

SENIOR ESSAY IN THE DEPARTMENT OF ANTHROPOLOGY AT YALE UNIVERSITY

# “SNOB VALUE”

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An Anthropological Investigation on  
Motives for Luxury Consumption

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Why do people buy luxury items? Is it because luxury goods are manufactured with better quality and materials, superior craftsmanship, have excellent design and style, or other qualitative characteristics? I argue that there is far more to the consumption of luxury goods than the qualities of the goods themselves, namely specific cultural motivations that create and maintain luxury consumption. This is done for a number of different reasons, such as to display status, to create demarcations between class groups, and to form one's identity. I present theories concerning the influences and social construction of luxury consumption, as well as its results, drawn from the schools of Anthropology, Economics, Psychology, and Sociology.

I chose to focus on a form of ornamentation, jewelry, as the epitome of a luxury good, and I will concentrate on Tiffany & Co. as an example of a luxury brand. I will investigate the cultural perceptions of luxury consumption through ethnographic research of Tiffany customers, and argue that cultural factors drive demand for luxury consumption.

I will conclude that luxury and exclusivity are especially interconnected. In my ethnographical research, I discovered a contradiction between how Tiffany & Co. markets itself and many people's perception of the company. Although Tiffany portrays itself as a luxury purveyor, many customers criticized the widespread availability and diffusion of the brand and its stores. In order to understand the significance of what I found, I will be presenting a few different theories about the motivations for the consumption of luxury goods. I discovered that when a luxury brand such as Tiffany & Co. fails to maintain a cachet of exclusivity, then the brand loses its aura of luxury, and

therefore its core consumer base. The maintenance of the consumer perception of exclusivity should be the paramount consideration for luxury brands.

I hope to provide new understandings for anthropology and business alike from my findings. Looking to the future, there is a growing movement towards the democratization of luxury in the United States, so it will be very important for luxury brands to understand luxury consumption from a theoretical and practical perspective in order to maintain a strong brand image.

## **Introduction**

What makes something a luxury item? During my interviews I asked Tiffany customers what they thought luxury was. I received many common answers, with a strong emphasis on the relation to quality. Many customers cited extraordinary craftsmanship, comfort, and a well-known and trusted brand name. A few customers described ‘deeper’ aspects of luxury, for instance as an extravagance, “something you don’t need, but you want,” or as a rarity. One customer described a higher-than-average expense as a quality of luxury items. The first thing that was evident from my research was that while every answer had common threads, different people, even from the same area and relatively similar economic backgrounds, had different perceptions of luxury.

If most people were asked what characterized luxury for them, I would expect a similar description of quality as the basis of the definition. If this were absolutely true, then the the law of supply and demand, would always hold, because of the assumed rationality of consumer decisions. As prices of luxury goods were lowered, then demand would increase. However, with many luxury products the opposite happens and demand actually increases as price increases. Therefore, there must be something inherently

different about the nature of luxury goods, as well as other forces at work that create demand.

If luxury were defined by only quality and cost, then that means that anything with exceptional characteristics and a high expense was a luxury good. But then by this definition, could Starbucks be considered a luxury brand? Starbucks stores are nearly ubiquitous and found in every city in the United States. Can something be considered 'luxury' if it is accessible to anyone willing to pay five dollars for a caffeinated beverage? There is a characteristic that Starbucks lacks that seems necessary to be able to qualify as a luxury brand- exclusivity.

Some of the Tiffany customers maintained that luxury had to be exclusive by definition. Why is this so important to the understanding of what constitutes a luxury good in the mind of the consumer? Why does it seem problematic that something so easily available could be a luxury good? Is exclusivity a necessary characteristic of luxury?

The previous example of Starbucks does show that although the definition of luxury is relative, the store allows those consumers who partake in the belief that Starbucks is a luxury; in terms of being expensive, high-quality, and non-essential; to demonstrate their willingness to consume a good endowed with a quasi-luxury status to others who also believe in their construct. Why do these customers willingly pay excessive amounts of money to do this, and what are they achieving or obtaining for their money? These are central questions in the study of consumer behavior and the demand for luxury goods.

## **The Nature of Luxury**

Luxury items may be distinguished by high-quality components/materials, excellent construction, exceptional style, durability, complex features, or other distinctive attributes. However, this is not always the case. Some goods are perceived as luxury items because of their reputation as status symbols, although they may have similar traits to less expensive counterparts. A high expense and relative superfluity are related to this. One important aspect of luxury goods is that they still retain the functionality for which they were originally designed. A luxury car is still just a mode of transport.

Luxury goods are often suffused with a sense of ‘refinement.’ Because the process of refinement is essentially infinite- an item can always be improved because it can never be perfect- there is transience to the status of luxury.

Neither lack of availability nor prohibitive cost is a necessary or sufficient condition for a good to be considered a luxury. A luxury good also requires a high degree of widespread desirability. The image luxury brands wish to project is that although only a “select few now enjoy the good, many others would also like to enjoy it” (Berry, 5). Therefore, just because a good is a rarity and expensive does not automatically entail that it is a luxury. Luxury is a subjective descriptor, because it depends on the desire of the culture in question. For example, luxury cuisine is famous for being highly subjective cross-culturally. For something to be considered a widely accepted luxury good, a general perception of desirability and rarity must be held across a significant portion of the culture being studied. This perception is probably more important than the real conditions.

## Luxury Brands and Economics

A luxury brand is one for which the majority of its merchandise are luxury items. One market characteristic of luxury brands is their high sensitivity to changes in the economy. This is due to its high income elasticity of demand, which means that the quantity demanded of a luxury good is very responsive to a change in income of the people demanding the good. As income increases, the amount of income spent on luxury items will increase by a disproportionately greater factor (Bernheim). The importance of this will be discussed later. Another trait of luxury brands are their high prices and large profit margins, and very carefully controlled market image.

