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Concept of Luxury Through the Lens of History

A Brief History of Luxury

To understand what luxury is in the present—and possibly in the future—it is valuable first to look back at history. Today's manifestations of luxury in products, brands and services are certainly different from historical manifestations. However, understanding what luxury has been in different ages provides us with valuable insights into parallel concepts and internal functions influencing the existence and development of luxury. The basic functions at the core of luxury are still valid and have existed over time. Although the functions, or inner dynamics, remain the same, the different forms in which they are manifested have changed. Thus, forms of luxury often tell a delicate and valuable story about society.

The exact origin of luxury is impossible to pinpoint, but some form of 'luxury' is believed to have existed throughout mankind. Since the beginning of humanity, there have been organized societies. In societies, there are hierarchies or leading groups, and thus objects and symbols that signal the status of those leading groups (Kapferer and Bastien 2009a). These kinds of functions can be traced back to the key functions of luxury, although the word 'luxury' did not exist back then.

Thus, from one perspective, the origin of luxury is explained through sociology. Luxury has been there, in some form, as long as there have been societies, social hierarchies and social inequalities. Luxury goods have been symbols of power and status, differentiating those who are positioned higher from those at lower levels of social hierarchies. Products that contain symbolic power are time-, culture- and society-dependent. For example, in ancient times, powerful members of societies were buried with precious objects, such as jewellery or weapons, which were symbols of their power. In addition, Kapferer and Bastien (2009a) proposes that the ancient Egyptians also developed their own codes of luxury: the highest elite, such as the pharaoh, the priests and those around them, expressed their status through splendour and exclusive products such as perfumes. The great rituals of the afterlife were also the privilege of a select few, for the highest in society. However, archaeological discoveries and hieroglyphics have revealed that the extravagant afterlife also followed a path of democratization: this rare luxury of the afterlife, with mummies and tombs, spread downwards to other, more ordinary mortals. Besides the great rituals of the afterlife, the Egyptians also invented techniques that enhance prestige even now, as they discovered how to make glass to protect precious luxury goods such as perfumes. This technical invention gradually spread throughout society and eventually benefited everyone (Kapferer and Bastien 2009a).

In ancient Greece, the concept of luxury was a subject of constant dispute between proponents of luxury as an aspirational and improving force in society and those who saw luxury as the enemy of virtue (Kapferer and Bastien 2009a). It has even been suggested that the numerous conflicts in ancient Greece can be traced back to rivalries, tensions and disagreements between these two counterforces. Thus, luxury has two faces: good or bad, opportunity or threat, virtue or vice. The existence of luxury and its tensions were also much discussed by philosophers at that time. Throughout history, the concept of luxury has had different emphases. For example, luxury was closely linked with earthly pleasures and enjoyment, which were also regarded as sins. However, during the Renaissance, perceptions of the beauty of life changed slightly, and the joys of life were no longer seen as entirely sinful, although a way had not yet been found to separate higher and lower levels of enjoyment of life (Franchetti 2013).

Enjoyment and pleasure were also strengthened with luxury goods that were regarded as status indicators. Luxury goods were particularly important to monarchs and aristocrats, as luxury signalled personal power in society. Thus, luxury was not a socially neutral concept, but a sociological issue, exhibiting forms of rivalry and inequality.

Kapferer and Bastien (2009a) highlights how the debate between good and bad is seen to drive the luxury concept, even today and in Western societies. At one level, luxury may be seen as an insult to the poor, while at the same time the luxury industry is a source of skilled and steady jobs. Luxury is something that is ‘right to produce, but not all right to buy’.

Luxury experienced philosophical and social upheavals in the eighteenth century, but the consequences did not become apparent until the nineteenth century. During the rise of liberalism, luxury was a driver of economic growth. It was a time of aristocrats and the Enlightenment era. The eighteenth century is known for rising urbanization and industrialization, and a belief in freedom and equal rights. Thus, liberalism provided an economic rationale for luxury as a means of creating wealth for all. While luxury used to be for a small elite in its own isolated world, democratization gradually made luxury accessible to a wider audience by the end of the eighteenth century. The Industrial Revolution boosted living standards, and more and more people were able to afford luxuries.

