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Decoding Heritage & Luxury Branding for Premium Fashion Brands: From Starting a Business to Building an Empire

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Branding, brand strategy, luxury branding, heritage branding, luxury brand management, fashion brand, fashion branding, fashion industry, premium brand.

Abstract:

This thesis explores the topic of heritage and luxury branding in the fashion industry and identifies the codes that are used by fashion brands to communicate their vision and values, attract the right type of audience and develop business. The research combines data from 109 academic articles, 18 published books, 4 business industry reports, more than 80 podcast episodes and 8 exclusive interviews with the founders of the creative agencies specializing in luxury and heritage brands. The thesis consists of four chapters, covering the theoretical foundations, existing conceptual models, historiographic overview of the subject and the business perspective. As a result, the research provides an extensive overview of the existing theories related to heritage and luxury branding, demarcates the codes used in heritage and luxury spheres, offers an integrated model of heritage and luxury branding codes based on the previous academic findings and analyzes examples from field trips completed by the author. Ultimately, this thesis can be considered as a guide to the topic of heritage and luxury branding and can be helpful for both researchers and practitioners as it aims to solve business problems through academic perspective and shows the codes that can be used by emerging premium fashion brands to elevate their brand image and position themselves among the established heritage and luxury brands.

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Introduction

Luxury is the possibility to stay close to your customers and do things that you know they will love. It's about subtlety and details. It's about service [...] Luxury is not consumerism. It is educating the eyes to see that special quality.

- Christian Louboutin

Impeccable quality, artistic excellence and timeless design — these are the values that premium fashion brands want to be associated with and try to convey through their communications strategies. Such attributes can also be translated into the world of marketing and brand strategy as heritage and luxury branding, but for the fact that they are far from what they used to be 20 years ago. In fact, the notions of heritage and luxury have recently undergone a series of dramatic changes alongside with the boom of social media and the shift in the patterns of consumers' behaviour.¹ Luxury stores are opening their doors to the general public, anchoring their hopes on the new rich. At the same time, the affordable luxury labels come to prominence, putting at stake the legacy of the long-established heritage brands and undermining their market positions as suppliers of exclusive goods and timeless fashions. In all this hustle there are still honest and passionate brands that are not chasing the trends or trying to hype consumers with luxury positioning but have their own vision and want to be sustainable while charging the price premium to use the best materials they can find and stay independent to propel their own vision at one and the same time.

¹ Martin C. Wittig, Markus Albers, Philip Beil, Fabian Sommerrock, *Rethinking Luxury: How to Market Exclusive Products and Services in an Ever-Changing Environment* (London: LID Publishing, 2014).

Is there a way to communicate their brand values in a way that is both appealing to a younger audience and relevant to existing customers? And what strategies should they use to accomplish this goal? Also, if branding is a ‘person’s gut feeling about a product or service’, how to communicate the codes and values of heritage and luxury branding to the target audience?² The answer seems to be hidden between the lines of numerous articles and monographs on luxury branding and brand communications strategy, which cover brand identity, brand values, positioning, verbal and non-verbal communication, culture and vision. These brand pillars define whether the brand’s performance will be successful or not. Given that fashion brands’ strategy of the 21st century is ‘selling your vision to clients’, learning the codes of heritage and luxury branding is the key.³ In fact, having a clear vision is extremely important for all leaders, be it the CEO of a tech company or the art director of a fashion brand. If a business wants to grow from a small initiative to ultimately becoming an empire, it must be able to define a clear brand strategy and later implement it through brand channels and marketing mediums.

Learning the codes of heritage and luxury branding can also be compared to learning a new language: once you master the basics, you can go on elaborating on grammar constructions and vocabulary. The ultimate mastery is to use idioms and phrasal verbs. In the world of fashion branding, it is the ability to communicate your values and vision while being perceived as a high-end brand and charging price premium. Finally, heritage and luxury branding codes can be interpreted as a dress code you need to follow to enter the party of long-established heritage and luxury brands. By deconstructing brand strategies of established brands, newcomers can read the ‘entry requirements’ of the luxury fashion market.

² Marty Neumeier, and American Institute of Graphic Arts, *The Brand Gap: How to Bridge the Distance between Business Strategy and Design : A Whiteboard Overview* (Berkeley, CA: New Riders, 2006).

³ Gaynor Lea-Greenwood, *Fashion Marketing Communications*, (Chichester: John Wiley & Sons, Ltd, 2013), 188.

At the same time premium fashion brands have to constantly innovate to stay afloat, which sometimes implies breaking the code.⁴ Nevertheless, the first step in breaking any rules of brand communications is to learn the brand strategy basics first. Once the heritage & luxury branding ‘language’ is mastered, it is possible to come up with more innovative solutions and complex ideas. Finding the answer to the research question will create this much-needed foundation for heritage & luxury branding strategy framework.

Research Question

What are the codes of heritage & luxury branding that independent premium fashion brands can use in their communication strategies to succeed in business?

To answer the main question the following sub-questions should be addressed:

- What is the difference between heritage and luxury branding?
- How has the concept of heritage and luxury branding evolved since the 1970s?
- What is the role of verbal and non-verbal codes in brand marketing strategy?
- How to decode the marketing strategy of a premium fashion brand?

The goal of this research is, therefore, to detect the heritage and luxury branding codes that can be used by independent premium fashion brands to communicate their vision to their target audiences and grow their business practice without being absorbed by a luxury conglomerate, which can ultimately lead to losing the control over the brand direction.

⁴ Jonas Hoffmann and Laurent Lecamp, *Independent Luxury: The Four Innovation Strategies to Endure in the Consolidation Jungle* (New York: Palgrave Macmillan, 2015).

Research Gap and Contribution

When talking about the research gap in the field of heritage and luxury branding for premium fashion brands, it should be noted that the literature on the subject is divided into several categories, namely ‘luxury branding’, ‘heritage branding’ and ‘branding for fashion brands’. This means that to this date, there’s no study that would integrate all the topics and indicate the difference between them. Moreover, when referring to the very essence of luxury as a concept, there’s no consensus on its exact meaning, and people from different backgrounds perceive it differently.⁵ This is not to say that the topic of luxury branding is scarcely explored, on the contrary, there’re more than enough studies and monographs covering all of the aspects related to luxury and luxury branding. At the same time, the topic of heritage branding remains an ‘under-investigated area’ and requires more attention from researchers.⁶ This thesis is, therefore, aimed at bringing the existing knowledge together and creating a structured theoretical base that can be expanded by other researchers.

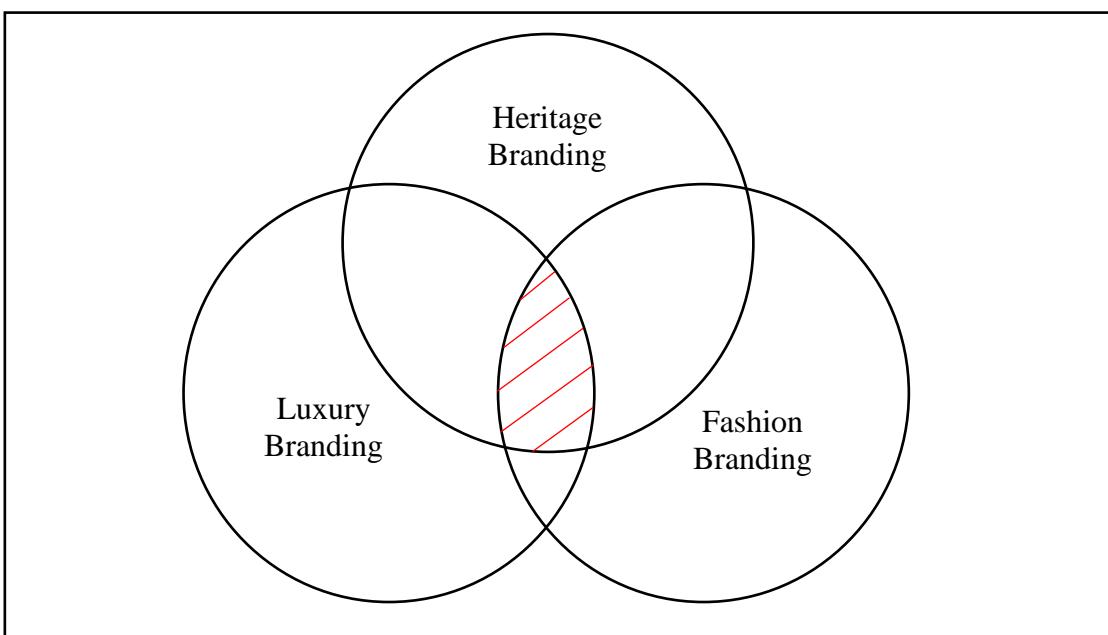


Figure 1. Research Framework. Source: Own Illustration.

⁵ Eunju Ko, John P. Costello, and Charles R. Taylor, ‘What Is a Luxury Brand? A New Definition and Review of the Literature,’ *Journal of Business Research* 99 (2019): 405–13.

⁶ Holly Cooper, Dale Miller & Bill Merrilees, ‘Restoring Luxury Corporate Heritage Brands: From Crisis to Ascendancy,’ *Journal of Brand Management* 22 (2015): 449.

Another issue related to the existing research is the difference in perspectives on the subject of heritage and luxury branding in business and academic fields, which brings confusion to understanding the subject-matter. To make the case even more complicated, there're several conceptual models related to the topic of heritage and luxury branding that are not linked to each other and exist independently. The main contribution of this study in relation to this point, is the approach that bridges the gap between academic and business literature and allows to solve business problems with the help of academic theoretical base.

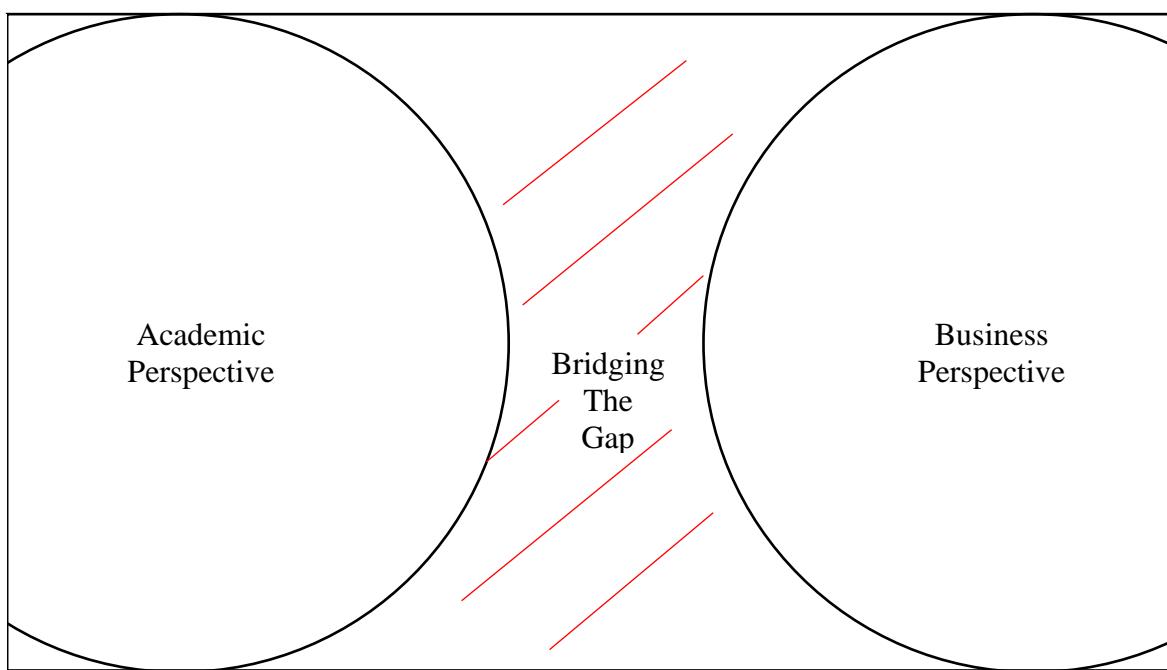


Figure 2. *Framing the Research. The Two Perspectives.* Source: Own Illustration.

From the historical perspective, there's a huge gap between implementing the latest advances in premium branding and reflecting on how the codes of heritage and luxury branding evolved over time. Given that there's no documented evidence on how the codes of heritage and luxury branding changed over time and affected the way premium fashion brands communicate with their clients today, this thesis will offer a retrospective comparative case study analysis, identifying the codes of heritage and luxury branding that premium fashion brands implemented in the twentieth century and how their brand strategy differs from the contemporary approach to brand communications.

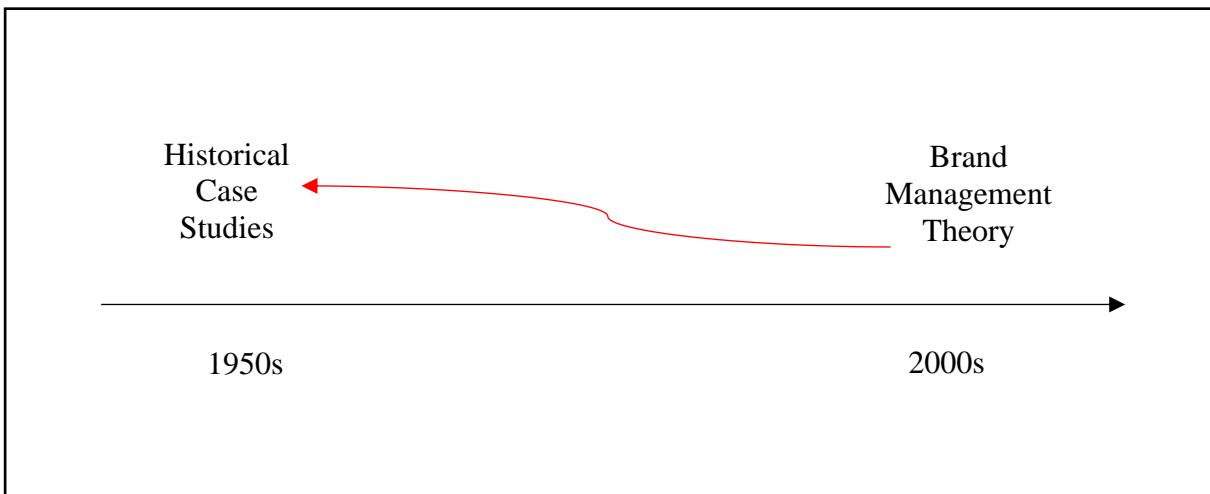


Figure 3. *Framing Research. Historical Perspective.* Source: Own Illustration.

Finally, the research on the process of decoding brand strategy and analyzing consumer behavior from the marketing perspective is divided in two parts: the codes that are implemented by the creators and the codes that are then being perceived by the consumer. The subtle but important point is that the same codes used by a brand can be interpreted differently by different categories of consumers, depending on their social and financial standing. In this case the research gap appears because of the peculiarities of communication as a process and differences in perception. Identifying visual and verbal codes that a brand uses in its strategy does not necessarily mean that the clients get the same picture as the art director who created the campaign as the implemented codes may be interpreted in an unexpected way. From the business perspective, the time and effort spent on deliberately choosing and implementing the codes of heritage and luxury branding may not transform in sales or in increasing customers' loyalty. Bridging the gap between these two perspectives may help to better understand the methods of using communications codes in brand strategy and assess their impact on the business performance of a company.

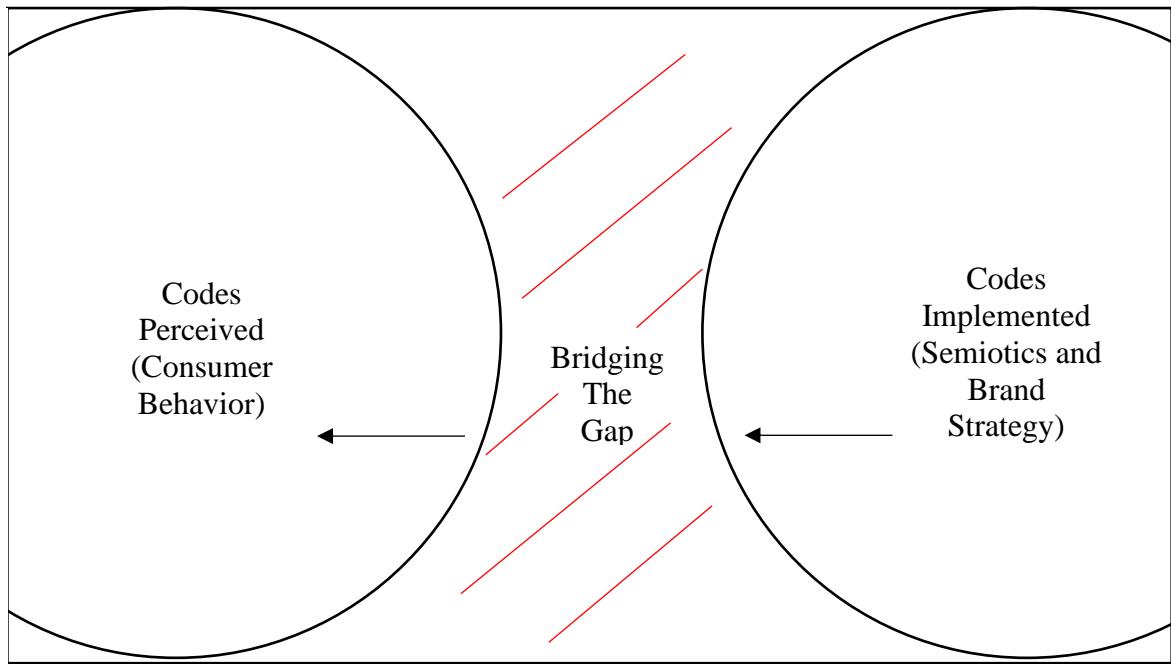


Figure 4. *Framing Research. Implemented and perceived codes.* Source: Own Illustration.

To conclude, this research is aimed at filling the gaps in the existing knowledge base by combining different approaches to the same subject. To be more precise, this thesis will explore both academic and business perspectives, analyzing the implemented and perceived codes, and using historical evidence to support the findings.

Role of Innovation

The role of innovation in brand strategy and brand development is critical, as without incremental changes a brand is destined to lose market positions and becomes obsolete.⁷ Innovation concerns all aspects of leading a business and growing a brand, so the field of brand strategy and communications is also eligible to innovative solutions. As mentioned earlier, innovation implies breaking the established code and can also broaden the brand's meaning.⁸

⁷ Hoffmann and Lecamp, *Independent Luxury: The Four Innovation Strategies to Endure in the Consolidation Jungle* (New York: Palgrave Macmillan, 2015).

⁸ Michael B. Beverland, Julie Napoli, Francis Farrelly, 'Can All Brands Innovate in the Same Way? A Typology of Brand Position and Innovation Effort,' *The Journal of Product Innovation Management* 27 (1) (2010): 33.

In heritage branding innovation provides an opportunity to revitalize a brand and attract younger audience.⁹ Luxury segment is also actively using innovative solutions in branding and design to win clients' attention and reinforce the brand's positions on the market. Moreover, innovation and creativity can leverage customers' desire to buy a product, so it is both a business tool to drive more sales and a part of the product's integrity.¹⁰

In relation to this research, innovation is implied in the chosen multidisciplinary approach, which is based on the existing resources and materials but presents them in a new manner, reflecting the fundamental principle of innovation and forming the so-called 'cumulative learning'.¹¹ What's more, this research draws the line between heritage and luxury codes in branding, uses exclusive primary sources of data and applies the most recent advances in brand strategy to historic case studies. Lastly, this thesis adopts the existing conceptual models on luxury branding to the field of heritage branding as a less explored area and extends the literature analysis of the 10th literature cluster in luxury branding research – brand management and the principles of creating luxury value used by Gurzki, this framework will be discussed later in the literature review.¹² These are the unique features that make this thesis innovative and contributory to the existing knowledge base.

⁹ Lawrence M. Bellman, 'Entrepreneurs: Invent a Brand Name or Revive an Old One?', *Business Horizons* 48, no. 3 (2005): 215.

¹⁰ Robert Kozinets, Anthony Patterson, Rachel Ashman, 'Networks of Desire: How Technology Increases Our Passion to Consume,' *Journal of Consumer Research* 43 (5) (2016): 659.

Antoinette M.Fionda, and Christopher M. Moore, 'The Anatomy of the Luxury Fashion Brand,' *Journal of Brand Management* 16, no. 5–6 (March 2009): 347.

¹¹ Jan Fagerberg, *Innovation: A guide to the literature*, (Georgia Institute of Technology, 2004).
William Lazonick, *The Innovative Firm*. In *The Oxford Handbook of Innovation* by Jan Fagerberg, David C. Mowery and Richard R. Nelson, 2005.

¹² Hannes Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury*, (Applied Marketing Science / Angewandte Marketingforschung. Wiesbaden: Springer Gabler, 2020).

Sources and Methods

The topic of luxury and heritage branding can be approached from two perspectives: luxury consumption and luxury creation. The first option implies analyzing how consumers engage with different brands, how they make the decision to purchase a product and how they perceive different codes of heritage and luxury branding implemented by brands. The creator's perspective addresses another category of questions: what codes different brands implement in their communications strategy, how they engage their audiences in a dialogue and how this affects consumers' purchase decisions. As mentioned earlier, this research is aimed at bridging the gap between the two viewpoints by using sources that address both the creator's and the consumer's perspectives. Analyzing brand positioning, brand strategy and consumers' response to the chosen communications strategy can be one of the solutions to solve the problem of diverging positions.

Finding the answer to a complex problem implies using different sources of data and implementing different methods of analyzing and processing it, which can be also referred to as 'methodological pluralism'.¹³ Such multi-disciplinary approach includes findings from several disciplines such as history, economics, sociology, cultural studies, and is powerful in terms of problem-solving but requires more attention and coordination. This research uses three main methods of data collection: analyzing academic and business literature, taking interviews with industry experts and making empirical observations; with all the collected data being further processed through the grounded theory by Glaser and Strauss.¹⁴ The first step of the research is collecting data from various sources and organising the data in a structured table mentioning the author, the work, the year of publishing and the codes of heritage and luxury

¹³ Sharon Macdonald, *Memorylands. Heritage and Identity in Europe Today*, (London/New York: Routledge, 2013), 49.

¹⁴ Barney Glaser, Anselm L. Strauss, *Discovery of Grounded Theory: Strategies for Qualitative Research* (version First edition.), (First. London: Taylor and Francis, 2017).

branding identified by the author. The total number of works analysed is 109 academic articles, 18 published books, 4 business industry reports, more than 80 podcast episodes and 8 interviews with the industry experts.

The second step consists of processing the collected data and includes 3 stages: open coding, axial coding and selective coding. The first step implies the development of categories based on the collected data and available information (in our case these will be the articles, books, reports and interviews). The second stage is comprised of interconnecting these categories and identifying common patterns (the brand pillars, brand drivers and brand protectors). Finally, the selective coding allows to construct a fuller picture based on the analysed data when research saturation is reached (this stage will allow to sift out the codes that are becoming less relevant in the development of a brand). Finally, the case studies were used to test the existing conceptual models and scrutinize the identified codes through the lens of business realities. The multiple case studies approach helps to see the common patterns and adjust the constructed brand communications model based on the collected data. In other words, the last step of this research consists of testing the academic findings in the business field.

Chapter I. Theoretical Foundations

I. Terminology

Defining the terms in the field of heritage and luxury branding often causes much confusion and misunderstanding, partly because there're plenty of interpretations and the authors tend to invent and re-invent the terms without acknowledging the contribution of other researchers.¹⁵ This is something that Jean-Noel Kapferer calls the 'Not Invented Here Syndrome' and also claims that most of the researchers do not know what constitutes a good definition.¹⁶ In this thesis we'll try to find the consensus among different viewpoints and opinions so that the subject-matter of the research is clear and concise. The following terms will be discussed in a greater detail: *decoding, brand and branding, fashion brand, premium brand, luxury branding and heritage branding*.

Decoding

The term '**decoding**' is the gerund form of the verb 'to decode', which stands for 'finding the meaning of something that is difficult to understand' as well as 'understanding the meaning of something in a foreign language'.¹⁷ In relation to this thesis, *decoding is the process of identifying the codes of communication that premium fashion brands can use in their strategy to get their vision across to the public.* In other words, the language in which a brand communicates with its clients, has certain codes, and understanding this language involves learning the code, not only verbal, but also visual, cultural, economic, social, managerial and philosophical. It is also extremely important to identify what the term '**code**' stands for, as it

¹⁵ Kapferer, 'The future of luxury: Challenges and opportunities,' *Journal of Brand Management* 21 (2014): 716.

¹⁶ Ibid.

¹⁷ Oxford Advanced Learner's Dictionary (accessed 10 May, 2020)

<https://www.oxfordlearnersdictionaries.com/definition/english/decode?q=decode>

can often be found in the literature on branding without any specific explanation. To give but a couple of examples, it is worth quoting some of the authors. Marius Schaefer claims that ‘luxury [...] seems to be coded’ by some brands while Jonathan Schroeder states that brands are ‘reflecting broad societal, cultural, and ideological codes’.¹⁸ Even though the message can be understood without providing additional explanations, the key to fully grasping the subject-matter of a given topic is to go deeper and to find the exact meaning of the terms. According to Oxford dictionary, the term ‘**code**’ has several meaning and two of them are most relevant to the case of branding: ‘a system of words, letters, numbers or symbols that represent a message or record information secretly or in a shorter form’ and ‘a system of laws or written rules that state how people in an institution or a country should behave’. Applied to branding, code is a system of verbal and non-verbal messages that a brand implements in its brand strategy.

Brand and Branding

‘There is virtually no agreement on what brand is or means.’

P. Manning.¹⁹

Brands existed long before the first book on branding and brand identity was published: first branded products date back to Ancient Rome when merchants stamped their names on the soap bars to emphasise product’s quality and increase consumers’ loyalty, which would ultimately result in increasing sales.²⁰ Two thousand years later, the idea behind using a brand has hardly changed, and the practice of branding is still aimed at strengthening the company’s

¹⁸ Schaefer, ‘Neuroeconomics: In Search of the Neural Representation of Brands,’ *Progress in Brain Research* 178, no. C (2009).