In strict economic terms, a luxury good is one for which demand increases more than proportionally as income rises, which is defined as a high income elasticity of demand (ibid). This is in stark contrast to a physical or necessity good- such as food, shelter, or clothing- for which demand increases less than proportionally as income rises. Goods may attain the status of luxury because of quality, design, or performance that is either superior to comparable substitutes or perceived as such. Therefore, luxury goods may exist as a subset within any category of good in which there exists product differentiation. Some market segments are entirely luxurious, like that of jewelry and ornamentation.

Since luxury goods are characterized by a high income elasticity of demand, there is a lot of responsiveness to changes in income. This is because as income rises or falls, an individual is more or less likely to substitute to or from luxuries. Because luxuries are easily substitutable for less refined items, when the economy is in a downturn, expenditure in the luxury market will decrease. Although this seems obvious, in some

cases individuals are even prepared to sacrifice basic needs for luxury goods. There must be an explanation for why luxury is treated as a necessity in this context. I will argue that the consumption of luxury items is necessary for creating and maintaining social status. The types of goods that people use in order to do this may be subjective and vary from culture to culture.

### **Ornamentation**

Tiffany & Co. is a luxury jewelry retailer. I chose this company as the focus of my project because Tiffany is a purveyor of pure ornamentation, a type of good that is a luxury: it is ‘unnecessary’ although it serves a distinct purpose as decoration for some end.

Ornamentation exists across many different cultures, is made of an unending variety of materials, and takes multiple forms and designs. The value and meaning that each culture attributes to ornamentation is also very diverse, and often specific to each culture. However, an outsider to the culture may comprehend that a certain item is a form of ornamentation, even if he or she fails to understand exactly what the item represents. This recognition is made possible by the presence of universals. According to Berry, “whether these universals are best understood epistemologically or biologically is less important than their presence” (Berry, 36).

The ubiquity of the human tendency to decorate is so great that theorists have deemed it an inevitability. For example, Henri Baudrillard referred to the ‘instinct of ornamentation,’ *l’instinct de parure* (*Histoire du Luxe Privé: I*, qtd. in Berry). The Marxist theorist Ernest Mandel refers to decoration as one of the (six) basic needs (Berry, 29). However, because the human need for clothing is practically inseparable from its

symbolic role, ornamentation can probably be considered part of the basic need of covering: “the truly natural state of the adult human is dressed and decorated” (Hollander, 660). Thomas Carlyle described that “the first purpose of clothes [...] was not warmth or decency but ornament” (Sartor Resartus, 30).

But how can anthropology explain the universality of ornamentation? Each culture could not have just happened to develop the phenomenon concurrently. The earliest known examples of human clothing are the skins of prey. This is not simply because that was the most available material: it is indicative of a symbolic and mythological connection. Early Homo sapiens saw a link between wearing the animal skins and a successful hunt- a form of sympathetic magic. This is a similar phenomenon to ornamentation, the earliest examples of which “identified the wearer with animals, gods, heroes, or other men” (Boucher, 10). An example in classical literature may be found in the *Illiad*, when Paris goes to battle wearing a panther’s skin. Remains from early civilizations include ornaments and jewelry in the tombs of the deceased, thereby demonstrating the perceived indispensability and importance of such objects (Berry, 29). Lévi-Strauss describes how the females of the North American Plains Indians embroider as a means of ornamentation using porcupine quills. Lévi-Strauss explains this ornamentation as “purely decorative in inspiration” but also possessing a “symbolic significance” (Lévi-Strauss The Origin of Table Manners, 386). Lévi-Strauss attributed the phenomenon of ornamentation in terms of “natural constraints in order to explain/comprehend a particular cultural practice” (ibid, 25). Ornamentation cannot be understood purely in terms of social meaning- there was not “a mere accidental

convergence in different societies at different times and in different places” (Berry, 37). Something must account for this universality, such as instinct.

Because of its symbolic nature, ornamentation exists within specific cultural settings. In Western culture, one of the main uses of ornamentation has been to maintain social status and social differences. One example of this may be found in the sumptuary laws in the 1363 Act of Apparel of Edward III. It mentions the “contagious and excessive apparel of divers[e] people, against their estate and degree” (Harte, 138). These sumptuary laws specified what each social rank was or was not permitted to wear. From the perspective of the creators of the laws, luxury represented the “guise of the desire for sumptuous apparel [and] the subversion of proper social stratification.” In modern culture however, where luxury is considered a relatively innocent desire, luxury ornamentation is still infused with meaning. For example, the exquisite workmanship and quality materials that characterize Tiffany jewels convey the meaning of luxury and its associated qualities of power, wealth, and taste. The rationale underlying the sumptuary laws was to reserve certain fabrics and ornamentation for particular social orders in order to distinguish the order and maintain the social hierarchy. Since social hierarchies depend on a relationship of power as well as belief in the system, the distinction achieved by costume was designed to manifest this relationship. In present times, this distinction is still realized by dress and ornamentation. Tiffany serves as a manifestation of this phenomenon.

### **A Little about Tiffany & Co.**

Tiffany was founded in New York City in 1837 originally as a “stationery and fancy goods emporium.” Its flagship store is on Fifth Avenue and Fifty-Seventh Street in

Manhattan. The net sales for 2007 rose 15% to 2.9 billion dollars, 83% of which was jewelry. Half of the net sales consist of U.S. retail sales conducted in-store. Tiffany stock is traded on the NYSE and is included on the S&P 500. There are 64 U.S. stores and 103 international stores, and a total of 8,000 employees. Tiffany & Co. is famous for its foreboding granite exterior and tiny window displays, its 128.54 carat yellow Tiffany diamond on display in the flagship store, and the color Tiffany Blue, for which the company owns the trademark.

#### Tiffany & Co.'s Marketing Aims

Tiffany markets itself as “the world’s premier jeweler and America’s house of design.” The stockholder website states the following:

The Company's key growth strategies are: to selectively expand its channels of distribution in important markets around the world without compromising the long-term value of the TIFFANY & CO. trademark; to increase sales in existing stores by developing new products; to increase its control over product supply and achieve improved profit margins through direct diamond sourcing and internal jewelry manufacturing; to enhance customer awareness through marketing and public relations programs; and to provide customer service that ensures a superior shopping experience.

