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TITOLO

From street to catwalk

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# Introduction:

“Luxury as a desire to meet a sophisticated need, exceeding what is socially acknowledged as necessary, is not typical of modern times.” (TRECCANI)

In the ancient world, from Magna Graecia to Rome, the search for luxury was a recurring phenomenon.

Despite its presence in ancient times, the concept of luxury has undergone a change in modern times.

Luxury is present within all cultures, from the least to the most advanced. Luxury in its modern definition has always existed, but in the past the concept of luxury was used to indicate a person’s belonging (men and women alike) to a specific social class, profession, art or trade. Today this is not always valid, as society has levelled out.

Nowadays luxury concerns more than just a few people, even though it still reflects the habits of society, the individual’s psychological behavior, profession, political orientation and taste.

These changes have been addressed by two authors: the American Thorstein Veblen (1899) and the French Pierre Bourdieu (1930) have succeeded in highlighting the changes and different nuances in the concept of luxury as well as the social classes involved in this change. In their vision, luxury is no longer a dream for few.

With their “Theory of the Leisure Class” and “Theory of Cultural Change” and “Class imitation”, respectively, Veblen and Bourdieu showed how the various social classes, from upper to middle and working classes, began to fuse together.

In recent times, Fashion and Luxury have undergone a major change thanks to technology. The Internet allowed the economic world and specifically the world of luxury to widen their horizons, create new sales models and achieve visibility much more easily and rapidly.

My degree thesis will focus on what has changed over the last fifty years and how such changes have revolutionized the world of luxury. The theory of “The Long Tail” will be analyzed as a possible reason for change. This economic theory, dealing with

technology and introduced by Anderson in 2004, describes in detail the proliferation of niches and the fall of the “hits”, which shows how the world is changing and constantly evolving in the light of new trends.

The most representative example of this revolution in the world of luxury is the rise of co-branding, which is a kind of collaboration between two fashion houses or a fashion designer and a brand. It is definitely interesting to see how luxury has welcomed niches like co-branding in order to renew itself. This approach in the fashion industry has proved to be successful but to which extent? Will it set a new trend in the industry?

Recently so many brands have started a cooperation; Lanvin x Acne, Uniqlo x Jil Sander, Y-3: Yohji Yamamoto x Adidas are just a few famous examples. I will focus on the specific experience of Louis Vuitton x Supreme, who were the first to launch a colossal collaboration between extreme luxury and New York streetwear, receiving a great feedback from the market.

# 1. What is Luxury:

“People have declaimed against luxury for two thousand years, in verse and prose, and people have always delighted in it”. Voltaire.

Several things have undergone profound changes in modern society and the field of luxury and fashion is one of them, as it radically changed over the last century. Luxury is present in its various forms within all human societies, from the richest to the poorest. It can be defined as both something capable of providing pleasure and a unique emotional experience to the consumer and a simple intention to show off and to be acknowledged as a member of upper social classes.

Starting from the etymology of the term “luxury”, various nuances can be identified in this word, such as the idea of French “loisir” or ease. The essential meaning of the concept of luxury is overabundance. In the past luxury and fashion were almost synonyms, as fashion was luxurious and luxury was an integrating part of fashion. The great change in this concept in modern times is that luxury and fashion have become two different things, with their own status: luxury does not foster the fashion industry any longer, where industrial products are used. As any other form of culture, luxury is related to social models and processes. In our society, money makes the difference and the terms “luxury” and “expensive” are almost synonyms. For luxury to develop, two pre-requisites are essential, hence a sophisticated society and a sense of satisfaction and social comfort. (1) The concept of luxury can be analyzed from various perspectives providing multiple insights, sometimes contrasting. Firstly, in the economic framework luxury is set into a financial perspective, where luxury items are considered as something having a very high price or economic value, a sign of prestige out of reach for the majority of people in society. Secondly, in aesthetics art and literature are taken into consideration. In this case, luxury reflects the typical values of beauty and antiques, such as preciousness, rareness and uniqueness, which are especially praised in literature. Luxury as a convention is codified according to the cultural features of the times. Since ancient times, the concept of luxury was confined within the boundaries

