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The emotional value of arts-based initiatives: Strengthening the luxury brand–consumer relationship

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ABSTRACT

This paper discusses how Arts-Based Initiatives offered to consumers can function as a source of value creation. The conceptual model proposes that brand connoisseurs', despite not being physically present in such initiatives, derive emotional value which positively affects brand loyalty through the mediating role of brand attachment. The findings of a study investigating how consumers respond to this emerging practice by luxury brands reported, largely confirm the relevant hypotheses. Relevant theoretical implications include the extension of previous conceptualizations of this practice and the contribution to understanding relevant consumer responses, while the findings also suggest that luxury brand managers can use Arts-Based Initiatives as a relationship-strengthening tool that transcends geographical barriers.

1. Introduction

Contemporary business reality, especially in the luxury brand sector, indicates that an increasing number of luxury brands are actively involved with the arts, in what has been described as an attempt to establish themselves as 'modern-day Medicis by becoming patrons' of the arts (King, 2016). Chanel, Tod's, Louis Vuitton, Hermes, Gucci, and Rolex are only some of the luxury brands which are heavily investing in activities relevant to the arts; indicatively, luxury brands' investment in environmental and artistic efforts was estimated at €750 million for 2014 (D'Arpizio, Levato, Zito, & de Montgolfier, 2014). In this context, luxury brands are increasingly involved in a variety of cultural events on the axes of fine arts, letters or savoir-vivre; such orchestrated attempts go beyond the mere role of sponsor, when recognizing the transformational power of the arts (Berthoin & Strauß, 2013).

Interestingly, despite the fact that academic literature has started to pick up on the trending 'fusion' of luxury brands and art, it seems that the few recent publications either discuss the whole phenomenon theoretically (cf. Dion & Arnould, 2011) and/or focus on managerially intended outcomes (cf. Chailan & Valek, 2014; Panigyrakis & Koronaki, 2014). Moreover, a host of different terms have been employed in recent publications to describe the relationship between luxury brands and the arts: indicatively, Kapferer (2014) discusses the wider phenomenon of luxury brand 'artification', Baumgarth, Lohrisch, and Kastner (2014) and Kastner (2013) refer to 'Arts – Luxury Brands Collaborations', whereas Joy, Sherry, Venkatesh, Wang, and Chan (2012) coin the term 'M(Art) Worlds' to refer to the artful design of the store

environment and label 'art patronage' the sponsoring of museum exhibits and the commissioning of art installations. Beyond this lack of consensus in conceptualizing the phenomenon, the question of how luxury consumers actually respond to luxury brands' initiatives pertaining to the arts has yet been left unaddressed, notwithstanding its implications for assessing the ultimate effectiveness of such activities. The present paper thus theoretically examines this issue and reports the design and findings of a study providing insight into connoisseurs' responses to the aforesaid activities, drawing on a recent theoretical account on the private benefits that 'Arts-Based Initiatives' produce in the individual from the management literature (Schiuma, 2009, 2011).

The paper is structured as follows: first, a review of academic literature on arts and luxury branding is provided and the theoretical background regarding Arts-Based Initiatives from the luxury consumer's standpoint is presented. Subsequently, a series of corresponding hypotheses deriving from the latter are formulated. Then, the methodology of the empirical study is described and the findings are discussed. The article concludes with managerial and theoretical implications, limitations and directions for further research.

2. Background

2.1. Literature review

Multiple linkages between brands and the arts exist; as Schroeder (2005: 1293) illustratively remarks, "the branded world intersects with the art world in numerous ways". Especially when it comes to luxury

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brands, their relationship to the arts has been viewed as a key component of the formers' business model (Kapferer, 2012); for the majority of luxury brands, an orientation toward arts and culture has been considered a natural extension of their nature (Dubois & Duquesne, 1993). As of late, it has been acknowledged that the involvement of luxury brands with art is especially strengthened, with academics in the field highlighting the 'structural proximity that luxury brands have with art' (Joy et al., 2012: 358).

Much of the empirical research relevant to luxury brands and art has focused on consumer responses to the 'material', 'physical' (cf. Berthon, Pitt, Parent, & Berthon, 2009: 47–48) component of the luxury brand: store design (Dion & Arnould, 2011; Joy, Wang, Chan, Sherry, & Cui, 2014) and packaging and product design (Hagtvedt & Patrick, 2008; Lee, Chen, & Wang, 2015). Yet, as discussed in the introduction, luxury brands seem to be moving beyond this, as they have also been systematically engaged with the arts through organizing and communicating corresponding experiences, a phenomenon which is also acknowledged by academicians as of late (cf. Chailan & Valek, 2014; Kastner, 2013). It is interesting to note that this nascent stream of literature exclusively focuses on conceptualizing luxury brands' increased involvement with the arts and at explaining the managerially intended outcomes of artful experiences by luxury brands (cf. Chailan & Valek, 2014; Panigyrakis & Koronaki, 2014).

More specifically, when examining such activities from the luxury brand manager's standpoint, it has been suggested that they can fulfill several objectives. Indicatively, Kapferer (2014) views the process of 'artification' as responding to the luxury brands' need to maintain their core clientele while differentiating from masstige brands and enhancing their social legitimacy. Baumgarth et al. (2014) argue in favor of collaborations between luxury brands and the arts. They distinguish the latter into three types, each of which is deemed more appropriate for different settings in terms of the luxury brand's competitive situation and positioning: the 'arty limited edition' addressing the need for re-emphasis on exclusivity and scarcity, the 'philanthropic collaboration' which is appropriate for attaining social legitimization and recognition and the 'experimental collaboration' which is suited for reasons pertaining to generation of creativity, newness and additional brand content.