In conclusion, throughout history, luxury has been regarded as a sociological issue in any society. It has not been socially neutral: society ultimately has defined what luxury is. Luxury used to play a key role in social stratification. Luxury was historically seen as a ‘divider’; it carried the notion of practical utility and waste—good and bad. It also highlighted decisions relating to the distribution of wealth (Kapferer and Bastien 2009a).

Turn of the Twentieth Century: Present and Future

Until the turn of the twentieth century, luxury appeared to exist in isolation from the rest of the world: it was something only for a small elite. All societies had their own ‘luxuries’, something in which only a select few

took part. According to Kapferer and Bastien (2009a), luxury developed in isolation over centuries, from the dawn of humanity until the turn of the nineteenth century. That is why luxury has acquired an idiosyncratic character.

From the twentieth century onwards, the exclusivity and total isolation of the luxury world began to diminish. Ever-growing numbers of people started to gain access to it in some form, and the isolated world of luxury was absorbed into industrial and consumer society. Thus, luxury has not remained unchanged. Growth and absorption have influenced current views on the concept of luxury, and the idiosyncratic nature of luxury has been influenced by the rules and competition of industrial economy and society.

Kapferer and Bastien (2009a) identify three powerful drivers in the twentieth century that have shaped luxury into what it is today. One is an *increase in spending power*. Luxury goods have experienced explosive growth as a result of increased availability of money and time. Growth in consumption offers the possibility of differentiating offerings and developing a consumer society. Premium and top-of-the-range products attract consumers if they have the potential to attain them. This possibility of reaching them also relates to a shift in the paradox of luxury: a trickle-down effect and democratization.

In addition to increased spending power, *democratization* is one of the most important drivers which explain the current success of luxury. Luxury created its own idiosyncratic character in isolation, but the growing availability, and even democratization, of luxury has changed and shaped luxury in contemporary society. A growing number of people have access to luxuries, so luxury is no longer for a small elite. The downside of this is a fear of vulgarization, as growing availability dilutes the perceived value of goods. Thus, the key internal function of social stratification is also disappearing or losing its strength with increasing availability. Social stratification evolves from connections and balance between society and individuals. It refers to a system with relatively predictable rules for ranking individuals and groups. The existence of a system of social stratification also implies some form of legitimation of the ranking of people and the unequal distribution of valued goods, services and prestige (Kerbo 2006).

Originally, luxury goods were visible results, conspicuous and ostentatious signs of social stratification in society. Social stratification was manifest in the existence of kings and queens, the church and other principles and systems. It was a system structuring society, and luxury goods were used as a signal of inequality and different levels and hierarchies.

The system of social stratification was reformed by the mid-1800s, when classic sociological theorists, such as Marx, Durkheim and Weber, began to systematically analyse systems of social stratification. Concepts relating to social stratification remain with us to this day. Thus, demystification as well as globalization have influenced the disappearance of transcendent social stratification from contemporary Western society.

Although the social structures have changed in form, people's internal need for some kind of social differentiation or stratification has not entirely disappeared: we are social by nature, and we need to know our place in society in order to avoid social chaos. As Kapferer and Bastien (2009a) suggests, luxury offers a kind of democratic way of creating this. 'Democratic' in this particular context means that, in theory, everyone is free to recreate strata (i.e., rankings of people) based on their dreams and through consumption. Nowadays, there are no given rules, reference points or strict hierarchical codes that must be followed in order to create stratification. Thus, what is regarded as luxury tells a lot about the society and individual in question. Consequently, as the democratization of luxury has diminished the social stratification created by goods and consumption, luxury is paradoxically creating and driving stratification in democratic societies (Kapferer and Bastien 2009a).

