When Luxury meets Art
Typology of Luxury Brand-Art Collaborations (LBACs)

2014 Monaco Symposium on Luxury
10th – 11th of April 2014

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Agenda

1. Introduction
2. Study design
3. Conceptual framework
4. Study results
5. Limitations and further research
6. Discussion
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Motivation for research

- Increasing number of collaborations between luxury brands and art
- No homogenous strategy
- Manifold forms, appearances and manifestations

➢ Assumptions:
  - High practical relevance of LBACs
  - High level of heterogeneity of LBACs
Diverse forms of collaborations

Coined as “Luxury Brand-Art Collaborations” (LBACs)
Definition of LBACs

Any kind of deliberate association between a luxury brand and the arts within the scope of which a luxury brand intentionally connects itself with a representative of the contemporary art world (i.e. artist, artwork or art institution) and the latter brings in a sensually perceiveable artistic contribution.
Literature review (1/2)

Luxury brand management
- Chevalier/Mazzalovo (2012)
- Tungate (2009)
- Dion/Arnould (2011)
- Braun (1997)
- Kapferer/Bastien (2012)
- Catry (2003)
- Joy et al. (2014)

Brand leveraging
- Ugglia/Asberg (2009)
- Blackett/Russel (1999)
- Kamins (1990)
- Tripp et al. (1994)
- Keller et al. (2012)
- Baumgarth (2003)

Interfirm & marketing co-operations
- Sydow (1992)
- Varadarajan (1986)
- Young/Greyser (1983)
- Galbraith (1998)
- Schögel (2006)
- Venkatesh et al. (2000)

Arts-in-business management
- Hagtvedt/Patrick (2008)
- Darso (2004)
- Huettl/Gierl (2012)
- Schwaiger et al. (2010)
- Kottasz et al. (2007)
- Klanten et al. (2012)
- Schiuma (2011)
- Bruhn (2010)
• Existing literature exclusively focuses on
  – historic parallels between luxury and art
  – conceptual proximity between luxury and art

• Existing research projects limit their analyses to
  – LBACs as one illustrating example of a larger branding practice
  – the beneficial impact of art across all conceivable industries, categories and corporate functions
Research gap and objective

No systematization of the myriad, empirically observable forms of collaboration between luxury brands and the arts to date

- Classification of collaborative patterns between luxury brands and art
- Empirical derivation of a meaningful LBAC-typology
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I. Collection of attributes of LBACs

Deductive approach
Related literature

Inductive approach
Selected case studies

Identification of 23 attributes - Organization into four layers:

II. Identification & description of LBACs

Internet-based screening of 654 luxury brands for LBACs
“World Luxury Brand Directory” by Heine (2011)

Description of 106 detected LBACs via the 23 attributes
Analysis of frequency distribution

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Multi-dimensional classification (2/2)

III. Selection of final set of attributes

- Correlation coefficient
- Frequency distribution
- Practical considerations

Selection of 9 attributes

IV. Cluster analysis

- Average-linkage approach – distance measure phi-square
- Determination of the optimal number of clusters
  - Elbow criterion
  - Practical considerations
- Robustness checks of 3-cluster solution:
  - Variation of clustering approach and distance measure
- Description of different types via cross tabulations

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Attributes of LBACs

**Luxury brand**
- Product category\(^{D1}\)
- Affiliation\(^{D1}\)
- Age\(^{D1}\)
- Geographical reach\(^{I}\)

**Relationship**
- Fit\(^{D2}\)
- Awareness level\(^{D2}\)
- Direction of collaboration\(^{D3}\)
- Level of integration\(^{D2}\)

**Arts**
- Form\(^{D2}\)
- Nature\(^{I}\)
- Role within the LBAC\(^{D1, D2}\)
- Country of origin\(^{I}\)

**Realization of LBAC**
- Duration\(^{D1, D2, D3}\)
- Frequency\(^{I}\)
- Number of parallel LBACs\(^{D2}\)
- Intensity\(^{D4}\)
- Form of appearance\(^{I}\)
- Application\(^{I}\)
- Image objective\(^{D1, D4}\)
- Degree of 360° integration\(^{I}\)
- Customer access (via)\(^{I}\)
- External brand visibility\(^{D1}\)
- Innovative level\(^{D2}\)