¹⁹ Paul Manning, ‘The Semiotics of Brand,’ *Annual review of Anthropology* 39 (2010): 33.

²⁰ Catharine Slade, *Creating a Brand Identity: A Guide for Designers* (London: Laurence King Publishing, 2016).

position on the market. And even though everyone recognizes the importance of branding in business, there is no consensus on what exactly the term ‘brand’ means and how to define it.²¹

Marty Neumeier proposes a succinct and comprehensive definition of a ‘brand’ as ‘a person’s gut feeling about a product, service or organisation’, implying that a brand is not what the company’s management or the owner think about it, but the perception of a broader audience.²² Brand image is based on people’s attitude towards a brand as an institution and is established at a deeper level than just a visual impression. This means that **brand image** is constructed inside people’s minds and can only be adjusted through a series of strategic exercises and intended actions. The combination of these steps can be widely described as **brand strategy**, while the process of implementing brand strategy can be referred to as **‘branding’**, which is also a means of ‘building brand awareness and extending customer loyalty’.²³ It is important to acknowledge that brand strategy is not a linear process and can be adjusted depending on the product category and business goals. Implementing the codes of heritage and luxury branding is part of brand strategy for premium fashion brands that want to communicate their vision and values, usually associated with timelessness, artists excellence and premium quality. A successful communication strategy also contributes to **brand equity** that was defined by Aaker as ‘a set of assets or liabilities in the form of brand visibility, brand associations and customer loyalty that add or subtract from value of a current or potential product or service driven by the brand.’²⁴ The role of codes in brand strategy and brand equity will be discussed in greater details later in the fourth chapter.

²¹ Jennifer Davis, *Between a sign and a brand: mapping the boundaries of a registered trademark in European Union trademark law* (Cambridge: Cambridge University Press, 2008), 65-91.

²² Marty Neumeier, and American Institute of Graphic Arts, *The Brand Gap: How to Bridge the Distance between Business Strategy and Design : A Whiteboard Overview* (Berkeley, CA: New Riders, 2006).

²³ Alina Wheeler, *Designing Brand Identity: An Essential Guide for the Entire Branding Team* (Hoboken, New Jersey: Wiley, 2018).

²⁴ David Aaker, *Managing Brand Equity: Capitalizing on the Value of a Brand Name* (New York, Toronto: Free Press; Maxwell Macmillan Canada; Maxwell Macmillan International, 1991), 209.

Fashion Brand

A **fashion brand** represents a product category and can be defined by the type of products it offers. This category includes 'apparel, shoes, lingerie, swim- and eyewear, jewellery, wristwatches, cosmetics, perfumes, leather goods and writing instruments.'²⁵ It is important to differentiate a fashion brand as a product category and fashion branding as a business model. Developing a brand with fashion positioning presupposes following the trends, keeping up with the pace of fashion weeks and changing the existing product range after a new collection is introduced. The main principles of a fashion business model can also be applied to non-fashion brands, e.g. when Apple launches a new collection of devices, it removes the previous one from the website. Opposite to this model of behaviour, a fashion brand as a product category may adopt a premium or luxury positioning, which abandons the idea of ever-changing product range and focuses on timelessness, craftsmanship and the quality of the product. In this research a **fashion brand** is referred to exactly as a product category. The difference between the business models will be presented in the third chapter.

Fashion brands exist in both mass-market and luxury segments, but this research will focus on those that have local production and were managed by their founders at the beginning stage of growing a business. This management style can also be referred to as vertical integration in brand management, which means having full control over design, material sourcing, product development, manufacturing and distribution processes. Vertically integrated brands are more mobile and flexible because they take full control over the processes inside a company, which increases efficiency and reduces risks.²⁶ At the same time, remaining independent is extremely challenging, especially for a young fashion brand, so it is crucial to

²⁵ Olga L. Kastner, and Carsten Baumgarth, *When Luxury Meets Art: Forms of Collaboration between Luxury Brands and the Arts* (Bestmasters. Wiesbaden: Springer Gabler, 2014)

²⁶ Franck Delpal, 'Vertical Integration in the Luxury Sector: Objectives, Methods, Effects'. *IFM* (2011).

strike the right balance between having full control over the development of a brand and securing enough funds to stay in business.

Premium Brand

Having local production, vertical integration in brand management and high-quality materials presupposes having higher costs and higher prices, so the selection of brands based on the research criteria falls into the premium category by default. In both academic and business literature the definition of a ‘premium brand’ is usually associated with pricing and brand positioning, however, it is sometimes mistaken with the concept of a ‘luxury brand’. The main difference lies in the price/quality ratio, which must be reasonable for premium brands, while luxury brands can afford introducing a price without necessarily explaining its formation.²⁷ Another distinction of a luxury brand is that it implies status consumption while premium brands focus on delivering high quality at a reasonable price without necessarily offering status as a unique selling proposition. What is also important, premium brands compete based on their positioning whereas luxury brands are advised to abandon such practice and attract consumers by their identity, which disrupts the principles of traditional marketing.²⁸ For this research a **premium brand** will be identified as having a premium pricing policy while maintaining a reasonable price/quality ratio and competing with other brands using traditional positioning strategy. The explanation between a premium brand as a pricing policy and premium branding is illustrated below.

²⁷ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. (London: Kogan Page, 2009).

²⁸ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury*, 2009.

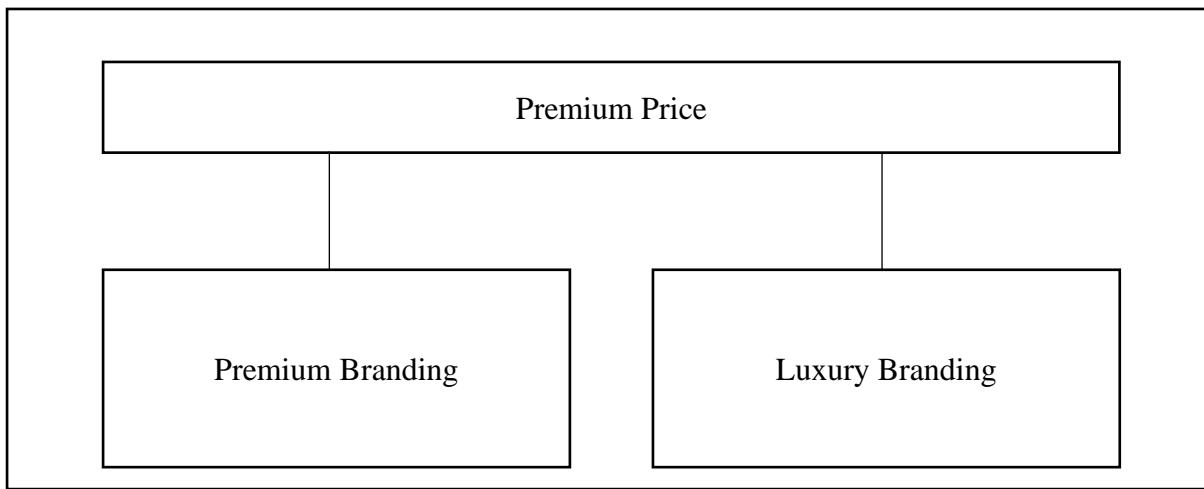


Figure 5. Correlation between Premium Pricing, Premium Branding and Luxury Branding. Source: Own Illustration

Luxury Branding

When analysing luxury branding as a strategic tool, it is crucial to highlight the difference between luxury brand management and luxury positioning. These are the two sides of luxury branding, with the luxury brand management being focused on the internal side of communications and luxury positioning – on external messaging. These two parts doesn't work without one another, so it is crucial to develop them simultaneously, standing up to the brand's promise and implementing luxury branding codes in both internal and external parts of brand communications. This research will reflect on both luxury management and luxury positioning as the essential parts of **luxury branding**, which can be defined as *a strategic tool in brand communications that is aimed at creating a luxury brand image and justifying the premium pricing policy.*

It is also important to draw the line between premium and luxury business models, as they represent different positioning strategies.²⁹ As these strategies are not mutually exclusive, fashion brands can adopt some aspects from both, depending on their goals and values. In such a manner, if a brand wants to abandon the idea of status consumption while charging price premium, it can explain its price formation and be transparent about the quality/price ratio, positioning itself as premium brand. This would also highlight the fact that one of the main brand values is honesty and transparency, which will increase customers' loyalty and attract the right type of clients who share the same values.

Heritage Branding

Heritage branding can be approached in two distinctive ways: as the act of protecting and promoting heritage and a strategic tool in corporate marketing that makes heritage part of the brand value proposition.³⁰ In this thesis we will focus on heritage branding from the marketing strategy perspective as this is the area where the codes of heritage branding can be observed and identified. Yet, it is worth mentioning that without the cultural perspective, heritage branding as a marketing tool wouldn't have gained that much power. As the domain of heritage branding is multidisciplinary and involves aspects from cultural and ethnological studies, its development was positively affected by the UNESCO convention for the Safeguarding of the Intangible Cultural Heritage.³¹ This convention legitimised the importance of intangible cultural heritage and shifted the focus from perceiving heritage as something rigid

²⁹ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London; Philadelphia, PA: Kogan Page, 2012).

³⁰ Dubois, Czellar, and Laurent, *Consumer Rapport to Luxury: Analyzing Complex and Ambivalent Attitudes*, (Paris: Chambre De Commerce Et D'Industrie De Paris, 2001).

Kastner, and Baumgarth, *When Luxury Meets Art: Forms of Collaboration between Luxury Brands and the Arts* (Bestmasters. Wiesbaden: Springer Gabler, 2014).

³¹ 'UNESCO - Text of the Convention for the Safeguarding of the Intangible Cultural Heritage'. Accessed 3 June 2020. <https://ich.unesco.org/en/convention>.

and monumental to embracing its dynamic and flexible character.³² The convention can be also considered to be a turning point in heritage branding studies as it was the first document that propelled the official acknowledgement of intangible heritage and emphasized its role in brand strategy.

Just as in the case with luxury branding, heritage branding has two parts to it: as a positioning strategy and a brand management approach. Together they constitute the foundation of **heritage branding**, that can also be defined as the 'approach to corporate marketing that involves reference to the past [and the future], encourages the engagement of consumers with the history of the brand, or the engagement of consumers with history through the brand'.³³ It is also important to draw the line between the concepts of corporate heritage and corporate history, as corporate heritage constitutes a strategic tool in branding while corporate history represents the track record of the company's past. In other words, corporate heritage bridges the gap between the company's past, present and future while corporate history is mainly focused on the past.³⁴ In combination with innovation, corporate heritage constitutes a powerful marketing tool and forms the basis of heritage branding.

To conclude, the definitions of the main terms used in this thesis create the foundation for further research and discussion. The next chapter will look deeper into the historical aspect of heritage and luxury branding to understand the changes these strategies went through and see the transformation of the consumer behaviour, which led to the current market situation. The summarising table with the main terms discussed in this thesis is represented below.

³² Sharon Macdonald, *Memorylands. Heritage and Identity in Europe Today*, (London/New York: Routledge, 2013), 49.

³³ Ibid.

³⁴ Urde, Greyser, and Balmer, 'Corporate brands with heritage,' *Journal of brand management* 15(1) (2007): 10.

Term	Meaning
Decoding	Method
Fashion Brand	Product Category
Premium Brand	Pricing Policy
Luxury Branding	Brand Communications Strategy
Heritage Branding	Brand Communications Strategy

II. Literature review

While the topic of heritage and luxury branding is widely discussed in academic and business literature, there is no clear explanation on how to differentiate these two concepts. Brand heritage is usually associated with luxury brands and is defined as one of the pillars of a premium fashion brand. While this is true, we also need to differentiate between heritage and luxury branding as two independent categories, because the codes of heritage branding can be approached as an independent area of research. Moreover, the codes that heritage and luxury brands implement in their communications strategy might be different depending on their business goals. For this reason, the literature review on the subject will be divided into three categories: branding and brand strategy, heritage branding and luxury branding. After analyzing these three parts, we will also identify the main debates that are related to the subject.

Branding and Brand Strategy

The academic interest in brand building as one of the marketing pillars began to develop in the 1970s, just as the first works on luxury consumption.³⁵ There's a solid theoretical base

³⁵ Bent Sorensen, 'Branding and Communities the Normative Dimension,' *Semiotica* (226) (2019): 135.

on branding as a subject, in this thesis we will focus on the works covering the practical side of branding, which includes the main principles of value creation and brand management. One of the most prominent manuals on branding and brand strategy is ‘Branding: In Five and a Half Steps: The Definitive Guide to Creating Brand Identity’ by Michael Johnson, who spent more than two decades working as brand strategist before publishing a book on the subject. His work covers the five steps that a company needs to undertake on the way to becoming an established brand: carrying out a market research, developing brand strategy and narrative, creating the design, implementing the visual identity on marketing materials and engaging the audience.³⁶ What’s important, the book introduces the second-and-the-half step in brand strategy, which Johnson calls ‘bridging the gap’ between the verbal and visual brand communications. The fact that Johnson is a celebrated designer and brand strategist himself adds to the point of this book being a useful guide in the hands of academics and scholars who want to understand the practical aspects of brand building and the problems that a brand team face during this process.

Another essential book on branding is ‘Designing Brand Identity: An Essential Guide for the Whole Branding Team’ by Alina Wheeler.³⁷ This monograph covers the main questions associated with brand and branding, including the history of branding, methodology, strategic tools and the ways the in-house team can approach the exercise of brand building. A similar approach towards the subject of branding was taken by Catherine Slade in her guide for designers, where she fully covered the process of creating a brand.³⁸ Even though this volume was created for creative professionals, it can also serve as a basis for academic research to better understand the role of codes in brand strategy and learn the implementation steps. Finally, ‘The Brand Gap’ by Marty Neumeier discusses the divergent positions that the creatives and the

³⁶ Michael Johnson, *Branding: In Five and a Half Steps: The Definitive Guide to the Strategy and Design of Brand Identities*, (New York, New York: Thames & Hudson, 2016).

³⁷ Alina Wheeler, *Designing Brand Identity: An Essential Guide for the Entire Branding Team*, (Hoboken, New Jersey: Wiley, 2018).

³⁸ Catharine Slade, *Creating a Brand Identity: A Guide for Designers*, (London: Laurence King Publishing, 2016).

strategists take when building a brand, with the former focusing on the design aspects of branding while the latter are more concerned with the business performance and market figures. Neumeier argues that in order to build a strong ‘charismatic brand’ it is vital to combine the two approaches.³⁹

Taking a look at works on branding by researchers and not practitioners, we can observe the discrepancy in opinions and definition. Researchers talk about the divergent character of branding and the impossibility of giving the exact definition of what constitutes a brand, including Moore discussing the ‘dematerialisation of brand’ and identifying a brand as the combination of ‘tangible and intangible values’, Wallpach introducing the term ‘fluid brand identity’, Kotler suggesting the definition of a brand as a ‘label that carries meaning and associations’; and Manning concluding that there’s ‘no agreement on what a brand is’.⁴⁰ Overall, the literature on the subject of branding and brand building provides a complete understanding of the creative and strategic processes and explains the importance of creating a strong brand in order to leverage the business performance of a company. What these works lack in regard to the present study is the specific approach towards luxury and heritage branding as a business process. At the same time, there’re plenty of works on the subject of luxury branding from the theoretical perspective and few focusing specifically on heritage branding.

³⁹ Marty Neumeier, *The Brand Gap: How to Bridge the Distance between Business Strategy and Design : A Whiteboard Overview*. (Berkeley, CA: New Riders, 2006).

⁴⁰ Robert Moore, ‘From genericide to viral marketing: on “brand,”’ *Lang. Commun* 23(3-4) (2003): 331. Sylvia Von Wallpach, Andrea Hemetsberger, and Peter Espersen. ‘Performing identities: Processes of brand and stakeholder identity co-construction,’ *Journal of Business Research* 70 (2017): 443.

Philip Kotler, *Brands, Marketing Insights from A to Z* (2003): 8.

Paul Manning, ‘The Semiotics of Brand,’ *Annual review of Anthropology* 39 (2010): 33.

Heritage Branding

The topic of heritage branding is a relatively new and ‘under-investigated area’ of research.⁴¹ Even though there are many heritage brands that were established long before the beginning of the twenty first century, it wasn’t until 1996 that the first references of heritage branding as a strategic tool appeared and became the subject of academic discussion. It took another ten years for academics to transform ‘heritage branding’ as a marketing tool into a subject of scientific research, first covering The Crown as a heritage brand alongside with the vine industry and then analyzing corporate heritage brands, such as Tiffany, Burberry and LVMH.⁴² Among the first authors who referenced heritage branding as a strategic tool are Aaker with his work on vertical brand extensions, where he identified brand heritage as an important part of brand equity; Margolis and Hansen who explored the possibility of brands becoming more sustainable through implementing tradition and family atmosphere as brand values; and Moore & Birtwistle with their case studies on Burberry and Gucci and the claim that heritage plays central role in the success of luxury brands.⁴³

The next turning point in the research on heritage branding as a subject was between 2006 and 2007, when Balmer *et al* published their work on the phenomenon of monarchies acting like corporate heritage brands and later Urde *et al* introducing the term ‘corporate

⁴¹ Holly Cooper, Dale Miller & Bill Merrilees, ‘Restoring Luxury Corporate Heritage Brands: From Crisis to Ascendancy,’ *Journal of Brand Management* 22(5) (2015): 448.

⁴² John M. T. Balmer, Stephen A. Greyser, and Mats Urde, ‘The Crown As a Corporate Brand: Insights from Monarchies,’ *Journal of Brand Management* 14, no. 1/2 (2006): 137.

Michael Beverland, ‘The “Real Thing”: Branding Authenticity in the Luxury Wine Trade,’ *Journal of Business Research* 59 (2) (2006): 251.

Mats Urde, Stephen A. Greyser & John M. T. Balmer, ‘Corporate brands with heritage,’ *Journal of brand management* 15(1) (2007): 4-19.

⁴³ David Aaker, ‘Should you take your brand to where the action is?’ *Harvard business review* 75(5) (1996): 135. Sheila L. Margolis and Carol D. Hansen, ‘A Model for Organizational Identity: Exploring the Path to Sustainability during Change,’ *Human Resource Development Review* 1, no. 3 (2002): 277.

Christopher Moore & Grete Birtwistle, ‘The Burberry Business Model: Creating an International Luxury Fashion Brand,’ *International Journal of Retail & Distribution Management* 32 (2004): 412.

Christopher Moore & Grete Birtwistle, ‘The nature of parenting advantage in luxury fashion retailing - The case of Gucci group NV,’ *International Journal of Retail & Distribution Management* 33 (2005).

heritage brand' and identifying corporate heritage as a valuable tool in brand strategy, that helps in bridging the gap between the brand's past, present and future.⁴⁴ What's more, these works shed light on such terms as 'brand stewardship', 'brand longevity' and drew the line between brand history and brand heritage, these terms will be discussed in a greater detail in the 'terminology' part. It was around the same time that the topic of heritage branding began to be discussed within the framework of brands' authenticity with Beverland and Leigh carrying out independent research in 2004 and 2006 respectively.⁴⁵ A more recent work on brand authenticity by Alexander involves the assessment of the previous findings made by Beverland and the recognition of the three most important aspects in heritage branding, to be more precise the stylistic consistency, relationship to place and downplaying commercial motives.⁴⁶

The latest advances in heritage branding include a further discussion of the codes used in heritage brands' communication strategies in general and some specific topics in particular, such as the revitalization of heritage brands explored by Cooper, Miller and Merrilees; the phenomenon of borrowed brand heritage by De Fanti, the importance of corporate brand museums by Carù, Ostilio, Leone; brand resurrection movement by Davari *et al*; and sacralization of the brands' stores by Dion and Borraz.⁴⁷ Special attention should be paid to the

⁴⁴ Balmer, Greyser, and Urde, 'The Crown As a Corporate Brand: Insights from Monarchies,' *Journal of Brand Management* 14, no. 1/2 (2006): 139.

Urde, Greyser, and Balmer, 'Corporate brands with heritage,' *Journal of brand management* 15(1): (2007): 12.

⁴⁵ Michael Beverland, 'Uncovering "theories-in-use": Building luxury wine brands,' *European Journal of Marketing* 38 (3/4) (2004): 446.

Thomas W. Leigh, Cara Peters & Jeremy Shelton, 'The Consumer Quest for Authenticity: The Multiplicity of Meanings Within the MG Subculture of Consumption,' *Journal of the Academy of Marketing Science* 34(4) (2006): 481.

⁴⁶ Nicholas Alexander, 'Brand authentication: creating and maintaining brand auras,' *European Journal of Marketing* 43 (3-4) (2009): 560.

⁴⁷ Cooper, Miller, and Merrilees, 'Restoring Luxury Corporate Heritage Brands: From Crisis to Ascendancy,' *Journal of Brand Management* 22(5) (2015): 460.

Mark DeFanti, Deirdre Bird, and Helen Caldwell, 'Gucci's Use of a Borrowed Corporate Heritage to Establish a Global Luxury Brand,' *Competition Forum* 12, no. 2 (2014): 45–56.

Antonella Carù, Maria Carmela Ostilio, and Giuseppe Leone, 'Corporate Museums to Enhance Brand Authenticity in Luxury Goods Companies: The Case of Salvatore Ferragamo,' *International Journal of Arts Management* 19, no. 2 (2017).

Arezoo Davari, Pramod Iyer, and Guzmán Francisco, 'Determinants of Brand Resurrection Movements,' *European Journal of Marketing* 51, no. 11/12 (2017).

term ‘sleeping beauty brand’ introduced by Dion and Mazzalovo in 2016 and defined as ‘a dormant brand with hidden potential’.⁴⁸ Another important finding made within the framework of heritage branding was that corporate heritage may help a company to overcome a structural crisis and restore the brand’s identity. This conclusion was made by Cooper, Miller, Merrilees in their case study on Tiffany and Burberry – heritage brands that went through a crisis but managed to keep afloat thanks to their talented brand management team.⁴⁹ Overall, even though heritage branding is becoming a popular topic of discussion, there’s no work that would cover all the finding and approaches to identify the common patterns (or the *codes*) used by heritage brands in their communications strategies. Finally, there’s no research on heritage branding covering the practice of smaller independent firms and family businesses, as researchers prefer to analyze well-established corporate institutions with heritage. This all means that there’s clearly a need for more research within the heritage branding field, which will be partially covered by this study.

Luxury Branding

The research on luxury branding is much more developed than in the heritage branding field as the pioneering studies took place several decades earlier, in the 1970s. Moreover, the increase in personal luxury goods’ market stimulated the academic interest in the subject and led to a rapid growth of works on the topic of both luxury consumption and luxury creation. According to Gurzki, the literature on luxury branding can be divided into ten categories: the foundations of ‘luxury consumption as a social phenomenon’ (late 1970s), luxury consumption as a ‘status signal’ (early 1990s), ‘macro-perspective’ on the global luxury market (mid 1990s),

Delphine Dion and Stéphane Borraz, ‘Managing heritage brands: A study of the sacralization of heritage stores in the luxury industry,’ *Journal of Retailing and Consumer Services* 22 (2015).

⁴⁸ Delphine Dion and Gerald Mazzalovo, ‘Reviving sleeping beauty brands by rearticulating brand heritage,’ *Journal of business research* 69 (2016).

⁴⁹ Cooper, Miller, and Merrilees, ‘Restoring Luxury Corporate Heritage Brands: From Crisis to Ascendancy,’ *Journal of Brand Management* 22(5) (2015).

inter-cultural perspective on luxury (mid 1990s), the meaning of luxury goods (late 1990s), the role of brands in luxury consumption (early 2000s), the value of brands and brand equity (early 2000s), authenticity and counterfeiting in luxury production (early 2000s), the evolution of luxury brands (mid 2000s) and the managerial aspect of luxury branding (mid 2000s). This research will focus on the most recent one – brand management, which includes the principles of value creation, brand strategy, marketing and communications with existing clients.⁵⁰

The pioneering studies on luxury brand management were completed by several authors, among them are Vickers & Renand who explored the peculiarities of luxury goods marketing; Brioschi with his research on ‘selling dreams’ in the luxury segment; Moore & Birtwistle analyzing the case of Burberry’s business model as a successful international luxury brand; finally Oknokwo and Chevalier and Mazzalovo bringing together the previous findings in their books on luxury fashion branding and luxury brand management in 2007 and 2008 respectively.⁵¹ These works created the much-needed foundation for further research on luxury branding in general and luxury fashion branding in particular, opening up the space for academic discussion on the topic. More recent works on the subject include a more advanced discussion on the topic of fashion brand management by Corbellini and Saviolo, the anatomy of a luxury brand by Fionda & Moore, the difference between marketing for premium and luxury brands by Kapferer and value-based consumer behavior by Wiedmann, Hennigs & Siebels.⁵² An important point in the discussed works is the relationship between the price and

⁵⁰ Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury* (Wiesbaden: Springer Gabler, 2020).

⁵¹ Vickers J.S. & Franck Renand, ‘The marketing of luxury goods: An exploratory study - three conceptual dimensions,’ *The Marketing Review* 3 (2003).

Arianna Brioschi, *Selling dreams: The role of advertising in shaping luxury brand meaning* (London: Routledge, 2016).

Moore and Birtwistle, ‘The Burberry business model: Creating an international luxury fashion brand,’ *International Journal of Retail & Distribution Management* 32(8) (2005).

Uche Okonkwo, *Luxury Fashion Branding* (Hampshire: Palgrave Macmillan, 2017).

Michel Chevalier, Gerald Mazzalovo, *Luxury Brand Management: A World of Privilege* (Hoboken, NJ: John Wiley & Sons, Inc, 2008).

⁵² Erica Corbellini, S. Saviolo, *Managing Fashion and Luxury Companies* (Firenze: Rizzoli Etas, 2009).

Fionda and Moore, ‘The Anatomy of the Luxury Fashion Brand,’ *Journal of Brand Management* 16 (5/6) (2009).

the value of luxury goods. In other words, the price of luxury is directly related to the intangible value that a certain brand can create using branding and communications strategy. In general, the question of value creation in the luxury sector is one of the main topics of academic discussion; the current research will contribute to the knowledge base by analyzing the codes premium fashion brands use in their communications strategy to drive sales.