The third driver, according to Kapferer and Bastien (2009a) that has influenced the modern concept of luxury is *globalization*. Globalization plays a dual role in luxury. On the one hand, it opens up new markets and provides access to new products that are luxurious in different countries, such as silk, sugar, spices and cashmere. Through globalization, scarce ingredients and expertise become available across the world. On the other hand, globalization has the same effect as democratization: it reduces the impact of social stratification. In addition to reducing national hierarchies, at the extreme, globalization may also lead to a loss of cul-

tural roots and differences (Kapferer and Bastien 2009a). The dual effects of globalization present a challenge for the luxury market, as luxury is rooted in culture. Luxury goods carry the culture and signal to the world where they are from. Moreover, today's offerings clearly highlight the history and culture of luxury brands. Handcrafting and locality are valued more, as they differentiate and create authenticity for the brand.

Furthermore, from a consumer perspective, the greater accessibility that globalization has created has also removed boundaries for brands. Today, cost-cutting influences decisions to relocate many brands. For example, Burberry, which originates in the UK, and Dior, originating in France, are now partly manufactured in countries where labour costs are lower. In the worst case, relocation may lead to loss of brand identity. Thus, globalization reduces boundaries between countries, but also dilutes the boundaries of the brand. What is the true origin of a brand if its home country differs from the origins of its materials and manufacturing?

The Word 'Luxury' and Its Origin

Although the core functions associated with luxury have existed almost since the beginning of societies, the word 'luxury' is not that old. The origin of the term is from Latin, and the original meaning matches quite well with the modern word 'luxury', so it is interesting to consider translations before it was adopted into the English dictionary.

The origins of luxury can be traced back to the Latin word *luxuria*, meaning 'extravagance, excess'. Ancient Romans used *luxuria* to emphasize riotous living and sinful waste. When *luxuria* filtered down from Latin to Norman French, the Norman word *luxure* carried the meaning of lust or lechery, and when the word 'luxury' was adopted into English from French, it had a sexual meaning or connotation. The word with its sexual meaning was first recorded in English in 1340. The reference to 'wealth, opulence and indulgence' with which we now associate the word 'luxury' does not appear in English texts until the early seventeenth century (Wilton 2013). Therefore, the modern understanding of the word

'luxury' is closer to the original Latin meaning. The word was probably reinterpreted to reflect its old and original meaning, and it has lost its former sexual connotations.

Constant Interplay Between Need and Desire

In approaching luxury from a historical perspective, two key traits can be identified through which the concept of luxury is defined: sociological and hierarchical systems, and a psychological perspective focusing on and evolving from human needs. These two traits are parallel and slightly overlapping, but they also differ in some respects. While the sociological perspective (discussed earlier) highlights the social side and systems, and defines luxury through societies and other people, the psychological perspective (discussed next) emphasizes individual needs and desires. The similarity between these directions lies in the symbolic meaning of luxury, whether it is signalling to others or symbolic to oneself.

To complement the discussion from the sociological perspective, the history of the luxury concept can be approached from a more individualistic perspective. As a starting point, this perspective suggests that all human behaviour aims to satisfy needs. Although these needs have a very human origin, they are socially conditioned at some level, and are thus bound to change and evolve over time (Berry 1994). This raises the following questions: What are needs? How do they differ from desire? And most important, how has luxury been defined through needs and desires in a historical context?

There are different kinds of needs—basic needs and instrumental needs—and the boundary between these two types of needs has been historically determined. Basic needs are defined as 'essential to living or to functioning normally' (Braybrooke 1987, p. 31). Thus, need is often seen as physical and universal. For example, the basic needs identified by Plato are food, shelter and clothing. These represent the minimum and are regarded as universal. Thus, basic physical needs have remained unaltered, whereas socially conditioned needs (i.e., instrumental needs), as well as the objects and means with which these needs are satisfied, have changed.

Instrumental needs interlock with basic physical needs; however, the distinction is that instrumental needs are reducible to purposive or intentional goals, as goods may be needed as an instrumental means to an end. For example, you need a weapon in order to hunt and thereby satisfy hunger: the basic need for food is to satisfy hunger. However, instrumental needs may change over time. For example, the need for a weapon may now have a different meaning: hunting used to be an activity pursued out of necessity, but nowadays it may be pursued for amusement. Thus, instrumental needs are more socially constituted and contextualized than basic needs.

