

“ Transaction, value and the democratization of luxury”

In this essay, I will discuss, research and debate “Transaction, value and the democratization of luxury”. I will discuss how luxury has become easier to obtain in the modern world and how it has affected the social classes. I will also look at how society views the consumers of luxury brands and how they are portrayed.

The global luxury goods industry has been on the rise for many years. Luxury products which also include drinks, food, cosmetics, fragrances, vehicles and jewellery; as well as clothing. Since 2013, the luxury market is estimated to be worth more than 217 billion euros.

According to an article in the Economist, the number of consumers of the luxury market has risen in less than 20 years and is continuing to rise.

“The number of luxury consumers has more than tripled in under 20 years, to around 330m people. Spending has risen at a similar rate, to an estimated €217 billion (\$300 billion) in 2013. “

(<http://www.economist.com/blogs/schumpeter/2014/02/luxury-goods-market>)

The luxury goods market was once exclusive to the wealthier members of society and those who were viewed as having a higher status; for example politicians or celebrities. In the past, it was extremely rare for a working class or a less affluent person to easily obtain luxury products.

Wealthy families and individuals are known for living an authentic luxury lifestyle. Some wealthy people focus on owning luxury objects rather than brands. For example, a person who may show their wealth by buying cars and designer clothes, a person who has “old money” from generations may take pride in other things such as artwork and antiques. These things are still luxury, although many of them can't be bought.

According to the dictionary, the definition of “old money” is money which has been passed down and inherited rather than been earned.



In the past you were able to judge a person's social status or wealth by the material items they owned. For example, it was rare to see a factory worker driving a brand new Mercedes Benz or a BMW. Even if they were unknowingly able to afford it, they were unlikely to take interest and do further enquiries because they already had an image in their heads of the type of person who purchased these things.



The past exclusivity of the luxury goods market has made it extremely attractive to all different types of consumers.

The rise of celebrity culture worldwide has seen an increase in younger generation of consumers who are influenced and inspired by seeing their favorite celebrity or sports star appear to be supporting a particular brand.

For example, hip hop rappers appeal almost directly to a younger audience, mainly ages 16 to 29. Their music videos are constantly showing designer brands, luxury cars, expensive alcohol and jewelry. This subconsciously exposes the viewer to these brands and promotes a particular lifestyle; which is

likely to be totally opposite to the viewer's own.



Hip-Hop music videos are known for promoting wealth, luxury brands and luxury lifestyles.

There has also been an increase in celebrity endorsement for particular luxury brands. This is different from celebrities who promote brands through their work or music but the brands themselves actually hire the celebrities as part of advertising campaigns. These appeal directly to fans of the celebrity or to a particular social group that the celebrity is linked to. The celebrities most used in the marketing and promotion of luxury fashion are those in the film and music industries because fashion and luxury play a huge role in these sectors.

A good example of a celebrity promoting a brand through their work is American Hip-Hop group “Migos” who released a music video on youtube called “Versace”. Although the group was not officially hired by the Versace brand to make the song, it gained 10million views on youtube. Although Versace has been around for decades, the song exposed the brand to a new younger generation and market, who are not their particular target market.



Screenshots from “Migos – Versace” music video. Shows them wearing and promoting nothing but Versace clothing and accessories.

Besides the wealthy and prominent or young and impressionable consumers, there is a small percentage of people who may purchase Luxury products for acceptance from peers or their social group. A good example of this is people who purchase “Apple” products.