Talking about the new areas in the research on luxury branding that came to prominence in the recent years, it is worth mentioning several works, including measuring the perception of brands' luxury by Donze & Fujioka; analysing the changing motives behind luxury consumption by Yeoman; the intricacies of the scaling strategies for luxury brands by Kapferer and the role of art in luxury brand building by Koronaki et al.⁵³ Special attention should be paid to a new term that was introduced to describe the special relationship between art and luxury branding – 'artification' of the luxury industry, which will be discussed later in the second chapter.⁵⁴ As the academic research progressed, the statements related to luxury branding became bolder and more elaborate, which led to overabundance of various theories and viewpoints.⁵⁵ The most recent work on luxury branding by Gurzki published in early 2020 brings most of the academic findings together, this research extends the suggested by Gurzki framework by collecting extra data and adding it to the existing research base.⁵⁶

Jean-Noël Kapferer & Vincent Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (2009).

Klaus-Peter Wiedmann, Nadine Hennigs, Astrid Siebels, 'Value-based segmentation of luxury consumption behavior,' *Psychology and Marketing* 26 (7) (2009).

⁵³ Pierre-Yves Donzé, and Rika Fujioka, *Global Luxury: Organizational Change and Emerging Markets Since the 1970s* (Singapore: Palgrave Macmillan, 2018).

Ian Yeoman, 'The Changing Behaviours of Luxury Consumption,' *Journal of Revenue and Pricing Management* 10(1) (2011).

Jean-Noël Kapferer, and Pierre Valette-Florence, 'Beyond Rarity: The Paths of Luxury Desire. How Luxury Brands Grow Yet Remain Desirable,' *Journal of Product & Brand Management* 25 (2) (2016).

Eirini Koronaki, Antigone G. Kyrousi, and George G. Panigyrakis, 'The Emotional Value of Arts-Based Initiatives: Strengthening the Luxury Brand-Consumer Relationship,' *Journal of Business Research* 85 (2018).

⁵⁴ Diana Crane, 'Fashion and Artification in the French Luxury Fashion Industry,' *Cultural Sociology* 13(3) (2019).

⁵⁵ Jean-Noël Kapferer, 'The future of luxury: Challenges and opportunities,' *Journal of Brand Management* 21, no. 9 (2014): 716.

⁵⁶ Hannes Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury* (Wiesbaden: Springer Gabler, 2020).

Fashion and Fashion Branding

The academic interest in fashion as a subject is usually expressed in monographs on fashion history that provide a perfect overview of the historical aspect but lack the managerial perspective. In this research we will use both the volumes on fashion history and fashion brand management. The works on fashion history include the all-embracing volume on history of fashion by Tashen, the research by Blaszczyk and Pouillard on the creation of European fashion industry and a comprehensive study on the development of Transatlantic couture industry by Palmer.⁵⁷ The managerial perspective is covered in the volume on innovation in the fashion industry by Jin and Cedrola, the work on peculiarities of luxury fashion brand management by Cantista and Sádaba, and a major work on fashion marketing and communications by Lea-Greenwood.⁵⁸ These works form a perfect foundation for historiographic analysis and give a full understanding of the subject. While the books on fashion history cover more of the theoretical perspective, the works on marketing and communications give more practical value and cover the subject from the business executive side.

There're also several articles that complement the discussed volumes and add extra data to the existing knowledge base. They include a research on storytelling as a strategy by Donzé and Wubs, discussion on the personality of luxury fashion brands by Klaus and the analysis of the artification of the fashion industry by Crane.⁵⁹ Finally, a research on slow fashion brands

⁵⁷ Fukai, A., and Kyōto Fukushoku Bunka Kenkyū Zaidan, *Fashion : A History from the 18th to the 20th Century: The Collection of the Kyoto Costume Institute* (Köln: Taschen, 2006).

Regina Blaszczyk, and Veronique Pouillard, *European Fashion: The Creation of a Global Industry* (Manchester: Manchester University Press, 2018).

Alexandra Palmer, and Royal Ontario Museum, *Couture & Commerce: The Transatlantic Fashion Trade in the 1950s* (Vancouver: UBC Press, 2001).

⁵⁸ Byoungho Ellie Jin, and Elena Cedrola, *Fashion Branding and Communication: Core Strategies of European Luxury Brands* (Palgrave Pivot. New York, USA.: Palgrave Macmillan, 2017).

Isabel Cantista, and Teresa Sádaba, *Understanding Luxury Fashion: From Emotions to Brand Building*, *Palgrave Advances in Luxury* (Cham: Palgrave Macmillan, 2020).

Lea-Greenwood, *Fashion Marketing Communications* (Chichester: Wiley, 2013).

⁵⁹ Donzé, P.-Y., and Wubs B., 'Storytelling and the Making of a Global Luxury Fashion Brand: Christian Dior'. *International Journal of Fashion Studies* 6, no. 1 (1 April 2019).

by Brydges, Lavanga and von Gunten offers an alternative opinion on the development of fashion industry and the return of small artisanal brands as the core of sustainable development in fashion.⁶⁰

Innovation

Innovation plays an important role in the development of heritage and luxury branding and drives the changes that heritage and luxury brands need go through in order to fit into the newly established market environment, not only in technological terms, but also in communications and brand strategy. One of the principal works on innovation was published long before any book on branding first saw the light, in 1934 by Schumpeter. It includes the definition of innovation that is still relevant and the description of the creative disruption as a process of implementing innovative solutions into established processes and technology.⁶¹ Among other academics who completed work in innovation are: Fagerberg defining innovation as ‘a new combination of existing ideas, capabilities, skills, resources, etc’, Bellman emphasizing the importance of continuous innovation for brand revival and Lazonick claiming that strategic control and innovation associated with it are the defining factors in company’s success.⁶² What’s more, the Oxford Handbook of Innovation provides a full understanding of the subject and covers all the aspects of implementing innovation in business processes.⁶³

Heine Klaus, ‘The Personality of Luxury Fashion Brands,’ *Journal of Global Fashion Marketing* 1 (2010): 157. Crane, ‘Fashion and Artification in the French Luxury Fashion Industry,’ *Cultural Sociology* 13 (3) (2019): 295. ⁶⁰ Taylor Brydges, Mariangela Lavanga, Lucia von Gunten, *Entrepreneurship in the fashion industry: a case study of slow fashion businesses* (Delft: Eburon Academic Press/University of Chicago Press, 2014), 73-79.

⁶¹ Joseph Schumpeter, *The Theory of Economic Development* (Cambridge: Harvard University Press, 1934).

⁶² Jan Fagerberg, *Innovation: A guide to the literature* (Georgia Institute of Technology, 2004).

Bellman, ‘Entrepreneurs: Invent a Brand Name or Revive an Old One?’ *Business Horizons* 48 (2005): 215. Lazonick, *The Innovative Firm* (In The Oxford Handbook of Innovation by Jan Fagerberg, David C. Mowery and Richard R. Nelson, eds., 2005), 29-55.

⁶³ Richard Nelson, Jan Fagerberg, David C. Mowery, *The Oxford Handbook of Innovation* (Oxford: Oxford University Press, 2005).

A more recent research on innovation completed by Beverland *et al* discusses the different types of innovation that firms can implement in their practice and makes several important points.⁶⁴ Firstly, Beverland claims that brand positioning is directly related to the brand's organisation structure and the way it can implement innovative solutions. This point was later confirmed by Baker and Enns in their conversation on brand positioning.⁶⁵ Secondly, he argues that innovation can broaden brand's meaning, hence diversify the system of codes used in brand strategy and brand communications. Finally, Beverland supports the argument of Bellman regarding the role of innovation in the ongoing brand development by saying that innovation is crucial to brand equity and revitalisation of such brands as Gicci, Apple and Mini. Overall, all the authors support the critical role of innovation in both luxury and heritage branding, but leave some space for extra questioning, which will be further covered in the debates part.

III. Debates

Not only is luxury a specific marketing strategy, but also a topic of heated discussions in both business and academic circles. Most debates unfold when comparing academic and business literature as business realities often contradict the researchers' conclusions. However, even within academic circles, the ongoing debates can be identified, some of them being apparent and others more subtle and not so obvious. Given that the topic of luxury branding is explored more extensively than the heritage branding field, most of the debates are related to luxury. We'll touch upon 5 main diverging points: conspicuousness of luxury, the relationship

⁶⁴ Michael B. Beverland, Julie Napoli, Francis Farrelly, 'Can All Brands Innovate in the Same Way? A Typology of Brand Position and Innovation Effort,' *The Journal of Product Innovation Management* 27 (1) (2010): 33–48.

⁶⁵ David C. Baker and Blair Enns, '2Bobs', (Accessed 20 June, 2020). <https://2bobs.com>.

between luxury and functionality, the role of innovation in luxury branding, product changes in heritage branding and measuring the perceptions of luxury.

Conspicuous or Not

The key characteristics of what constitutes a luxury brand were empirically identified in the early 2000s by Dubois *et al* and later referred to as the ‘fundamentals of luxury branding’, they include ‘excellent quality, very high price, scarcity and uniqueness, aesthetics and hedonism, ancestral heritage and superfluousness’.⁶⁶ None of these factors includes conspicuous consumption, which was considered to be one of the innate features of luxury first by Veblen in the end of the XIX century and then confirmed by several authors, including Vigneron & Johnson, Kapferer and Langer & Heil.⁶⁷ These authors continue to address luxury fashion industry as a class-segmentator and associate it with conspicuous consumption while others do not include the status factor in the system of codes used by luxury brands. Even though luxury involves an element of status consumption, it is not necessarily a means of demonstrating this status and can be consumed without anyone being aware of the purchase. Keeping this point in mind, it may be concluded that luxury branding is not directly related to the idea of conspicuousness and consists of other communicative codes.

This research accepts both viewpoints but focuses on the non-conspicuous attitude towards luxury and luxury branding. In other words, even if there is a code of conspicuousness in the DNA of luxury brands, it is not relevant to the premium business model that is

⁶⁶ Bernard Dubois, Sandor Czellar, and Gilles Laurent, *Consumer Rapport to Luxury: Analyzing Complex and Ambivalent Attitudes* (Paris: Chambre De Commerce Et D'Industrie De Paris, 2001).

⁶⁷ Franck Vigneron, and Lester W. Johnson, ‘Measuring Perceptions of Brand Luxury,’ *Journal of Brand Management* 11 (6) (2004): 484–506.

Thorstein Veblen, *The Theory of the Leisure Class: An Economic Study of Institutions* (New York: Macmillan, 1899).

Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London: Kogan Page, 2009).

implementing some of the communications codes from the luxury branding. Moreover, if there were hints of demonstrative consumption and putting big logos on luxury products in the 1990s, now this trend seems to lose its positions with luxury goods becoming more subtle and unostentatious, changing the overall pattern in consumer behavior from conspicuous consumption to conscious indulgence. Lastly, the author of the all-encompassing work on luxury branding, Hannes Gurzki doesn't recognize conspicuousness as one of the luxury branding dimensions, which contributes to the point of conscious indulgence.

Finally, it's worth mentioning that there's another term associated with conspicuous consumption – hype, which is often created by luxury brands to increase sales. In the context of the current research, hype cannot be considered to be part of luxury & heritage branding because it is lacking the essential elements of luxury branding: using best materials, preserving brand heritage and maintaining managerial excellence.

Luxury and Functionality

The second point of discussion concerns the functionality of luxury products. Luxury is usually associated with something unnecessary and superfluous. However, the functional aspect plays an important role in specific categories of luxury products: from cars to watches and clothing. Most of the authors believe that luxury is non-essential and include this characteristic as one of the codes used in luxury branding. There're however several researchers who identify luxury as 'having strong function', 'high functionality and impressive performance' and 'practical essence'.⁶⁸ The opposing views describe luxury as keeping 'high degree of non-functional associations', putting focus on performance instead of functionality and having low

⁶⁸ Marcel Werner Braun, *Becoming an Institutional Brand: A long-term strategy for luxury good* (Bamberg: Difo-Druck GmbH, 1997).

Pierre Berthon, Leyland Pitt, Michael Parent, and Jean-Paul Berthon, 'Aesthetics and Ephemerality: Observing and Preserving the Luxury Brand,' *California Management Review* 52, no. 1 (2009): 45.

‘functionality to price’ ratio.⁶⁹ This debate can be reconciled by saying that the essence of luxury presupposes its non-essential character as the lack of a luxury product can hardly affect the wellbeing of a person. This fact, however, does not presuppose that luxury has little functional value. A bag made of high-quality materials can serve several decades, moreover it can be passed to the next generations as a relic, bringing much more function than any other mass market product. Obviously, there are items that are bought for purely aesthetic reason, such as Jacquemus micro bag that can’t even accommodate a phone, but this is an exception that only proves the main rule of luxury being functional.



Figure 6. Jacquemus micro bag. Source : [harpersbazaar.com](https://www.harpersbazaar.com).

⁶⁹ Klaus Heine, ‘The Concept of Luxury Brands,’ (accessed 14.06.2020).
https://upmarkit.com/sites/default/files/content/20130403_Heine_The_Concept_of_Luxury_Brands.pdf
Ashok Som, and Christian Blanckaert, *The Road to Luxury: The Evolution, Markets and Strategies of Luxury Brand Management* (Singapore: John Wiley & Sons, 2015).
Jose Luis Nueno, and John A. Quelch, ‘The Mass Marketing of Luxury,’ *Business Horizons* 41, no. 6 (1998): 61.

The Role of Innovation in Luxury Branding

The early works on marketing strategy for premium and luxury brands suggested abandoning the idea of going digital and selling products online, but this position proved to be completely wrong as the time went by. Today innovation is one of the main tools of brand development and increasing sales.⁷⁰ However, the question of what drives innovation remains open. While Lazonick argues that innovation should be led by customers' feedback and suggestions for product improvements, one of the main principles of luxury branding introduced by Kapferer & Bastien implies abandoning the idea of listening to your clients and presupposes dictating the brand's own rules instead.⁷¹

A perfect example of not following a traditional luxury business strategy is a luxury fashion brand Gucci that successfully implemented innovation in their marketing strategy based on the demands of their clientele and started online sales while other luxury brands seemed to be disapproval of such a move. At a time, selling luxury products online was a major innovation and was questioned by many industry experts, which ultimately proved to be wrong. As a result, Gucci boosted sales and retained the status of a luxury brand while gaining much traction among younger clientele.⁷² The Gucci case illustrates the ambiguous character of luxury strategy and the flaws in the model suggested by Kapferer. What's more, Gucci were the first luxury brand to merge classical art with digital infrastructure, which led to creating an

⁷⁰ Imran Amed, 'A Fashion Month Unlike Any Other | Inside Fashion,' BoF podcast, March 6, 2020 (Accessed 11 April 2020). <https://businessoffashion.podbean.com/e/a-fashion-month-unlike-any-other-inside-fashion/>.

⁷¹ Lazonick, *The Innovative Firm* (In The Oxford Handbook of Innovation by Jan Fagerberg, David C. Mowery and Richard R. Nelson, 2005), 29-55.

Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*. (London: Kogan Page, 2009).

⁷² Beverland, Napoli, and Farrelly, 'Can All Brands Innovate in the Same Way? A Typology of Brand Position and Innovation Effort,' *The Journal of Product Innovation Management* 27 (1) (2010): 39.

innovative product – a unique website with hand-drawn element that is also an art project but has integrated product buttons and serves marketing purposes.



Figure 7. Gucci SS2018 Website. Source : <http://springsummer.gucci.com> .

This debate may be considered as resolved as nobody questions the role of innovation anymore, but the historical perspective is helpful in tracing the development of the discussion on luxury branding and the transformation it went through.

Product Changes in Heritage Branding

Heritage branding is usually associated with something traditional, enduring and lasting and not allowing for new brand direction and innovation. As a result, brand heritage is often mistaken with brand history forgetting that heritage branding implies merging the past, the present and the future of a company and entails innovation and product change. This might be one of the reasons of why Beverland *et al* claim that a radical change in a product can undermine

the authenticity of a heritage brand and its historical positioning.⁷³ Meanwhile, the changes in the market environment dictate the need for all categories of brands to be open to transformation both incremental and external, and heritage brands are no exception to this rule.⁷⁴ While it may be true that a radical change in product offer may temporarily undermine brand's positions on the market, the lack of such can simply make a brand go out of business as its place will be taken by other companies that are willing to innovate.

What can be done in this case is creating a strong brand strategy by identifying the vision, mission and values of a company as well as its target audience and business goals. When the brand strategy is clear and consistent, even a radical change in the product range can be implemented successfully and negative consequences can be avoided. In the context of the identified academic debate, this means that the consensus between the two diverging points can be reached by acknowledging the power of brand strategy and paying respect to brand's heritage when thinking about a shift in the brand's product offer. In this case decoding can serve as a useful tool in identifying the main codes in the existing brand's strategy and seeing how they can be adjusted to match the updated offer.

Measuring the Perceptions of Luxury Branding

The question of measuring the luxuriousness of a particular brand remains one of the topics of discussion in both academic and business circles. Who decides which brands can be qualified as the luxury ones and which ones cannot? What is the ultimate metric of brand status and who defines it? Finally, can one brand be more or less luxurious than another? – These are the questions that are being asked by researchers and are being analyzed in numerous works on

⁷³ Beverland, Napoli, and Farrelly, 'Can All Brands Innovate in the Same Way? A Typology of Brand Position and Innovation Effort,' *The Journal of Product Innovation Management* 27 (1) (2010): 35.

⁷⁴ Sylvia Von Wallpach, Andrea Hemetsberger, and Peter Espersen, 'Performing Identities: Processes of Brand and Stakeholder Identity Co-Construction,' *Journal of Business Research* 70 (2017): 443.

the topic, it is, however, extremely hard to find a clear answer. On the one hand, it's the brand that positions itself within the existing framework. On the other, it is the consumer who confirms the brand's status by making a purchase and spreading a word about the brand. But in such case, how a person forms an opinion of a brand?

Several attempts were made to measure the consumers' perception towards luxury brands, as scholars tried to identify the extent to which a brand can be qualified as luxurious and how the general public reacts to the notions of heritage and luxury branding.⁷⁵ Such studies were criticised by Fionda and Moore for the lack of empirical proof and flaws in the sampling methods.⁷⁶ The criticism can be also backed up by the behavioural economics theory in branding, as the recent studies uncovered that consumers choose brands subconsciously and only then justify their choices by perceptions and beliefs. More than that, oftentimes they make a research on a product or a brand after a purchase is made.⁷⁷ The current research aims at contributing to this discussion by testing different theories through empirical observations, case studies and seeking for a professional opinion of industry experts.

⁷⁵ Vigneron, and Johnson, 'Measuring Perceptions of Brand Luxury,' *Journal of Brand Management* 11 (6) (2004): 484.

⁷⁶ Fionda and Moore, 'The Anatomy of the Luxury Fashion Brand,' *Journal of Brand Management* 16 (5/6) (2009): 347.

⁷⁷ Schaefer, 'Neuroeconomics: In Search of the Neural Representation of Brands,' *Progress in Brain Research* 178, no. C (2009).

Chapter II. Through the Lens of History

Even though heritage & luxury branding as a subject of academic discussion emerged fairly recently, its roots go deep down in history, so it is crucial to provide a coherent overview of its historic development as well as the state this topic is now in. This research uses the multi-temporal approach, which implies analysing the past, the present and then applying contemporary theories to cases from history to see the transformation a particular concept went through and form a base for its further exploration. The second chapter is, therefore, divided in three parts: analysing the development of heritage and luxury branding through the lens of history, outlining the evolution of fashion and fashion branding and analysing the use of heritage and luxury branding codes in three comparative case studies. In other words, the latest methodological advances will be implemented to case studies from the twentieth and twenty-first centuries to see how the theoretical foundations identified in the previous chapter can be applied to empirical dimension of branding and how the accumulated knowledge base can contribute to understanding a certain course of events. Also, the fact that a particular code of brand communications from the past is still relevant today, can also signify its further applicability for fashion designers, which contributes to solving a business problem alongside with extending the academic knowledge base. Overall, this chapter will extend the compiled theoretical base by adding the historical and case studies dimensions and demonstrating different aspects of heritage & luxury branding codes, such as the use of tangible and intangible heritage, physical and conceptual past.

I. Heritage and Luxury Branding Through the Lens of History

In the previous chapter we analyzed the development of the subject of heritage and luxury branding through the literature review and positions of different authors. In this part, the subject will be approached from the societal point of view and will cover a longer period of time to give a fuller picture and see the changes the two concepts went through.

Luxury Branding Through the Lens of History

'Luxury is as old as humanity.'

(J.-N. Kapferer)⁷⁸

Luxury as a social phenomenon is the result of social stratification, which appeared alongside with the development of society. The meaning of luxury and attitude towards this notion has been changing throughout history, ranging from deeply negative to highly positive depending on the time period, the country and the political regime. Back in the ancient times, Greek and Roman philosophers had opposing views on luxury and its role in the development of society. While Aristotle viewed luxury as the result of hard work and a way of achieving higher standards of life, Plato considered luxury to be a highly negative phenomenon, which leads to arguments, social disharmony and ultimately political instability. He described luxury as exceeding the basic needs, this point was later confirmed by Cicero and Seneca who believed luxury to be enslaving because of the obsessive desire to have more possessions, which is now described as 'conspicuous consumption', a term first introduced by Veblen in the end of the nineteenth century.⁷⁹ Overall, the Roman luxury was condemned by embodying greed, over-

⁷⁸ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London: Kogan Page, 2009).

⁷⁹ Thorstein Veblen, *The Theory of the Leisure Class: An Economic Study of Institutions* (New York: Macmillan, 1899).

indulgence in pleasures and pursuit of political power – all of which concerns mainly the relation between luxury and the basic needs, which also became the foundation of the contemporary discussion on luxury.⁸⁰

The next shift in luxury as a social phenomenon happened around the sixteenth century when mercantilists and Calvinists started the discussion of economic activity, including the purchases of luxury goods and the whole discourse shifted from the moral aspects of luxury consumption towards the economic perspective.⁸¹ It was not until the eighteen century that luxury became accessible to general public and anyone could buy a piece of luxury without being part of the high society, provided that he had the needed financial capabilities. There were several factors for such a change, among them is the rise in the living standards and the democratisation of society after the Industrial revolution, which gave way to making fortunes without necessarily belonging to a wealthy family. The release of sumptuary laws that restricted the consumption also increased the purchasing power, hence, the demand in luxury goods and services.⁸² As McCloskey outlines in her work on the global economic development in the eighteenth and ninetieth centuries, it was also the ideas that gave way to the economic development and the industrial revolution, increased the ability of consumers to buy different products and led to the rising interest in luxury goods.⁸³

The establishment of consumer society in the eighteenth and nineteenth centuries also set a clear differentiation between the subordinate and superordinate classes, where the former tried to imitate the latter by buying substitute products and identifying luxury with the ultimate

⁸⁰ Christopher J. Berry, *The Idea of Luxury: A conceptual and historical investigation* (Cambridge: Cambridge University Press, 1994).

⁸¹ Georgios Patsiaouras, James A. Fitchett, 'The evolution of conspicuous consumption,' *Journal of Historical Research in Marketing*, 4 (1) (2012).

⁸² Kapferer, Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*, 2009.

⁸³ Deidre McCloskey, *Bourgeois Dignity: Why Economics Can't Explain the Modern World* (Chicago: University of Chicago Press, 2010).

signifier of success. The divergent point, however, was the question of what constituted luxury as the bar of basic needs was different depending on the societal class, the country political regime and other circumstances. Karl Marx argued that in specific cases even luxury can be considered as a basic need in a specific context.⁸⁴ Opposite to this, a basic need could also become a luxury, so that the borders of luxury and non-luxury goods became blurred. At the same time, the moral discourse on luxury saw a major shift from condemning the essence of luxury consumption to arguing that the pursuit of a better life drives the development of society and stimulates human well-being in general. It was also in the nineteenth century that the consumerist society became institutionalised and buying luxury became a way of liberation and receiving satisfaction, whereas in the fourteenth century luxury equalled to wasting recourses.⁸⁵

The twentieth century saw luxury permeating in all spheres of our daily life, making it a lifestyle of the rich and famous and completely changing the previously accepted dynamic of buying luxury as a consequence of one's social standing. People no longer needed to be part of aristocracy to join the luxury lifestyle circles, it was the money that became the main entry requirement. On the macro-level, it was in the 1970s that luxury became a well-established industry with the rising power of brands and the appearance of luxury conglomerates that put the existence of independent luxury companies at stake. This tendency continued alongside with the increasing pace of globalisation and digitalisation in the 1980s and 1990s that contributed to the democratisation of luxury and the emergence of new markets such as China and India. It was at the same time that consumers received the opportunity to indulge into the world of luxury through brand extensions, e.g. fragrances and cosmetic lines by luxury fashion brands. What's more, the luxury products penetrated with the upper market, premium and the so-called masstige brands (derivative from mass-market & prestige). By the turn of the twenty

⁸⁴ Berry, *The Idea of Luxury: A conceptual and historical investigation*, 1994.

⁸⁵ Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury* (Springer Gabler, 2020).

first century luxury became a sought-after concept and lifestyle, especially in post-communist countries, where people suddenly got access to funds they had never seen before and were ready to buy all the world's luxuries without being conscious of their own choices. Almost quarter of a century later luxury is so ubiquitous that younger audiences are becoming tired of conspicuous consumption and step away from the concept of traditional luxury, buying part of brand's vision with every purchase instead of the status. This argument is widely supported within the fashion industry and luxury brands are becoming more vigilant about their value proposition and social impact. As Imran Amed (the founder of BoF, the biggest online platform dedicated to the business of fashion and luxury) puts it, 'we need to start with a blank page... the industry is not going anywhere', referring to the overproduction caused by both mass-market and luxury fashion brands.⁸⁶

Heritage Branding Through the Lens of History

'...in examining their past organizations may discover their future.'

