

**AN INTERVIEW WITH FRANCK VIGNERON, PROFESSOR OF
MARKETING, CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
ON LUXURY MARKETING, AND RELATED ISSUES.**

*An Interview with Professor Lawrence F. Cunningham, Managing Editor
Journal of International Marketing Strategy (JIMS).*

Managing Editor Lawrence F. Cunningham had the opportunity to meet with Professor Franck Vigneron in Irvine, California twice in 2017 to talk about luxury marketing. The edited comments emerged from the lengthy conversations between Professor Cunningham and Professor Vigneron.

Professor Vigneron is the winner of the Best Business Book of 2015, *Marketing du Luxe*, given by the Paris Chamber of Commerce. Franck is also the co-author with Lester Johnson of the Best Paper of the Decade from the Academy of Marketing Science Review in 2007. The paper is entitled, "A Review and a Conceptual Framework of Prestige-Seeking Consumer Behavior." He also co-authored the seminal Brand Luxury Index (BLI) which has become the preeminent luxury brand taxonomy to date.

LC: How did you develop an interest in luxury?

FV: I was born originally in Paris but then I moved to the French Riviera in the South of France. This is where I started to understand and appreciate the world of luxury. When I was eight years old, my school organized a trip to Grasse, the world's center for making luxury perfumes. When you grow up in the South of France, one goes to Grasse, Cannes, Monaco, Saint-Tropez and etc. These places allowed me to develop a sensitivity for luxury. I was exposed to luxury every day. My parents were serial entrepreneurs and they transmitted to me their passion for business. My interest in business and luxury came from this.

It is my view that serial entrepreneurship is important for many businesses but is particularly important for luxury. Luxury business is a combination of artistry and fashion. Fashion luxury alone is not sufficient nor is the luxury of the artist. It is the combination of the two that is exciting. It is the combination of knowing what people want without having to do research. To be able to do this, you have to be a luxury consumer and you have to have a sense of what is going on right now. These people are creators. This is why we need a lot of creators and why creators are very eccentric people. They must have eccentricity to actually feel the environment. **And yet their eccentricity may eventually become the standard.** They have to capture or see in the environment, the next big thing. The next big thing is often understood by a certain group of people who are not part of the mass. If you make luxury for the masses, it will not work. Fortunately my parents made me understand some of these things by exposing me to this environment and taking the time to explain these issues.

LC: Did your interest in luxury evolve during your university education?

FV: In 1993, I went to Scotland to study a master in marketing. We were expected to write a dissertation to complete the degree and I naturally selected to study luxury marketing. To my surprise, there was limited literature on the subject, and most of the literature was in French and focused on luxury product. Therefore, I focused on the branding issues related to luxury marketing and this was fascinating as I felt I was able to contribute a great deal since there was so little on the subject.

In 1995, I pursued my Ph.D. at the University of Sydney, in Australia under the supervision of Professor Lester Johnson (known as Les). This time it was a very different story! The fact that there was almost nothing on the subject made the topic ‘not desirable’ because when you do a Ph.D., you want to contribute to an exciting body of literature and not start one. Starting a body of literature is more a career’s objective and not a Ph.D. thesis. The subject of a Ph.D. thesis needs to be very contained so one can get through the exercise and get done and move on to ‘better things’.

Therefore, my favorite subject was not the most adequate and it created conflicts with the jury members but not with Professor Lester Johnson who had a great deal of experience and was able to channel my passion into a focused contribution. His favorite word was parsimony.

I needed parsimony to complete my Ph.D. with the constrain of having to find support from other studies and making the connections. In 1998, I was finished and in 1999, I published a paper which later won best paper of the decade. All of these were made possible only by following the concept of parsimony.

Today I continue to use this concept of parsimony and I use it now in my business. It applies too! In my academic research, I call it parsimony and in my practitioner activities, I have a different name for it, I call it ‘just noticeable difference,’ but it is essentially derived from the same principles.

LC: Yes, the paper that you won the award was the theoretical luxury paper published in 1999. What are some of your current thoughts on luxury?