of a social status. In the 19<sup>th</sup> century though, during the industrial revolution, this concept was monetized and luxury finally became something that you could buy. The rise of sub-cultures provided alternative visions to the traditional concept of style, which had marked all trends in fashion and luxury until then. Ground-breaking street movements in London and New York started to play an influential role, attracting young students from fashion academies: the street prevailed over elitist haute couture fashion. The essence of modern luxury is display and artistic beauty, which evince themselves in the splendor and the costliness of the material employed, in the elegant refinement of ornament. We may define the concept of luxury as multi-dimensional as it can be analyzed from various perspectives, enhancing its multiple facets.

This transformation of luxury does not merely indicate a change in taste, it indicates a moral evolution, a great augmentation in social solidarity (6).

## 2. Thorstin Veblen:

Thorstin Veblen (July 30, 1857- Aug 3, 1929) was an American economist and social scientist who sought to apply an evolutionary, dynamic approach to the study of economic institutions. He was an institutionalist, and was one of the first that criticized neoclassicals for their teleological view.

Veblen's ideas and theories were influenced by economists like Adam Smith and Karl Marx. He was positive about Marx's idea when talking about the materialistic perspective while, contrary to Marx, he believed that creative forces in society concern industrial arts development rather than labor. His work was based on cultural issues and not only on theoretical deductions.

In Veblen's analysis we find also a contamination of the Darwinian view, according to which society is characterized by a continuous competition for existence between individuals.

Veblen's analysis started with the definition of *instincts*.

In his theory, Veblen spoke about a continuous contradiction between the action of making things (industrial\technological employment) and making money (pecuniary\business employment), and he called this dichotomy.

Using the ceremonial-instinct dichotomy he also formulated the *Theory of the Leisure Class*.

Habits and Institutions were critical in Veblen's analysis: those are the factors that determine a conspicuous consumer.

Veblen defined institutions in his Theory of the Leisure Class:

*"Products of the past process are adapted to the past circumstances, and therefore never in full accord with the requirements of the present . . . At the same time, men's present habits of thought tend to persist indefinitely, except as circumstances enforce a change. These institutions which so have been handed down, these habits of thought, points of view, mental attitudes and aptitudes, or what not, are therefore a conservative factor. "*

With his *Theory of the Leisure Class* (1899), Thorstin Veblen won fame in literary circles and, in describing the life of the wealthy, he also made a deep analysis of

conspicuous consumption and pecuniary emulation.

He underlined how the drivers of human power have changed over time. In a primitive society, the authority of an individual was determined by the predatory power, while nowadays the power conferred to people is mainly given by the materialistic things. (3)

The *Theory of the Leisure Class* develops from a deep investigation of the main determinants of this kind of class.

Veblen declared that the theory of conspicuous consumption was the most important factor in determining consumer behaviour. (2)

Conspicuous consumption was based on the evolution of a leisure class whose members were not required to work as they belonged to the upper class, aristocratic families, also called “old money”, but had an appropriate surplus produced by those who worked, i.e. the working class.

A clear example of this can be read in Fitzgerald’s *Great Gatsby* in which the author showed a disintegration of the American dream in an era of material excess, in which the only desire were money and pleasure, rather than more noble goals.

One of the main messages launched by the author was that a person from any social background could, potentially, make a fortune, but the American aristocracy (as we said before, families called “old money”), would scorn the new rich industrialists and speculators.

Veblen agreed with the message of Fitzgerald and maintained the idea in which old money held by aristocratic families conveyed a higher status establishing a gap between “haves” and “have-not” as a result of wealth accumulation. Veblen believed that the more goods an individual owns, the higher will be the status.

Fitzgerald’s novel is the “supreme Veblenian parable of conspicuous consumption”. Before Fitzgerald, only Veblen analyzed the world of the rich, luxury and cultural richness with irony and realism. (4)

The author brought to light also the analysis of this continuous emulation of individuals



of the consumption patterns of other individuals situated at higher points in the hierarchy.

At the basis of social emulation was the wish to be accepted as a higher class member.