*(Urde et al)*⁸⁷

Heritage branding is usually associated with centuries-old companies that safeguard traditions and preserve cultural heritage. Yet, not all the brands that were established a century or two ago can qualify as heritage ones, while some newly established companies with less than a decade of experience may well be referred to as heritage brands.⁸⁸ When we analyze the role of heritage in brand strategy and business development, much theory can be drawn from the cultural studies and the process of nation building. Just as a nation needs to have some historical background for its further cultural and societal development, so do companies need heritage in

⁸⁶ Imran Amed, *A Fashion Month Unlike Any Other / Inside Fashion*. BoF podcast, March 6, 2020 (Accessed 11 April 2020). <https://businessoffashion.podbean.com/e/a-fashion-month-unlike-any-other-inside-fashion/>.

⁸⁷ Urde, Greyser, and Balmer, 'Corporate brands with heritage', 8-10.

⁸⁸ *Ibid.*

order to grow from being mere service or product providers to becoming strong brands with their own culture, values and loyal audience members. Also, heritage brands as an integral part of culture can provide the much-needed signs of stability and continuity during turbulent times by showing the possibility for a business to survive through different historic events such as wars, earthquakes, the change of the political regime, etc. Not surprisingly, the oldest brands that still exist today can be found in the countries that value tradition and acknowledge the importance of heritage while being at the forefront of innovation, which is ultimately the essence of heritage branding. Being more precise, six out of ten world oldest brands are located in Japan, and the remaining four in Austria, Germany, Ireland and the UK.⁸⁹

Throughout the centuries old brands were maintained as a part of national culture or as a family duty, especially in Japan, and not necessarily as a strategic component. It wasn't until the 1970s that brand heritage began to be viewed as a competitive advantage that could be commercialized and turned into brand equity. One of the reasons for such a change was the overabundance of different brands on the market, which made consumers overwhelmed with the choice so that the brand owners had to find new ways of differentiating themselves from the others. The first brand revival that set the trend for buying luxury fashion brands as an investment took place in 1968 when the House of Worth was acquired by a British businessman Sidney Massin, who bought the rights to use the brand name and hired six designers to revive the company.⁹⁰ Before the purchase, The House of Worth was closed for twelve years and could be described as a sleeping beauty brand with much potential. Massin saw the opportunity of reestablishing the legendary brand (as Worth is considered to be the father of haute couture), but after another nineteen years he decided to sell the company as the revival was unsuccessful. In fact, other brand revivals didn't live up to the investors' expectation, among them are Poiret,

⁸⁹ Amber Pariona, 'The Oldest Companies Still Operating Today,' *WorldAtlas* (2017).

<https://www.worldatlas.com/articles/the-oldest-companies-still-operating-today.html> (accessed July 14, 2020).

⁹⁰ 'British Furrier Buys House of Worth'. The New Yourk Times. February 21, 1968.

Roger Vivier, Schiaparelli, Courrèges and Vionnet.⁹¹ An explanation for such fruitless attempts of brand revivals might be the lack of clear strategy and unclear value proposition. The hidden potential of these sleeping beauty brands had always been present, but neither the investors nor the appointed artistic directors knew how to unleash it and how to use heritage as a strategic tool. At the same time, fashion brands that never left the market gained power under the wing of fashion conglomerates such as LVMH, Kering, Richemont and OTB because the latter implemented a more effective brand strategy.

It was much later that brand strategists and researchers got a fuller understanding of how to use brand heritage in marketing purposes and how to communicate the worth of heritage to customers. This strategy resembles the process of nation formation described by Smith, which consists of ‘re-appropriation of one’s culture’, endowing the existing cultural symbols with new national meaning and ‘reappropriating vernacular traits for a renewed indigenous culture.’ In a sense, this means that a brand can form new ‘tribes’ of consumers based on its values, codes and communication. Heritage plays crucial role in this process as it helps to merge the generation gap and communicate with different age groups differently while maintaining the brand continuity.⁹² In brand strategy practice the revival process was suggested by Cooper in 2015 and consists of three steps: 1) restoring the corporate heritage brand’s vision, 2) reconnecting the brand with its core values, and 3) reviving core brand expertise.⁹³ As the framework was introduced fairly recently and the subject of heritage branding remains under discussion, we may well see another round of sleeping beauties revivals, this time more promising and profitable.

⁹¹ Delphine Dion and Gerald Mazzalovo, ‘Reviving sleeping beauty brands by rearticulating brand heritage,’ *Journal of business research* 69 (2016).

⁹² Anthony D. Smith, *National Identity* (Reno: University Nevada Press, 1991), 65-71.

⁹³ Cooper, Miller, and Merrilees, ‘Restoring Luxury Corporate Heritage Brands: From Crisis to Ascendancy,’ *Journal of Brand Management* 22(5) (2015).

Hybrid Forms of Heritage and Luxury Branding in History

As any cultural phenomenon, heritage and luxury branding can take new forms and result into unusual strategies for brands. If nowadays brand collaborations and brand museums are part of everyday life, in the twentieth century it was an innovation. This section will cast a brief look at the hybrid forms of heritage and luxury branding to see the extent to which these strategies can be used and extended to the related areas of research.

Artification of Luxury

Artification as a process can be broadly described as the ‘transformation of nonart into art’ and is used by fashion brands to gain the iconic status as well as to justify the higher prices.⁹⁴ Artification as a process was always a satellite of luxury products as they were usually produced by artisans in family-owned companies, which implied much artistic involvement and creativity. In the second half of the twentieth century when the luxury fashion conglomerated pervaded the market and took the reins of luxury production, the luxury industry became totally commercialized and hence lost the initial authenticity. In order to bring back the moral and hedonist endorsement and increase the product value, the executive boards of luxury brands started to use special strategies related to art market as there’s a ‘structural proximity’ between the two concepts.⁹⁵ The idea behind this allusion is the fact that artworks become more expensive with time, just as a decent luxury product should do, moreover, the price formation in the art market cannot be described by any formula, just as in the case with luxury brands. More than that, the price can be considered as the universal language that the art market and the fashion industry use. Overall, artification of luxury is a consequence of its global widespread and can take several forms: from emphasizing the artisanal character of luxury production and

⁹⁴ Kapferer, ‘The Artification of Luxury: From Artisans to Artists,’ *Business Horizons* 57 (3) (2014): 371.

⁹⁵ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London; Philadelphia, PA: Kogan Page, 2012).

using the ‘artistic excellence’ code in brand communications to opening brand museums and organizing temporary exhibitions dedicated to a specific brand.



Figure 8. Salvador Dali for Elsa Schiaparelli. Source: Lizave.

Collaborations

The idea of making collaborations between brands, artists and designers is not a new phenomenon but it was in the recent years that it became much more frequent and elaborate, merging different market segments, styles and ideas. Going back to the first cases of brand-artist collaborations, it was first a commission to Salvador Dali and Jean Cocteau by Elsa Schiaparelli to develop exclusive designs for her new collection in the 1920s and then a painter Lucio Venna approached by Ferragamo in the 1930s.⁹⁶ Later on the same strategy was applied by Gianni Versace, Yves Saint Laurent, Louis Vuitton and others. Nowadays the idea of a luxury brand collaborating with artists has extended to inter-brand collaboration, not only

⁹⁶ Elisabetta Povoledo, ‘Art and fashion rub elbows,’ (2012). <http://www.nytimes.com/2012/04/26/arts/art-and-fashion-rub-elbows.html?pagewanted=all> (accessed on July 20, 2020).

between two luxury labels, but also in partnership with mass-market brands under the art direction of a commissioned artist. This strategy is also referred to as ‘arketing’ as a derivative of art (as a tool) and marketing (as the ultimate purpose) of such alliances.⁹⁷ The concept of collaborating is a win-win strategy for both parties, providing much media coverage and attraction for every time a collaboration is released. Some of the most recent brand-artist collaborations include Dior & Rimova capsule collection (two luxury brands), Fila & Fendi joint collection (mass-market and luxury brand) and a special project of Joshua Vides for Fendi. From the decoding perspective, collaborations contribute to all aspects of luxury branding communications: justifying exclusivity, artistic excellence, brand positioning and pricing policy. What remains uncertain, is the impact of mass-market brand collaborations with artists as it undermines the power of luxury and premium brands and make them seek for new marketing and communication strategies, one of which is collaboration with museums and cultural institutions. The results of the discussed collaborations are presented below.



Figure 9. Joshua Vides for Fendi 2020. Source: www.10magazine.com.

⁹⁷ Kastner, and Baumgarth, *When Luxury Meets Art: Forms of Collaboration between Luxury Brands and the Arts* (Bestmasters. Wiesbaden: Springer Gabler, 2014).



Figure 10. Rimowa and Dior capsule collection. Source: Rimowa.

Brand Museums

Brand Museums are a special form of brand collaboration with art that creates an integral space for promoting brand culture and heritage while increasing brand authenticity. Up until the 1970s museums as cultural institutions were oriented more towards preserving and maintaining collections than attracting visitors but adopted more flexible and liberal approach regarding the essence of the museum practice and opened to the dialogue with general public in the 1980s. A number of factors contributed to such a change, among them is the democratization of society, liberalization of museum studies and the reduced funding from the government, which made museums' direction think in a more entrepreneurial way. The adaptation of this new business mindset implied catering to the needs of general public in order to engage more visitors and raise funds. The pioneer of brand musealization was Cartier when they inaugurated Cartier Foundation for contemporary art in 1984, which became a turning

point in branding practice.⁹⁸ It was also when luxury brands' executives saw an opportunity in the increased interest towards heritage and museum practices and introduced a new form of engagement with brands by opening the first brand museums in the late 1980s and early 1990s. Among them are: Musée Christian Dior in Granville, Louis Vuitton Foundation in Paris, Salvatore Ferragamo Museum and Gucci museum in Florence. It is also important to mention that the practice of opening brand museums was not reserved exclusively to luxury brands but for luxury brands this was an important strategic move that attracted a broader audience and popularized luxury even among those who didn't have an opportunity to purchase branded products. As a result, luxury became a sought-after concept and an ultimate measurement of success. In order to better understand this tendency of 'fashioning' luxury, we need to analyze the development of the fashion industry and the rise of fashion brands that dominate the market today.

II. Fashion Through the Lens of History

'Fashion is the mirror of history.'

Louis XIV

Fashion industry has a complex structure and it's merely impossible to understand it without analyzing its formation from the chronological point of view. We'll start the historical discourse from outlining the present world fashion system and then will trace the formative stages it went through. There're currently several categories within the fashion market: haute couture, luxury, accessible luxury, premium, masstige and mass-market brands. The visualization of the fashion structure formation is presented below.

⁹⁸ Fondation Cartier pour l'art contemporain. '30 Years'. (Accessed on July 25, 2020). <https://www.fondationcartier.com/en/history-and-mission/foundation-30-years>.

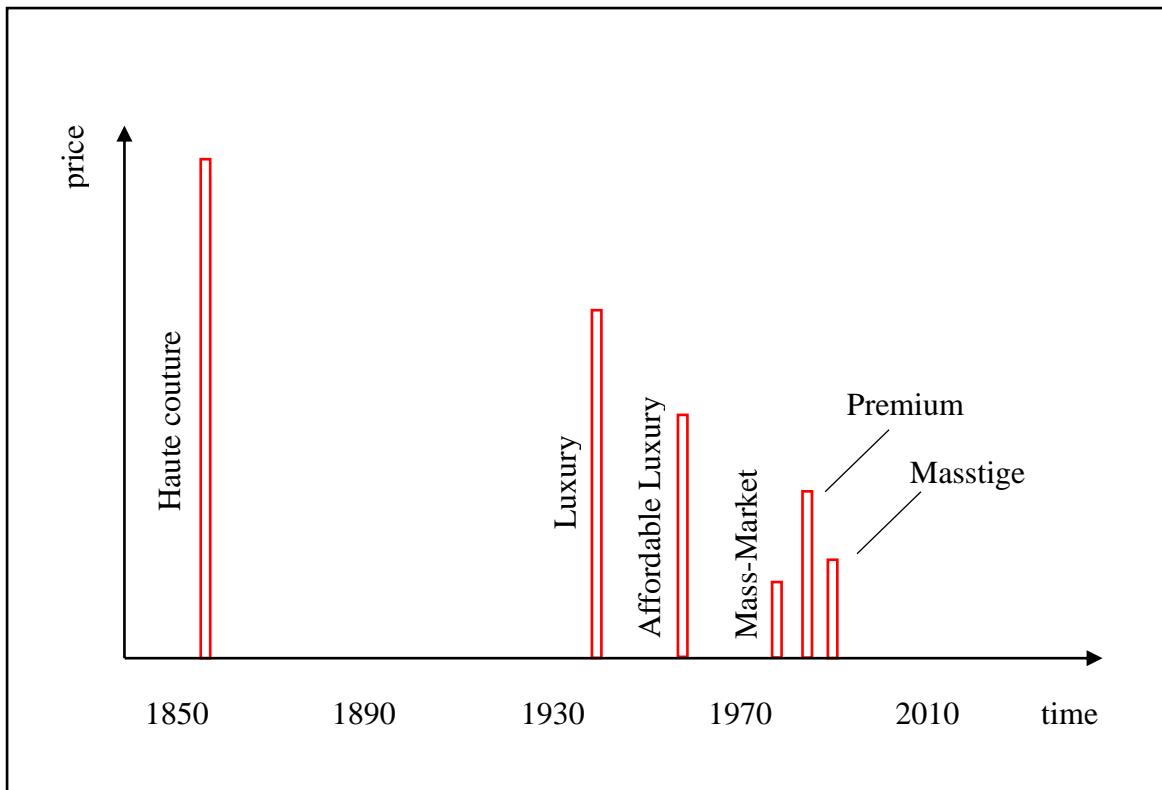


Figure 11. Fashion Industry Development Timeframe. Source: own illustration based on the literature.

Before XX century

The development of the contemporary fashion system started in the middle of the nineteenth century when an English designer Charles Frederick Worth opened his fashion house in Paris and began his journey as a fashion designer. Worth is often referred to as the father of haute couture who revolutionized the fashion world by his innovative products and ideas.⁹⁹ He was the first to add a branded label inside the garments and to use live models to introduce his collections for the clients, creating an early version of a fashion week show in 1890. What's more, House of Worth became an international meeting point for the rich and famous from all over the world, marking the beginning of the new era in fashion, where a garment with a Worth label on it was marked as precious and high-end by definition. At the time, Worth could be

⁹⁹ Daniel James Cole, 'Heritage and Innovation: Charles Frederick Worth, John Redfern, and the Dawn of Modern Fashion,' *Institut Français de la Mode (IFM) Paris France* (2011).

considered as a luxury label as being distinguished by the codes of luxury branding: artistic excellence, best materials, exclusivity and status. While there were other fashion brands opened before the beginning of the twentieth century (e.g. Redfern, Evans, Dubois), it was Worth who became the trailblazer of the industry, dictating new rules of leading a fashion business and introducing innovations that were soon adopted by others. However, as the time went by and ready-to-wear clothes started to appear in the mid-twentieth century, hand crafted method of production that was used by Worth was automatically redirected to the haute couture segment.¹⁰⁰

Another important event for the development of the fashion industry happened in 1868 when ‘Chambre Syndicale De La Confection et De La Couture Pour Dames et Fillettes’ was established. This was a governmental body that supported and protected the couturiers from copies and counterfeiting. These are the main steps that fashion industry went through in the nineteenth century, which laid the foundation for incremental changes later on in the middle of the twentieth century.¹⁰¹

XX century

‘La belle epoch was the last era of absolute luxury.’

Diana Vreeland

The twentieth century saw a radical change in the way fashion was produced, distributed and consumed. Just as the world went through a dramatic transformation in political and economic structure, so did the organization of the fashion world shift from small local manufacturers to major global conglomerates. Putting a whole century in a brief overview is

¹⁰⁰ Daniel James Cole, ‘Heritage and Innovation: Charles Frederick Worth, John Redfern, and the Dawn of Modern Fashion,’ *Institut Français de la Mode (IFM) Paris France* (2011).

¹⁰¹ Yuniya Kawamura, ‘The Japanese Revolution in Paris Fashion,’ *Fashion Theory* 8, no. 2 (2004).

not an easy task, but we will try to outline the main tendencies that appeared along the way with the development of brands and new market segments. Up until the First World War, the fashion industry followed the rules set by Worth and didn't go through any radical changes even though the styles and trends changed significantly. Four years of war shook the market structure, but the Chambre de la Couture tried to paper over the transformations in manufacturing methods and shifts in consumer behavior by imposing certain limitations on couturiers that prevented them from selling their designs to garment manufacturers and retailers. Initially, this plan was aimed at avoiding counterfeiting and protecting French designers. In reality these measures turned out to be restrictive for the development of French fashion industry and even though the policies were lifted in 1944 the time needed for the transformation of national fashion houses was lost. To make matters worse, the Second World War restricted travelling to Paris that was the ultimate world couture destination at a time, which allowed for the development of other fashion capitals. By the end of the twentieth century, there were five of them: Paris as the embodiment of haute couture and traditional luxury, New York with its ready-to-wear collections, London setting trends in boutique retail and men's fashion, Milan aimed at luxury ready-to-wear and accessories and finally Tokyo known for its street style.¹⁰²

After the War, European designers needed much investments to recover from the challenging time and had to find a way of keeping up with the pace of advancing manufacturing techniques and the rising demand in fashion garments. The French Government understood the strategic importance of fashion industry for the nation and introduced subventions for the couturiers in 1951.¹⁰³ However, the support could only be received by the members of La Chambre Syndical, which meant keeping the obsolete methods of production and capacity restrictions. This was when the French fashion houses faced a difficult choice: either to follow

¹⁰² Regina Blaszczyk, and Veronique Pouillard, *European Fashion: The Creation of a Global Industry* (Manchester: Manchester University Press, 2018), 13.

¹⁰³ Ibid.

the suggested steps from the government and keep the hand-crafted essence of their products or to innovate and seek the ways of survival in the new methods of production and new business models. The first option led to a steep decline in the number of Parisian couture houses that shrank from more than 60 couture fashion houses in the 1940s to the remaining 24 in the 1960s. It was when the haute couture designers reinvented their business operations and the luxury industry as we know it today was born, with its luxury ready-to-wear brands, fashion brand licenses for fragrances and accessories, and the remaining symbolic role of haute couture. Even though the creation of haute couture clothes wasn't profitable anymore, it accumulated much cultural value and brands with haute couture heritage received an advantage over other luxury labels that could be used as a code in their brand strategy.¹⁰⁴ The importance of such background for brand development can be partly proven by the revival of Worth fashion house in 1968 that was discussed earlier. So, even before the widespread of globalization, brand managers and strategists realized the role of heritage and brand history for consumers who were suddenly flooded with a whole range of fashion brands.

The 1970s became a turning point in all industries and fashion was no exception to this. The combination of digital and advertising revolution, the rising demand for fashion among the working class and global division of labor created a need for new market segments in order to provide clothing according to the financial opportunities of different classes of society. Fashion industry adapted to these transformations by inventing four new market segments: premium, mass-market, affordable luxury and masstige. What's more, luxury brands began selling licenses to manufacturers to produce affordable products with the brand name on it, such as fragrances, glasses, cosmetics, socks, etc. This opened new financial flows for the luxury brands that needed extra funds and couldn't get them from clothing. This was also the time for

¹⁰⁴ Donzé, P.-Y., and Wubs B., 'Storytelling and the Making of a Global Luxury Fashion Brand: Christian Dior'. *International Journal of Fashion Studies* 6, no. 1 (1 April 2019).

liberalization of the market and democratization of luxury fashion, which led to globalization of the production chain and international fashion trade. Alongside with the positive impact of fashion industry international widespread some major problems appeared including mass counterfeiting, child labour at factories and increased ecological footprint cause by overproduction and overconsumption. As a result, the twenty first century met the overgrown fashion industry with much concerns about the rates of production and the acknowledgement of the much-needed changes.

XXI century

'It's the end of fashion as we know it.'

Li Edelkoort

The concept of the 'end of fashion' is a common topic among fashion forecasters and researchers. While it is true that the fashion industry is constantly changing and facing new challenges, the world has never seen such a complexity of overarching issues. Overproduction, counterfeiting, child labour – these are some of the heated topics of discussion which led to the reconsideration of how the industry operates and how it should be modified to meet the newly-established sustainability criteria, not only in environmental terms but also being sustainable financially, culturally and socially. Starting from the very beginning of the millennium researchers and scientists have been questioning the way the fashion industry operates but the members of the fashion society were ignorant to such claims until recent years when it was impossible to avoid sustainability discussion. Many trends that we see unleashing now were predicted several years before they started gaining power. Such were the words of one of the most celebrated fashion forecaster Lidewij Edelkoort in 2015, who claimed that the fashion industry cannot sustain itself if brands and their customers continue to act the way they used

to.¹⁰⁵ Edelkoort also mentioned the switch of interest from total-look fashion collection to particular items of clothing and accessories. The brands analyzed in this thesis follow the same principle and have a limited offer of products. This trend allows the brands to find new niches in the market and establish themselves as the ultimate experts in a specific type of products, be it white shirts (Bourrienne) or after-swim wear (Amaio). The role and ecological footprint of the fashion week is also questioned, so we may the fashion brands' business models transforming significantly in the nearest future. If the development of the fashion industry in the twentieth century was dictated by the ever-growing rates of production and demand for accessible clothing, the twenty first century should proclaim consciousness as the main driver of change.¹⁰⁶

III. Case Studies

In the final part of the second chapter we'll complete a comparative analysis of six brands divided into three sections, paying special attention to the codes that can be used in branding and the results that can be achieved by implementing certain elements from the conceptual frameworks. This would also help to extend the understanding of heritage and luxury branding and see the extent to which these two categories can be used when analysing the ways of applying theory in practice and assessing the credibility of theoretical base through empirical research. Moreover, case studies give the opportunity to learn from the past and analyse which codes stood the test of time and which did not while also navigating through the patterns of business success and failures.

¹⁰⁵ Li Edelkoort, '*It's the end of fashion as we know it*' says Li Edelkoort, 1 March 2015. <https://www.dezeen.com/2015/03/01/li-edelkoort-end-of-fashion-as-we-know-it-design-indaba-2015/> (Accessed: 09-09-2020).

¹⁰⁶ Dana Thomas, *Fashionopolis: The Price of Fast Fashion & the Future of Clothes* (London: Head of Zeus, 2019).

Building Fashion Empires: Valentina Schlee and Christian Dior

Valentina Schlee and Christian Dior are two legendary designers from the twentieth century who dressed the most prominent clientele and can be considered to be the owners of iconic brands. They were both big thinkers and industry changers as Schlee brought haute couture to the US while Dior revolutionized the whole couture look, gaining the title of the ‘new look’ creator. They both learnt the art of couture creation from scratch to translate their ideas from sketches to tailored garments. And they both stopped their career journeys in 1957 with Valentina closing her brand and stepping away from the spotlight and Christian passing away. Yet, Dior as a brand still exists with more than 200 boutiques around the globe and 6000 employees.¹⁰⁷ How did Christian manage to build fashion empire in less than ten years and more importantly, what is the key in building a brand that can survive even after losing its founder?

The reason for such a head-start in Dior’s case can be partly explained by major investments and the ability to hire 85 employees from the very beginning, which accelerated the pace of business development and allowed Christian to focus on the creative part without spending too much time on the managerial issues. But beyond purely economic reason there’s another important factor, something that Hoffman and Lecamp call ‘l’air du temps’, which allowed Dior to identify the needs of the audience.¹⁰⁸ While both brands can be characterized as high-end and luxurious, Valentina always focused on simple forms and shapes, creating timeless designs and using best quality materials. Dior, in his turn, created more elaborate models and was even criticized for spending too much fabrics on his designs.

¹⁰⁷ LVMH. ‘Christian Dior, Haute Couture and Ready-to-Wear - Fashion & Leather Goods’. (Accessed 22 July, 2020). <https://www.lvmh.com/houses/fashion-leather-goods/christian-dior/>.

¹⁰⁸ Hoffmann and Lecamp, *Independent Luxury: The Four Innovation Strategies to Endure in the Consolidation Jungle* (New York: Palgrave Macmillan, 2015).



Figure 12. Christian Dior and Valentina Schlee. Source: Pinterest.

The peak of Valentina's career was in the 1930s, usually associated with Old Hollywood style that also became Valentina's signature. She went on creating garments in the same aesthetics throughout the 1940s and the 1950s but felt a decline in people's interest in her brand and finally decided to close it. Dior's journey to success looks different with Christian's revolutionary New Look defining the 1950s and then the executive board appointing Yves Saint Laurent as the new creative director after the demise of Christian Dior. This move opened new horizons for a new brand strategy and new activities within the company and showed how it could manage without its founder. The key in Dior's case is the talented brand management strategy and the ability to maintain and explain the continuity of Christian's tradition when Yves stepped in, which is also one of the main codes in luxury branding. In Valentina's case, the founder didn't find a decent successor and a result, the brand stopped to exist, even though its track record was more impressive than Dior's. Was it possible to save Valentina from collapse with the help of updated brand strategy and new brand vision? It may well have been the case

at a time. As for now we can conclude that brand heritage is a powerful tool in the hands of brand management team, but it should also be used in combination with innovative vision and the willingness to adapt to the changing market environment.

Inspired by Heritage: Atelier Batac and Gentle Moscow

In most cases heritage branding implies using corporate heritage as a strategic tool of maintaining brand equity and continuity. However, brands can also use cultural heritage to communicate their own vision by making reference to the national past and creating bond with the customers who share the same values. This strategy is usually used by young brands that lack their own track record and need to ‘borrow’ heritage to fill this gap. Atelier Batac and Gentle Moscow are two young brands that are inspired by history and use tangible and intangible heritage in their brand strategy.