It should not come as a surprise that the first item this marketing statement mentions is the importance of selectivity- this exclusiveness is the hallmark of a luxury brand, and without it, Tiffany jewelry would cease to be used for the purposes described previously, described by the company itself as “compromising the long-term value of the TIFFANY & CO. trademark.” So, the company suggests that they increase sales by innovation primarily. The other factors mentioned describe a crackdown on fake Tiffany pieces, creating a vertical supply chain, advertising/public relations, and customer service (Tiffany).

## **Methods**

In March of 2008 I performed ethnographic research at Tiffany & Co. in Westport, Connecticut. I obtained permission to do so from the Human Subjects Committee at Yale University- see appendix A for the letter of approval. I also spoke with the director of the store, Mr. William McGuiness. Although he could not give me permission to conduct interviews on store property, he suggested that I question customers outside of the store.

I chose the specific Tiffany & Co. at 40 Post Road East for a few specific reasons. Primarily, it was in the heart of a busy downtown area, and in the vicinity of a few other luxury shops. There was a lot of foot traffic. Secondly, it was in an interesting location because although it was near a few other nicer establishments, it was in an almost strip mall setting. It certainly did not bring to mind Tiffany on Fifth Avenue in Manhattan, the bastion of exclusivity. This introduced an interesting dynamic: a mix of luxury boutiques, mass market stores, and a Starbucks.

After doing a quick walkthrough the store to get a sense of merchandise, price, and people browsing, I stationed myself outside of the front entrance to the store, waiting for people to exit. I decided to question only women for my ethnographical project, since they are the ones to whom Tiffany aims its marketing. I interviewed a total of nine different women, and grouped them according to my estimate of their ages. There were three younger girls (less than twenty years of age), two younger woman (less than thirty years of age), two adult women (less than fifty years of age), and two older women (greater than fifty years of age). My interview questions appear in appendix B.

Although I did not obtain the names for each of my interviewees, I will provide substitute names and real descriptions of each participant for continuity's sake. Below I have listed them by age group (youngest to oldest).

Stephanie, Nicole, and MacKenzie: seventeen to eighteen year old girls, prized expense and exclusivity as two major factors in luxury, yet all three girls had very similar purses.

Tara: young woman, newlywed, with her husband, told me that her engagement and wedding rings were both purchased from Tiffany.

Monica: Shopping with her mother, younger woman, works at a Hedge Fund as an Investment Banker, was wearing a very expensive purse, a self-proclaimed snob.

Michelle: adult woman, very well-dressed, a little elitist, was with her younger teenage daughter (whom I did not interview), told me that while she did not like Tiffany & Co., her daughter loved the store. The daughter agreed.

Theresa: adult woman, shopping with her (very talkative) husband, getting a necklace repaired at Tiffany, described the 'snob value' of luxury items.

Karen: an older woman, mother of Monica, shopping for a gift from her company for thirty years of service (an Elsa Peretti Ring).

Alice: an older woman, well-dressed, wearing very nice but flashy jewelry, disenchanted with the Tiffany brand.

I received some surprising answers to my questions. I had expected most people to describe Tiffany & Co. as a luxury purveyor, and cite examples such as the price of the jewelry, the quality of the workmanship, the classic signature Tiffany designs, or the strength of the brand name. Many people did cite these reasons. Stephanie, Nicole, and MacKenzie all agreed that Tiffany was definitely a luxury purveyor, and that price and

quality were the two most important characteristics of luxury products. The girls touched on cost, brand name, and rarity as key aspects of Tiffany. They considered Tiffany to be “expensive and good quality,” “well-known for expensive jewelry,” and “something you don’t see every day.” However, an interesting commonality through many of the responses was that Tiffany no longer represented luxury. Before I investigate that finding, I will discuss some theories about luxury and consumption in order to provide a broader understanding.

### **Explanations of Luxury**

If it is not just the qualitative aspects of luxury that motivate its consumption, then deeper reasons must exist having to do with social, cultural, psychological, and other factors. I will begin the discussion with a social description of luxury.

#### **Social Meanings and Semiotics**

The social meaning of luxury as a rarity is related to the semiotics of luxury, as a system of meaning, or signs (Baudrillard, 46). It is concerned with how people find meaning in things. A sign can be anything that represents or can be used to stand for something else. Important signs to my study include those of consumption: most notably markers of lifestyle, taste, and socioeconomic class. These signs may include words, colors, textures, design, spatiality, typeface, etc. Marketing, advertising, and product/graphic design is very concerned with semiotics in terms of using symbols or signs in order to signify a greater meaning. For example, Tiffany & Co. utilizes their small light blue boxes tied with a white ribbon to evoke the meaning of luxury through association of the brand characteristics. Jewelry and diamonds in particular are viewed as symbols of unending love, such as in the phrase “a diamond is forever.” In semiotics, the

process of signification replaces the simple “denotational definition of an object” with its wider connotation (Miller, 145).

According to Baudrillard, to possess rare but widely desired objects is to enjoy a luxury. He also conceived of luxury as the “logic of sign-exchange.” As part of this logic, he considered needs as social effects and not as resulting from individual/psychological consequences. He utilizes Lévi-Strauss’s structuralism by describing that “the kinship system is not determined in the final analysis by [natural givens] but by the arbitrary regulation of classification so that the system of consumption is based on a code of signs (objects/signs) and differences, and not on need and pleasure” (Baudrillard, 47).

#### Socioeconomic Explanations of ‘Non-functional Demand’

In economics, the phenomenon of non-functional demand is explored, and is very pertinent to the study of demand for luxury products. There are three basic forms: the ‘bandwagon effect’ is when demand increases due to the fact that others are consuming the product, as in fashion or fads. The ‘snob effect’ is the opposite, and it describes when demand decreases due to the fact that others are consuming a certain product. The third category is the ‘Veblen effect,’ and is expressed by an increase in demand when the cost is higher (Berry, 27).