However, it is valuable to highlight two terms often used interchangeably: 'need' and 'necessity'. A small distinction is observable between the two: 'necessity' is often used in the sense of 'socially necessary', meaning that indispensable features arise particularly from society. 'Need', on the other hand, is a more general term and often arises from the individual level. Hence, everything necessary is needed, but everything needed is not always thought necessary.

Over time, goods that used to be regarded as luxury goods, such as soap or mobile phones, have lost their luxury status and become necessities. However, the needs driving luxury consumption are instrumental. Although luxury goods are easily substitutable, Berry (1994) suggests that they are not redundant or useless. They may become meaningful at personal or social levels, and may also, for example, serve an instrumental need such as social status. Thus, although they do not fulfil any basic need *per se*, they do satisfy social needs. Social needs drive non-functional demands; for example, the bandwagon effect, snob effect or Veblen effect derive from social needs. These forms of consumption will be discussed in greater detail in Chap. 4.

Berry's (1994) argument that luxury goods are not superfluous appears to be the opposite of that proposed by many other scholars. For example, Thomson (1987, p. 96) suggests that luxury goods are, 'by definition', superfluous. In addition, Grossman and Shapiro (1988) define luxury as things that 'bring value without any functional utility'. Whether 'superfluity' and 'uselessness' are characteristic of luxury goods depends on the level of abstraction and thus the object of discussion. Thomson (1987)

and Grossman and Shapiro (1988) discuss functionality and benefit at a product level, comparing these factors against other products, or defining them through abundance or the possession of more than is needed. In contrast, Berry (1994) questions the meaning of superfluity by defining it as either redundant or easily substitutable. The former represents the normal, quantitative understanding of superfluity. In this sense, superfluity does not intersect conceptually with luxury, as redundancy also indicates a negative status, being something that we can do without. However, substitutability is more conceptually parallel with luxury. It approaches superfluity more qualitatively and indicates refinement. For example, a Ferrari takes a person from place A to place B (functional benefit), but substitutes are easily available.

In the hierarchy of needs, it is often suggested that lower-level needs (e.g., basic needs such as food, shelter and clothing) need to be satisfied before higher levels are pursued. However, in contemporary societies, sometimes people without proper shelter or food may still save money for fancy clothes or handbags. Does this mean that instrumental needs overrule the satisfaction of basic physical needs, or is the satisfaction of basic needs a relative and highly personal interpretation after all? The emphasis on basic needs often depends on the culture and hierarchical structure of a society. For example, housing and sustenance may be regarded as secondary as long as one's public status is manifest, often through clothes and visible consumption. This used to be the case in Asian countries, where reputation and 'saving face' played a key role. However, this is also slowly changing, and 'social status' is no longer solely defined in terms of loud signals and public consumption.

Interplay between the notions of 'need' and 'desire' has been regarded as a vital condition for the existence of luxury, so this relationship is fundamental. Luxury in societies is often defined through its opposite, need or necessity. Basic needs represent the minimum; thus, luxury, in a sense, represents the maximum. Throughout history, luxury has been closely associated with physical and sensory enjoyment. According to Berry (1994), the paradoxical distinction between need or necessity and luxury constitutes a unity, where luxury is one component of a pair and need is another. This unity and distinction make 'luxury' a relational term, and

in that sense, 'need' is also relational. Each relational element needs a counterpart, while the constructs gain their meanings through each other.

Understanding need and its function provides a clearer understanding of the counterpart of luxury, but what does it say about luxury and why we want it? Furthermore, what is the role of desire in constituting luxury? In general, there seems to be a definite connection between a good being a luxury, and it being an object of desire (Berry 1994, p. 3). However, desirability has been closely linked with luxury goods only since the late eighteenth century; before that, luxury was deemed to be pernicious and harmful.