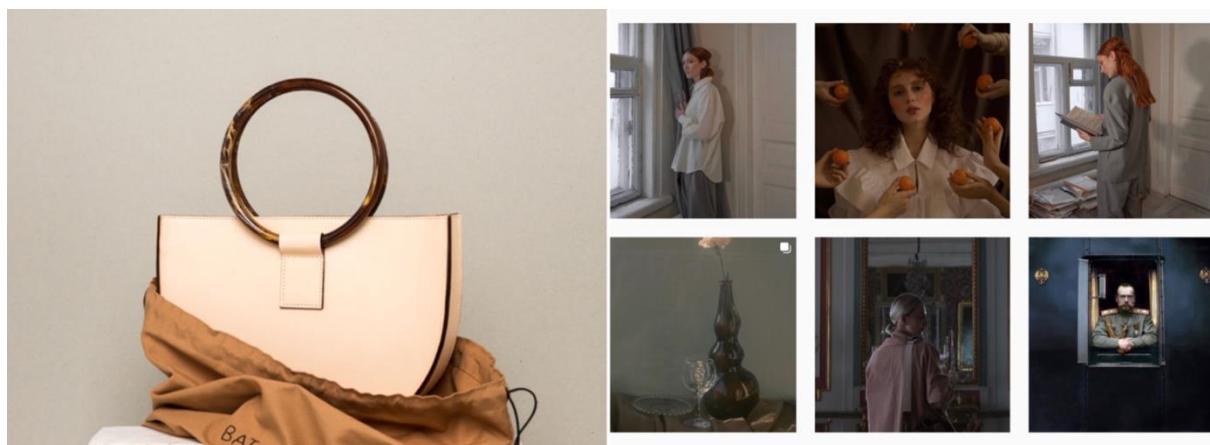


Figure 13. Atelier Batac (tangible heritage) and Gentle (intangible heritage). Source: Instagram.

Atelier Batac is a young brand from Barcelona that uses vintage handles in their products and promotes Spanish craftsmanship by hand-crafting all the products in a local atelier. Batac's Founder Cristina Gomez is a former filmmaker and is inspired by the cinema classics, so she wanted to infuse her brand with the same timeless and deep atmosphere. Cristina doesn't use

elaborate forms in her designs and keeps a simple and minimalistic product shape while using sophisticated purse handles. This combination is a perfect example of how heritage can be interpreted through the lens of contemporary fashion and stay relevant long after it is produced. Such an implementation of vintage elements can also serve as an illustration of heritage branding principle of merging the past, present and the future in a physical product, when certain items from the past are used in the current day product, which is also contributing to the sustainable development of the future.

Gentle Moscow uses intangible cultural heritage presented in photographs and other visuals in brand's social media communications. Even though there's no direct link between the historic elements and the physical products like in Batac's case, imperial Russian heritage is one of the main sources of inspiration for Gentle's founder Elena Lesnaya. She interprets the old design into contemporary garments that are relevant today by reconsidering century-old fashion and keeping the dignity of the old aristocratic circles as one of the main brand values. Elena acknowledges the importance of national heritage by sharing historic photographs of Russian royal family on the brand's social media channels and referring to it in the 'about us' section on Gentle's website.

These two cases show how national heritage can be interpreted in brand development and communications to match the vision of the founder and attract the right type of clients who share the same values. In such cases even though the brands are less than a decade old, they can be considered as heritage ones as the brand strategy of both Atelier Batac and Gentle Moscow conforms to the definition of heritage branding identified earlier. To be more precise, they make references to the past and engage the consumer with history through the brand. There're certain peculiarities associated with using tangible and intangible heritage: in the first case tangible elements from the past create an immediate physical bond with the past but this strategy risks

being negated without explaining the origins of the handles and the reason behind using such items. Using intangible cultural heritage in brand communications on social media is a more apparent strategy as it instantly creates a visual bond with the past and creates a certain atmosphere around a brand. Overall, Atelier Batac and Gentle Moscow represent the examples of using nation heritage in brand strategy and brand development and shows the possibility of building a heritage brand that is less than ten years old.

Less is More: Amaio and Bourrienne X

Luxury and premium fashion brands usually offer a whole range of products and develop full collections including clothes, accessories and shoes. There're, however, new brands that decided not to follow the established pathway and found their own niches. Amaio and Bourrienne X are two young fashion brands that are inspired by traditional French haute couture but create affordable ready-to-wear in very narrow niches, apres-swim and contemporary white shirts. Both brands were founded in 2017 and draw inspiration form the golden age of French couture, reinterpreting the garments and styles, while communicating their vision through social media and website.

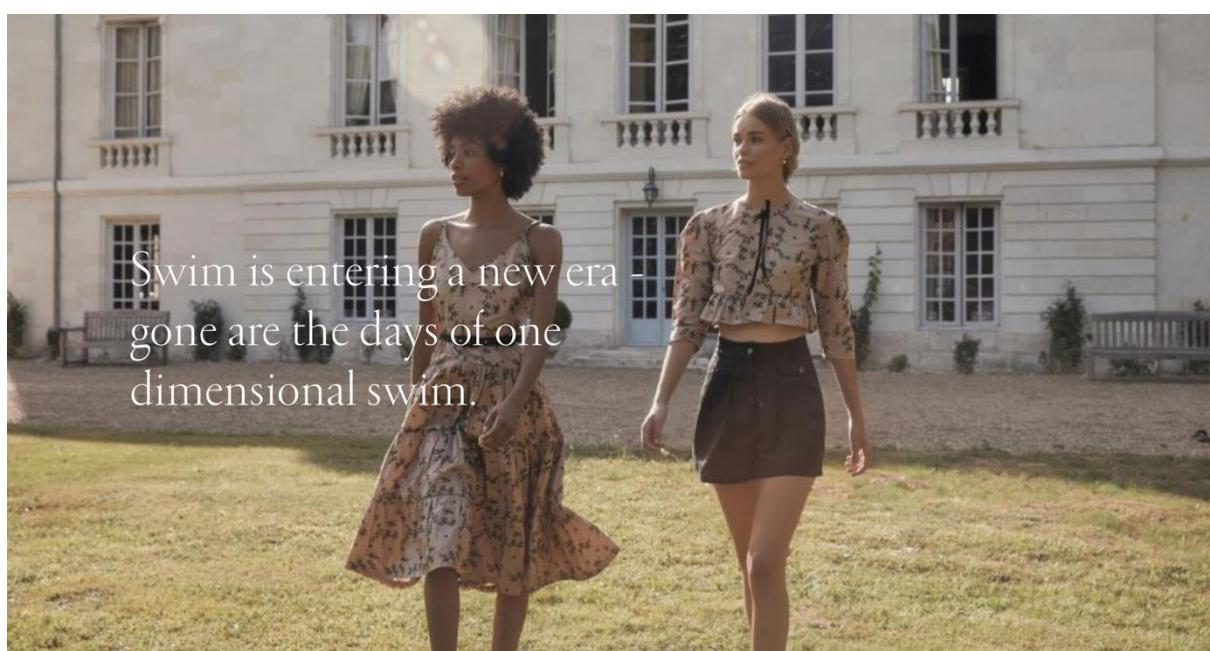


Figure 14. Amaio Campaign. Source: www.amaioofficial.com

What's especially important about these cases is that both Amaio and Bourrienne X reconsider the traditional image of luxury fashion and offer affordable and honest alternative to the product range of long-established luxury brands like Dior, Chanel, Hermes and others. This also forms a new niche in the fashion market, for brands that are inspired by heritage and traditional luxury but have their own vision and do not want to conform to the existing market structure. By far, no research has been done on this specific segment but considering the ever-rising interest in luxury and heritage among both academic and business professionals, the niche market of premium fashion brands that are reinterpreting traditional luxury is an interesting topic with much potential. The main differentiating factor between Amaio and Bourrienne X is the relation to physical place. While Amaio is focused on the conceptual part of using heritage and relation to the golden age of French luxury, Bourrienne is located in an ancient mansion that used to be a hotel also adopting the name of the place as a brand name, so the brand is using a direct reference to a particular place in its communications, which can also be referred to as a geographic code. It is too early to say whether such business model will work out or not, but both brands gained coverage in media and are steadily forming a list of the loyal clientele.

A common pattern in the brand strategy of Amaio and Bourrienne is the balance between the heritage and modernity they're trying to achieve by mixing different visual codes in their communications. Amaio don't feature their physical location on social media and are located in Los Angeles but are using old building for the photoshoots and create an ambience of the high-end couture brand with visual references to the locations associated with the golden age of French couture. Bourrienne, on the contrary, use visual codes that are unrelated to the time period of the building they're located in and create a more modern and contemporary brand image in their campaigns and brand communications. Both strategies enable the brands to communicate their vision and to attract audience that value history, high-end design and French style and do not want to overpay for the brand name and the associated status it provides with

each purchase. What's more, if we deconstruct the principles of heritage branding as merging the past, the present and the future, we'll see that both brands conform to this description. In Amaio's case, the past is the inspiration behind the collection creation, the present is represented in the current collections and the future associated with the sustainability promise that a brand provides by careful material sourcing and commitment to dedicating a certain percentage of profits to charity. Bourrienne have a similar construction with their past being translated into the physical space, the present – in new garments and the future in the brand vision to create an artistic collaborative space out of the old building they're located in, that was once the destination of the Parisian socialites.



Figure 15. Bourrienne Hotel, Brand Boutique, closeup of a Bourrienne shirt. Sources: www.cotemagazine.com , www.bourrienne.com , www.pariscapitale.com.

Chapter III. Decoding Heritage and Luxury Branding.

'Without understanding the secondary codes structuring the cultural interpretation of advertising, marketers may as well be communicating with Martians.'

L.Oswald.¹⁰⁹

Even though the discussed academic books and articles form a solid foundation for understanding the subject of heritage and luxury branding, they propose conceptual models that are rarely reviewed and implemented in the marketing strategies by brands. What's more, the models introduced in academic literature are based on the theory of rational choice, while the recent cognitive studies show that consumers make purchase decisions unconsciously at a glance, even before they put the product in the basket.¹¹⁰ Moreover, the brands usually do not use scientific theories to position themselves on the market, it is only much later that academics put their own labels on the existing brands as examples of the newly introduced classifications. The decoding approach can provide much more value to brands as it allows to combine different codes in brand communications and select the ones that are most consistent with the brand's strategy and communications style.

I. Conceptual Models

There're several conceptual models related to the topic of heritage and luxury branding, which represent the varying perspectives on the subject by different authors. In this thesis we'll focus on the frameworks that help to better understand the essence of heritage and luxury, which

¹⁰⁹ Laura Oswald, *Marketing semiotics: Signs, strategies, and brand value* (Oxford University Press, 2012): 123.

¹¹⁰ Schaefer, 'Neuroeconomics: In Search of the Neural Representation of Brands,' *Progress in Brain Research* 178, no. C (2009).

will also help in decoding these notions. The models are presented chronologically to gradually build the picture of the current state of research in the field. Not all of the existing models and frameworks are included in the selection but the ones that form the basis for a better understanding of the subject-matter in this research, with the main criteria being the clarity and straightforwardness of the model as well as its applicability to business and brand management outside of academic discussion.

Brand Stewardship | Urde *et al* 2007

Brand stewardship is a conceptual model of a ‘management mindset’ that is aimed at strengthening brand’s positions on the market by fostering, protecting and promoting brand’s heritage.¹¹¹ The model includes elements that constitute the success of developing a brand with heritage, that can outlive its founder and keep the positions on the market in a long-term perspective. Brand stewardship as a strategic model includes 5 elements: track record (the ability of a company to deliver consistent results), history important to identity (using history as part of brand identity), use of symbols (highly related to semiotics), core values (that are part of brand strategy and brand’s DNA) and longevity (how long has the company been present on the market). Combined, these components constitute an integrated model of leveraging brand heritage for marketing purposes. The authors claim that using brand stewardship as a strategic tool can help in achieving business goals and growing a brand. There’re several arguments to support this point.

Heritage can strengthen brand’s positioning and justify premium pricing as the guarantee for the quality proven by time and providing the sense of stability, which is especially relevant during turbulent times and crises. In this case heritage can serve as a competitive

¹¹¹ Urde, Greyser, and Balmer, ‘Corporate brands with heritage,’ *Journal of brand management* 15(1) (2007): 10.

advantage for the brands that protect their heritage as an important part of brand management. Heritage can also build loyalty among existing clients, who want to be part of history in its making and are unlikely to switch from one brand to another if they're satisfied with the former. In such manner, heritage also builds credibility that positively affects the decision to make a purchase. Finally, brand heritage propels trust internally, makes the team feel proud of the company they work for and committed to the activity they perform within the company. This is ultimately *reflected on the results they deliver and increases the performance of the team*.

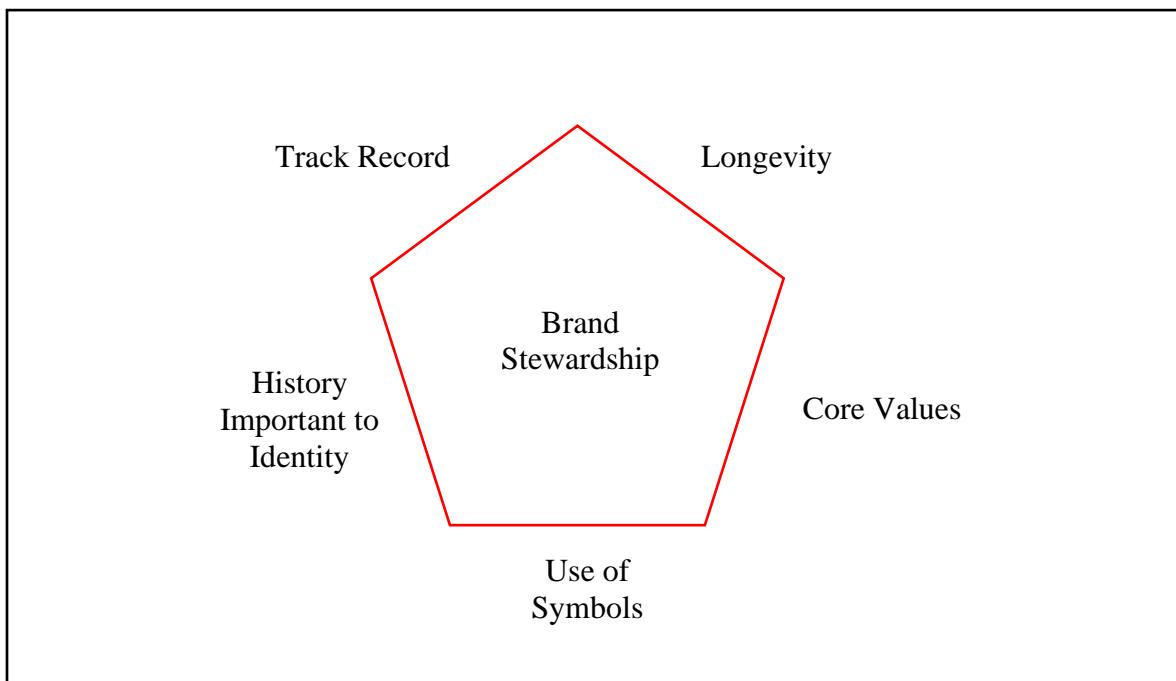


Figure 16. Brand Stewardship Model: Elements of brand heritage. Source: Own Illustration adapted from Urde & Greyser, 2007.

Positioning Triangle | Kapferer & Bastien 2012

The positioning triangle is a framework of different business models introduced by Kapferer and Bastien in 2012. It differentiates between three interrelated business models: luxury, fashion and premium. In this case it is not about the product category but the positioning of the brand, with every model having unique features.¹¹²

¹¹² Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London; Philadelphia, PA: Kogan Page, 2012), 32.

Luxury positioning implies social elevation, timeless of the product, self-distinction based on the ability to spend a certain amount, hedonism, priceless experience, highest quality as well as superlative and non-comparable character of the brand itself. Luxury positioning can be adopted by any business category, from a fashion brand to car manufacturers to restaurant business. Fashion model includes forming social tribes, having instantaneous nature with following trends and constant change of product range, as well as acknowledging the frivolous character of ever-changing fashions and accepting imitations as a predictor of popularity. To date, this business model was mostly used by fashion brands, but it is becoming questionable now with consumers becoming more vigilant about the sustainability issue and calling for more transparency in brands' operations. That's why the frivolous and instant aspects of the fashion positioning model can hardly be identified as a competitive advantage, with the model itself going through a structural crisis.

According to Kapferer, the main difference between premium and luxury positioning lies in the quality/price ratio. If brands that are using luxury positioning model are advised not to justify the price formation, premium brands need to be more transparent about their pricing policy. Premium positioning also includes seriousness, realism and comparability. What's more, purchases made from premium brands might be considered to be an investment, be it a leather bag or a vine bottle.¹¹³ It doesn't mean, however, that premium brands can't use codes of luxury branding. On the contrary, such strategy can help them to elevate brand image and justify premium prices.

¹¹³ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands* (London; Philadelphia, PA: Kogan Page, 2012).

Even though the positioning model is divided into three distinct categories, it also implies that brands can use certain features from other positioning categories. Such an example can be premium fashion brands Lacoste and Ralph Lauren that keep premium rather than luxury positioning but borrow certain elements from the luxury business model (e.g. use timelessness as one of the key values in their brand strategy).

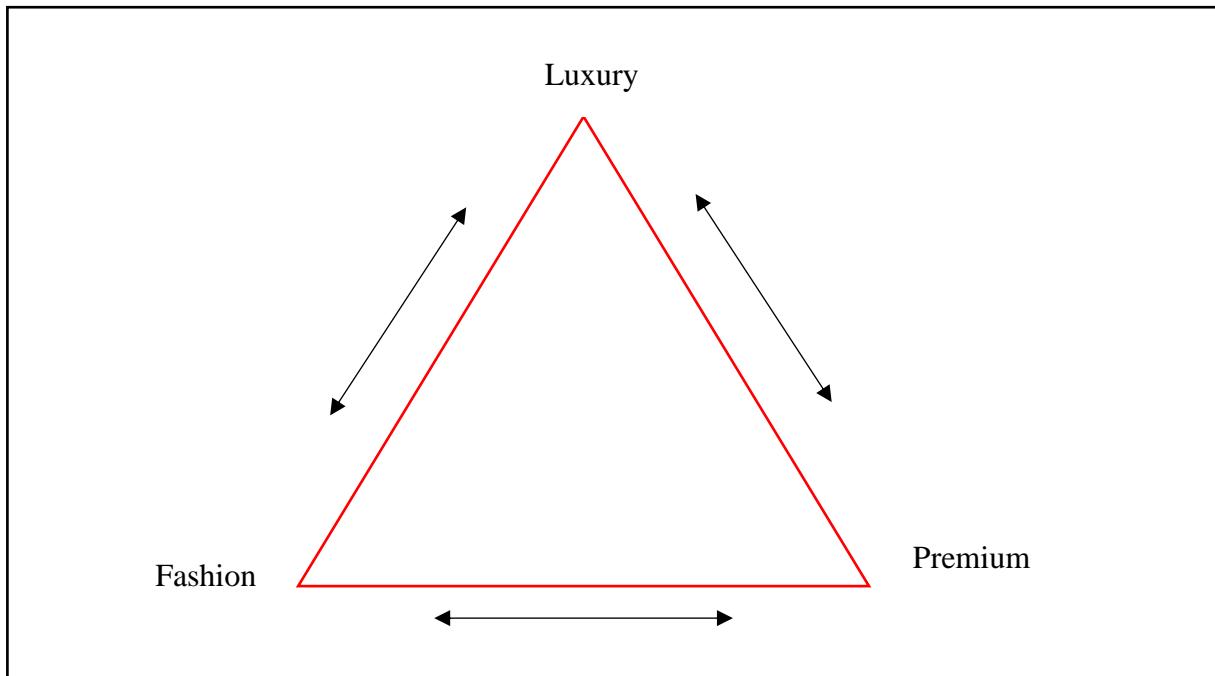


Figure 17. The Positioning Triangle. Source: Own Illustration adapted from Kapferer & Bastien, 2012.

Luxury as Concept, Industry and Specific Strategy | Kapferer 2014

Another framework for defining the subject-matter of this research will be the one suggested by Kapferer in 2014, which reflects the different approaches to ‘luxury’, analysing it as a concept, an industry and a ‘very specific marketing strategy’.¹¹⁴ Kapferer argues that the roots of the term ‘luxury’ are still a topic of discussion, but its most closest etymologic references are the term ‘lux’ (‘light’ in Latin) and ‘luxatio’ (which stands for ‘a disruption or an excess of something’).¹¹⁵ Combined, they form the definition of luxury as a concept,

¹¹⁴ Kapferer, ‘The Future of Luxury: Challenges and Opportunities,’ *Journal of Brand Management* 21 (9) (2014).

¹¹⁵ Ibid.

accommodating both the idea of the enlightenment and the overabundance of something. Luxury as an industry is well-defined by numerous reports and books on the subject. It is comprised of all the brands offering luxury items and the customers who are ready to purchases these products, forming the supply and the demand sides. Lastly, luxury can also be approached as a strategy, adopting special features of a luxury business model and using codes of luxury branding, which was also discussed above. According to Kapferer, luxury as a strategy is a less explored area and requires more attention from both business and academic circles.

In this thesis the model will be extended and applied to the term 'heritage' as well. This way, the research will focus on the intersection of the notions of luxury and heritage as a specific strategic tool. The visual representation of the framework is demonstrated below.

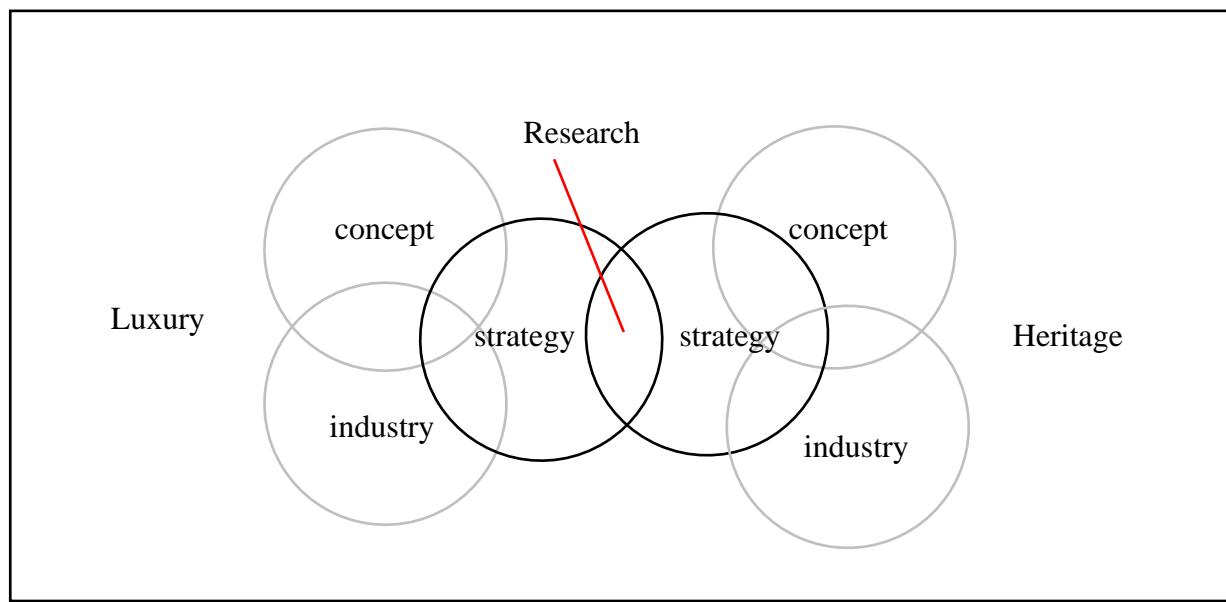


Figure 18. Visual representation of the approaches towards luxury and heritage. Source: Own Illustration adapted from Kapferer, 2014.

BA²RE | Hoffman & Lecamp 2014

BA²RE is an acronym for the model suggested by Jonas Hoffman and Laurent Lecamp in their book dedicated to independent luxury brands. The authors believe that the only way an independent luxury brand can survive is through innovation, and the BA²RE strategy model

can help companies to achieve this goal.¹¹⁶ The first step on the way to innovation is ***believing*** in what you do. This involves identifying brand vision, mission and values as part of brand strategy, which reflects the direction of brand development. ***Anticipating*** is the second step and is also related to the concept of ‘l’air du temps’, which implies feeling the emerging trends and quickly reacting to them, while also adjusting the brand strategy if necessary. The third step is ***acting***, this entails identifying the exact offer, target audience, expenses and profits of the chosen business model. In case with independent luxury brands this usually implies operating on the niche market and having a relatively small target audience when compared to mass market. The next stage is ***reaching***, which involves both reaching out to clients and transforming them into loyal brand followers. Finally, ***enduring*** is the last and probably the most important part of the equation as it implies keeping the results achieved on all the previous steps and going through the same journey on a consistent basis.

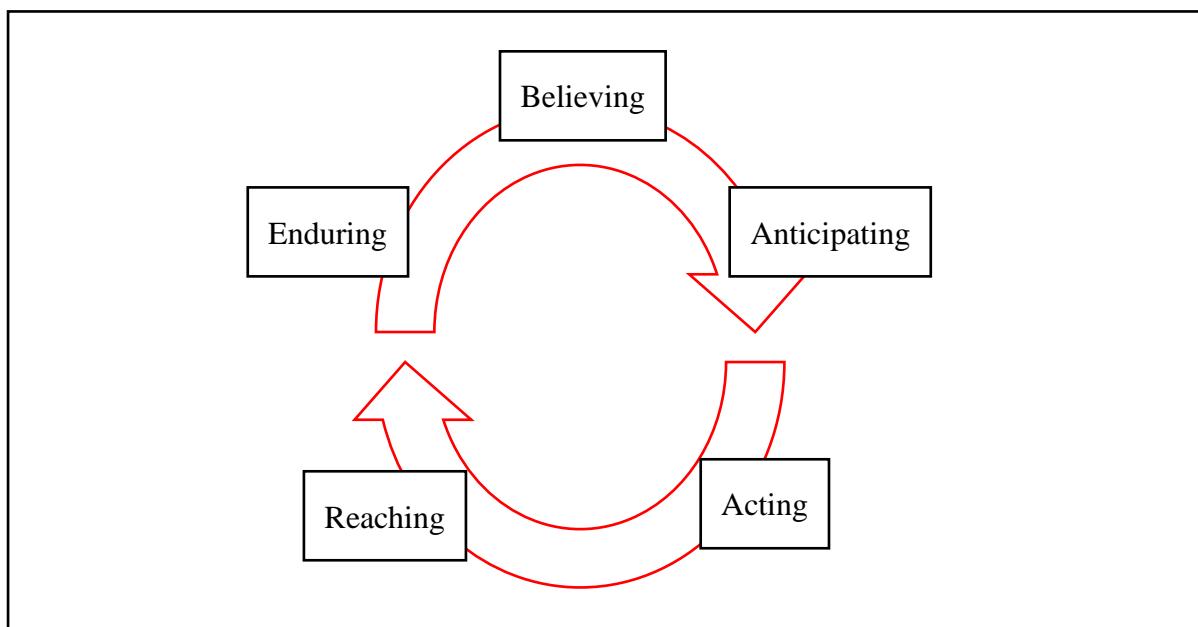


Figure 19. BA²RE Approach. Source: Own Illustration adapted from Hoffmann & Lecamp, 2014.