FV: There are different schools of thought for luxury. The French have a very abstract, emotional and poetic view of luxury whereas Germans might be more influenced by the performance of luxury. Italians are influenced by the aesthetic and design qualities and Americans might be more interested in the popularity of luxury brands. Luxury is very personal and culturally influenced and therefore there is no universal definition of luxury, and I find it difficult to talk about luxury in general terms as it is very personal.

A great deal of luxury brands are French, and French people are known for being philosophers and to be capable to think very deep and abstractly, as often exemplified by The Thinker from the sculptor, August Rodin.

From the very beginning, I was much more interested in studying luxury brands more than studying the definition of luxury. I believe people buy luxury brands more than they buy luxury products or luxuries. I am more interested in the commercial concept of luxury and therefore the brand has more interest to me.

Les was very influential in the development of the Brand Luxury Index. First, this was his idea and second he defined the critical milestones necessary to develop the scale. The first milestone consisted in identifying a literature that would support the many concepts to develop a framework of brand luxury. The objective was to go beyond rating luxury brands, but rather measuring the luxury contained in brands.

LC: Are you suggesting that culture dictates luxury?

FV: Yes, the consumption of what is perceived as luxury is culturally biased. And different cultures have different biases in producing luxury. One can talk about German versus French versus Italian luxury. Not just in consuming it but also in producing it.

Back in the early 1990s, the subject of luxury marketing was mostly studied by French academics who wrote in French. There was not much published research in English and therefore let's be honest the subject was mostly Franco-French and therefore the width of perspectives was not representative of the multiple interpretations.

Although this seemed difficult at the time, I think it was an advantage that I worked on this subject while being in the UK. Having a French background, in a different country using a different language than my own, allowed me to be more representative of multiple cultural perspectives.

Luxury is culturally influenced and I believe it is a necessity. One needs to think of the true meaning of luxury in each individual environment. Perhaps taking a shower every day is a luxury it all depends.

I am most interested in studying the differences and similarities between luxury brands more than the definition of luxury within a cultural context. How can you create, sustain and grow a luxury brand is my main focus. In addition, I am more interested in 'brand luxury' more than 'luxury brand'. The idea is to look for the dimensions of luxury within brands more than just focus on luxury branding.

Brand luxury is multidimensional and includes two high level factors. The personal factors which are very French inspired effects, and the interpersonal factors, factors that one could say are more derived from the Anglo-Saxon literature. In doing so, I established a balance between personal and interpersonal oriented motives for luxury consumption, which was an underlying contribution to the literature, and offered a more inclusive cultural view bringing together a broader cultural point of view.

LC: Perhaps, you can talk more about the private consumption of luxury.

FV: Consumers are susceptible to other people's opinion and one may perceive a brand to be more or less luxurious based on what they suppose their reference group believe the level of luxury for that brand to be.

Therefore, the consumption of luxury brand may depend on the reference group being present or absent, and also on the personal influence of self-consciousness. This explains why people may be interested in different luxury brands depending if they are consumed privately or in public.

People with low self-consciousness may be more consistent with their evaluation of luxury brands in different settings. In contrast, consumers with high self-consciousness may have a differing evaluation of brand luxury depending if they are consuming alone or in public.

Best known luxury brands might be more for public consumption whereas artisanal luxury brands might be more salient to private consumption.

My family produces a limited edition brand of cognac which is one of the highest rated brand among the circle of experts and connoisseurs but it is not a popular brand in the sense that not many people know it. We have repeatedly noticed that some customers buy our cognac do drink it in private and buy the more advertised brands to serve in public. This behavior is explained by the variable influence of referents on people's opinion.

Hence, it is important to recognize the influence of personal versus interpersonal luxury consumption.

LC: Do you think that this is a German approach to luxury?

FV: Because luxury is influenced by culture, each country has its own approach to luxury

Perfection is a very important dimension of brand luxury. Perfectionists are those consumers who consume luxury brands for their intrinsic quality. This taxonomy came from Morris Holbrook's edition of my co-authored paper on prestige-seeking consumer behavior in 1998. We were defining two groups within the personal consumption, and we were struggling with differentiating them. Holbrook suggested the Hedonist for the personal pleasure gained from luxury and the Perfectionist for the consumers seeking the ultimate performance.

Hence there is a German approach to perfection, and there is an Italian approach to perfection and etc., pretty much for each country, which consequently generates different emphasis and outcomes.