Notwithstanding the merit of the above theoretical contributions into shedding some much-needed light into luxury business practices, it should be acknowledged that assessing the actual effectiveness of initiatives pertaining to the arts which are undertaken by luxury brands requires an examination of consumer responses to them. There seems to be increasing interest in examining the effects that diverse marketing activities produce in luxury consumers (cf. Kim & Ko, 2012; Kim, Park, Lee, & Choi, 2016), also considering the importance of measuring consumer-based brand equity for luxury brands (Keller, 2009). At the same time, the examination of luxury value in the context of consumer experiences has been acknowledged as an immensely relevant topic (Ko, Phau, & Aiello, 2016). Particularly regarding luxury brands and the arts, the importance of the empirical investigation of actual consumer responses is reflected in recent efforts to capture the effects of artful 'material' aspects of the luxury brand (Joy et al., 2014; Lee et al., 2015); in a pursuit to extend these efforts into the experiential component of luxury brands, this paper next turns to conceptualizing the corresponding activities as Arts-Based Initiatives.

2.2. Theoretical framework

2.2.1. Arts-based initiatives, luxury brands and emotional value

The term 'Arts-Based Initiatives' originates in the management literature and has been used to describe art-related activities targeted at internal publics within organizations; according to Schiuma (2009:7), an Arts-Based Initiative is defined as "any organisational and management intervention using one or more art forms to enable people to undergo an art experience within an organisational context, as well as

to embed the arts as a business asset". Schiuma (2009: 13) suggests nine purposes for adopting an Arts-Based-Initiative within an organization, referring to the different potential impact/benefit the initiative can have both on the organization and on the individuals involved, and initiatives are accordingly classified in an Arts Value Matrix. In line with the above, this paper proposes that the art activities organized by luxury brands can be conceptualized as Arts-Based Initiatives, targeted not at internal, but at external publics, prominent among which are luxury consumers (Table 1).

Schiuma (2011: 90) further argues that "the arts can support the achievement of broad social and economic goals as well as the enrichment of individuals' lives", Arts-Based Initiatives have both public and private benefits: the first category refers to benefits for the society as a whole, whereas the second one encapsulates the benefits experienced by individuals. In the context of luxury branding, it is correspondingly theorized that Arts-Based Initiatives can result both in the promotion of societal well-being (public benefits) and benefits for the luxury consumer as an individual (private benefits).

Regarding public benefits, the notion that art can positively affect society is widely held; the arts have been considered to positively contribute to society, although the exact ways through which this contribution should be assessed are much debated (cf. Hansen, 1995; Hoynes, 2003). In the context of luxury branding, it has been previously suggested that associations of luxury with art are congruent with connotations of social responsibility (Janssen, Vanhamme, Lindgreen, & Lefebvre, 2014); similarly, Kapferer (2014: 373) views the increasing 'artification' of luxury brands as relevant to the "rising issue of legitimization". Baumgarth et al. (2014) consider the attainment of social legitimization as the key objective of philanthropic arts-luxury brands collaborations. From a historical standpoint, the relationship between arts and luxury has been a very close one (Kastner, 2013: 23–25), as "historically, there was no art without the support and protection of the powerful elite" (Kapferer, 2014: 375). As discussed in the introduction, Arts-Based Initiatives undertaken by luxury brands can be considered as a systematic effort by the latter to contribute to society as contemporary 'patrons of the arts'; this could in turn imply that Arts-Based Initiatives might result in public benefits. From the consumer's standpoint, the relationship between luxury brands, notions of ethicality and responsibility and consumer decision-making seems to be one that is currently under scrutiny by a number of researchers (cf. Achabou & Dekhili, 2013; Davies, Lee, & Ahonkhai, 2012; Joy et al., 2012); this paper is more concerned with private benefits, considered highly relevant to the luxury brand – consumer relationship. The rationale underlying this choice is guided by the fact that extant research findings in management literature, scarce though they may be, indicate that the effects of Arts-Based Initiatives on individuals, organizations and societies are characterized by a 'spill-over' pattern, starting from affecting individuals and subsequently flowing to organizations and society (Biehl-Missal & Antal, 2011).

Therefore, the focus is placed on the potential private benefits of Arts-Based Initiatives for the consumer as an individual. Returning to the theoretical underpinnings of Arts-Based Initiatives, it is explicitly stated that they have a "positive impact [...] on organisational value-creation capacity" (Schiuma, 2011: 90) as "passion, emotions, and creativity are established as new drivers of value in business" (Schiuma, 2010: 55). Within marketing literature, the concept of value is central as it is generally withheld that, in the context of the marketing exchange, consumers receive value from brands (Priem, 2007; Ravald & Grönroos, 1996) and this value refers to their overall consumption experience (Holbrook, 2005). The values gained from luxury brand consumption have been categorized into personal and interpersonal ones (Vigneron & Johnson, 2004), depending on the consumers' degree of self-consciousness (Fenigstein, Scheier, & Buss, 1975). Personal value is particularly relevant for luxury brands, which are embedded with heightened emotional value from their creation (Holbrook & Hirschman, 1982). Although luxury consumer behavior is

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