¹¹⁶ Hoffmann and Lecamp, *Independent Luxury: The Four Innovation Strategies to Endure in the Consolidation Jungle* (New York: Palgrave Macmillan, 2015).

The BA²RE strategy is closely related to the loyalty loop theory, which breaks the consumer decision journey in six steps: consider, evaluate, buy, enjoy, advocate, bond.¹¹⁷ The last three phases (enjoy, advocate, bond) appear after the purchase is made and correspond to reaching & enduring points in the BA²RE model. Even though Hoffman and Lecamp don't emphasize the importance of post-purchase relationship with the customer, it is one of the key points in creating a loyal customer base and minimizing budgets on marketing. This way, the BA²RE model represents not only a strategic tool for innovation, but also a means of reducing the cost of acquiring new clients – the existing loyal customers will do it for them by spreading a word of mouth and advocating the brand.

Pillars & Drivers of Brand Authenticity | Carù 2017

The ‘pillars and drivers of authenticity’ is a conceptual model suggested by Antonella Carù in her article about Salvatore Ferragamo museum in Italy. Carù shows the importance of different factors related to brand heritage and authenticity and divides them into two categories: authenticity pillars and authenticity drivers.¹¹⁸ The pillars of authenticity are the elements embedded in the brand’s history and heritage, namely the role of founder, the location, the year of establishment and country of origin, with all the elements being invariable and forming the foundation of the brand for its further development. Authenticity drivers are the factors that can be changed throughout time and depend entirely on brand management. They are brand heritage, production methods, brand evolution, which also includes brand positioning, innovation and the implementation of certain codes in brand communications. Combined,

¹¹⁷ David C Edelman, ‘Branding in the Digital Age: You’re Spending Your Money in All the Wrong Places,’ *Harvard Business Review* (2010).

¹¹⁸ Antonella Carù, Maria Carmela Ostilio, Giuseppe Leone, ‘Corporate Museums to Enhance Brand Authenticity in Luxury Goods Companies: The Case of Salvatore Ferragamo,’ *International Journal of Arts Management* 19 (2) (2017): 32-45.

authenticity pillars and drivers are positively affecting brand authenticity, creating a strong competitive advantage.

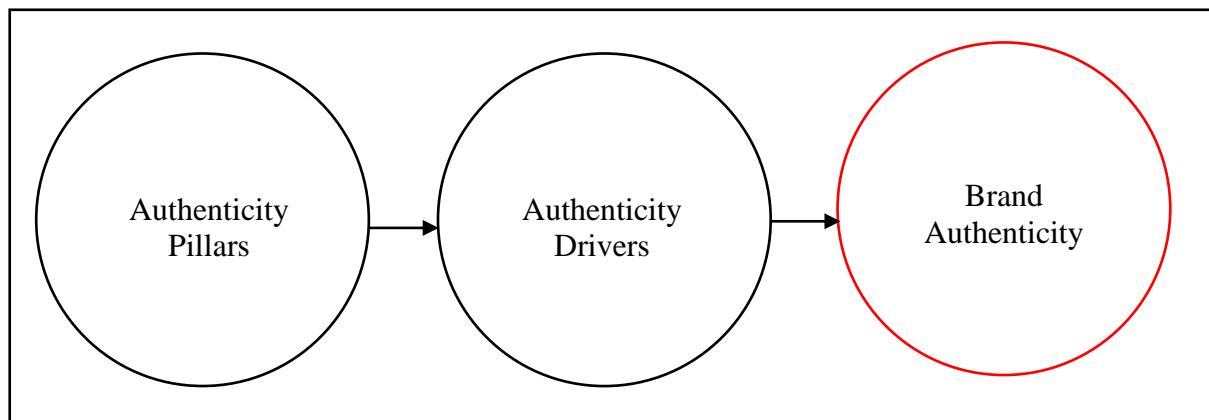


Figure 20. *Authenticity Pillars and Drivers*. Source: Own Illustration adapted from Carú, 2017.

The concept of brand authenticity was also discussed and shaped by Michael Beverland. He identifies six factors of authenticity, which are 'heritage and pedigree, stylistic consistency, quality commitments, relationship to place, methods of production, downplaying commercial motives.'¹¹⁹ Even though this model was introduced earlier than the 'drivers and pillars of authenticity', it doesn't differentiate between embedded and acquired factors, which is crucial from the brand management and brand strategy perspectives. Carú extends the understanding of brand authenticity suggested by Beverland and adds an extra dimension to the definition that was introduced earlier. In such manner, the elements of brand authenticity identified by Beverland can be approached as both pillars and drivers, e.g. heritage and pedigree can be considered as a combination of embedded factors (year of establishment, role of founder, country of origin) and factors in the making (heritage management, working on the brand's archive, etc). In this research we'll use the more advanced model of brand authenticity suggested by Carú, while also extending it and using as a framework for luxury and heritage branding.

¹¹⁹ Michael Beverland, 'Uncovering "theories-in-use": Building luxury wine brands,' *European Journal of Marketing* 38 (3/4) (2004): 446-466.

Perspectives on Luxury | Gurzki 2020

The most recent conceptual models in the field of luxury and heritage branding is the one introduced by Hannes Gurzki called the ‘perspectives on luxury’ model.¹²⁰ After completing a fundamental research on luxury, Gurzki summarized all the previous viewpoints related to luxury branding in one model, featuring the different perspectives on the topic and explaining what constitutes ‘the creation of the extraordinary’ in luxury branding. Overall, there’re seven perspectives on the subject of luxury: material, philosophical, cultural, social, individual, economic and managerial. This implies rare and refined materials, desire for the product, sacred aura around the brand, status consumption, feeling unique after the purchase, having premium price and excellence in brand management.¹²¹ While this research is focused on the managerial perspective, the codes used in brands’ communications reflect all the seven aspects mentioned above, that’s why we’ll use this model as a framework for the decoding process and extend it on heritage branding in the third chapter.

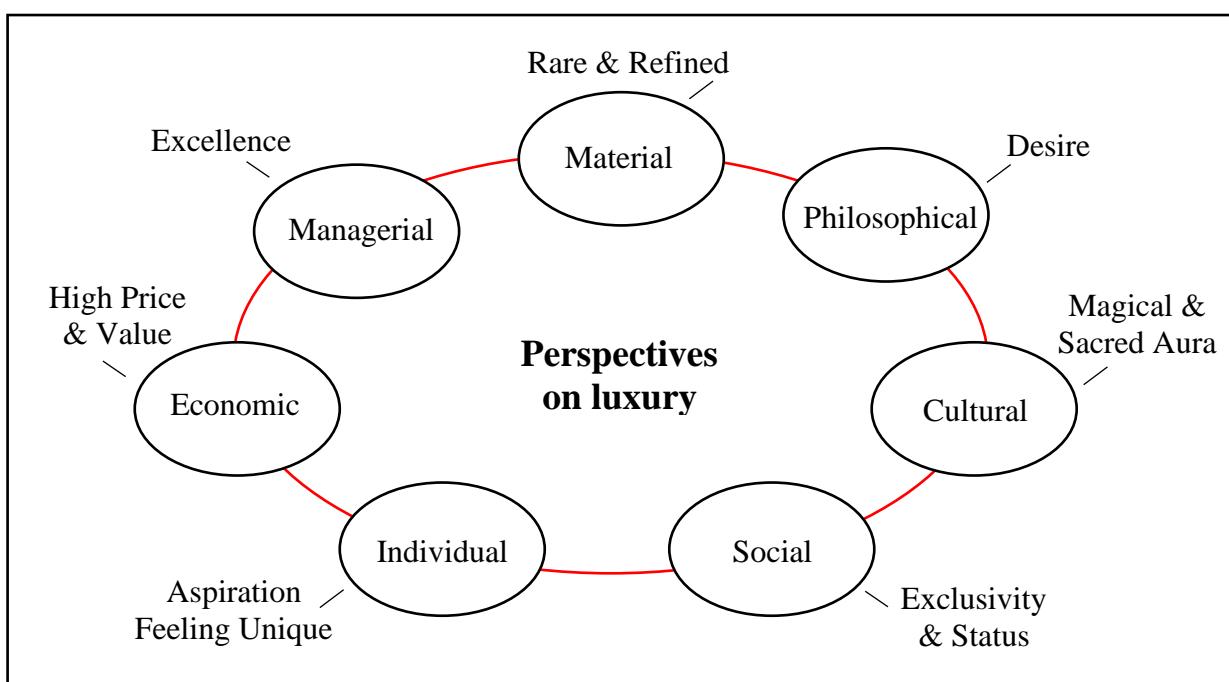


Figure 21. ‘Perspectives on Luxury Branding’ Model. Source: Gurzki, 2020.

¹²⁰ Gurzki, *The Creation of the Extraordinary*, 2020.

¹²¹ Ibid.

The ‘perspectives on luxury’ framework is also related to ‘the anatomy of the luxury fashion’ model suggested by Antoinette M. Fionda and Christopher M. Moore, which showcases the elements of a luxury label, which include marketing communications, product integrity, design signature, premium price, exclusivity, heritage, environment & service, culture and clear brand identity.¹²² Even though these elements sufficiently define a luxury label, the model suggested by Fionda & Moore lacks conceptual approach, while the one introduced by Gurzki includes the elements and frames them in a more conceptual manner. This is also the reason to use the ‘perspectives on luxury’ model and not the ‘anatomy of a luxury brand’.

The Accumulated Model of Heritage and Luxury Branding | 2020

Even though all the discussed models are relevant to this research and provide helpful explanations of the subject, they lack coordination and interconnection. The accumulated model will bring together the previously suggested concepts and draw a bottom line by creating an integrated framework. The main pillar for the accumulated model will be the ‘perspectives on luxury’ framework suggested by Gurzki. Each perspective represents a code of luxury branding that can be implemented in brand communications strategy. What this model is lacking is the deeper look at how each perspective can be reflected in brand strategy and marketing. The ‘pillars and drivers of brand authenticity’ model suggested by Carù can feel the empty space. In such case, each code consists of three layers: the core of the brand together with internal and external factors. For example, if we take the social perspective, which implies exclusivity and status, the three layers of implementing this code in brand strategy will look the following way:

1. Brand Pillars (Core): justifying brand’s exclusivity and status by featuring the original story of the brand, including information about the brand’s founder, brands’

¹²² Fionda and Moore, ‘The Anatomy of the Luxury Fashion Brand,’ *Journal of Brand Management* 16 (5/6) (2009).

clients, brand values, vision and mission. Overall, brand pillars are the embedded factors that reflect the essence of the brand. In relation to BA²RE model, brand pillars correspond to the ‘believing’ and ‘anticipating’ phases.

2. Brand Drivers (Internal): implementing practical measures to justify brand positioning and status. This includes social media communications, working with opinion leaders, opening new stores – brand drivers are the actions that the brand can control and affect. This layer corresponds to ‘acting’, ‘reaching’ and partly ‘enduring’ phases from BA²RE model.
3. Brand Protectors (External): identifying the external factors that can contribute to the successful implementation of brand strategy, such as detecting certain trends and patterns in consumer behavior, assessing the market environment and using external factors to the brand’s advantage (correlates with ‘enduring’ phase in BA²RE model).

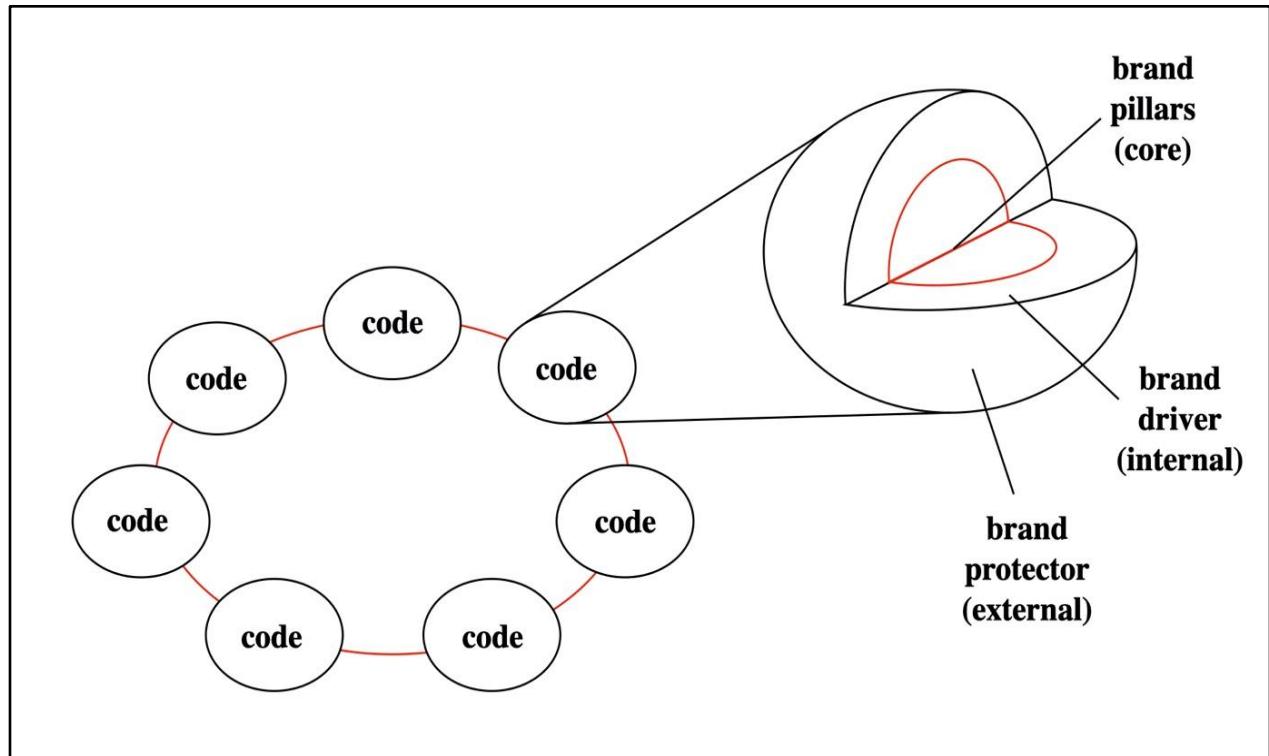


Figure 22. Explanation of the accumulated model of heritage and branding codes. Source: own illustration.

What concerns the ‘positioning triangle’ and ‘luxury as a concept, industry and strategy’ models, their relation to the present study was explained before by referring to the choice of exploring luxury and heritage as specific branding strategies and focusing on premium fashion brands. Lastly, the ‘brand stewardship’ framework represents one of the brand drivers in heritage branding. After gaining clarity on how to position all the analyzed models in one conceptual framework, it is also necessary to mention the parts that are still lacking and require additional research. They are the weaknesses and threats that a premium fashion brand can face. Overall, all the models are focused on the positive factors of brand development while a comprehensive brand strategy should also include the analysis of the negative factors of implementing the codes of heritage and luxury branding. The next section will partly cover this gap.

II. Decoding Luxury Branding

Luxury branding can be decoded from different perspectives, as indicated in Gurzki’s exhaustive and all-encapsulating research. At the same time, the analysis of these codes can be expanded through the lens of brand strategy, which will be accomplished in the second and third parts of this chapter. The knowledge base used by Gurzki will also be extended by adding new articles on the subject, the final table can be found in the appendix section below. It is also important to mention that the implementation of Gurzki’s ‘perspectives on luxury’ model in brand strategy implies focusing on the managerial perspective while using other perspectives as the reasoning for luxury positioning. In such a manner the luxury pillars, drivers and protectors are the three layers of luxury codes implemented in brand strategy, with luxury pillars representing the embedded features, luxury drivers illustrating the codes sent from the brand’s side and luxury protectors depicting the way these codes are perceived.

Luxury Pillars

Luxury pillars are the factors that form the core of the brand, including the country of origin, the story of the founder, the values, vision and mission of the brand. These factors can also be applied to heritage pillars, but in luxury branding all the effort is being put on justifying high prices and uniqueness while heritage branding pillars focus more on advocating the quality of the products. In relation to the brand strategy, the implementation of luxury pillars helps to form a general understanding of the brand and to elevate its positioning. Sometimes, a brand can feature only certain parts of its history or the founder's past and conceal some episodes to enhance the brand's image. For example, a premium fragrance brand Eight & Bob are featuring the forgotten story of how the brand was started and are mentioning the name of J.F. Kennedy in the 'about' section on their website to emphasize the fact that they serve the top-tier clients. At the same time, Eight & Bob do not talk about the recent story of the brand and its revival, whereas the mention of J.F. Kennedy as one of the brand's clients can only be applied to the initial company's story and not to the recently revived one.¹²³ Some brands can even 'borrow' heritage to later use it to their own advantage, which can be criticized as unethical, yet such strategy is used even by major brands that rule the global fashion market.¹²⁴ Given that heritage is one of the central elements in luxury branding, premium and luxury brands include it in their value proposition to stand up to the industry standards.

The geographic code plays an important role in luxury positioning as well, especially for fashion brands. Historically, the best fashion brands were located in Paris, London, New York and Milan – the global fashion capitals, so nowadays the code 'made in' holds a certain level of quality and design. In fact, the city and country branding can affect the perception of a

¹²³ Eight & Bob. 'History'. (Accessed on August 3, 2020). <https://eightandbob.com/pages/our-heritage>.

¹²⁴ Mark DeFanti, Deirdre Bird, and Helen Caldwell, 'Gucci's Use of a Borrowed Corporate Heritage to Establish a Global Luxury Brand,' *Competition Forum* 12, no. 2 (2014): 45–56.

brand greatly, as ‘made in France’ and ‘made in Bangladesh’ labels can change the attitude towards a brand completely because of the embedded cultural code. Ultimately, luxury pillars represent the codes ingrained in a brand that justify its luxury positioning, they change very rarely, only with the change in brand global strategy and are not adjusted on a day-to-day basis. The case with luxury drivers and luxury protectors is different as they are more flexible and can be changed in a short term.

Luxury Drivers (Codes Implemented | Internal)

Luxury drivers reflect the measures that the brand management takes in order to position a brand, attract the right type of audience and accomplish business goals. Referring to the ‘perspectives on luxury’ model, luxury drivers can be divided into seven subcategories.¹²⁵

Material: emphasizing the rarity and refinement of the materials in product description and through social media.

Philosophical: creating the feeling of desire by organizing photoshoots, posting aspirational content on social media and working with influencers.

Cultural: maintaining ‘magical and sacred aura’ of the brand by selectively covering the production process and the processes in brand in general, leaving some aspects untouched to create the feeling of mystery.

Social: justifying brand’s exclusivity and status by showing a list of well-known and respected clients.

Individual: making customers feel unique and inspired by providing excellent client service and individual approach.

Economic: setting high prices and explaining the value that customers receive with each purchase beyond the physical product while keeping high margins.

¹²⁵ Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury*, 2020.

Managerial: embedding excellence in every aspect of brand management and striving for perfection.

Overall, luxury drivers constitute the codes of luxury branding implemented in brand strategy to achieve business goals. The responsibility for successfully executing this part of brand strategy lies entirely on brand management as brand drivers are the codes that are being sent from the brand's side. Opposite to this, luxury protectors illustrate the codes perceived by the audience.

Luxury Protectors (Codes Perceived | External)

Once a brand determines its brand strategy, identifies the competitive advantages and starts implementing different codes in brand communications, it starts receiving feedback and reaction from customers. The codes perceived by the audience are the external factors that either elevate or downgrade the brand image, they are the luxury protectors. As brand performance largely depends on consumer response to brand messages, it is crucial to analyze both the codes that are being sent and the codes received. From the business perspective, the process of translating the brand message into codes takes much time and effort, that's why it is extremely important to track the results of implementing certain codes and adjust the way they are used in brand communications with clients to achieve the intended goals. Getting back to the example provided in the luxury drivers' part, Eight & Bob put the brand story on their website in order to create an aspirational image of the brand. Exclusiveness, top-tier clientele, secret recipe of the fragrance – these are the codes that were implemented through the about page on Eight & Bob website. But how did this story affect the customer behavior? Did it increase the sales? Or maybe people are not interested in the story, but in the bottle design and the perfume itself. It is almost impossible to provide a certain answer without a thorough research and public poll,

but apparently the Eight & Bob's target audience values history and heritage, that's why the brand decided to use heritage as a code of luxury branding in its communications strategy.

Summing up, luxury protectors are the reflection of luxury drivers in the eyes of brands' clients. These perceived codes create a certain context in which the brand operates, and which can either protect or threaten the completion of the brand strategy. As mentioned earlier, luxury drivers and luxury protectors focus on the positive aspects of implementing luxury branding codes in brand strategy and communications. The luxury drivers and protectors also correspond to the strengths and opportunities in the SWOT model, which shows that the brand 'pillars, drivers and protectors' model falls in the category between business analysis and semiotics theory.

III. Decoding Heritage Branding

The brand 'pillars, drivers and protectors' model can also be implemented to heritage branding and analyzed through the lens of heritage branding perspectives (or heritage branding codes). In this case the model suggested by Gurzki will be adapted to the heritage branding context. While the seven perspectives will remain the same, their meaning will change. If luxury was identified by Gurzki as 'the creation of the extraordinary', then heritage branding can be referred to as 'the creation of tradition'.¹²⁶ The decoded perspectives on heritage branding will look the following way:

Material: using tested material that stood the test of time.

Philosophical: creating the feeling of calmness and tranquility by emphasizing the timeless character of brand designs and values.

Cultural: drawing parallel between a brand and intangible cultural heritage.

¹²⁶ Gurzki, *The Creation of the Extraordinary: Perspectives on Luxury*, 2020.

Social: providing the feeling of stability and security.

Individual: creating a feeling of having special connection to the past.

Economic: maintaining the quality/ price ratio, being honest and transparent about the price formation.

Managerial: maintaining continuity in brand operations and communications, paying respect to tradition.

As in the case with luxury branding, the summarizing table of heritage branding codes can be found in the appendix section. The visual representation of the decoded heritage branding model is demonstrated below.

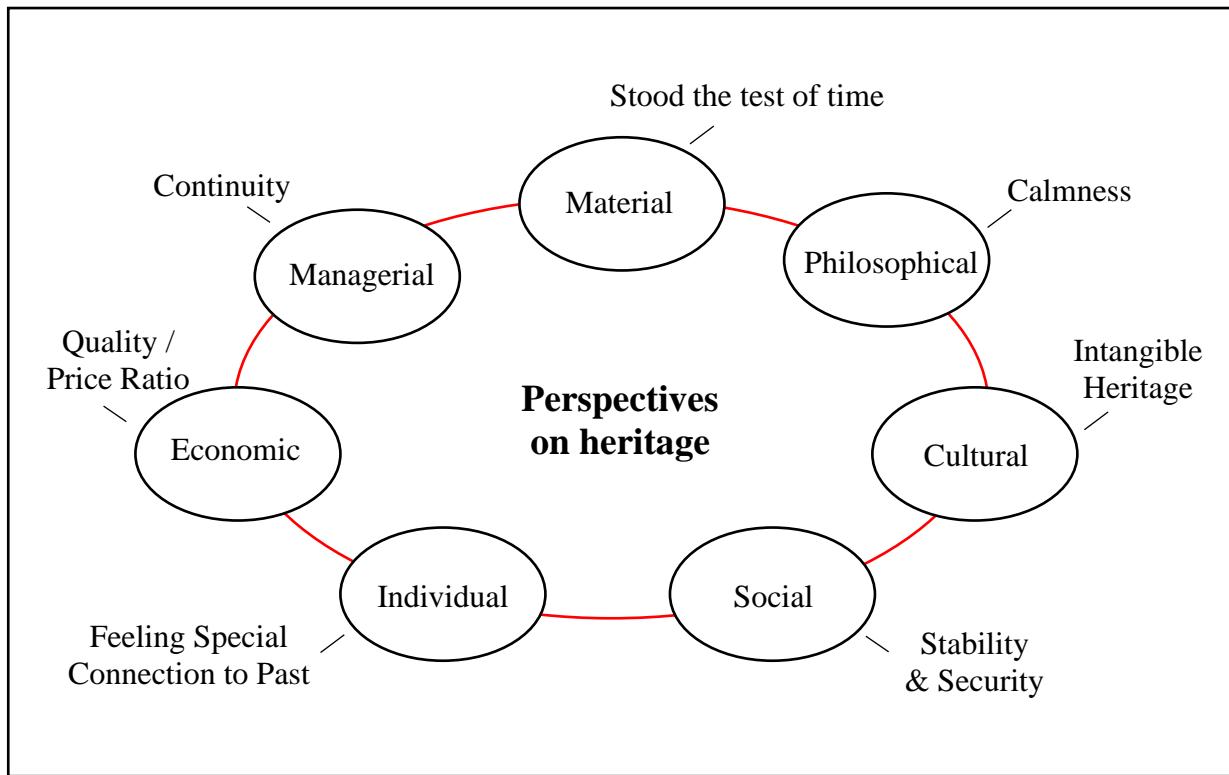


Figure 23. 'Perspectives on Heritage Branding' model. Source: own illustration.

Heritage Pillars

Just as in the case with luxury pillars, heritage brands have embedded characteristics that form the core of the brand. Usually, heritage pillars are associated with the year of brand

establishment and brand history, so it may be assumed that brands with profound history implement the codes of heritage branding while young companies are more focused on contemporary trends and vision. However, it is not always the case. For example, if a young brand has appreciation for history and heritage in its DNA, it can also qualify as a heritage brand and use the codes of heritage branding in its strategy. Moreover, even a young brand can find external heritage pillars that it can use in its brand strategy. For Eight & Bob it was the story of the brand before revival, for Bourrienne X – story of the building the brand occupies, for Amaio – golden age of Parisian couture, and for Gentle Moscow – Russian imperial past. All these emerging brands occupy the category of premium fashion and borrow heritage from either tangible or intangible heritage related to the brand story.