A curious example could be the difference between countries that developed under Calvinism and the ones that evolved under Christianity. The first ones embarked on an agile and rapid economic growth, while Christianity was very rigid on this, leaving a very definite distinction between the aristocratic and all other individuals.

Veblen pointed up several times that the quantity of work is not important, but the status to which people can be associated.

The theory of conspicuous consumption was also used by historians to explain the consumer revolution that coincided with the industrial revolution in England during the 18<sup>th</sup> century.

Cameron M. Weber, a modern author who analyzed the concept of Veblen's "conspicuous consumption" (presented in the *Theory of The Leisure Class* (1899)), assessed whether such concept could apply to the current times. Weber maintains that conspicuous consumption and "prestige" goods have come to mean the same thing. We have lost some of Veblen's insights during this process, but we have gained short-hand terminology which allows us to know what we mean when we say "conspicuous consumption" in the language of economics.

In our equilibrium-based aggregations in the modern language of economics, we have lost Veblen's "starting-point" and his explanation of evolutionary change. *On the other hand*, we have found that "conspicuous consumption" has become a long-lasting and continually relevant part of our common language as well as an "efficient" way to describe a bias towards status-seeking consumption in modern societies. (12)

After the industrial revolution, people started to accumulate more wealth, especially the middle class, thus a compenetration of different social classes began and the huge distinction between upper classes, middle classes and low social classes started to fade.

Another social scientist and philosopher that analyzed those topics was Pierre Bourdieu with his *Theory of Cultural Change*.

### **3. Pierre Bourdieu:**

Pierre Bourdieu (August 1930 - January 2002) was a French philosopher and sociologist.

Bourdieu was particularly concerned with the fate of art in late capitalist society, arguing that “*the sociological study of culture is the sociology of religion of our time.*” He believed, in opposition to Veblen, that education was fundamental in order to reach a higher social status.

In his analysis he understood that social classes differ first in tastes. Bourdieu’s research into the taste for modernist works as symbolic goods shows that its public is not just drawn from other artists, but principally from those aristocratic families who have “old money”, (bankers, liberals and higher education teachers). He retained that the post-war bourgeoisie was distinguished from other classes by its acquisition of state credentials in the form of educational success. (5)

Bourdieu also agreed with Veblen, saying that, with the increase in consumption of material goods, there would be a visible growth in emulation of upper classes also in

the consumption of cultural goods and activities.

In his doctrine he presented how art, music and foods may have different purposes: considered as primary goods for the lowest classes but also luxury goods for the upper classes, who used them for pleasure rather than for primary needs.

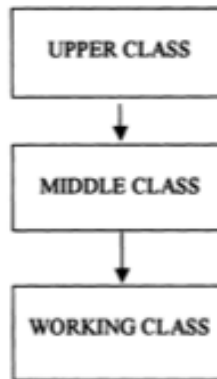
Bourdieu, as Veblen, also provided an analysis of the class imitation. He analyzed that there are also deep differences between social classes that are adjacent as, for instance, between the middle-bourgeoisie and the upper class, and agreed with Veblen on the idea that each social class tries to reach a higher status emulating people that are above them.

Bourdieu writes (1984:251-52), *imitation "helps to maintain constant tension in the symbolic goods market, forcing the possessors of distinctive properties threatened with popularization to engage in an endless pursuit of new properties through which to assert their rarity. The demand which is generated by this dialectic is by definition inexhaustible since the dominated needs which constitute it must endlessly redefine themselves in terms of a distinction which always defines itself negatively in relation to them."*

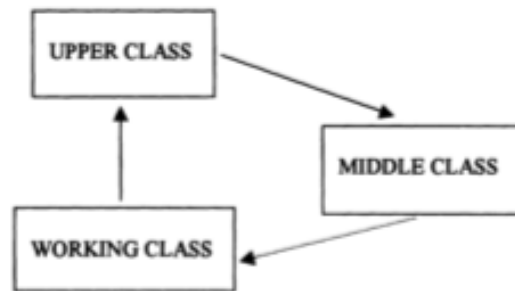
For him, imitation represents a dispersion of tastes that goes from the labor class to the upper class.