The question of why luxury is desired remains unanswered. Luxury implies exclusiveness, which is often associated with expensiveness and rarity. However, these alone are insufficient conditions for a good to be regarded as a luxury. Desire may be characterized at multiple levels, either by its general incidence, by the extent of its diffusion or by the intensity with which it is held (Berry 1994, p. 5). When it comes to luxury goods, desire needs to be diffused widely: in addition to the select few, the product must be the object of desire for a wider audience. However, desirability alone is not a sufficient component to define luxury: many goods that are desired are not necessarily regarded as luxuries.

Desire may be regarded as synonymous with 'want'. 'Want' differs from 'need' in that it is intentional, meaning that wants are privileged constitutions of our minds and thoughts, whereas needs are more physical, objective, or even universal (Berry 1994, pp. 10–11). Needs are not privileged, and other people can know what you need, but not what you want or desire. In a sense, wants particularize universal needs. For example, everyone *needs* a shelter, but whether you *want* a villa or a flat is a more subjective question. Thus, in order to differentiate luxury goods from needs, the former may be characterized as refined and positively pleasing, something above and beyond. You may eat to meet your basic needs, but what you want to eat represents a refinement which characterizes luxury goods.

Basic needs are universal for all human beings and provide a grounding for more refined and specific desires. Although basic needs do not change, luxury is dynamic, being subject to development as desires change.

Desires fuel refinement, and thus also luxury. For example, water closets and inside toilets used to be high luxury in the past but are now merely necessities. Refinement and product development have created more differentiation and added characteristics to basic products; therefore, the whole market is slowly developing, and new desires are arising.

In contemporary society, basic needs are rarely the key reason for actions anymore; they are the foundation, but the level of refinement has brought in new 'basics'. In addition, instrumental needs are often involved: rather than fulfilling basic needs, desires appear to have turned into needs in societies. Berry (1994) argues that this change is happening because our society attaches special status to some instrumental needs and turns them into 'social necessities'. The latter are products that a particular society identifies as being especially important, and this importance is embedded in cultural norms and standards. Thus, goods possessing the status of social necessity are those with the objective qualities of basic needs which are given status by society. Regardless of an individual's own thoughts, such products are regarded as social necessities (Berry 1994, p. 39). In contemporary societies, 'social necessities' are often regarded as real basics, such as running drinkable water and water closets at home. They are regarded as self-evident or 'standard' in some countries, whereas in others they are still regarded as rare and desirable, and are thus perceived as luxurious.

In addition to social necessities, there are also goods that are desired or even needed as an instrumental means to an end. These goods are substitutable (as luxury goods are regarded to be, according to Berry 1994), but only if the product is not desired fervently; in other words, the specific object is desired for its own sake and is highly valued, for example, due to nostalgic value. These goods are desired as a necessary means to the realization of a specific end. They are not desired because of the product itself or its intrinsic qualities. For example, someone who wants to gain credibility and social admiration from peers in the working environment when starting in a new, higher position at work may buy a new suit, expensive watch and business card wallet. Clearly, the consumption behaviour for these specific goods derives from the instrumental need to reach a higher goal: admiration and status in the workplace. The benefit brought by

using the goods is the main reason for consuming them, not their specific qualities or internal characteristics of the goods. Only the meaning given by people to the goods they consume distinguishes whether the products are luxury goods or goods used for instrumental purposes. Moreover, instrumental goods consumed as a means to an end may be regarded as 'luxury goods' by other people in different contexts, but because they aim to achieve a specific benefit, they may lose their possibility of being perceived as 'luxuries' from a subjective perspective.

Berry (1994) approaches luxury by challenging its existence in terms of its opposite, need and necessity. He provides an understanding of the relational existence of these two counterparts, and traces back the different forms of goods that evolve out of them, such as social necessities, goods that are an instrumental means to an end, goods that are fervently desired, and finally luxury goods. Luxury goods are regarded as something separate and different from goods that are deemed to be socially necessary, utilitarian instruments or objects of fervent desire; they are an indulgence. Luxury goods represent a personally meaningful pleasure and experience, whether they are object- or service related. The core is the experience. This may be linked to an object, but that is not a vital condition.