While heritage as a pillar forms part of luxury branding, the pillars of heritage branding have their own features. One of the main differences lies in the essence of luxury as the creation of extraordinary and heritage as the bridge between generations. This means that the implementation of heritage branding strategy has its own pillars, drivers and protectors, so that instead of desire it brings calmness; exclusivity and status are replaced with stability and security; feeling unique transforms into feeling special connection to history; and high price and value give place to the quality/ price ratio. What's more, rare and refined materials develop into the tested ones, magical & sacred aura is substituted with embracing the intangible value of cultural heritage and excellence in luxury brand management becomes continuity in heritage branding.

Heritage Drivers (Codes Implemented | Internal)

Heritage drivers help to implement the codes of heritage branding in brand strategy and communications to achieve a certain brand image. If in the case with luxury branding the efforts are put into achieving the feeling of extraordinariness, luxury branding strategy focuses on the

creation of tradition, so the practical steps are aimed at reaching this goal. Heritage drivers follows the same principle as in the luxury branding, with the only difference of embedding other meaning. Given the newly identified codes of heritage branding, the heritage drivers look the following way:

Material: showing the materials that are being used by the brand in perspective of several years or even decades. A good example is this heritage driver would be Red Wings, Polo Ralph Lauren and Birkenstock campaigns where they show old products and emphasize the fact that the materials stood the test of time.



Figure 24. Reg Wing window display. Amsterdam, 2019. Source: personal archive.

Philosophical: communicating the feeling of calmness though social media campaigns, photoshoots and blog articles on the brand's website.

Cultural: creating the impression of brand possessing intangible cultural heritage by showing early sketches, designs and organizing temporary exhibitions.



Figure 25. Temporary exhibition of Carine Gilson in the lace museum in Brussels. Source: photograph taken by the author.

Social: providing the feeling of stability and security by emphasizing the fact that a brand keeps running notwithstanding the changing economic and political environment. Continuing to encourage brand customers and to be the source of inspiration even during difficult times.

Individual: creating a feeling of having special connection to the past through design and communications. Keeping brand archive and opening brand museums for the companies that can afford this.

Economic: keeping the quality/ price ratio, showing the principles of price formation.

Managerial: paying respect to the traditions inside the brand and brand structure, not doing a brand overhaul but maintaining continuity in brand management, providing incentives to employees who spent a considerable amount of time working on the brand.

Heritage Protectors (Codes Perceived | External)

If in the case with luxury branding, brand protectors depend more on the social factors and the perception of luxury drivers by the audience, heritage protectors largely rely on cultural

codes and the rising interest in heritage in general. It suffices to quote Sharon Macdonald to show the main trend in people's attitude towards history and heritage as she describes Europe becoming a 'memoryland – obsessed with the disappearance of collective memory and its preservation.'¹²⁷ This is an example of a heritage protector that stimulate the implementation of heritage branding codes in brand strategy and communications. The increased attention to heritage can also be referred to as the 'memory phenomenon', a term accepted by academic authors but not explored enough in the branding context.¹²⁸ The increased attention towards heritage in the recent years can also be observed in the number of emerging brands that are inspired by history and that use cultural heritage in their value proposition. The brands discussed in the case studies are a perfect illustration of this trend. Bourrienne X, Atelier Batac, Amaio and Gentle Moscow – they all use references to the past in their communications and brand positioning to create a bond with consumers who share their values. Such a connection is partly facilitated by the heritage protectors that create a certain cultural context for the heritage branding codes to be perceived in a right way.

Creating tradition out of a brand also helps to form a brand tribe, a group of loyal customers that encourage the development of the brand and advocate its products and vision, bringing in even more like-minded people. In general, heritage protectors are common in many industries: from food and beverages to real estate and medical services. However, fashion industry has certain distinctions. In fashion, heritage protectors are divided in three categories, corresponding to the ways in which the heritage branding codes are perceived. The first type of heritage protectors is similar to heritage as part of luxury branding codes – it is aimed at emphasizing the noble past of the brand and focusing on its unique story. In this case, the perception of heritage justifies the price and luxury brand positioning. The second category of

¹²⁷ Macdonald, *Memorylands. Heritage and Identity in Europe Today*, 2.

¹²⁸ Ibid.

heritage branding pillars also employs the brand's past but focuses on quality instead of high price and exclusivity. These are the heritage brands that remain affordable but prove high quality of their products with the help of heritage branding. Such strategy is used by Red Wings, Birkenstock and Polo Ralph Lauren. The third type of heritage branding protectors is more recent and can be used by emerging brands without having much track record, in which case the attention is put to the source of inspiration, be it cultural or national past. This is the type of heritage branding that became popular with the rising interest in history and heritage in general and is most likely to gain even more traction among younger audiences.¹²⁹

¹²⁹ Rana, Jasmijn, M. Willemsen, and H. C. Dibbits, 'Moved by the Tears of Others: Emotion Networking in the Heritage Sphere,' *International Journal of Heritage Studies* 23, no. 10 (2017).

Hester Dibbits & Marjolein Willemsen, *Stills of our liquid times. An essay towards collecting today's intangible cultural heritage*, (2014).

Macdonald, *Memorylands. Heritage and Identity in Europe Today*.

Chapter IV. Applied to Business

I. Luxury and Heritage Branding Agencies

There is one facet of heritage and luxury branding that remains largely untouched by academic authors and researchers – the branding and communications agencies that create campaigns and window displays for major fashion brands. Meanwhile, they play indispensable role in brand strategy implementation as it is usually the branding agencies that translate business strategy to visual and verbal communicative solutions and insert codes. So, to get a fuller picture of the decoded heritage and luxury branding, it is crucial to include the agencies in the analysis. The search criteria, mapping analysis and the summaries of the interviews with eight agency principals are presented below. The full table with all the agencies can be found in the appendix.

Identifying Search Criteria

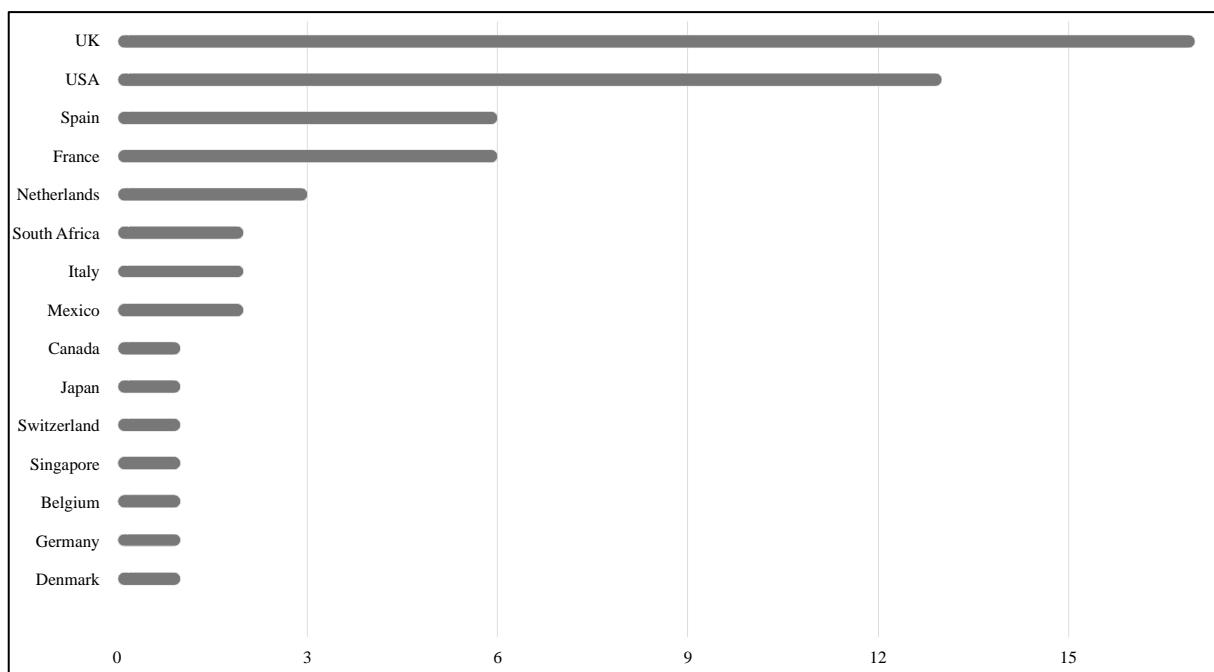
The selection of the creative agencies was completed with the help of Google search (results for ‘luxury branding agency’ and ‘heritage branding agency’), design blogs, design awards website Pentawards, visual merchandizing exhibition in London and catalogues on luxury branding. The main criteria for agencies’ choice were the completed projects with heritage and luxury brands, more than 10 years of experience and an updated website to make sure that the agency is still open and operates on global scale. An exception was made for a young studio located in Barcelona with less than 10 years of experience but that worked with one of the major heritage fragrance brands, Penhaligon’s. The studio was included in the list but after the interview with the founder it became clear the emerging design agency has a different approach towards creating luxury design and luxury branding as compared with established studios.

It is important to mention that the search results could have been affected by the chosen language for google search and the location settings even though the search was updated over the course of 18 months (November 2018 – June 2020). Nonetheless, the results can be considered as representative because of the global character of heritage and luxury branding. Given that this thesis puts much attention on the transition from starting a business to building an established successful brand, which involves operating on global scale, the expertise of top-tier English-speaking branding studios can satisfy the scientific interest in the subject. Moreover, most of the branding agencies have multilingual websites and hence were ranging in the search results. Another peculiarity of branding agencies is the glocal character of their activity as some of the identified creative studios have offices in several countries and operate on global scale while working with clients from local offices. According to one of such ‘glocal’ branding agencies creative director, clients prefer to work with local teams, even if it means paying three times as much as to an overseas office of the same design studio. In the context of this research, such a practice means that the branding practice is not as global as it was previously thought, and the geographical factors is still important for developing a brand. So, if a brand wants to hire a creative agency in New York, it should be willing to allocate a bigger budget than in the case with Paris, Milan or Barcelona.

Mapping

In total, 58 agencies were identified. Among them 17 are located in the UK, 13 – in the US, 6 in Spain and France respectively, 3 in the Netherlands, 2 in South Africa, Italy and Mexico each and 1 agency in the following countries: Canada, Japan, Switzerland, Singapore, Belgium, Germany and Denmark. The table that illustrates the distribution of the agencies by countries is presented below.

Table 1. Creative agencies specializing in heritage and luxury branding: distribution by country.



As can be seen from the table, a vast majority of the creative agencies specializing in luxury and heritage is located in the UK and the US. It can be partly explained by the fact that these countries are the global leaders in creative industries, including branding and design. Besides, New York and London are one of the major shopping destinations, so the demand for design services in these cities is higher than in other fashion capitals. It may come as a surprise that Paris, which is considered to be the cradle of fashion and luxury, is left behind but this can be explained by purely business reasons. It may be the case that American and English consumers are more interested in buying French fashion than the French themselves, so that French brands hire English and American creative agencies to communicate with the brands' target audience using certain cultural codes and to increase sales. Also, the size of the city may affect the number of creative agencies operating in it. This way, as the population of London and New York is much bigger than in Paris and Barcelona, so is the number of creative agencies, which is proved by the results of mapping. Finally, the search was performed in English and

could have affected the results with French and Spanish markets being less international and not using English as the main language for communications.

Interviews

After compiling the list of agencies and doing the geographic analysis 8 semi-structured interviews with the agencies' founders were completed. Even though this part of the research was accomplished before the final research question was formulated, all the necessary data for the updated direction was retrieved. As the interviews were conducted with the principals of the branding agencies that specialize in luxury, the focus of discussion was put primarily on the luxury industry. So, the recurrent question was related to the essence of luxury and the codes that creative agencies implement when working on a project for high-end brands. However, the codes of heritage branding were also touched upon in the interviews with Francesc Bofill from Lateral Branding and Dimitri Jeurissen from Base Design. The list of the interviewed agencies' founders and the agencies is presented below. All the interviews were recorded and allocated in a Google folder.¹³⁰

Agency: Contagious (Glasgow). Founder: Matt Chapman. Interview date: 25/02/2019.

Agency: Harlequin Design (London*). Founder: Derek Wallis. Interview date: 03/04/2019.

Agency: Mucho (Barcelona*). Co-Founder: Marc Català. Interview date: 08/04/2019.

Agency: Lateral (Barcelona). Founder: Francesc Bofill. Interview date: 17/05/2019.

Agency: Noreste (Barcelona). Founder: Francesc Morata Jorba. Interview date: 17/05/2019.

¹³⁰ The recorded interviews. (Google Folder with the materials): <https://drive.google.com/drive/folders/1-5QpVuWjZowrjC-wKzCh9r3DyfcnorF8?usp=sharing>

Agency: Aktiva (Barcelona). Co-founder: Juan Campderà. Interview date: 08/05/2019.

Agency: Lo Siento (Barcelona). Co-founder: Borja Martinez. Interview date: 20/05/2019.

Agency: Base Design (Brussels*). Co-founder: Dimitri Jeurissen. Interview date: 22/11/2019.

**Harlequin Design, Mucho and Base also have offices in New York, Geneva, Paris, San Francisco and Shanghai, which makes the selection of agencies representative on global scale.*

The most important conclusion that can be made after exploring the behind-the-scenes of luxury creation is that the founders with more experience associate luxury with non-material things while the founder of the emerging design studio described luxury in traditional marketing terms. Obviously, branding agencies are commissioned to help brands achieve their business goals and for that reason they have to implement traditional codes of heritage and luxury branding to satisfy the client. But it is interesting how the perspective of the agencies' founders on luxury and heritage expands the codes system based on theoretical findings. In such a way, the luxury creator's perspective adds such codes as honesty, transparency and dignity. Translated to business, this means that luxury brands must stay open and transparent about the sourcing of materials, the production process and other operations that are happening inside the brand. In this case, not all of the major luxury fashion brands can qualify for this category for a number of reasons described in a book on the real price of luxury by Dana Thomas. What's more, all of the interviewed founders agreed that the 'luxury' term is outdated and does not fit into the contemporary market structure. This means that the definition of luxury and luxury branding should be reconsidered and demarcated. The traditional and the emerging luxury branding approaches are completely different and should be at least differentiated, and better – defined by the new terminology.

During the interviews with the agency founders some diverging points were also identified. This way, the founder of Base design *Dimitri Jeurissen* claimed that luxury design should not necessarily contain the code of heritage, while in academic discourse heritage is considered to be one of the main pillars of luxury. The compromise between these two perspectives can be reached by concluding that the traditional definition of luxury requires references to the past while the practitioners are shaping the new understanding of luxury and premium markets and experiment with the codes of visual and verbal communications to test new marketing strategies. Mr. Jeurissen also added that the borders between European and American luxury markets are becoming more and more blurred and even after living and working in the US for several years he didn't feel much difference, except for American design being more aggressive. This point is consistent with the belief expressed by Kapferer about the need for global presence for a luxury brand to succeed.

Interesting business insights were received from *Mark Català* (Mucho) and *Derek Wallis* (Harlequin), who talked about the difference in pricing for creative services in Europe and USA. They explained that clients are ready to pay up to three times as much to hire a local agency in the US instead of outsourcing the project in Europe or Asia, which can be explained by the desire of luxury and heritage brands to speak the same language with the commissioned design team, not only verbally, but also culturally. Mr. Wallis revealed that Harlequin has only about 60 clients worldwide because very few brands can afford to hire an agency of such a scale. He also added that it's becoming hard to compete with younger creative agencies as the latter are more agile but as Harlequin is becoming a heritage brand in itself, they attract established brands that have the budgets for big-scale projects. Harlequin's client list includes Harrods, Hackett, Joseph, Coach, Karl Lagerfeld, Acne Studios, Burberry, Armani, Chloe and other luxury fashion brands.



Figure 26. Hackett Dubai Mall Pop-Up. Project commissioned to Harlequin. Source: www.harlequin-design.com

Another important remark was made by *Juan Campderà*, co-founder of Aktiva. He pointed out that luxury can mean different things for different groups of people and come at a huge range of price points. For example, a Dior fragrance that costs 50 euros can be perceived as a luxury by some, but others will associate luxury with a Dior bag that costs 4000 euros. Such a diverging price point is the result of brand extensions and the democratization of luxury that began gaining momentum in the end of the twentieth century. Overall, Mr. Campderà expressed his concerns about the definition and the overall development of luxury industry and mentioned the fact of some luxury brands ‘hyping’ consumers instead of building brand awareness as a long-term strategy, which also means that luxury industry is far from being conscious. Switching to heritage branding, the founder of Lateral Branding *Francesc Bofill* admitted that even though heritage branding is a powerful strategic tool, it can be used quite aggressively by corporations, leaving smaller brands with little chance of being noticed by consumers. For this reason, it is extremely important to build strong relations with customers and engage them with the brand’s history and inner processes, increasing customers’ loyalty towards the brand and raising brand awareness.

All of the discussed insights and remarks can also be used by emerging premium fashion brands that do not have enough budgets to hire creative agencies but can use the advice from the agencies’ founders. Young brands can also implement some of the codes used by international design teams in their communications strategy to be on the par with established heritage and luxury brands, if not financially then visually and communications-wise. In a long term, such a strategy can help to attract the right type of customers and ultimately delegate the visual and verbal brand communications to an agency.

II. Luxury and heritage branding codes in the making

The last part of the research shows how theoretical foundations can be applied to retail space and brand strategy in business as well as how physical objects can be decoded into meanings. It also includes empirical observations made during the field trips in Barcelona, Rotterdam, London, Bari and Paris. Such a practical approach shows the importance of understanding and implementing the codes of heritage and luxury branding in physical space and how the products are infused with these codes.

Decoding Applied to Brand Strategy

The decoding approach holds much potential as a discipline but is usually left aside for purely academic purposes. In this part we'll take a deeper look at brand strategy from the business perspective and assess the role of codes in it. Brand strategy plays a vital role in business performance of the company as it strengthens the brand's market position, leverages brand image and reduces price elasticity by articulating a clear value proposition, so it is crucial to better frame the brand strategy in the processes related to brand building and business development. Even though we outlined the definition of brand strategy before, it is often mistaken with other related terms, so we need to clarify the difference and to point out that brand strategy is not similar to marketing, communications, effectiveness or positioning, even though all of these points are important. In short, **brand strategy** corresponds to business strategy and is a 'major organisational plan for action to reach major organisational objective.'¹³¹ In this case, branding, marketing and communications strategy are the tools of brand strategy implementation and represent the practical steps of achieving business goals. It can be argued that consumers buy products and brand strategy cannot be directly transformed

¹³¹ James M. Higgins, Julian W. Vincze, *Strategic Management : Text and Cases* (Chicago: Dryden Press:1989).

into financial means, so investing in product development is more important than spending time and money on branding and implementing certain codes in brand communications. In fact, this statement is not true. A product is created in a factory while a brand is bought by consumers.¹³² This means that even after developing a perfect product, a company may end up bankrupt if it fails to communicate the value of the product to customers. In such a case, brand strategy ensures the transition of the product from a manufacturing plant into clients' hands, be it via direct sales, distributors or wholesalers.

Brand strategy generally answers the following questions:

1. *Where are we now?*
2. *Where do we want to be?*
3. *How to get there?*

Applied to the fashion industry, where the key to success is selling your vision to clients, this transforms into:

1. *Who is your ideal client?*
2. *What does he want?*
3. *How to reach him and communicate the value of the product?*

Finding the answers to these questions also helps to identify the touchpoints between a brand and its consumers, which shows the possible occasions of communicating brand's vision, e.g. if brand's clients appreciate history and safeguarding tradition, then a brand can emphasize how these values are incorporated in the brand's activities. This is an example of brand strategy

¹³² David Muir, Jon Miller, *The Business of Brands* (Chichester, England: Wiley, 2004).

applied to brand communications. Such a strategic move increases customers' loyalty, raises brand awareness, improves the perceived quality and creates positive brands associations, which ultimately equals two leveraging brand equity. Drawing example from the case studies analyzed earlier, it can be observed that young brands inspired by history such as Amaio, Bourienne X, Gentle Moscow and Atelier Batac outline their attitude towards heritage and quality, which correspond to their customers' wants and needs. They also implement the codes of heritage and luxury branding in order to communicate their vision, both verbally and visually. These are the examples of implementing brand strategy in brand media communications. In the meantime, heritage and luxury branding codes can also be observed in the retail space.

Codes of heritage branding in retail

As mentioned earlier, heritage branding is not simply part of luxury branding codes and can be approached as a separate category. Moreover, some codes of heritage branding can also be applied by mass-market brands, in fact it is suitable for any market segment and industry. In this part of the research we'll take a look at several examples of heritage branding in the retail space to understand the hands-on principles of implementing heritage branding codes and the reasons behind such a strategy. It is important to point out that all the suggested cases are recent, and the use of heritage branding cannot be attributed by the outdated character of the campaign, which means that the chosen brand strategy is conscious and pursue certain objectives.



Figure 27. Eight & Bob retail presentation. Rotterdam, 2019. Source: photograph taken by the author.

The first example depicts a fragrance bottle by a premium brand Eight & Bob. The presentation of the product on the shelf immediately attracts the attention of those who love books, history, tradition and timelessness – these are the words that would best define the design. Eight & Bob decided to emphasize that they respect brand heritage and printed the page with the story of how the brand was started for the retail installation. Interestingly, the brand was a sleeping beauty for many decades, but now it is actively using its heritage in marketing purposes and puts focus on brand's glamorous history instead of talking about its recent revival. In other words, Eight & Bob management are trying to bridge the gap between the very beginning of the brand's story and its current state, even though the brand was initially present on the market for only a couple of years. Yet, in the eyes of general public the brand image is leveraged by relating to Eight & Bob past.¹³³ What remains unclear, though, is the reason of not using archival photographs in the 'history' section on Eight & Bob website. Might it be that the brand decided to borrow heritage without providing any visual proofs? The virtual research didn't provide sufficient information to answer this question. In any case, the most important point for to outline is the way a young brand can use its heritage in the retail space to create a bond with its target audience and position itself among more mature labels.

¹³³ Eight & Bob. 'History'. (Accessed on August 3, 2020). <https://eightandbob.com/pages/our-heritage>.



Figure 28. Calzedonia store with old signage in Bari, Italy and the updated brand design in other cities around the world. Sources: own photograph, pinterest.

The next illustration of using heritage branding codes can be found in one of the Calzedonia stores in Bari. This case depicts the implementation of an old signage for the store front of a less elevated fashion brand. As can be observed, Calzedonia updated the inner signage to match the new font but left the outer design remained untouched. One explanation of such a decision can be the desire to maintain continuity with the initial graphic design given that Calzedonia is an Italian brand and respect company's tradition. It can be argued that leaving such a signage can lead to confusion and lower recognizability among customers. However, this can also be regarded as a strategic move aimed at strengthening the position of the brand as a heritage one and showing how it pays tribute to the brand's past, keeping in mind that Italian audience value cultural legacy and tradition.

Codes of luxury branding in retail

The codes of luxury branding can be found in both luxury and mass-market brands, which doesn't contradict the rules of luxury branding and proves the point of luxury being continuously democratized. The following example was found in the streets of Barcelona and immediately captured attention by interpreting a famous painting by Klimt. The mind instantly recreated the artwork while being attracted to the visual itself, which can also be described as the creation of bond between a brand and a customer. It can be concluded that if the brand wanted to target the audience interested in art, the goal was achieved as the campaign immediately captures attention and invites to enter the store. This case is also related to the 'artification of luxury' process that was discussed earlier. Ultimately such a strategy elevates the brand image and helps to reposition the brand into a higher market category, for example from masstige to premium.

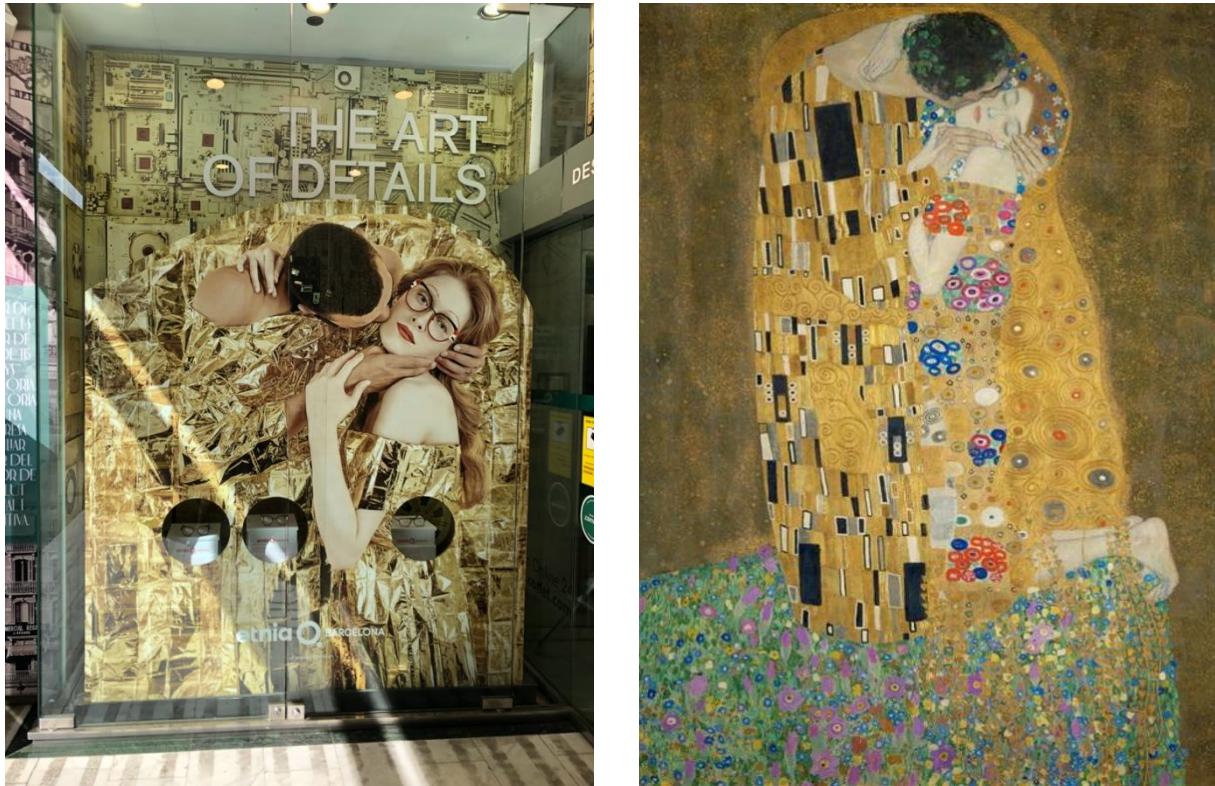


Figure 29. Etmia Campaign, Barcelona 2019. 'The Kiss' by Gustav Klimt. Sources: own photography, Artsy.