One aim of luxury brand advertising is to stimulate the ‘bandwagon effect.’ However, because of the transient nature of the status of luxury, the good in question may be subject to the ‘snob effect.’ Therefore, there is a paradox involved in advertising luxury goods. On one hand, luxury retailers want to increase their sales by selling as much of their product as possible. On the other hand, describing goods as luxury items

implies exclusivity, which entails expensiveness and rarity. Because of this thin line, luxury good marketers and purveyors must constantly be careful to maintain their cache, or possibly the illusion of one, of exclusiveness. For example, advertising can ensure that people who cannot afford the luxury item are nonetheless aware of its expense, which is essential to conferring the status that the consumption of luxury promises. However, many luxury consumers are turned off by advertising because it diminishes the brand's exclusiveness factor by presenting a 'something for everyone' approach.

#### The Luxury Good as 'Superfluous'

A luxury item is a good which is inherently not a necessity, in contrast to the basic categorical needs of food, shelter, or clothing. So, is a luxury good then superfluous?

The ideas of luxury and superfluity are often conflated, such as in the satirist Bernard Mandeville's 1732 work The Fable of the Bees or Private Vices, Publick Benefits. He quipped that luxury was something that "is not immediately necessary to make Man subsist as he is a living Creature" (Mandeville, qtd. in Berry, 24). The philosopher Garret Thompson describes luxuries as enjoyable items that are "by definition" superfluous (96). He also suggests that luxuries are "neither beneficial nor useful" (108). However, superfluity can mean two different things- the redundant or the easily substitutable. The former is related to the idea of fixed quantities of necessity or desire: if two shoes are required per person, then a third would be superfluous as in redundant. The use of superfluity to describe this redundancy stems from the negative connotation of something that is inessential. Since luxury is a matter of qualitative

refinement rather than quantity, then it is necessary to further investigate the description of luxury as superfluous.

Luxury items are more accurately described as superfluous as in easily substitutable. Although substitutability seems to apply more obviously to basic categorical needs, it is because basic needs are very abstract that they are substitutable. For example, a turkey sandwich and a filet mignon will both provide sustenance: “so long as objects are merely useful they are interchangeable and everything can be replaced by anything else that performs the same service” (Kant, qtd. in Simmel, 74).

In contrast to the “abstract universality” of basic needs, the language of desire for luxury goods is specific and concrete. Desire for a good can be characterized by expansiveness and intensity. The more intense and less expansive a desire, for example a strong desire for something very specific, the less substitutable it is. Therefore, a luxury has to be something that is not *intensely* desired, but rather more *generally* desired, since it is easily substitutable. Berry writes that “a luxury is something it would be nice to have; while at the same time not having it would cause no particular pain” (26). Michelle stated that luxury was “something you don’t need, but you like.” Because a luxury can be relatively easily substituted, its high income elasticity of demand in economics is explained. Tara described it as “nothing you need to survive.”

Theresa also described luxury to me in terms of its superfluity. She attempted to differentiate between what one needs versus what one wants, but her husband interrupted the conversation by describing a recent purchase in which she had a car shipped over from Germany. She described this acquisition as a need, since she required a car, and just so happened to be in Germany. She told me that while she did not consider this a

pure luxury purchase; she did acknowledge that the cost of the car plus shipping and taxes was substantially greater than the cost of a car purchased in the United States. Due to her husband's jests, she eventually agreed that perhaps the car was a bit of a luxury.

Luxury goods were once thought of in a negative light because of their perceived superfluity. For example, Ancient Rome had the concept of *luxuria*. The term was not identical in definition to the modern concept of luxury- it was often used disapprovingly to condemn the "hypocrisy" and "vanity of the elite" (Muse). *Luxuria* was also negatively associated with softness. This is because such softness was indicative of effeminacy, which undermined the desirable masculine quality of *virtus*.

In more contemporary times, luxury still draws negative attention. Even during Thornstein Veblen's era, writers were recording the decline of the Protestant ethic. Max Weber wrote about this ethic, describing it as "diligent and aesthetic labor in a calling evolved from the Calvinistic system of religious ideas" (Weber). Worldly success or wealth, attained righteously, was first accepted as a symbol of eternal salvation, and then and as an end in itself as western culture became more secularized. The ethic became an important element in the developing system of capitalism to which it gave momentum (Weber). While conspicuous consumption is a related concept, it represents a transference in ultimate goals from demonstrating virtue to demonstrating status.

Despite the historic perception of luxury as negative, as in the sense of being inessential, luxury became seen as something beneficial. The superfluity of luxury became used as a tool to demonstrate the ability to consume unnecessarily. Although 'consumption for the purpose of demonstrating superiority' may not fit into the Protestant work ethic or any kind of religious framework, and despite it possibly being viewed as

antithetical to morality and asceticism, it has obtained a sense of virtue because of its use as the new measure of accomplishment in a capitalist economy.

### Luxury and Pleasure

Advertising has to rely on certain givens in order to be effective. Central to those givens is the universality of satisfactions experienced by humans. For example, luxury is often linked to pleasure, either sensory or otherwise. Michelle cited comfort as her standard of luxury, telling me about a “fantastic” 400-thread count comforter she had just purchased. Tara described luxury as a mixture of selection, quality, and extravagance: something that feels out of the ordinary.

Luxury fashion may appear to be the exception as uncomfortable clothing is characteristic of *haute couture* fashion. However, these articles of clothing provide a different kind of pleasure or satisfaction; more related to one’s status as a trendsetter. Therefore, luxury seems to be by definition connected to pleasure.

For any good to be considered a luxury, it must be believed that the possession of that good is pleasing. There is a strong connection between luxury and pleasure: this is why luxuries are said to be ‘enjoyed.’ Emotion appeal is a very important factor in the advertising of luxury brands. A marketing executive for Starbucks, Scott Bedbury, stated that “a great brand taps into emotions. Emotions drive most, if not all, of our decisions. A brand reaches out with a powerful connecting experience. It’s an emotional connecting point that transcends the product” (qtd. in Mootee “The Transformation of Luxury Brand Marketing.”).

## **Theories about Consumption**

Consumption is important because it is a manifestation of society in general: objects are used in the development of one's social relationships and one's cultural identity. The consumption of a specific good made by a consumer reflects their cultural tendencies and biases, but also generates societal structure. I will begin with a short history of consumption theory, and then move to theories about motivations for consumption.