In approaching the concept of luxury from a psychological perspective and challenging its existence through its counterpart—needs and necessities—the key difference from the sociological perspective is that goods that are used for status purposes, or to signal status in society, are not regarded as 'luxury goods' in Berry's (1994) taxonomy of societal goods. Such goods are used as utilitarian instruments or a necessary means to an end. They are a 'way of getting somewhere'. At the core of luxury goods lies indulgence and 'being there and enjoying it'. Luxury goods should not be a way of reaching something but the ultimate goal. Therefore, in observing luxury in contemporary society, we may ask whether some kind of change has taken place in the content of the concept of luxury. Historically, luxury goods were just signs of social stratification, signals of social status; but nowadays, luxury brands are used more as drivers of stratification, a means to an end rather than the end result.

Either way round, some brands are regarded as luxury brands. Although they may be denoted as 'luxury brands', what is important is

whether individuals perceive them to be luxuries, whatever 'luxury' actually means for contemporary consumers. For example, Rolex watch may be regarded as an instrumental necessity; it is used as a means of demonstrating or gaining personal status. It may also be the object of a fervent desire or regarded as a cherished possession. A watch may be purchased after long-term planning or saving, or bought as a gift to oneself, or may even be an inherited artefact and therefore cherished. Rolex may also be regarded as luxury, personally meaningful pleasure, indulgence. It is regarded as desirable or pleasing by individual, and therefore their meaning derives from individual, not from society. Luxury at an individual level may encompass even small and relatively inexpensive goods, often not regarded as luxury goods in marketing terms.

The key is to acknowledge the multiple levels of societal goods, and how value comes to be attached at a personal level. Thus, the abundant use of the term 'luxury' in the contemporary marketplace is paradoxical. The term is highlighted, as brands aim to sell more (which is also contradicts the core of luxury) by calling them 'luxury' products. However, based on the Berry's (1994) taxonomy presented above, few people may actually treat them as true luxuries. Of course, the question is whether the meaning of luxury as a personal indulgence is fading and whether 'luxury status' is being afforded to status-signalling goods (i.e., instrumental necessities) in contemporary society.

Luxury for Others and Luxury for Oneself

In approaching luxury from a historical perspective, two main directions can be observed: luxury defined in terms of society and luxury defined in terms of oneself. The chapter started by reviewing the former, and discussed social stratification, and how differentiation in societies and social hierarchies has guided and was part of the origin of luxury. It is suggested that luxury gained its idiosyncratic character as it developed in isolation and among small groups of elites. Luxury used to be a sign of social stratification. Since the twentieth century, luxury has become more closely associated with societal structures and its availability has slowly extended

to larger audiences. Nowadays, luxury goods are not just a *signal* of social inequality, whereby status is derived from other sources and luxury goods are simply a manifestation of it; they actually *drive* inequality. Thus, it is noted that, besides fulfilling signalling purposes, luxury goods play a key role in creating distinctive status positions in society (Kapferer and Bastien 2009a).

Luxury defined in terms of oneself represents a psychological and more personally driven direction. This direction originates from discussion of needs and necessities. Although needs are seen as universal, they evolve from individuals. Thus, the origin of luxury is seen in its counterpart, need. Besides the basic needs of food, shelter and clothing, there are instrumental needs and social necessities. However, a distinction is drawn between needs derived from social premises and needs derived from personal premises. According to Berry (1994), luxury goods are seen as personally meaningful pleasures or indulgences. Thus, in definitions of luxury built on needs, the individual, not society, is at the core.

Both sociological and psychological perspectives from which luxury originates may also be seen as two different facets of luxury: luxury for others and luxury for oneself (Kapferer and Bastien 2009b; Dubois and Laurent 1994). They represent different sides and emphases of the luxury literature and the origin of luxury but are not mutually exclusive. While the first emphasizes society and symbolic signalling towards others, the second emphasizes personal and individual aspects. They are apparently different, but a key connecting feature draws them close: luxury is seen as inherently symbolic, but the symbolic signals to which it is directed differ, whether they be external or internal.