**Deductive approach**: D1: Luxury brand management, D2: Brand leveraging, D3: Interfirm co-operation, D4: Arts-in-business management

**Inductive approach**: I: Case studies

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Descriptive results

Sample

- 654 luxury brands screened for LBACs
- 106 luxury brands involved in LBACs (16.2%)
- 23 luxury brands involved in several LBACs (21.7%)
  - Final sample size: n = 136 LBACs
  - No negligible niche strategy
  - Important, both tactical and strategic branding tool

Frequency distribution of characteristic values

- Frequencies fairly evenly distributed across LBACs
- No missing values for any of the 136 LBAC
  - Evidence for high degree of heterogeneity of LBACs
  - Support of overall pertinence of attribute selection
Scree plot

Phi-square distance measure

Number of clusters

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### LBAC-Typology

<table>
<thead>
<tr>
<th></th>
<th>Clusters 1: Arty Limited Edition</th>
<th>Clusters 2: Philanthropic LBAC</th>
<th>Clusters 3: Experimental LBAC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Affiliation</strong></td>
<td>Independent (71%)</td>
<td>Affiliated (43%)/</td>
<td>Independent (76%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent (57%)</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>Old (43%)</td>
<td>Middle-aged (43%)</td>
<td>Young (76%)</td>
</tr>
<tr>
<td><strong>Form</strong></td>
<td>Visual arts (88%)</td>
<td>Visual arts (67%)/</td>
<td>Visual arts (62%)/</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-visual arts (33%)</td>
<td>Non-visual arts (38%)</td>
</tr>
<tr>
<td><strong>Role within the LBAC</strong></td>
<td>Functional (93%)</td>
<td>Creative-inspirational (98%)</td>
<td>Creative-inspirational (93%)</td>
</tr>
<tr>
<td><strong>Fit</strong></td>
<td>Existent (48%)/</td>
<td>Existent (84%)</td>
<td>Existent (69%)</td>
</tr>
<tr>
<td></td>
<td>Non-existent (52%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Direction of collaboration</strong></td>
<td>Towards brand (100%)</td>
<td>Towards art (90%)</td>
<td>Towards brand (93%)</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>Limited (100%)</td>
<td>Limited (47%)/</td>
<td>Limited (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Unlimited (53%)</td>
<td></td>
</tr>
<tr>
<td><strong>Intensity</strong></td>
<td>Image-driven (100%)</td>
<td>Image-driven (75%)</td>
<td>Image-driven (69%)/</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Identity-driven (31%)</td>
</tr>
<tr>
<td><strong>Application</strong></td>
<td>Commercial (98%)</td>
<td>Non-commercial (88%)</td>
<td>Commercial (31%)/</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Non-commercial (69%)</td>
</tr>
<tr>
<td><strong>Size</strong></td>
<td>56 (41.2%)</td>
<td>51 (37.5%)</td>
<td>29 (21.3%)</td>
</tr>
</tbody>
</table>

*p < 0.1, **p < 0.05, ***p < 0.01
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Limitations of study

- Lack of underlying theoretical rationale
- No test statistic available
- Strong influence of individual researcher

- Re-performance of cluster analysis by independent coders
- Optimization of cluster assignments via partitioning procedures
- Verification of value combinations via discriminant analysis
Further research

(1) Management level
- Identification of success dimensions, indicators and factors for all 3 types
- Qualitative and quantitative verification of such frameworks

(2) Effect level
- Impact on consumers’ perception of, and attitude towards luxury brands
- Comparison to related branding initiatives (e.g. celebrity endorsements)
- Laboratory experiments with consumers

(3) Internal level
- Impact on corporate culture and brand identity
- Longitudinal case studies

(4) Artist’s level
- Role of LBACs in building the artist’s brand
- The artist’s trade-off: increased visibility vs. decreased credibility
- Multiple case studies and one-to-one interviews
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Explicit strategy intentionally pursued by luxury brands

LBACs

Accidental result of personal acquaintances & inclinations of luxury brand's creative director/CEO
THANK YOU!

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References (1/4)


References (2/4)


References (3/4)


References (4/4)