### **A Short History of Consumption Theory**

For a long time, consumption was seen as a consequence of economic circumstance rather than an “autonomous social phenomenon” (Friedman, 1). With the 17<sup>th</sup> and 18<sup>th</sup> centuries came an increase in the domestic consumer market, leading to a new choice of commodities for consumption instead of determination of types of goods according to status. Mass consumption came into being as a result of and following the Industrial Revolution. It resulted from improved production and transportation technologies, as well as new media for selling. Consumption has often been incorrectly classified as an aspect of demand dependent on the income of the consumer instead of based on the behavior of consumers as related to their desires.

Economics fails to adequately explain the motivation for luxury consumption. As mentioned previously, the utility theory does not account for supposed ‘irrational’ behavior on the behalf of consumers, such as the purchasing of luxury goods. Economics often treats consumption as a function of supply and demand, creating a highly simplistic model which disregards agency on behalf of the consumer.

There has often been a trend seeking to locate underlying and generalizable processes and patterns in consumption theory, but theorists often focus on one distinct aspect of the behavior, while disregarding others. For example, Marx described the history of production as “the gradual loss of producers over their products,” as the market was controlled by those that controlled production (Friedman, 2). The consumption of non-necessities was viewed as “the result of trickery, the psychological manipulation by market researchers and advertisers that lure producers into [...] increasing production [by creating] their own demand” (ibid, 2). According to Marx, capitalism must create a system of false needs in order to maintain the never-ending need to accumulate capital. This has led to a general theme in the sociology and anthropology of consumption in which all non-productive consumption is unnecessary and “somehow a product of error, false consciousness, compensatory behavior ostentation, all in all, a misconstrual of reality” (2). However, one problem with Marx’s theories is that he overemphasizes production at the expense of consumption. He ignores decision-making in consumption as a phenomenon because he sees it as resulting from using what is produced, i.e. only what is needed. There is no room for social or cultural constructs in consumption decision-making.

Another viewpoint emphasizes the fetishism of commodities. However, when material culture is seen from this angle, objects are focused on instead of people. These people often become a side-effect. Fetishism is therefore based on the false notion of a social object without a social context. The idea of fetishism is also problematic because it is used in a negative or disdainful way. It seeks to assert a superior ‘ascetic perspective’ in contrast to the ‘disease’ of materialism. (Miller)

In much of classical anthropology, consumption has usually been oversimplified as manifestation of social structure/culture instead of as a means with which to create culture. It has never really been the object of profound attention because consumption in this manner can only be observed and described as a result of a larger process. Veblen's theory of conspicuous consumption was one of the first models that focused on social and symbolic meaning rather than a purely economic view. It was inspired by Boas's research about the Northwest Coast Indian Potlatch (Friedman, 4).

I find it interesting that businesses do not employ more anthropologists in marketing, because the aims of the two groups are often parallel. Both are concerned with the stratification of social organizations and in this case, their motivations for consumption. Market research seeks to identify motivations involved in luxury consumption, but it generally does not utilize a cultural or anthropological viewpoint.

### **Cultural Motivations for the Consumption of Luxury**

#### **Luxury as a Performance**

Groups fall into a hierarchy or social class- in the capitalist U.S. this hierarchy is generally determined by income, but has in the past been determined by birth. Those groups falling at the higher end of the income spectrum, the upper class, must continuously work to remain at their position in society. Not only is construction of status done by wealth, but also by markers that demonstrate a group's ability to consume above and beyond other groups. Consumption of this type is a way of displaying one's ability to spend above and beyond what is necessary. Thorstein Veblen termed this socioeconomic phenomenon 'conspicuous consumption.'

The phrase was coined by the Norwegian-American economist and sociologist in his 1899 book, The Theory of the Leisure Class. Veblen wrote during a period that may be seen as marking the transition to the age of mass consumption. Conspicuous consumption is a term used to describe lavish purchases acquired mainly for the purpose of displaying wealth. This display serves as a means of attaining or maintaining social status. Veblen originally used the term to describe the behavior of the *nouveau riche*, however in modern times the expression is applied to individuals who consume goods for the purpose of displaying status rather than for their intrinsic use. Veblen's leisure class used material goods as a technique to legitimize their social positions. He went so far as to describe how they even used satellite markers of wealth: the performance "might be extended in vicarious forms such as footservants who had nothing to do but to display their own superfluity, or pets, which provided surfaces for further display of luxury" (Miller, 148).

One purpose of consumption is to show the world that have the ability to purchase expensive and/or luxurious items and are therefore successful. However, the purchasing of luxuries cannot automatically be classified as conspicuous consumption. Conspicuous consumption is "consumption, the satisfaction of which derives from audience reaction" (Berry, 30). It is often identified as consumption of the unnecessary. However, there seems to be a point to it, however unnecessary the good itself may be. This element of necessity differentiates purchasing luxuries for the qualities of comfort or quality versus conspicuous consumption. The latter should be examined within the scope of social perception: to conspicuously consume is to consume goods that others are presumed to perceive as luxury items. "The motivation for luxury is not the pursuit of demonstrable

rarity for its own sake; it is for the sake of social perception” (Robinson, 398). From the consumers’ perspective, the performance of luxury consumption may be necessary in order to uphold their social status to others, as well as their own self-perceived position in society. This self-perception is dependent upon the perception that others have of them and their activities, such as conspicuous consumption. Therefore, conspicuous consumption is not unnecessary consumption- there is a very definite purpose to its performance. Luxury items function to create and maintain status.

In contrast to ancient Roman and medieval cultures in which luxury represented the “subversiveness of private desire,” in modern society, “the possession and presentation of luxury reinforces the legitimacy of the desire” (Berry, 30). Desires for luxuries or to better oneself through consumption are not things to be shunned in modern American culture as they were in the past; these desires are proudly displayed as well as the basis for modern capitalism.