The two figures below will show how transmission takes place between social classes.

**Figure 1. The Transmission of Tastes**



**(a) The trickle-down model**



**(b) The trickle-round model**

*Figure 2 Andrew B. Trigg. "Veblen, Bourdieu, and Conspicuous Consumption." Journal of Economic Issues 35.1 (2001): 99-115. Web.*

Figure 1 (a) represents Veblen's trickle-down effect and shows how tastes are transmitted from an upper class to the middle and working class.

Figure 1 (b) instead, represents Bourdieu's idea, showing a "trickle round" of tastes. Rather than a unilateral transmission of tastes (from upper classes to middle/working one), a circular transmission is considered here, resulting in a continuous influence between classes.

## 4. The Long Tail:

Running an analysis of how the field of fashion and luxury has changed over the years and across the world, we must take in consideration one of the stimulating factors of this change: technology. Technology, in particular the Internet, transformed the worldwide economy.

Communication has probably been one of the factors that determined such a change of rule, especially due to the spread of different kinds of social media on the web.

With those new resources (Internet and social networks), consumers obtain powerful instruments allowing them to have an active role and to influence the choices of other consumers, sharing their experience of purchase.

Nowadays the consumer is more informed and interested in the value and choices of a brand. Through the web, companies can create, share and tell the history and the qualities of the brand itself.

An economic theory developed recently and of particular interest is the one of the “Long Tail” by Anderson.

The Long Tail, according to Anderson, is the **retailing strategy** of selling *a large number of unique items with relatively small quantities sold of each, compared to selling fewer popular items in large quantities* (7).

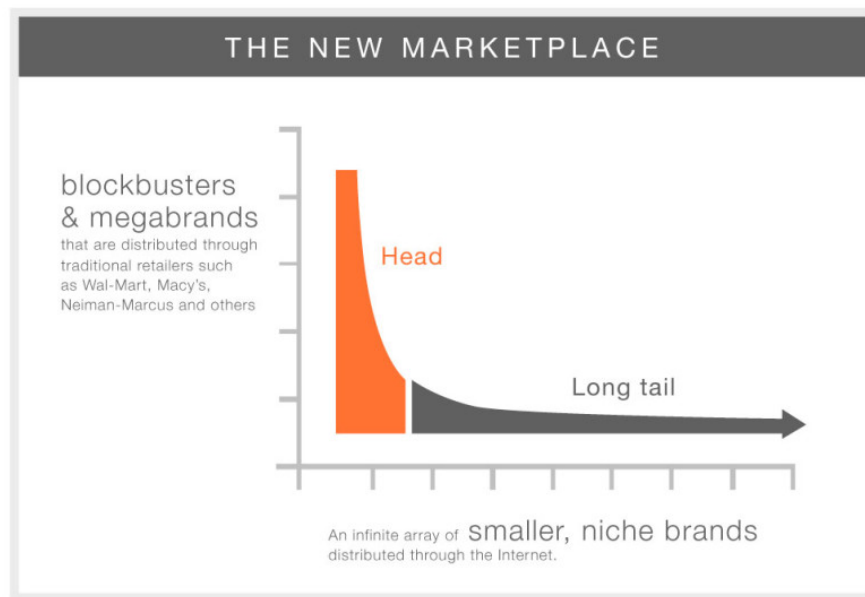
The main characteristics of the Long Tail is the ability for retailers to have a wide range of products, to make it easier for consumers to find the one they need (via technology) and the ability for any type of retailer to make profits from niches.

According to the author, the main positive aspects of the theory is that companies will lower their costs, as he wrote "on the infinite aisle, everything is possible."

The author decided to let us analyze why and how the world became focused on infinite choice.

This enables profitable selling of niche products next to the usual selling of the “hits.” Anderson believes that the products with the lowest request or that have a small volume of products sold could, collectively, create a market share higher than those products that are more known.

With the Internet, the methods of running business have totally changed and evolved.



The Long Tail was first introduced in relation to the music and film industry and later on it was also used in the fashion market.

