral aspects’ fulfilment once he climbs to a higher level needs.

Figure 1. Abraham Maslow (1943) theorized that people have five basic needs that could be ranked in hierarchical order.

As can be seen from Maslow’s Hierarchy of Needs, Human’s needs are restricted by a series of social and economic variables. However, all people are believed to be equally ambitious and that “the desire to better one’s condition” is a major motivational force for human beings (Smith, 1776). Described as the “natural wants and demands of mankind” in his Lectures on Jurisprudence (1762), according to Adam Smith, these innate human characteristics in the aspiration of luxury consumption clarify the progress of human civilization:

“Man alone of all animals ... is the only one who regards the differences of things ... Humans care about the aesthetic qualities of objects – their colour and form, variety or similarity to other objects ... These desire and refinement are the foundation of all the minute, and to more thoughtful

persons, frivolous distinctions ... to gratify which a thousand arts have been invented."

This love of refinement and elegance is "natural", and it is "well" that nature that leads men to desire "to amuse and entertain their most frivolous desires" (Smith, 1759) and hence promote the economic development, because when luxuries are not available, or not wanted, people produce no more than enough to live on (Brewer, 1998). By observing ordinary people who tended to esteem the man of wealth and by consequence produce economic growth in order to share this happiness and warm feeling of esteem, Hume (1752) argued, in his first part of "Of Refinement in the Arts" that social and economic effects of luxury are beneficial to the individual and to society at large:

"Men are kept in perpetual occupation, and enjoy, as their reward, the occupation itself, as well as those pleasures which are the fruits of their labour."

In comparison to the classical thought, which regards luxury as deleterious and harmful, luxury, in the contemporary context, is given more positive meaning and understanding. The codes of luxury, reserved to a small group of social elite, refer to the feeling of superiority, the ultimate happiness, the desire and the capability to become what one is, worth, strength, self-esteem and self-confidence and are gradually developing into a dream for common people. During the eighteenth and nineteenth centuries, there were an increasing number of individuals who were in possession of the financial means to afford luxury items and they were ready to "cultivate the pleasure

of the mind as well as those of the body” (Hume, 1752). From the twentieth century onward, this luxury, whose pleasure and delights that were once isolated from the rest of the world, is becoming accessible to a larger population. Globalization, communication, increasing spending power, as well as democratization are the key drivers for this change (Kapferer and Bastien, 2009).

In the new century, changes in contemporary consumer behaviour in western societies have led to the emergence of a new meaning and perception of luxury. Dubois, Laurent and Czeller (2001) carried out an important study to illustrate luxury perceptions on a cross-cultural level. They performed qualitative and quantitative cross-cultural consumer-based studies in Western Europe, USA and Asia Pacific and designated luxury, in the managerial literature, as a combination of the following six dimensions: “Price, Quality, Uniqueness, Aesthetics, Personal History and Superfluosity”.

This line of thought goes forward in the contemporary era. Contemporary dictionaries such as Cambridge dictionary, involve human’s well being within the definition of luxury:

A special object: “ something expensive which is pleasant to have but is not necessary”;

A way of living: “ great comfort, especially as provided by expensive and beautiful things”;

A mark of distinction: “ something which gives you a lot of pleasure but which you cannot often do”.

Yet a review of the recent literature reveals that there is a lack of consensus regarding the definition of luxury in the marketing context, due to the continually emerging understandings towards sociology and psychology that have been developed. Veblen (1899) affirmed that luxury depends on both the product attributes and the consumer; luxury is that which is socially most desirable, since it places you at the summit of the hierarchy. Yet special object that is considered as luxury in a social-economic context might be just an ordinary one in another context. Psychologists examined the relationship between necessity and luxury, and claimed that different individuals have different points of view concerning the meaning of luxury, despite their similar background (Lunt and Livingstone, 1992; Matsuyama, 2002). Kapferer and Bastien (2009) brought into light the duality of luxury: luxury fulfils the symbolic desire to belong to a superior class (“ luxury for others”) and at the same time promises a strong personal and hedonistic link to self-pleasure (“ luxury for oneself”). From this point of view, in their book “ The Luxury Strategy”, Kapferer and Bastien asserted (2009):

“ Luxury is about being, for oneself and for others, not about having.”

For this reason, Pierre Bergé, CEO of the Pierre Bergé – Yves Saint-Laurent Foudation, pointed out that luxury offers objects and not products; luxury is a space of enjoyment and not consumption (Kapferer and Bastien, 2009).