Further, there is the importance of innovation in luxury which varies between countries. This might be linked to an entrepreneurial phenomenon where luxury entrepreneurship generates more

innovation in certain cultures (classic versus disruptive luxury), or a cultural trend oriented towards more 'new luxury' versus 'old luxury'.

It can also be explained by consumer differences such as the influence of cultures where there might be more snobs than followers and vice and versa. Certain dandyism such as 'Sapeur' in Africa plays a great deal of influence over the speed luxury that may be adopted within a culture.

The effects of bandwagon versus snob consumers are very interesting to study as they explained the reasons why certain products finally become acceptable and perhaps later even become the norm.

China does not consume sparkling wines very much, but this is a market which is currently growing because of cultural exposures to westerners. More and more Chinese travel and are exposed to champagne overseas, and they bring back westerners' cultural values. But also, the abundance of westerners in China and the globalization of consumption makes bubbly wines more relevant and perhaps gives an opportunity to the Chinese snobs to set apart from others.

Snobs and bandwagons play a contradictory role, but at the same time, they complement each other as this is what gives luxury its dynamic pendulum. It allows brands to swing between ultra-luxury and masstige.

The purpose of the BLI scale is to measure the amount of luxury contained in luxury brands. It is intended for luxury brands only. Hence, the brand to be measured needs to be assumed a luxury brand. Otherwise, the results are not meaningful.

Brand luxury is a very narrow concept which is located at the upper end of a spectrum. A too broad of a measure does not reflect the essence of the brand luxury concept. In other words, the measure of brand luxury cannot be found between standard semantic spaces, say for instance, between cold and hot but rather between warm and very hot. This explains why the BLI is very skewed.

LC: Let me just interrupt because we did take your scaling work and a colleague and I attempted several replications. We looked at student samples. We looked at a representative sample of the population of Denver. We looked at Chinese students. We did it about five or six different ways, and the underlying problem is that the factors are very unstable. One of the conclusions we reached was simply that there might be no stability here and there may be no stability at all because people define luxury differently. Culture drives luxury, and in a place like the United States, you have a multicultural society. Socio-economic groups drive luxury.

One of the conclusions is that the scales are unstable. The definition of luxury varies from group to group. You have to go to consumers and ask what is your definition of luxury. What product would you pick since everything is product specific. The consumer might say it is BMW. So you use that to measure luxury for the customers in the world and use the scales. So that's going to cause a great variance of what's going on. Have I summed it up fairly?

FV: My interests with the scale is on the measure of brand luxury. It is difficult to find stability in the factors as they vary among culture and product categories. However, the result in terms of level of brand luxury and using the BLI to compare between luxury brands is more stable and offers practical implications. It answers direct questions such as ‘is this brand luxurious?’ ‘What makes this brand luxurious?’ or ‘How is this brand luxury compared to another brand luxury?’.

LC: And that's a problem for everybody. It's a problem. I mean everybody tries to publish in this area you know they are trying to develop dimensions of luxury.

FV: The concept of luxury is also being questioned in the literature and this is a very exciting time to research on this subject because we are looking at which factors make the most sense universally and also we try to reduce the number of factors to simplify the data collection and interpretation.

LC: How did you become interested in Cognac?

FV: I was looking for a new challenge to expand my consulting and academic skills and as a matter of coincidence in 2008, I acquired a two hundred years old brand of cognac previously owned by the Mitterrand family, famous for being President of France from 1981-1995. Cognac is one of the oldest luxury product from France. It can only be produced in a specific area of France, in limited numbers, under strict government rules to assure minimum quantity, and is known everywhere in the world. I did not think originally that it was going to be so difficult to (1) run a small entrepreneurial family business, (2) manage the simultaneous development of a luxury brand across different countries, and (3) move from theory to practice. It is one thing to ‘talk the walk’ and another to ‘walk the walk.’ I everyday learn something new and perfect. Something I thought I had figured out already.

I knew little about cognac and I had to learn very quickly as I was involved at every level of the decision making from selecting the cork for the top, paying the taxes, to searching new distributors. I had worked on a prior project which was looking at the subjective measure of what makes a good wine through the development of a scale, and this experience came very handy to put together my first cognac product line.