The fashion field is modifying its target continuously, starting from an increase in the small online stores and blogs that will bring revenues moving down the tail.

Nowadays the market is driven by the niches and the future of business is “selling less of more” (8).

As shown in The Long Tail, niches are on the rise. The new online sales models are in constant development and the Supreme brand is a typical example of this phenomenon. Supreme, a brand from New York especially focusing on online sales, features a limited number of products which are usually sold within 60 seconds. This example shows how the world and the way products are sold and bought are constantly changing.

From a technical point of view, on the left hand side of the diagram we find the “head”, that is the sales related to the hits, whereas on the right hand side we find the “tail”, that is all the sales of niche music products. The crucial characteristic of the graph is the

tail, virtually stretching to infinity and generating a significant global volume of sales. The Long Tail refers to the part of statistical distribution associated to lower frequency.

## 5. BIG CHANGE: Co-Branding:

Are collaborations the new “must-have” for fashion victims?

Here is an overview of how the luxury and fashion world has totally changed across the last years due to changes in resources and technology. Analyzing what collaborations are, with whom they began and why nowadays they are considered a “must-have”, we will try to understand which could be the reasons for a total shift in the world of fashion (9). After seeing the Long Tail by Anderson, it becomes clear how technology (and especially the Theory of the Long Tail) has triggered the proliferation of niches and simplified access to various market forms. In the specific case of co-branding, the Long Tail has given niche brands the opportunity to be noticed by a prominent company and start a collaboration with it.

To start our analysis we have to talk about the concept of alliance, based on the concept of increasing value, for which the consumer is willing to pay a difference in price. In order to reach new market segments and innovative firms, the new trend is determined by collaborations between fashion brands, emerging designers or artists.

Collaborations in the fashion area occur when two brands, or a designer and a brand decide to merge in order to create a new collection that can bring something new and different and represent a niche. (As seen in the long tail).

What is fascinating about it is that, most of the times, collaborations are created between totally different segments of the market and totally different brands, as could be the recent case of Supreme for LV. In this case, one of the world's leading international fashion houses, Louis Vuitton, selling its products in boutiques, department stores and on its web site started a collaboration with Supreme, being a skateboarding shop/clothing brand created for a different segment of the market and selling in limited quantity (only ten stores worldwide).

Looking at the last market data, the idea of collaborations had a lot of success in the fashion market.

The surprising aspect is that the designer recreates his image in the light of market trends.



What will come up will be a very profitable business model.

The idea here is that the unknown artist would embrace a higher number of consumers, while the already important brand could attract also other market segments creating, in this case, a niche market. There is a sort of trade-off between the two, with the designer increasing his/her visibility and the brand choosing materials and manufacture.

The first one that came up with the idea of co-branding (collaborations) was H&M in 2004, when its first designer collaboration with Karl Lagerfeld was launched, with an increase in margins and penetration of new markets. Following this great success, the brand started to collaborate with other big brands like Versace, Lanvin, Jimmy Choo and many more.

Surely, the one that created an “empire” using collaborations in the fashion world is definitely Supreme. This brand from NYC built many partnerships with famous houses of fashion. (From Nike, The North Face, Stone Island to Louis Vuitton).

The great potential of collaborations lies in providing a new idea of fashion: something new, inspiring and fascinating.

The great idea that stylists and brands had about collaborations was to create something “new” that could totally rephrase the classical idea of fashion.

Fashion houses use popular artists’ names to make their products more sophisticated, attractive and marketable and, in turn, artists accept to cooperate with fashion houses to receive reputational benefits and increase their visibility.

Some people feel an irresistible desire to possess an item developed jointly by a popular brand and a contemporary artist. The old “limited edition” concept has been finally replaced by the ambition to buy exclusive items with an artistic touch. Thousands of people are ready to wait in line outside fashion boutiques to buy the *special items* from such valuable collaborations. A reasonably popular brand and an artist on the rise are the perfect mix characterizing this new trend.