Understanding the Past, Forecasting the Future?

This chapter has provided a brief summary of luxury and its underlying functions through a historical lens. Luxury has been part of our lives and society for a very long time, and understanding the role of luxury, and how it was perceived in history, communicates something about our present time, our consumption society and its individuals. As lux-

ury is closely associated with something desired and pursued, it also tells something about the direction of progress. Consumers' desires fuel development; when people achieve their dreams, standards are set higher. Thus, Kapferer and Bastien (2009a) have also discussed the so-called non-return effect, which is characteristic of luxury: once someone has had a taste of luxury, it is hard to go back or turn away from it. This is challenging, particularly in the case of a fall in spending power. Very often, people do not give up their luxury goods, despite cutting their expenditure on other conventional goods. This effect operates at both a personal level, for example comfort, and at a social and public level. For example, consumers want to cherish the status they have gained, even if this may present an illusion that everything is fine, both to oneself and to others.

Interpreting the luxury phenomenon in terms of history reveals that what was regarded as a luxury and had a symbolic value at a specific time reveals something about the society and also about desires and pursuits at the individual level. People work towards their dreams, and sooner or later the dreams are fulfilled and become 'everyday' necessities, whether because social development creates social necessities, such as toilets, soap, hygiene, and even mobile phones, or because living standards rise at a personal level. Many goods that were attainable only by a small group of people at first are now available to all. Therefore, understanding what is regarded as a luxury today, at this time, and in this culture and environment, may narrate the story of tomorrow's necessities.

This chapter has provided a brief history and cross section of two directions through which the concepts of luxury and luxury goods have been defined and understood. This background serves as a basis from which to observe and understand contemporary society, and even challenge the direction it is taking. The chapter has discussed luxury as a concept, and the functions and meanings of luxury goods. The luxury market today offers brands as well as luxury goods. The market has evolved, and in order to differentiate and create more multisensory meanings, the intangible dimension of brand has been adopted. The next chapter will approach luxury from a product and brand perspective and will discuss how luxury is perceived to be created through brands.

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Case Study

Luxury has changed its physical manifestations over time, but the key function has remained the same: a delicate balance between scarcity and desirability. At the intersection of these two constructs lies the dream value, which is regarded as a driving force and definer of luxury (e.g., Phau and Prendergast 2000).

Products formerly regarded as luxuries tell a lot about the society and the time. In a sense, luxury products also whisper silently the direction of development, for example, of a product like soap, which was regarded as a real luxury in the Middle Ages. Today, soap in general is regarded as commonplace—a necessity—and has therefore ceased to be a luxury in our eyes (Chevalier and Mazzalovo 2012).

Teleporting our minds to a more current world, we also have a product that used to hold a luxury status a few decades ago: mobile phones. These were regarded as rare status objects a few decades ago, manifesting the power, wealth and importance of their owners. Nowadays, a mobile phone is more or less a commodity for everyone in Western countries.

Most interestingly, the usage and consumption of mobile phones has reached new forms. The cachet of being available all the time has showed some signs of turning upside down, its total opposite. When mobile phones arrived, being reachable was regarded as a sign of power and importance; whereas now, being unavailable, out of reach for a while, has become more of a luxury. Being there in the present physical moment has become more valuable than living in the virtual world and communicating by telephone.

Who would have guessed that yesterday's luxuries would be today's necessities, or that things that were regarded as everyday necessities back then might be perceived as luxurious today? Note that this requires that people have a choice. Voluntary simplicity seems to be a counterforce to conspicuous consumption, but both carry the same internal truth and function: the individual concerned has the possibility and freedom to make choices.

Our perceptions of luxury are constantly changing and taking different forms. Luxury has long roots in history and has come into existence in different ways. What are these different ways in which it has been manifested, and how did luxury come about in earlier times? Moreover, what is regarded as luxury today, and what does it tell about the contemporary society?

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