Luxury object has a soul inside it: it is a pure creation and it speaks for itself. Luxury creates a gap, signifying status and culture; however, an artisanship

of extremely high quality does not necessarily make it a great name eternally and globally. This is the difference between luxury and luxury brands. A luxury brand is first of all a brand and secondly luxury.

## **2. 2 Basic foods, gastronomy and luxury foods**

Civilization begins with agriculture. When our ancestors began to settle and grow their own foods, human society is forever changed. Not only do villages, towns and cities begin to flourish, but so do knowledge, arts and technological sciences. That is the reason why the greatest ancient civilization is always built around the greatest rivers, which serve to the irrigation and transportation of foods. The lowest lever of Maslow's Hierarchy of Needs is made up of the basic physical requirements including the need for foods, water, sleep and warmth. Basic foods are vital for survival; it is thus considered as a basic need for all human beings. Human beings discover slowly different methods to prepare food with different ingredients for different occasions such as, harvest, religious offerings and funerary rites. These foods are accordingly attributed with various symbolic meanings: they are used in an attempt to express the wishes of human beings, to please God, to memory the deceased or facilitate their afterlife.

The cuisine was becoming more and more sophisticated in the Middle Age, and chefs were recognized by their honourable profession and did often cook only for the royal families. The art of the table first appeared around 1530 in the upper-class society, following the publication of the book *Civilitas morum puerilium* of Erasme. The word gastronomy is derived from Ancient Greek “gastro”: stomach and “nomy”: laws that govern, and therefore literally means “the art or law of regulating the stomach” (Vitaux, 2007). Brillat-



Savarin (1988), the father of gastronomy, maintained that cooking is a level of true science; excellence is based on the intrinsic quality of ingredients prepared with care. He aimed to make connections between food and its effects on not only the body and health, but also the mind and spirit:

“ Tell me what you eat, and I will tell you what you are.”

Basic foods are at the foundation of gastronomy. Gastronomy transforms the basic foods into a form of art, by studying how to increase the freshness, the presentation, the flavours, the colours of ingredients and the overall message of the foods. Gastronomy is much deeper than basic foods, for it integrates human insights into culinary aspects. Gastronomy is hence different from basic foods. Basic foods are a necessity for human being's survival. They can be described as non-intentional or universal, in that they do not refer to the particular requirement of an individual, but to the general needs of all human beings (Berry, 1994). On the contrary, gastronomy is a request infinite of quality, an expression of taste, a pleasure for eating; it reflects the mentality of people getting involved, the relationship between the nature and human beings, as well as the culture it represents. According to Jean Vitaux (2007), the difference between gastronomy and basic foods is evident:

“ Gastronomy ... emphasizes on the taste, the products, the preparation and the alliance between food and drink. It is the pleasure [of preparing and eating food] that comes first. Gastronomy insists on the variety and the quality of products, while [basic] foods are more repetitive.”

The modern understanding about gastronomy is greatly influenced by several French texts published in the eighteenth century. Brillat-Savarin (1826) included in the gastronomy the knowledge and understanding of all that relates to man as he eats, its purpose is to ensure the conservation of men, using the best food possible. He insisted that the true gastronomy is about the natural history, physiology, chemistry, commerce, politics, economy, medicine and sociology. Gastronomy is recognized as the study of food and culture, with a particular focus on gourmet cuisine by modern scholars and practitioners. It is a demanding multidisciplinary art explaining food itself along with its context, presentation, freshness, and history. Revel (2007) pointed out:

“ The cuisine is a perfection of foods, gastronomy is a perfection about the cuisine.”

Gastronomy is seemingly synonymous with “ haute cuisine” and “ quality” associated with dearness, or even luxury. It is often referred to as the mark of social elite, which is not true. Certain gastronomy may be a bit pricey, depending on the price of the ingredients or the name of the chef. Yet this is not always the case. The difference of social classes, nations, regions, and fashion are key determinants for the varieties of gastronomy. Gastronomy is a social and cultural practice rather than luxury foods – a manner of “ humanism of the table” (Cesergo, 2008).

Luxury foods differentiate from both basic foods and gastronomy. Luxury foods are object of desire (Berry, 1994), which propose physical or bodily

satisfaction and sensory enjoyment. Based on Berry's work, van der Veen (2003) conceptualized luxury foods in the following way:

“Luxury foods are those foods that are widely desired because they offer a refinement or qualitative improvement of a basic food and a means of distinction because they are not yet widely attained.”

