



Book Review:

**The Curious Economics of Luxury Fashion:  
Millennials, Influencers and a Pandemic**

by Don Thompson

DNT Publishers

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The academic literature has spent considerable effort trying to identify the features that make products luxurious. The objective is a better understanding and more effectively managing these products within the marketplace. Features which are often mentioned, range from *superior quality* and *heritage*; through *uniqueness* and *exclusivity*; to, naturally, *high price* (Nueno and Quelch, 1998). (For a detailed review of these and other luxury product features, see e.g. Conejo and Cunningham (2017, 2018)).

However, real-world luxury product features do not operate in isolation. They work in unison, influencing each other. This makes integrative pieces, which provide a more holistic overview of how luxury aspects work, particularly valuable. Building on extensive discussions with industry insiders, economist, marketing professor, and author Don Thompson presents his latest book “*The Curious Economics of Luxury Fashion: Millennials, Influencers and a Pandemic*”. It offers a broad overview of the luxury fashion sector’s inner workings. It helps readers understand the integration of the distinct features of luxury brands. It also helps answer a series of frequently asked question as noted by the author on page 3:

*“I have consulted in a luxury industry. Yet much that I saw in the world of luxury fashion remained opaque. There were obvious questions. Why does one handbag sell for five times the price of another that looks and feels pretty much the same? How does a luxury label justify a runway show costing millions of dollars, when most of the outfits paraded will never appear for sale? Why do fall fashion shows appear on the runway in March, and spring fashions in October?”*

*The Curious Economics of Luxury Fashion* begins with a brief background on the author and some praise for his previous publications. The book’s 26 chapters follow, organized into seven parts. *Part 1: Luxury Fashion* introduces the reader to this fascinating sector. Like Alleres’ (2000) typology, the author first defines what high-end luxury is. Business models used at this level are then contrasted. Finally, the mechanics of haute couture and runway shows are explained. *Part 2:*

*Premium, Accessible, and Fast Fashion* refers to the intermediate and lower levels of the luxury sector, as well as their mass-market counterpart. Brief albeit insightful, this section serves as a counterpoint to Part 1, highlighting how differently each fashion sector operates. *Part 3: The Millennial World* explains how those born since the early 1980s are fundamentally changing luxury fashion. It addresses streetwear's rise to prominence and how social media influencers are now driving the business. The artification vs. coolness notions, frequently deployed in luxury fashion, are also discussed. *Part 4: Handbags, Heels and Sneakers* takes a look at how luxury fashion varies across product categories. This specificity provides a better, more holistic understanding of the overall sector. *Part 5: Tastemakers* discusses how designers and magazine editors historically drove luxury fashion trends, and how this is being disrupted. *Part 6: Evolution* addresses the changing geography of luxury consumption, now heavily reliant on China. The social, cultural, and environmental consequences of luxury fashion are then discussed, as are how these are being addressed. *Part 7: What Future?* addresses where luxury fashion is headed towards. It covers major disruptors such as online, rental, and big data, and the devastating effect that the recent pandemic had upon the sector. A Postscript offers some final thoughts, as well as the acknowledgments. The book ends with a list of further readings organized by chapter.

*The Curious Economics of Luxury Fashion* is written in a casual, fluid, and therefore engaging style. This makes reading it a pleasure. Yet despite its informal tone, the book is both informative and thought-provoking, done by contrasting the past, present, and future of this fascinating sector. The book should therefore appeal to a fairly broad audience. Not only does it stand to be of interest to students, practitioners, or anybody else interested in luxury fashion's inner workings. The book should be also of use to academics who might like to update or expand their holistic understanding of how this sector operates. The book is highly recommended.

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