Monica described luxury as something that “had to be exclusive, have a high level of quality, and good craftsmanship.” She claimed that quality was more important than name brand for her, but she did add that it depended on the name brand- she preferred European brands. Her mother Karen then pointed to Monica’s expensive Italian purse and informed me that it was an expensive item- that “they sell knock-offs of it in Manhattan, but she would never buy one of those.” Monica emphatically agreed. When I interviewed Karen, who expressed that she would not pay extra for an exclusive name brand, Monica joked, “Well, you’re not as much of a snob as I am.” Monica revealed to me her ‘pride’ at being a snob with this comment. She uses her display of exclusivity to demonstrate her social status. Monica very purposefully told me what she does for a

living- the only person who did so- in order to display her wealth and status to me. Her expensive Italian purse demonstrated to everyone who could read the brand name printed all over the bag that she could afford to spend money on such expensive luxuries. She was proud of her snobbishness, and very directly expressed this fact. Monica was conspicuously consuming.

### Consumption as Social Differentiation

Human beings seek societal groups in which to belong. They construct their social statuses by forming demarcations: drawing lines to create differences between themselves and the 'others.' This allows groups to forge a sense of identity, as well as belonging.

Bourdieu's work, Distinction, describes consumption in terms of social differentiation. The book is a study of the link between classes and styles of consumption. He concentrates on the relationship between group identity as a 'lifestyle' and strategies of consumption, building upon the work of Veblen. Every group is engaged in a process of distinction for the purposes of self-identification in competition with other groups. Each group displays tendencies, or habitus, which are class-specific. These include unconscious instincts for specific tastes, behaviors, or patterns of thought (Scott). Bourdieu creates a connection between consumption, social context, and habitus that is "based on the association between social conditions of existence, the formation of the person, and the practice of consumption as a construction of a life world" (Friedman, 9). One weakness with this approach is that Bourdieu uses only social distinctions to account for differential modes of consumption. However, by using the notion of habitus,

he creates an interesting definition of consumption as “a product of particular desires rooted in particular habitii” (ibid, 10).

The concept of habitus is used synonymously with taste, which illustrates its deep-rooted nature as an almost sixth-sense. The source for basic differences in taste is, according to Bourdieu, the different experiences of classes in modern society. “The ‘immediacy’ of the working class’s desires stem from the specific pressures imposed upon them,” such as having to live paycheck to paycheck (Miller, 150). Bourdieu adds that, “a person who is not guaranteed comfort and sustenance has respect and a desire for the sensual, physical, and immediate” (ibid, 150). On the other hand, “a person who is certain of obtaining physical necessities, and has been brought up abstractions of capital and education becomes distant from those necessities, and has tastes dependent on respect and desire for abstractions” (ibid, 150). Both of these conditions result from of habitus as “desire expressed as taste” (ibid, 150).

An example of Bourdieu’s theory of social differentiation can be seen in Veblen’s work: Veblen portrays the *nouveau riche* as determined to create a distance between themselves and the world of necessity which was the origin of their wealth. His interest was in the new ‘leisure class,’ which was distinguished by the ability of members to absent themselves from work. Therefore, for a particular segment of the rich, shows of their wealth were for the purpose of demonstrating distance from the world of “practical necessity” (Miller, 148). The class of people for which this performance was probably more necessary was that which had recently acquired its wealth, rather than the traditional aristocracy which had never had to work. Individuals go through the process

of social differentiation in order to demonstrate their status- this may be also viewed as an example of self-expression.

Stephanie, Nicole, and MacKenzie described exclusivity as a highly important factor, as they all answered that they would not purchase items if everyone could get them. Consumption to these girls is a means by which they not only form associations with their peers, but also differentiate themselves from other groups in order to 'fit in.' Although they emphasize having things that no one else can get as important, they all had very similar purses. This means that they wish to form demarcations between their peer group and the 'others.' It's fine if they all have the same purse, just as long as everyone else they are trying to differentiate themselves from do not have it. When that happens, it is no longer a means by which they can demonstrate their status.

#### Self-expression and the Formation of Identity

The process of self-identification has been increasingly influenced and produced by consumption. There is a "close connection between possession, the construction of identity, and the adherence to certain social values" (Miller, 2005).

Baudrillard has argued that one characteristic of a post-modern society is that social identities are constantly being created and changed. Generation of a desired identity or image now requires the consumption of products as a display of what kind of person one is. Since continuous identity change is viewed as normal or even expected in a culture of makeovers, constant consumption becomes nearly obligatory. This "frenzy of consumption" characterizes many modern Americans: each becomes his or her "life project" in an attempt to shape his or her life into an approximation of a work of art (Berger, 17, 124-5).

Another related motive for consumption is to demonstrate creativity. One reason why we buy things is to show others the kind of person we are by manifesting our creativity and sense of style in purchases. There is a degree to which an individual may “possess a conscious strategy of appropriating the world into making his or her own lifestyle expressive of his or her identity” (Berger, 126). However, this can also be tied into a performance aspect, as the individual is demonstrating his or her ability to purchase one-of-a-kind items.

Theresa informed me of the importance of “specific design for a certain thing” to her, which can be viewed as an attempt at identity formation: rare products demonstrate her individuality as well as her ability to acquire such uncommon objects.

Exclusivity: a Combination of all Three Theories?

The need for exclusivity in consumption is directly related to all three of the above theories. The performance of conspicuous consumption for the purpose of demonstrating social status requires exclusivity in order to demonstrate superiority. Superiority is established by drawing distinct class lines and subsequent differentiation. Why is all of this needed? For the purpose of creating one’s personal identity, the social relationships involved in life, and for constructing culture itself.

Michelle informed me that while quality was more important than brand name, she would be willing to pay extra for an item if it had an exclusive name. She also expressed that “luxury should be 95% exclusive.” When I asked her if she would be willing to buy an item if many other people could obtain it, she immediately said no, and then a few seconds later added hesitantly, “maybe, I guess if it’s something I like then I

wouldn't mind." I perceived that she added the last part as an attempt to appear not quite so elitist.