LC: Yes, the scale! Is it not the same one as for the wine?

FV: I initially used my wine scale to evaluate my cognac, but I had to adjust it so to make it more relevant to cognac. As an anecdotal story, at one time, I was in a situation which reminded me of Gabrielle Chanel's story with perfume when in 1921 she created the first designer perfume by a fashion house. As she was offered a long list of different perfumes to choose from, she did not like any of the choices, and instead, Chanel picked five perfumes and blended them her way to create Chanel No.5.

I was in the same situation where I was offered pre-made selections of cognac, ready to be bottled, to find that I did not like any and as she did pick a few of the choices to mix them and create my blend.

Between 2010 and 2017, I won three times the world's best cognac brand from the World Spirits Competition (sfspiritscomp.com) and twice was recognized as the best innovator of the year in the spirit industry.

I am learning a lot about entrepreneurship and many other things, but the one thing I am learning the most is about leadership and partnership.

Making something new requires changing and most people will not easily challenge the standards. Also, finding the right people and an innovative environment takes a great deal of time. Very few people you can trust and very few people who have the stamina to grow and sustain the ups and downs of business growth and scaling. Too many short term oriented people and short-term orientation makes no sense in the world of luxury, as everything is slow and tedious.

Now, it has been ten years, and I believe my reputation is all I have. In the beginning, I used a lot of the ideas from the materials I covered in my classroom such as bootstrapping and angel investor financing. Now when I teach, I use a lot of my practical examples in class. I think being both an academic and practitioner is making me better in each role.

LC: It sounds like an exhilarating experience!

FV: Practicing brand luxury has changed the way I teach and my research in brand luxury. It has broadened my vision and influenced me on what I now believe is important. I am enjoying leveling theory and practice as I believe they are both complementary.

LC: I understand. Working in industry allows you to decide which elements of Kotler's graduate text is useful and which elements have limited applications. Much of what we teach is really corporate marketing.

FV: The theory is sort of a wide net that is supposed to cover most of the scenarios, but in reality, they might be more applicable to corporate marketing. I found that most of what one does in smaller businesses is manage short term ambitions and survive the business momentum. My academic and consulting experiences have given me more analytical and critical skills allowing me to work at the same time on activities building short and long-term milestones which might appear not connected if reviewed by a practitioner only person.

LC: So how do you feel about the traditional academic and the traditional academic game?

FV: There are academics who are brilliant theorists and may not be interested in doing something practical. This creates a distance between the academic and the practitioner world. Academic

qualification is measured on where do people get published, but not on how many practitioners are using it. I think the academic skills and success measures should be broadened to account for the implications and usability of the academics' contributions, also, to the traditional measures of journal prestige ranking.

LC: So how did you develop the cognac business?

FV: The cognac business was developed sort of like a histogram graph where there were different core activities that needed to be prioritized, and I tried to raise all the bars at the same time as much as possible, day after day. In reality, there are surprises where certain activities are going better than expected and other less than expected, even though at the time, resources and investments would predict otherwise. That's interesting!

Originally, the business was a mainstream player with a follower strategy. Now it is becoming a niche, differentiated and pioneer strategies led company.

The cognac market is made of about 300 brands of cognac, with four brands dominating about 90% of the sales volume. Essentially, we are focusing on the fringe of the market and catching opportunities by being innovative and trend setters.

LC: Let me bring you back to luxury brands. What do you think of luxury enterprise and family business?

FV: I think luxury enterprise is the origin of luxury brand making and the future of 'authentic' luxury brands. True luxury is about passion and passion comes from people, not corporations. Luxury corporation is a new phenomenon which is managing and balancing the contradiction between the standards of what corporations want and do, that is managing large productions and distributions, and the imperatives of luxury branding, which consist in doing everything possible to a selected few customers. If these are family businesses, also, they may add up tradition, longevity, legacy, cohesion, heritage, ... to the entrepreneurial mix.

In the academic context, the analogy would be like if one of the most trained and recognized quantitative researchers was conducting one hundred in-depth interviews. I am not saying this person could not do it, but I am talking about the implications and results of having this particular person doing it versus a trained qualitative analyst.

