Luxury and American Consumer Culture

Luxury and American Consumer Culture:

 $A\,Socio\text{-}Semiotic\,Analysis$

Ву

Arthur Asa Berger

Cambridge Scholars Publishing



Luxury and American Consumer Culture: A Socio-Semiotic Analysis

By Arthur Asa Berger

This book first published 2021

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data A catalogue record for this book is available from the British Library

Copyright © 2021 by Arthur Asa Berger

All rights for this book reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

ISBN (10): 1-5275-7018-5 ISBN (13): 978-1-5275-7018-4 In memory of Frances Degen Horowitz and Floyd Horowitz

Pecunia Non Olet.

Money Doesn't Smell.

CONTENTS

Detailed Contents x
List of Illustrationsxiv
List of Tablesxv
Acknowledgmentsxvi
Chapter 1
Part 1: Disciplinary Approaches to Luxury
Chapter 2
Boxed Insert
Chapter 3
Psychoanalytic Approaches to Luxury
Chapter 4
Chapter 5
Boxed Insert
Chapter 6

viii Contents

Part 2: Applications

Chapter 7
Boxed Insert
Chapter 8
Boxed Insert
Chapter 9
Chapter 10
Boxed Insert
Chapter 11
Boxed Insert
Chapter 12
Chapter 13
Glossary

Luxury and American Consumer Culture: A Socio-Semiotic Analysis	ix
Index	178
Luxury Around the World: Boxed Inserts by scholars and writers on luxury in their countries	

DETAILED CONTENTS

Dedication

Epigraph

List of Illustrations

List of Tables

Acknowledgments

Chapter 1: What is Luxury?

What is Luxury?
Necessity-Luxury Continuum
Luxury Does Not Mean Lazy
The New Luxury
Socio-Economic Class in the United States
Economic Inequality
The Objects of Affection
Summary

Part 1 DISCIPLINARY APPROACHES TO LUXURY

Chapter 2: The Semiotics of Luxury

The Founding Fathers of the Science of Signs Bipolar Oppositions and Meaning: Concepts are Differential Peirce on Icons, Indexes, and Symbols Lying with Signs All Cultural Objects Convey Meaning An Experiment in my Semiotics Seminar The Universe is Perfused with Signs Summary Boxed Insert

Chapter 3: A Psychoanalytic Approach to Luxury

Psychoanalytic Theory
Freud on Psychoanalysis
Freud's Topographic Hypothesis
Freud's Structural Hypothesis
Barry Schwartz on Maximizers and Satisfizers
John Berger on Envy
Rene Girard on Mimetic Desire
On the Myth Model and Luxury
A Harvard and Boston College Study of Luxury
Max Weber on Consumer Lust in the United States
Summary

Chapter 4: The Sociology of Luxury

Bourdieu on Taste Clotaire Rapaille on Imprinting and Culture Codes Mary Douglas and Grid-Group Theory Coherence in Luxury Purchases Functionalism and Luxury Summary

Chapter 5: A Marxist Analysis of Luxury

Class Conflict
False Consciousness
Ideology
Alienation
Postmodernism
Postmodernism and Luxury
Lifestyles and Consumer Culture
Summary
Boxed Insert

Chapter 6: Brands

Naomi Klein on Brands Advertising and Branding Summary

Part 2 APPLICATIONS

Chapter 7: Luxury Cruises

Statistics on Cruise Travel A Typology of Kinds of Cruise Lines Reasons to Take a Luxury Cruise A Travel Agent Discusses Luxury Cruising Summary

Boxed Insert

Chapter 8: Luxury Automobiles

A Typology of Luxury Cars Luxury Cars Aren't Always Better Summary

Boxed Insert

Chapter 9: Luxury Homes

Two Luxury Homes in Marin County Who Lives in These Homes A Mountain Home With Oxygen Living in Luxury Homes Myron Goldfinger: Luxury Architect Summary

Chapter 10: Luxury Restaurants

Atelier Crenn A Description of a Meal at Atelier Crenn Hypotheses on Gourmet/Luxury Restaurants Summary

Boxed Insert

Chapter 11: Luxury Hotels

Hong Kong Luxury Hotels Las Vegas Luxury Hotels The Burj Al Arab Summary

Boxed Insert

Chapter 12: Neiman Marcus

Stanley Marcus Couthification Hypothesis Changes in Retailing Summary

Chapter 13: Coda: Notes on the Creative Process

Writing a Book as an Adventure Discovering Luxury as a Topic for Analysis Use of Journals in Writing Importance of Methodologies Global Perspectives on Luxury Summary