The final example of luxury branding codes implementation in retail showcases two storefronts, one from a luxury brand and another – a mass-market one. By comparing and contrasting these two cases we'll get a better understanding of the specific features that are present in the luxury market and that help to create a certain brand image. The first image shows a window display created by Harrods creative department for Dolce & Gabbana Christmas campaign. Even though the setting is quite familiar, depicting the brand's creative directors at a kitchen table, it has much meaning and metaphors. The kitchen setting bears the meaning of the creative kitchen, where Domenico and Stefano are chefs, the decorations remind of Sicily, where one of the founders was born. The overall window display design gives the feeling of security, family and tradition – the values that Dolce & Gabbana advocate in their brand message. What's more, the window is framed in a theatrical setting with red curtains around the scene, which creates the ambiance of a great fashion play. In such a manner, the focus is switched from showcasing the clothes to creating certain atmosphere and telling a story. Summing up, the codes of artistic excellence, tradition, heritage and magic are all implemented imbedded into the storefront design, which ultimately gives the right perception of the brand.



Figure 30. Dolce & Gabbana Window Display, London 2018. Source: Evening Standard.

The storefront of a mass-market brand looks drastically different, as well as the codes that can be identified after analyzing it. First of all, all the attention goes straight to the clothes without creating any special feelings or associations. This proves the point that in the mass-market fashion segment the value of the purchase is equal to the value of the clothes, while in the premium and luxury market the value associated with the product includes special atmosphere, brand story and emotions received after interacting with the brand. What's more, we can see the price tags placed on the bottom of the window display, which adds to the feeling of affordability. Inserting printed price lists in the previous case with Dolce & Gabbana would have ruined the whole atmosphere and make the brand look cheaper, as one of the luxury branding principles is not to compete on price.¹³⁴



Figure 31. Zara window display. Source: Glassdoor.

¹³⁴ Kapferer and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*, 2009.

Summing up, the implementation of heritage and luxury branding codes helps to create a certain brand image and justify brand positioning. If in the mass-market segment the focus is put on the product itself, luxury branding uses special codes to emphasize the value of the brand beyond the product that is being offered. The codes can also attract a certain type of audience, like in the case with Etnia campaign inspired by the artwork of Gustav Klimt. This all means that nowadays luxury retail is oriented towards consumers and building communities of like-minded people whereas ten years ago the focus of retailers was put primarily on the producer.¹³⁵

¹³⁵ Delphine Dion, and Eric Arnould, 'Retail Luxury Strategy: Assembling Charisma through Art and Magic,' *Journal of Retailing* 87 (4) (2011): 502–20.

Conclusions

After completing the decoding analysis of luxury and heritage branding from different perspectives and by using different approaches, it can be concluded that the research objectives were reached, and the research question and sub-questions answered. The final part of the thesis will be divided into three sections, summarizing the findings on luxury and heritage branding separately along with outlining the research limitations and perspectives. Before delving into details, the research questions will be briefly covered. First of all, the codes of heritage and luxury branding that premium fashion brands use in their brand strategy were identified and put in the separate tables and structured using the accumulated model. The main difference between heritage and luxury branding lies in their essence with luxury codes forming the perception of something extraordinary while heritage codes are aimed at creating tradition. The concept of heritage and luxury changed significantly since the 1970s and can be characterized by moving from conspicuous consumption to conscious indulgence. The role of verbal and non-verbal codes in the marketing strategy is paramount as they help to create a bond with the brand's customers and increase clients' loyalty. Finally, the brand strategy can be decoded by combining semiotics analysis and the tools of branding and brand communications.

Findings from decoding luxury branding

The academic perspective gives a well-structured and coherent overview of the subject and confirms that premium fashion brands can use certain codes of luxury branding to elevate the brand image, communicate their vision and achieve business goals. This study identifies such codes and provides an opportunity to elaborate on the findings and form new combinations of detected codes, which may result in innovative strategic moves by combining existing ideas

in unexpected ways.¹³⁶ The decoded model of luxury branding represents the system of codes that can be used in brand strategy and applied through different communications channels. The main codes of luxury branding proposed earlier by Gurzki were confirmed by extending the list of the analysed literature and testing the model on empirical cases. These codes are: rare and refined materials, desire for the product, sacred aura around the brand, status consumption, feeling unique after the purchase, having premium price and excellence in brand management. Some of the codes of luxury branding remain debatable, such as ‘non-functional’, ‘superfluous’, ‘conspicuous’ and were not included in the final model. Moreover, luxury as a concept needs reconsideration and possibly the new terminology to demarcate the traditional and transformed meanings of luxury. This argument was proved by including the viewpoint of creative branding agencies’ founders and asking their opinion on the essence of luxury and luxury branding.

The problem with defining luxury lies deeper than in the question of interpretation. It is the issue of perception, which is different in case with luxury creators and luxury consumers. Where one sees the freedom of creative expression, another will observe consumerism and conspicuousness. What’s more, ‘there is a luxury for oneself and luxury for others.’¹³⁷ The concept of conspicuous consumption introduced by Veblen is based on the latter perception while modern authors are focused on the former. At the same time both approaches help to increase value and to justify higher prices. Turning to marketing strategies used by luxury and premium fashion brands, it is worth mentioning that there’s a trend towards articulating value instead of purely provoking desire. The verbal communications of luxury brands are becoming more and more humanized and down-to-earth, brands can no longer sustain a dream image that is completely detached from the politically and economic world agenda.

¹³⁶ Lazonick, *The Innovative Firm*, 29-55.

¹³⁷ Kapferer, and Bastien, *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*, 2009.

Findings from decoding heritage branding

Turning to heritage branding, it can be approached as a separate category as opposed to being referred to as part of luxury branding. There're also certain codes of heritage branding that can be implemented by fashion brands regardless of their pricing policies. They are using tested material, creating the feeling of calmness and tranquillity, drawing parallel between a brand and intangible cultural heritage, providing the sense of stability and security, having special connection to the past, maintaining the quality/ price ratio and paying respect to tradition. Public interest in both heritage and luxury branding began to rise in the 1970s, which can be partly explained by the widespread of globalisation and the raised concerns about the preservation of authenticity, national identity and heritage. Fifty years later, the patterns in consumer behaviour has changed a lot, so did people's perception heritage and luxury. It is also worth pointing out that the topic of heritage and luxury branding transformation is not covered enough in the existing literature and represents an opportunity for the further research.

After analyzing the market structure, it can also be concluded that there is an emerging group of fashion designers that can later form a new market category. These brands are inspired by the values ingrained in heritage and luxury as conceptual frameworks but want to abandon the practice of conspicuous consumption and seasonal trends. The supporters of this new vision focus on timelessness and sustainability while preserving the highest quality and implementing innovative solutions in their businesses. This research can help such brands to accelerate their growth by having a clear understanding of the codes used by the established heritage and luxury brands and using this system as a tool in their communication with the customers. While the success of a certain brand is a complex issue and depends on many factors beyond branding (such as financial capacity, product quality, client service, etc.), it is impossible to grow a business without a clear brand strategy. Such lack of clarity in brand direction prevents a

company from communicating its vision to clients, which is crucial for fashion brands. That's why the decoding process is valuable not only for academia but also for business sphere.

Overall, heritage & luxury branding is a perfect strategic tool for premium fashion brands that are inspired by history and artistic excellence and want to communicate their vision to clients. What's more, decoding heritage & luxury branding can leverage the position of an emerging fashion brand on the market, putting it in line with the established labels by using the same verbal and non-verbal codes of communications that they do. To conclude, this research provides a theoretical foundation of heritage and luxury branding that can be used in both academic and business purposes. It can also be improved by analyzing the research limitations and outlining the perspectives of further exploring the subject.

Research limitations and perspectives

Even though the research design may be considered to be exhaustive and covering the research question and sub-questions, there are still certain limitations associated with methodology and data collection. One of such constraints concerns the selection of industry experts. The total number of conducted interviews may not be enough to make conclusions and claim that the results of coding can form an objective construct for premium fashion brands' communications strategy. Another issue concerns the case study approach, which may not be representative enough to confirm or contest the validity of certain branding codes that were implemented in the discussed cases. However, even after taking into account all the weak points of the chosen methodology, it may be concluded that this research may serve as a foundation for its further scrutiny and development.

Talking about the possibilities of expanding the current analysis, it is possible to use the theoretical basis of this thesis for further research by increasing the number of case studies and

product segments as well as expanding the number of interviewees. From the practical point of view, it may also be insightful and beneficial to track the development of a premium fashion brand by analysing the heritage and luxury codes that it applies in its branding strategy over the course of 5-10 years and document, which of the implemented codes contributed to the brand's successes and failures. Finally, given that the perception of luxury among creators and observers is completely different, it can be concluded that luxury as a term is long overdue for a reconsideration. Moreover, there is a high chance that a complete overhaul of luxury and fashion terminology will be needed in order to differentiate the opposing viewpoints on luxury and fashion. Where conspicuous consumption ends, conscious indulgence begins, let the future hold this much-needed transformation for us.

This thesis can become a platform for the discussion about new premium fashion brands with their own vision, values and strategies. The brands that want to remain independent while competing with luxury conglomerates and established heritage brands. The brands that are willing to innovate through disrupting the long-standing beliefs about how the world of heritage and luxury branding functions. The ones that are only starting their businesses but are willing to build their own fashion empires.

Appendix

Table 2. Summarizing Table. Codes of Luxury Branding.

Author	Year	Code 1	Code 2	Code 3	Code 4	Code 5	Code 6	Code 7
Alleres (Cited in Gurzki)	1990	Material: Creations	Philosophical: –	Cultural: brand name, history	Social: recognition, symbols	Individual: –	Economic: –	Managerial: The creators, locations
Braun (Cited in Gurzki)	1997	Material: elaboration, limited editions, rarity, customisation, real craft, strong function	Philosophical: Superior quality, style	Cultural: Provenance, myth, symbolism, indirect and implicit codes	Social: Social respect, sense of belonging, high awareness	Individual: Self-respect, emotional benefits	Economic: Expensive, inaccessible, high price, positive price elasticity	Managerial: fortification, institutional brand, high added value, global reach, consistency, strong company culture, rule maker and rule breaker
Nueno and Quelch (Cited in Gurzki; Cited in Fionda & Moore)	1998	Managerial: Global reputation, relevant marketing, flexibility	Material: Premium quality, Heritage of craftsmanship, element of uniqueness, recognisable style, limited production	Philosophical: –	Social: –	Individual: –	Cultural: Personality and values of its creator	Economic: –
Kapferer	1998	Belonging to a minority Its price	Exclusiveness Its uniqueness	Craftsmanship Its Quality Beauty of object Excellence of product	Great creativity Sensuality Magic	Knowing that few have one	Savoir faire and tradition Long History Grown out of creative genius	Never out of fashion Forefront of fashion
Nueno Quelch	1998	Ratio of functional utility to price is low						
Vigneron, Johnson	1999	Non-personal Conspicuousness	Non-personal Uniqueness	Non-personal Quality	Personal Hedonism	Personal Extended Self		
Phau, Prendegast (Cited in Fionda & Moore)	2000	Well-known brand identity	Quality	Exclusivity	Brand awareness			
Arnault (Cited in Fionda & Moore)	2000	Product quality	Brand image	Strive for excellence	Creativity	Company spirit		

Kisabaka (Cited in Gurzki)	2001	Material: Quality, rarity, limitation, individualisation	Philosophical: -	Cultural: Competence, history, authenticity	Social: Conspicuousness	Individual: -	Economic: High price	Managerial: limited distribution
Wetlaufer (Cited in Gurzki)	2001	Material: Product quality, creativity	Philosophical: -	Cultural: brand image	Social: -	Individual: -	Economic: -	Managerial: A drive to reinvent oneself, strive for excellence, company spirit
Dubois, Laurent, Czellar	2001	Conspicuous Elitist Very high price Diffrenciate from others	Scarcity Uniqueness	Non mass-produced Rather like luxury Excellent quality Good Taste	Pleasure Aesthetics and polysensuality Makes life beautiful	Refined people Reveal who you are Pleasing Few people own	Ancestral heritage and personal history	Superfluous and non-functional Makes Dream
Alleres (Cited in Fionda & Moore)	2003	The brand name	Recognition symbols	Creations	Locations	History		
Vickers& Renand	2003	Functionalism	Experimentalism	Symbolic interactionism				
Stanley, Witter (Cited in Fionda & Moore)	2004	Global recognition	Flagship stores	Superb customer service				
Beverland (Cited in Gurzki; Cited in Fionda & Moore)	2004	Material: Product integrity, Stylistic consistency, Quality commitment	Philosophical: -	Cultural: Culture, history,	Social: Endorsement	Individual: -	Economic: Downplaying of commercial considerations	Managerial: Value-driven emergence, Relationship to place
Vigneron, Johnson*	2004	Non-personal Conspicuous Elitist Extremely expensive For Wealthy	Non-personal Very Exclusive Precious Rare Unique	Non-personal Crafted Luxurious Best Quality Sophisticated Superior	Personal Exquisite Glamorous Stunning	Personal Leading Very Powerful Rewarding Successful		
Moore , Birtwistle (Cited in Gurzki; Cited in Fionda & Moore)	2005	Material: Product integrity, iconic products	Philosophical: -	Cultural: Culture, heritage	Social: Endorsement	Individual: -	Economic: Price premium	Managerial: Face of the brand, PR function, flagship store, controlled distribution, vertical integration

Valtin (Cited in Gurzki)	2005	Material: quality, functionality, aesthetics	Philosophical: –	Cultural: Brand heritage	Social: Brand recognition, prestige	Individual: Self-expression, uniqueness, hedonic	Economic: Price premium	Managerial: Availability, innovation
Brioschi	2006			Quality/functionality code	Emotion, hedonism, aesthetic, artistic code	Veblen code Snob code Experiential code	Tradition, modern/fashion country-of-origin-code	
Oknokwo (Cited in Gurzki; Cited in Fionda & Moore)	2007	Material: Innovative, creative, unique products	Philosophical: –	Cultural: Heritage of craftsmanship	Social: High visibility, exclusivity	Individual: Emotional appeal	Economic: Premium price	Managerial: Consistency, controlled distribution (integration), global reputation, Distinct global identity, high visibility
Buttner et al (Cited in Gurzki)	2008	Material: –	Philosophical: –	Cultural: –	Social: Social identification	Individual: Brand loyalty	Economic: Price	Managerial: –
Chevalier and Mazzalovo (Cited in Gurzki)	2008	Material: craftsmanship, design, aesthetics	Philosophical: –	Cultural: symbolism, strong brand (legitimacy)	Social: selective and exclusive	Individual: creative and emotional value, self-expressive benefits	Economic: High price high cost	Managerial: small company size, limited cash need, long-term orientation, low promotional activity, worldwide presence, control of creative process, strong need for brand protection
Kapferer	2009	Elitism	Creativity	Uniqueness	Distinction	Refinement	Quality	Power
Corbellini and Saviolo (Cited in Gurzki)	2009	Material: quality	Philosophical: –	Cultural: Intangible brand associations, aspirational image	Social: –	Individual: Pleasure	Economic: Premium image and pricing	Managerial: Selective channel strategy, brand architecture, high threat of counterfeiting
Fionda, Moore (Cited in Gurzki)	2009	Managerial: Marketing Communications, luxury culture, controlled ranges and locations	Material: Product integrity	Philosophical: –	Economic: Premium Price	Social: Exclusivity	Cultural: Heritage and culture, Design Signature, clear brand identity	Individual: Environment and service, flagship stores, controlled distribution

Keller (Cited in Gurzki)	2009	Material: Excellent quality	Philosophical: -	Cultural: Intangible brand associations, aspirational image history and heritage	Social: social approval	Individual: pleasure, excitement, security, fun, self-respect, warmth	Economic: Premium pricing with strong quality cues	Managerial: Control of the distribution, careful management of brand architecture, strong legal protection, trade-offs in managing luxury brands (local-global, top-down vs bottom-up, etc)
Berthon et al	2009	Material and craftsmanship, and	High functionality	impressive performance (social dimension)				
Hagtvedt, Patrick	2009	Hedonism	Style	Recognition	Art			
Keller	2009	Material: Excellent quality	High price	Scarcity and uniqueness	Aesthetics and polysensuality	Ancestral heritage and personal history	Superfluousnes s	
Wiedmann, X Hennigs and Siebels	2009	financial (price)	Functional (usability, quality, uniqueness);	Social (conspicuousness, prestige)	Individual (self-identity, hedonic, materialistic)			
Heine and Trommsdorff (Cited in Gurzki)	2010	Material: quality, aesthetics, rarity	Philosophical: -	Cultural: Symbolism	Social: -	Individual: -	Economic: Price	Managerial: -
Heine	2010	Authenticity	Emotions from the past					
Tynan, McKeachie, Chuon	2010	High quality	Expensive	Non-essential	Rare, exclusive	Authentic		
Dion, Arnould	2011	Aesthetic and technical excellence (conveying aesthetic ideologies)	Charismatic legitimacy (role of artistic director)	Forming dominant social values	Flagship stores			
Delpal	2011	Vertical integration						
Hennigs et al. (Cited in Gurzki)	2012	Material: quality, usability, uniqueness	Philosophical: -	Cultural: Materialism	Social: Prestige	Individual: Self-identity, hedonism	Economic: Financial value: price	Managerial: -

Ricca and Robins (Cited in Gurzki)	2012	Material: Craftsmanship, rarity	Philosophical: -	Cultural: History	Social: -	Individual: -	Economic: -	Managerial: Focus
Oswald	2012	Creativiy	Originality	Ostentatious display	Sexuality	Pleasure	Savoir-faire	
Heine	2012	Quality	Aesthetics	Rarity	Extraordinary	High degree of non-functional associations		
Brun and Castelli (Cited in Gurzki)	2013	Material: Superior quality and performance, scarcity and rarity	Philosophical: Desirability	Cultural: Heritage of craftsmanship, role of country of origin, brand aura	Social: reputation, social status, exclusivity	Individual: Emotional appeal, unique lifestyle	Economic: Premium price	Managerial: Excellence, consistency, special marketing approach
Pricken (Cited in Gurzki)	2014	Material: Highest quality, sophisticated sourcing, unique flaws, rarity, aesthetics, functionality	Philosophical: Enriched with time, irrational	Cultural: Myths and secrets, transgressing boundaries, magical, legends, staging, sacralization of stores	Social: Elitist, inner circle, inaccessible	Individual: Experiences, collecting	Economic: Irrational price, priceless	Managerial: Role of location for distribution
Freire	2014		Authenticity (creativity, tradition, innovation)		Respect (confidence, reliability / credibility), customer respect and loyalty	Beauty/rarity/exceptionality (refinement, uniqueness, prestige)	Legacy / heritage, longevity	
Langer and Heil (Cited in Gurzki)	2015	Material: Rarity & uniqueness, high quality, scarcity, highest standards, one-of-a-kind	Philosophical: Dream	Cultural: Heritage, difficult to obtain, symbolism, universally accepted, legend	Social: exclusivity, enhances social status, conspicuous, differentiation, values, triggers envy	Individual: Special experience, difficulty to consume, enhances self-esteem, facilities new experiences, perceived privilege	Economic: Very expensive, willingness to pay price premium	Managerial: Experience in selling and making, strong brand equity
Schaefer and Kuehlwein (Cited in Gurzki)	2015	Material: practical essence	Philosophical: Dream, belonging	Cultural: Magic, Myth, Seduction	Social: Prestige	Individual: -	Economic: -	Managerial: Balancing growth

Som and Blanckaert (Cited in Gurzki)	2015	Material: Heritage of craftsmanship, recognisable style, scarcity, performance exceeds functionality, excellence	Philosophical: -	Cultural: Heritage of craftsmanship, role of country of origin, strong link to founder, provenance, brand identity, creative branding	Social: -	Individual: Emotional appeal, element of uniqueness	Economic: Premium pricing	Managerial: Consistent premium quality, limited production and distribution, innovation, long-term focus, global reputation, understanding luxury DNA
Wittig et al (Cited in Gurzki)	2015	Material: Perfection in every aspect, artisans, hand-made, bespoke, timeless design	Philosophical: -	Cultural: Story, myth, historical aspect, tradition	Social: Exclusivity, status	Individual: Emotional Appeal	Economic: -	Managerial: Tradition
Cooper, Miller, Merrilees	2015	Corporate Brand Vision	Core Brand Values	Core Brand Capabilities				
Kim, Lloyd and Cervellon	2015	Status aspirations (exclusivity and uniqueness)	Romance (seduction and porn-chic)	Fantasy (Adventure, travel)	Other-directedness (needs for attraction, attention, acceptance, comparison, and competitiveness)	Self-esteem, power and success	Sensory references (body feelings, nature, beauty, and heritage)	Activation (Consumption, ownership, spending, and shopping)
Kolliopoulos (Cited in Gurzki)	2016	Material: Unique	Philosophical: Distant, desirable	Cultural: Cryptic	Social: Snob, dominant	Individual: Emotional	Economic: -	Managerial: -
Hagtvedt, Patrick	2016	Material: Premium products	Philosophical: -	Cultural: -	Social: -	Individual: Pleasure as central benefit	Economic: -	Managerial: Emotional connect with consumer
Ko et al	2019	High quality	Rarity	Premium pricing	High level of aesthetics			
Gurzki	2020	High value and price (Economic)	Rare and refined quintessence (Material)	Excellence (Managerial) Exclusivity and status (Social)	Magical and sacred aura (Cultural)	Aspiration and feeling unique and special (Individual)	Desire (Philosophical)	Transformational (About change)

Table 3. Summarizing Table. Codes of Heritage Branding.

Author	Year	Code 1	Code 2	Code 3	Code 4	Code 5	Code 6
Margolis, Hansen	2002	Family atmosphere	Innovation	Tradition	Caring environment	Creativity	
Beverland	2004	Authenticity	Credibility	Legitimacy to consumers			
Balmer et al	2006	Brand image	Reputation	Communications	Brand promise	Core values	Brand Stewardship
Beverland	2006	Authenticity	Credibility	Legitimacy to consumers			
Leigh	2006	Authenticity	Credibility	Legitimacy to consumers			
Urde, Greyser, Balmer	2007	Delivering Value	Long-held core values	Longevity (consistency and durability)	Expression of the past symbolically through communications	Belief that the brand's history is an important constituent of its identity	
Alexander	2009	Authenticity	Credibility	Legitimacy to consumers			
De Fanti	2014	Country of origin	Craftsmanship	Charismatic founder	Celebrity associations	History	
Cooper, Miller, Merrilees	2015	Corporate Brand Vision	Core Brand Values	Core Brand Capabilities			
Dion, Borraz	2015	Specific aura					
Rose et al	2016	Consistently delivering value over time	Positive emotions	Trust			
Carù, Ostilio, Leone	2017	Founder	Geographic location	Authenticity (the ultimate goal)	Brand Heritage	Craftsmanship and tradition, "made in"	Brand Evolution
Davari et al	2017	Functional utility	nostalgia	Social adjustive utility	Brand superiority	Brand resurrection movement	
Iannone, Izzo	2017	Uniqueness	Exclusivity	Quality	Authenticity	Culture	
Halwani	2019	Timeless	Quality Craftsmanship	Prestige			

Table 4. Creative agencies specializing in heritage and luxury branding.

Agency	City	Country
Aktiva	Barcelona	Spain
Anagrama	Tokyo	Japan
Anagrama	Mexico City	Mexico
Anagrama	San Pedro Garza García	Mexico
Base Design	Brussels	Belgium
Base Design	Geneva	Switzerland
Base Design	NY	USA
Biblioteque	London	UK
Chic	Paris	France
Chic	Singapore	Singapore
Chic	London	UK
Chic	NY	USA
Contagious	Edinburgh	UK
Contagious	Glasgow	UK
Cutture	London	UK
Czar	Amsterdam	Netherlands
Daniele Desperati	Milan	Italy
Fabrique	Amsterdam	Netherlands
Fabrique	Rotterdam	Netherlands
Fanakalo	Stellenbosch	South Africa
Gershoni	Dallas	USA
Gershoni	San Francisco	USA
Haleysharpe	KwaZulu-Natal	South Africa
Haleysharpe	Toronto	Canada
Haleysharpe	Leister	UK
Harlequin	London	UK
Homework	Copenhagen	Denmark
HWE	London	UK
Inaria	Richmond Upon Thames	UK
Kristjana s Williams	London	UK
Lateral	Barcelona	Spain
LD	Paris	France
Lo Siento	Barcelona	Spain
Louise Fili Ltd	NY	USA
Made For Spain	Madrid	Spain

Maia	NY	USA
Makerie	Milan	Italy
Makerie	London	UK
Makerie	NY	USA
Marks & Maker	California	USA
Monogram	London	UK
Mother	London	UK
Mucho	Paris	France
Mucho	Barcelona	Spain
Mucho	NY	USA
Mucho	San Francisco	USA
Noreste	Barcelona	Spain
Pentagram	Berlin	Germany
Pentagram	London	UK
Pentagram	Austin	USA
Pentagram	NY	USA
Purple	London	UK
So Creative	London	UK
Twiiks	Paris	France
Use All Five	Los Angeles	USA
Violaine & Jeremy	Paris	France
Xavier Casalta	Paris	France
Zoe Bradley	London	UK

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