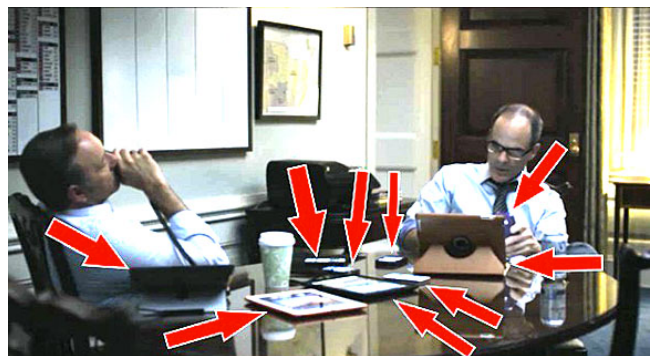
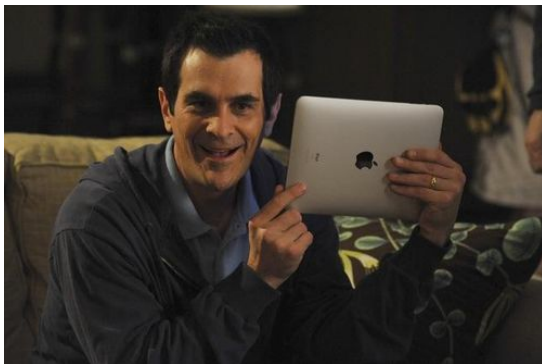
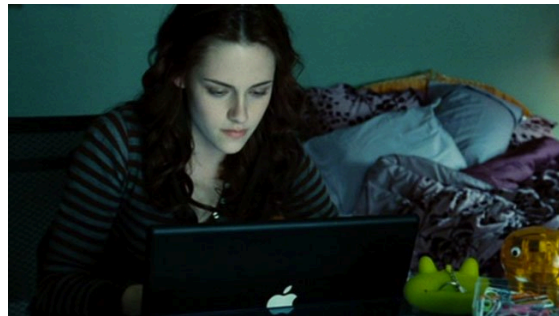
“Apple Inc. is an American multinational technology company headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software, and online services.”

(https://en.wikipedia.org/wiki/Apple_Inc.)

Thanks to Apple’s strong presence in movies and television shows, modern day offices are filled with iPhones, iPads and iMacs. In my opinion, Apple products have become more of a technological fashion statement than to be used for the devices they were originally created for. For example, in the past a mobile phone would be used until it was broken. This is not usually the case for apple users. They are likely to update their device every few months or as soon as a new one is released.



Fox -- House, MD



According to my research, apple products are shown in over 30% of movies. Some examples of apple product placement in movies.

A blog I read whilst doing research claims that as result of this; “we’ll see prices go up, further growing the exclusivity of Apple to those beautiful, successful people, and it may reach a point where the average consumer will never be able Apple products will gladly pay a premium to be able to say and show that they use and wear Apple products.”

(<https://medium.com/@DraketheFox/apple-is-no-longer-a-consumer-brand-it-s-a-fashion-icon-317b4f0b06f2>)



This “growing exclusivity” of apple could result in current apple consumers feeling pressured to continue to buy products; even if they are way out of their price range. A reason for this may be to fit and relate to with their peers who may appear wealthier or more successful because they are able to keep up to date with the apple releases.

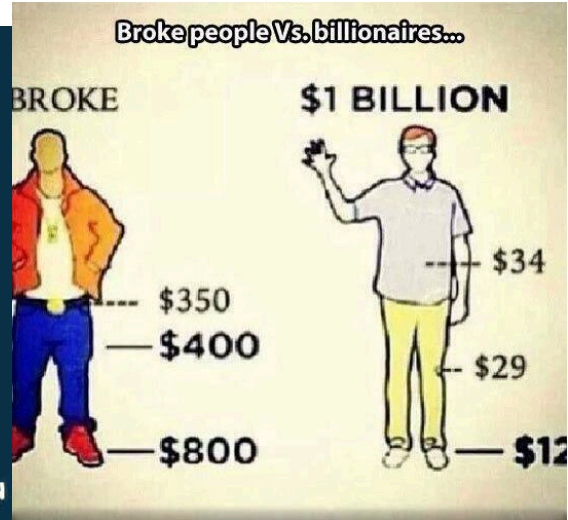
In my opinion, luxury products have become easier to obtain in the modern world. For example, a wealthy or a less affluent person can go to a shop or online and buy designer shoes for £1000 where as it was less common 20 years ago. This makes me feel that luxury products are easier to obtain and have lost some exclusivity. Many luxury fashion brands also do cheaper lines of clothing but keep the prominent name on the label. This has brought the value of luxury products down because they are not held in as high esteem as they once were.

Buying or owning luxury products used to be a sign of true wealth where as now it is almost impossible to determine an individuals true circumstances by what they own.

True wealth is not a matter of bank accounts and assets. It's in the values we live and share as well as the people we keep in touch and care.

~Unknown

16quotes.com



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