Therefore, the solution to build luxury corporation, in contrast to luxury family enterprises might be coming from corporations developing intrapreneurial luxury marketing.

This subject of luxury entrepreneurship is vast and merit its own research field. It is very little to nothing published on it in academic journals, but I was able to bring it up in 2013 in *Management International*.

LC: The most authentic and rarer luxury brands can directly communicate with customers. What do you think?

FV: This is why I see such an opportunity for luxury entrepreneurship. One does not need to work on the things to say but only on how to transmit it. The authenticity of family luxury brands is an integral part of their identity. They do not have to worry about having authenticity because it is an inherent quality of their business.

However, they may not think there is any value to communicate about it because they are not doing anything to make things more authentic. In contrast, many large corporations invest in generating perceived authenticity and therefore make a point in talking about it.

It is common to be short-sighted when running a business, and one of the most visible evidence is over-focusing on sales. It may sound crazy, but my best sales record was also my worst sales record.

I explain. After I won the first time the award of world's best cognac in 2010, I received a good deal of attention and eventually a large order from a monopoly. Sometimes the only party allowed to buy and sell alcoholic beverages is the government in some countries. These are called 'monopolies,' and there are about 30 in the world. So one of the largest monopolies called me for a meeting and subsequently purchased a large order. At the time, this was perceived as a success and really exciting. In effect, I never asked where and how would the monopoly sell my cognacs. So I did not ask, and I regretted later as they tried to sell my 'niche' limited edition products in low income areas and to a group of consumers which were traditionally customers of mass-marketed cognacs. As a result, the sales did not go well, and my cognac had to be discounted to be depleted from the monopoly's stores.

This situation not only created tensions with this monopoly buyer but it also affected the reputation of my products with other monopolies with whom I was trying to do business simultaneously.

Hence, selling is essential, but the outcomes of selling and the influence of each sale over the other sales and potential sales is also consequential.

In business, the reputation of your brand is important, but in luxury branding, it might be the most critical element, so you have to be careful of your reputation.

Mass-marketed luxury products will only appeal to mass targets, and niche luxury products will not interest them for the lack of popularity. Mass-marketing activities are not suited for high-end luxury brands as they damage the long-term perceived value of the brand.

LC: So masstige means mass market luxury?

FV: Yes mass-market luxury. It includes mass and prestige – Masstige. It is the perceived value, which it is luxury, when in fact, it might just be a premium product or a luxury for the masses which directly means it cannot be real luxury. Snobs will not go for masstige luxury brands because it does not offer a differential with the bandwagon consumers. It is too generic, too standardize and too popular. The profusion of marketing may allow brands to be perceived higher in brand luxury.

LC: By being so common, so abundant?

FV: Too much abundance is eroding brand luxury, but not only. Luxury brands need to have an uncompromising vision of luxury which they want to share with the world. As a metaphor, they want to impose their vision and lead people to their interpretation of what is luxury from their brand perspective. The identity, the character, the artistry, etc. of the brand make up for this vision of luxury. Luxury marketing should not be customer driven but driven by the luxury vision of the brand. The brand is setting a heritage and legacy based on its people and their passion for the concept of luxury.

It is all about luxury, and not about a market, a target ... but the brand's passion for the very personal interpretation of the luxury through their lens. If the concept of luxury did not exist this brand would not be in business.

This is in contrast to the masstige which consists in using luxury as a brand extension just another category of products within the product line to serve a market.

LC: I hear luxury brands have sort of a DNA, what does it mean?

FV: There is an internal component for each luxury brand that is unique to each brand, sort of a genetic code that belongs to the brand. The DNA of a luxury brand includes the stories that make up the brand; its roots, the unique features the brand is known for, the constant qualities expected from the brand and its universe. Luxury brands have a DNA which characterizes them as luxury and nothing else, whereas masstige brands have a DNA that has been modified to resemble a luxury brand.

LC: This seems like a good time to end our session. We have covered so many good topics. Thank you so much!

Fonrouge, Cécile, Sophie Reboud and Franck Vigneron, (2013) "'Luxury Entrepreneurship' ou l'Entrepreneuriat du Luxe: des Opportunités de Demain pour des Activités 'Human Push'?", *Management International*, 17 (3), 5-