Under this definition, luxury foods possess a few characteristics:

Luxury denotes foods that are not essential for human nutrition. Additionally, luxury foods often focus on technical superiority, far exceeding consumers' expectation.

Luxury foods express themselves in terms of aesthetical and sensual values. They are things that offer pleasure and enjoyment and are characterized by a qualitative refinement of a basic food: they represent an indulgence.

Luxury foods are relatively rare in terms of production, resource, or distribution, reflecting luxury lifestyle and representing consumers' social status and distinction. Luxury foods are often associated with elites: they are symbols of the upper classes, who use expensive and exotic foods to mark social status, to identity distinction.

Luxury foods involve high spending, and therefore being widely desired yet hard to be obtained. If the number of people who have access to a luxury increases, the status of these goods changes; they turn into commonplace goods and may ultimately become necessities (Berry, 1994).

## **2. 3 Luxury foods: hedonic consumption**

Kapferer and Bastien (2009) believed that, in luxury, the product always comprises one (or more) objects and a service. A luxury service should become material in an object, and a luxury object is always accompanied by a service, or is even the expression of it.

Vickers and Renand (2003) developed a three dimensional meanings of luxury goods in terms of “ functionalism, experientialism and symbolic interactionism”. Functionalism is termed as product features that could “ solve a current problem” or “ prevent a potential one”, by satisfying consumers’ utilitarian performance needs, such as superior quality, well-selected ingredients, a piece of work that is not only eye-catching but also tasteful. Experientialism incorporates features that could stimulate sensory pleasure and hedonic consumption, such as traditional artisanship and the great name of the producer, special richness and tone of decoration, elegance of days gone by. Symbolic interactionism implies product components related to status and self-recognition, such as prestigious name or recognizable producing style. Although both luxury and non-luxury foods can be conceptualized in a similar way, there is a distinctive difference in the mix of these components. In contrast to basic foods, luxury foods are those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high (Nueno and Quelch, 1998). The functional dimension is where the luxury food brands “ does” in the material world, rather than what it “ presents” (Berthon et al., 2009). Thus luxury food brands make outstanding products of great functionality: far exceeding consumers’ expectation. Basic foods correspond to a need; the role of basic

foods is to meet the need as quickly as possible at the lowest cost compatible with a minimal level of quality. Luxury foods correspond to a dream. Dreams are beyond need or desire; the DNA of luxury foods is the symbolic desire to belong to a superior class; the role of luxury foods is to respond to individual's dreams to live in a multisensory experience over time. Further discussion on the symbolic interactionism and experientialism of luxury foods will be extended as follow.

There is ample evidence that interpersonal or external factors with regards to symbolic interactionism, such as opinions, influences, approval and suggestions of or interaction with others, are posited to be a major motivation for luxury goods consumption (Groth and McDaniel, 1993). The social and psychological nature of luxury foods has aroused greater and greater awareness; it is argued to be a major factor contributing to the consumers' purchasing decision (Gardner and Levy, 1955). Many anthropologists and sociologists have demonstrated how luxury foods are used as a semiotic device, signalling rank and rivalry, solidarity and community, identity or exclusion, and intimacy or distance. Popular literature views luxury food consumption as a complex interplay of cultural, economic, social, political, and technological forces. Its current approach seems to emphasize on its dual nature as both an object of art and a metaphor (Kniazeva and Venkatesh, 2007). As Levy (1959) noted in her article Symbols for Sales:

“ People buy products not only for what they can do, but also for what they mean. When people talk about the things they buy and why they buy them,

they show a variety of logics... They try to satisfy many aims, feelings, wishes, and circumstances.”

Luxury foods often carry out a powerful form of human expression used to quantify love and respects from others. The extravagant feasts and banquets are perfect example for this insight. During these occasions, menus composed of various exotic and luxury foods for the wealthy are expensive, yet only small portions are taken. Beautiful objects are used and great table is set to regain the wealth and the reputable status of the host. Guests are invited strictly on the basis of their distinction and fortune in the social hierarchy. There is no wonder that luxury foods are in some instances recognized as the luxury symbols to maintain social ranks and noble privilege in human history, together with clothing and jewellery.

Experientialism is probably the most important dime