Alice, an elderly woman, told me that she had several Tiffany pieces, but admitted that she believed them to be "overpriced for what it is" and "not tremendously designed." She added that Tiffany & Co. used to portray luxury, but not anymore. Now they are just merely expensive. She compared Tiffany with Coach, as they both in her opinion have watered-down product lines and appeal to the mass market as a result of the stock market and advertising. She cited the importance placed on share price and sales figures over quality for the decline of these two brands. When I asked her if she would still buy a luxury product if everyone else already had it or could get it, she replied, "no, then it's no longer a luxury." Tara also stated that while she would buy a luxury item that was not necessary exclusive, that this changed the nature of the good so that it was no longer a luxury- it became a "common thing." At the extreme end, Michelle described that Tiffany "was like a Wal-Mart" because it was so mass-marketed. Monica criticized Tiffany specifically for having a number of franchises that all sold the same thing to many people. Again, exclusivity is the central factor for an item to be classified as a luxury good.

#### A Special Consideration: Individual Meaning

A concentration on social meaning would be ignoring the element of individual meaning, which is why a combination of theories should be utilized in order to study luxury consumption.

In individualism, the *relativity* of luxury is of significance. What may be a luxury to one person may be a necessity to another. For example, a computer may be a necessity

to a student because he or she needs it to perform research or write, but to a good portion of the United States, a computer is a luxury. This has some possible social significance because a student has the ability to claim the cost of the computer as a tax deduction, therefore indicating that society recognizes the computer as a necessity. More importantly, the identification of the computer as a luxury is not dependent on the fact that only a few consume it. That identification depends on the perception of the good within each individual's "schedule of desires" (Berry, 33). The extent of consumption is at question however, because the argument can be made that worldwide, the ownership of a computer is a rarity. The cost of a computer makes it then not totally accessible to everyone, but it is a good that is not exclusive to a certain class or group. Therefore, everyone does not fit into a certain paradigm. Meaning is different for each person.

## **Discussion**

Tiffany's marketing apparently does not work for a good amount of its target customers. Consumer perception, in this case that of exclusivity, is incredibly vital.

### **Consumer Perceptions**

Is it just the aura that counts, such as something that only seems to be exclusive, but is in reality very accessible? Does it matter how available something really is, or just the perception of accessibility? These questions are very pertinent to the study of consumer behavior: does consumer perception equal truth?

The writer Walter Benjamin added that industrial capitalist reality consisted of the "creation of artificially produced worlds that offered alternative identities and experiences to the modern individual" (Benjamin, qtd. in Friedman, 8). Benjamin was describing the experience of marketing as possibly creating or affecting one's perception

of reality. However, marketing and advertising are limited in effect when it comes to innate beliefs, such as the definition of luxury. Marketing should take advantage of consumer perception by creating an aura of exclusivity, which can cause people to perceive the brand as luxury. Maintenance of this aura is vitally important, and business decisions such as expanding product offerings or building new stores should be weighed in terms of their effect on the perception of exclusivity. Tiffany & Co. was willing to forgo a measure of exclusivity by doing those things, and therefore lost some customers.

### Emulation of the Upper Class

One concern I have about the nature of luxury consumption is that there is often a lot of emulation occurring of the upper class by the middle and lower classes. The upper classes are forced to find a new 'it thing' to display their status, since the old 'it thing' is no longer exclusive. Emulation occurs once more, and so on. This is the cycle that drives the fashion industry. However, emulation can be somewhat problematic as well.

Teenage girls such as Stephanie, Nicole, and MacKenzie have a tendency to imitate popular styles or trends because they are at a formative age in terms of social identification amongst their peers. Emulation is a strategy in which "people lower in a given social hierarchy attempt to realize their aspirations of higher status by modifying their consumption patterns to reflect those of the higher classes" (Miller, 135). They demonstrate status via consuming what the elites are consuming. Emulation also reinforces social differences by stimulating the desire to differentiate oneself through access to goods and their "prestige connotations" (ibid, 136). In this way, fashion has emerged as a means for continuing social differentiation previously controlled by

sumptuary laws. Consumption become the means by which social hierarchy is determined.

Emulation may also be seen in the context of Veblen's work. He writes about how the leisure class desired to emulate the aristocratic class for which time and birth had provided legitimacy, and for which wealth seemed a natural attribute rather than one that was temporary.

### Hegemony of the Upper Class

As mentioned earlier, in the U.S. there is an absence of a long-term aristocratic class, so social hierarchies take a particularly strong emphasis on possession of wealth. Through conspicuous consumption and then emulation, the upper class can extend its influence. Additionally, if the identity of a social group is formed in part by the possession of certain items, then if a person cannot afford those items, it creates a problematic difference between their desired social identity and their actual self-projection. This close identification between social groups, personal identity, and object possession, is encouraged by marketing. Because of inequalities of wealth and distribution, along with unequal access to forms of ideological control, this may intensify class and status differences. Although the market is thought of as expressing general consumer desire, it often actually represents the tastes of the elite. Furthermore, the importance of advertising revenue often creates biases in favor of the upper class, whose views are disproportionably represented (Curren). Some classes consume more than others, so their interests are expressed more. Therefore, the "ideology of emulation and the disproportionate attention to the needs and desires of the upper class can result in a material culture constructed for one group in the image of that group" (Curren 42). This

effect is maintained by dominant cultural forces. The resultant hegemonic construction results in and is defined by a lack of access to the means of being objective.

#### The Democratization of Luxury Items, or New Luxury

Throughout this study, I have noticed that most people who I interviewed described exclusivity as a necessary aspect of luxury. They criticized Tiffany's purported loss of this characteristic. So, is it possible that there an opposition to the democratization of luxury?

Not all jewelry sold at Tiffany ranges in the thousands. Tiffany & Co. sells lower-priced jewelry that has made it mainstream, such as the heart tag toggle link necklace made popular by the movie *Legally Blonde*. These types of goods have been entitled "old luxury brand extensions" by consultants at Boston Consulting Group, and are characterized by lower-priced versions of products created by companies whose brands have traditionally been affordable only for the every wealthy (Silverstein & Fiske). These 'entry-level' goods function as aspirational products because they appeal to the average consumer and appeal to their desire of owning a more expensive version.