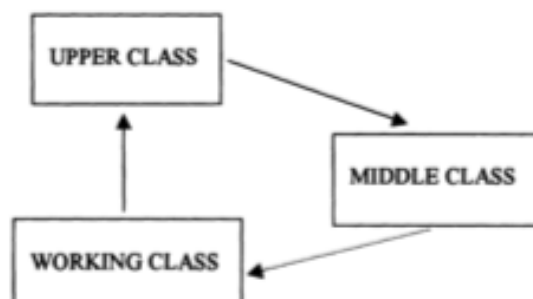
## 6. Case LV x Supreme:

“Sometimes the best weddings are celebrated on the catwalk”. (COCO CHANEL)

The need for renewal in fashion has never been so strong. Louis Vuitton’s exclusive heritage meets Supreme’s street modernity made in USA and this unique, thrilling collaboration becomes viral on the Internet and the social media in just a few minutes. The dynamic culture of New York City from the 70s, 80s and early 90s is the starting point. “It is uptown and downtown”, a tribute to the many styles that coexist and blend together (10,11).

It is interesting to see how Bourdieu’s circular theory, also called the “trickle round of tastes”, perfectly applies to this case. As a matter of fact, this theory claims that there is a circular transmission of tastes between classes, from the upper, through middle to the working class.

Here we take into account this circular transmission, which was shown previously.



(b) The trickle-round model

We consider here the two brands mentioned, namely Louis Vuitton and Supreme as the contemporary symbol of luxury and a young brand of modern streetstyle, respectively. Their collaboration is a perfect example of Bourdieu’s theory: according to the circular transmission theory, lower classes and higher classes are reciprocally attracted by each other. Lower classes try to emulate higher classes whereas higher classes are attracted by completely different styles and trends, typical of lower classes.

## Conclusion:

In a secularized time (from Latin *seculum*, meaning laic) when neither magic nor religion (the original sources of art) enjoy the prestige they had once, luxury can be defined as their alternative synthesis.

One does not need to believe in God or magic to be seduced, although to a lesser extent, by a banal version of luxury.

Luxury has undoubtedly become the driving force of Western industrial economies and today luxury products are not limited to elites only. As a result, business strategies have been modified in order to address wider consumer groups.

This work has attempted to trace and analyze the various theoretical explanations of the reasons for which the field of luxury and fashion have changed so drastically in the last years. The analysis conducted herein enables to identify a number of reasons that may have triggered such a radical change in the world of luxury and fashion. As was specified previously, one of the main reasons is certainly the constant need for change and renewal, which leads brands to pursue originality.

I introduced this topic talking about luxury and I especially focused on the vision of two economists in this regard, namely Thorstein Veblen (1857) and Pierre Bourdieu (1939), who have been among the first to deal with the topic of luxury. The worldwide market was so different at the time, though their visions were so modern. In particular, Pierre Bourdieu's "trickle-round" theory, claiming a circular fusion of taste, is extremely modern.

There are consumers that purchase goods nowadays as a sign of social prestige but individualistic approaches are on the rise. Veblen had perceived that "not only does the evidence of wealth serve to impress one's importance on others and to keep their sense of his importance alive and alert, but it is of scarcely less use in building up and preserving one's self-complacency." (*Theory of the Leisure Class*).

One thing that Veblen and Bourdieu could not know at the time their theories were developed is the advent of the Information Age and the Long Tail, which revolutionized

and widened the opportunities for market expansion, thus changing the way luxury and fashion are seen and conceptualized.

The Long Tail and the web have changed completely the economy and the way of running business. Nowadays is much easier to be noticed and expand the market. Thanks to the Long Tail, also the niches have increased their popularity and this has enlarged the market even more. The example of LV x Supreme has been presented, which shows perfectly what we have tried to analyse: social classes have started to merge (according to Bourdieu's idea) and the upper level of LV has fused with the streetstyle of Supreme, and this has been possible thanks to the Long Tail and the Internet. One of the current fashion must-haves has finally become accessible to a new and wider public and haute couture has finally met the world of beauty, at affordable prices.

Rationally speaking, we do not need luxury goods, our cultures do not need them either and yet, if we did not produce, buy and sell them, we would all suffer. As a result, we definitely need them.

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