These aspirational products also act as a means by which younger girls and women can afford expensive brand names such as Tiffany & Co. without needing to purchase the core products of the brand, such as diamond jewelry necklaces or rings costing tens of thousands of dollars. The idea is that as these women grow older and possess more money, they will become loyal followers of the Tiffany brand. However, aspirational products can negatively impact brand image by lowering the exclusivity factor of the brand. Luxury brands like Tiffany & Co. are continuously working to maintain a balance between sales (creates accessibility) and image (creates exclusivity).

Although in the short term high sales may seem like a boon, for luxury retailers it will most likely hurt sales by affecting the brand perception by the core customer base, older women. The danger is this group will view the brand as too easily accessible, and not exclusive enough. I found my interviews to reflect this- there was a pretty well-defined split according to age in the perception of Tiffany as a luxury brand. Younger women tended to perceive Tiffany as a luxury purveyor, while middle-aged and older women criticized Tiffany for its loss of exclusivity, resulting in a loss of the aura of luxury. Perhaps Tiffany is gaining future patrons, but it is at the cost of losing its current customers.

Many companies have attempted to create a balance between accessibility and exclusivity, and 'new luxury' as a phenomenon has grown as a result. New luxury is at the intersection of mass market and luxury. It is the result of the democratization of luxury products. New luxury relies on emotion and the promise of identity-formation. It is an interesting contrast to 'old luxury' in that it is not based on the exclusivity of the item or brand in question. It's more about what customers say they are looking for in a luxury good: a high level of quality and craftsmanship, so it will be very interesting to see how well new luxury does in the long-term. However, what customers claim versus what they are truly in the market for can be two different things. For example, what happens if the luxury item no longer has the qualitative aspects of luxury, and retains just a brand name? The power of brand over quality may be seen in the example of fakes or knock-offs. The black market makes billions of dollars selling counterfeit goods of all kinds, so it is evident that the brand name is just as important, if not more so, than quality and craftsmanship, to a good amount of people.

Many goods have experienced a pathway from rarity to commonality- this is the historical context of many luxury goods. Many now common items started out as restricted only to the very wealthy: “sugar, for example, was a luxury before the sixteenth century; pepper was still a luxury in the closing years of the seventeenth; so were alcohol and the first ‘apertifs’ at the time of Catherine de Medici [...]. The first flat plates, which Francis I ordered from a goldsmith in Antwerp in 1538, were also a luxury” (Braudel, 183). But what happens when to the perception of a luxury good when it becomes widely attainable? For example, household appliances have undergone a great deal of refinement over the last century, as new technology has emerged and been improved over the last century. While initially vacuum cleaners, air conditioners, and refrigerators were considered luxuries, the percentage of households with these items is so high as to consider them relatively ubiquitous: possession of them no longer counts as a luxury. Therefore, “as goods come to be widely available and cemented into daily life, then possession of, or access to, such goods means that they can lose their luxury status. But more than that, they can be thought to be socially necessary” (Berry, 18). Definitions and desires for luxury goods are then inherently fluid and dynamic. Once a luxury loses its cache of exclusivity and becomes widely available, it ceases to be an item with which to perform conspicuous consumption. This is because these goods no longer define distance as in Pierre Bourdieu’s theory of consumption as social distinction, and no longer function as a means by which one can identify oneself.

## **Conclusions**

I identified various aspects of consumption theory in my interviews, but the most common reaction that I found was that there was a very strong connection in the

perception of luxury and exclusivity, but it was not always overt. This certainly matches aspects of the research in consumption that I found. Marketing departments have latched onto the idea of creating the aura of exclusivity, as evidenced by Tiffany's marketing statement, but they often fail to recognize the anthropological and cultural factors at play in the perceptions of consumers.

While luxury is not necessarily exclusive, it is very difficult for a brand such as Tiffany & Co. to maintain luxury prestige and not be exclusive. This is because of the performance, differentiating, and identity-forming aspects involved in the consumption of luxury items, as a result of the nature of luxury itself. I found in my ethnography at Tiffany that if the aura of exclusivity is not preserved, then a diffusion of the brand may result, leading to a loss in the perception of luxury by consumers. Although new luxury represents a democratization of luxury consumption, it can be argued that these items should be classified differently from old luxury goods, as they have different target customers. Many of the women that I interviewed disliked accessibility in terms of luxury, and claimed that this accessibility caused the item to lose its status as a luxury good. Luxury good purveyors must capitalize on an individual's need to perform his or her status, differentiate him or herself, and establish a personal identity. Consumption of luxury goods serves all of these purposes, and exclusivity is the means by which it is accomplished.

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## Appendix A: Human Subjects Committee Permission

Yale University

FAS Human Subjects Committee  
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**To:** Alina Nevins  
**From:** Carrie McDaniel for the Human Subjects Expedited Review Committee  
**Date:** 03/20/2008  
**Committee Action:** **Exemption Granted**  
**IRB Action Date:** 03/20/2008  
**IRB Protocol #:** 0803003624  
**Study Title:** Luxury: Marketing Exclusivity

This study qualifies for exemption under 45 CFR 46.101(b)(2). Any changes to the project which would increase the potential for risks to participants must be submitted to the Human Subjects Committee for review as such changes may impact the exemption status.

Any changes in the protocol must be submitted to the Committee for approval. This includes, but is not limited to, changes in the recruitment procedures, informed consent, investigators, or study design. Such changes may alter the exempt status of the study. Investigators are also asked to promptly report any unanticipated problems or complaints to the Committee.

You should retain a copy of this letter for your records.

cc:

## **Appendix B: Interview Questions**

What did you buy/what do you plan on buying?

Why do you like Tiffany & Co.?

In your opinion, what is Luxury?

How often do you make luxury purchases?

When was the last time you were here?

Does Tiffany& Co. convey luxury to you, and how?

What is more important to you, the quality or the brand of the product? If quality is more important, would you be willing to pay extra for an item with the same quality if it were a well-known brand such as Tiffany & Co.?

Is it important to you that luxury items are exclusive?

Would you buy a luxury item if everyone could get it/already had it?