Glossary

Index

LIST OF ILLUSTRATIONS

1.1	Rolls Royce Advertisement
2.1	Ferdinand de Saussure
2.2	Signifier/Signified Relationship
2.3	Charles Sanders Peirce
2.4	Mercedes Benz Three-Pointed Star
3.1	Sigmund Freud
3.2	The Iceberg Model of the Psyche
3.3	Id, Ego, and Superego in the Mind
3.4	Washington Monument
3.5	Max Weber
4.1	Pierre Bourdieu
4.2	Clotaire Rapaille
4.3	Mary Douglas
4.4	Cathedral
5.1	Karl Marx
5.2	Jean-Francois Lyotard
5.3	Fredric Jameson
7.1	Regent Seven Seas Cruise Ship
7.2	Advertisement for Luxury Cruise
7.3	Norwegian Getaway Cruise Ship
8.1	Porsche Advertisement
9.1	Myron Goldfinger House
9.2	Myron Goldfinger House
10.1	Dish at Atelier Crenn.
11.1	Lobby of Mandarin Hotel in Hong Kong
11.2	Advertisement for Burj Al Arab Hotel
12.1	Neiman Marcus Department Store in San Francisco
12.2	Neiman Marcus Tea Room in Department Store
13.1	Cover of Journal Number 103
13.2	Beginning of Luxury Book in Journal 103
13.3	Luxury Notes in Journal 103

LIST OF TABLES

1.1	Conventional, New Luxury, and Old Luxury Consumption
1.2	Class Makeup of American Society
2.1	Luxury and Necessity
2.2	Peirce Analysis of Three Kinds of Signs
3.1	Maximizers and Satisfizers
3.2	Myth Model
4.1	Grid-Group Theory Lifestyles
4.2	Department Stores and Cathedrals
8.1	A Typology of Luxury Cars

ACKNOWLEDGMENTS

I would like to thank all the philosophers, theorists, writers, scholars, journalists, and others from whom I have found information on luxury and, in many cases, from whom I have quoted. I like to use quotations so my readers can see what authors have said about luxury and how they expressed themselves on the subject. I also owe a debt of gratitude to the scholars who have written boxed inserts on luxury in their countries for the book. These inserts offer us insights into how luxury is perceived in China (Jie Qin), Germany (Brigitte Biehl), Iran (Ehsan Shahghasemi), Monaco (Freda Gonot Schoupinsky), and Turkey (Şavas Coban). My wife, Phyllis, read my draft of the book and found many typos and other errors which I then corrected. I'm grateful to her for doing this difficult work. A true labor of love. I'd also like to thank the editorial and production staff at Cambridge Scholars for their help with this book.

As the core course for the Luxury Marketing specialization at Stern, this class is designed to provide students with an understanding of the fundamentals of luxury. When was the concept of luxury first articulated and what did it mean within its various manifestations? How did the products, consumer tastes, material exchanges, and producer strategies evolve through history? How has the luxury industry evolved through time and what is at its core? According to a common dictum, a luxury brand is a bridge between the past and the future. By the end of this course students will have developed: a. An understanding of the luxury segment of the market as it applies to a variety of industries (decorative objects, accessories, jewelry, beauty products, hospitality, automotive—fashion will be discussed as well but the discussion will be limited to the true luxury fashion houses) b. Observation skills that will allow them to distinguish what constitutes luxury in a product (regardless of industry) c. The necessary vocabulary to articulate the nuances that differentiate these products and the ability to do so with clarity and precision in terms of technique, design, and materials d. The critical skills to identify potential new luxury products and how they relate to a variety of markets, including emerging markets.

http://web-docs.stern.nyu.edu/marketing/syllabi/syllabiS16/MKTG.GB.21

The luxury market is more relevant than ever. Over the past year, the luxury market has grown by 5% worldwide. This growth stems from the sales of three major items: luxury cars, luxury experiences, and personal luxury goods. These three items alone, account for more than 80% of the entire luxury market. Luxury car sales dominated the market in 2017, increasing by 6%. Sales in luxury experiences increased by 20% in two areas: high-end food and wine (up by 4% since 2017) and luxury cruises (up by 16%). As for personal luxury items, which are the core of the luxury consumer market, sales have increased by 5%. The best luxury product marketing efforts focus on more than just those who can easily afford luxury goods. They target every person who is willing and interested in saving up for high-end products.

https://www.wealthengine.com/luxury-product-marketing/#:~:text=Luxury%20product%20marketing%20is%20the,the%20perception%20of%20these%20products.

CHAPTER 1

WHAT IS LUXURY?

Most people have a pretty good idea of what luxury is. That is, they can identify something, like a Rolls Royce automobile, as luxurious when they see it. But their ability to define luxury is a more difficult matter. Saint Augustine once wrote something useful here. He wrote that he knew what faith is, but, he added, if someone asked him to define faith, he would say he didn't know how to do so. We can say the same thing about luxury.





Rolls Royce Advertisement

Rolls Royce automobiles are recognized as signifiers of understated luxury, good taste, and style.

On the Internet luxury is defined on various sites as follows:

NOUN

The state of great comfort and extravagant living. "he lived a life of luxury"

synonyms:

opulence · luxuriousness · sumptuousness · richness · costliness · grandeur · grandness · splendor · magnificence · lavishness · lap of luxury · bed of roses · milk and honey, comfort, security, affluence, wealth · prosperity · prosperousness · plenty · the life of Riley

antonyms:

austerity, poverty

an inessential, desirable item which is expensive or difficult to obtain...

synonyms:

indulgence. extravagance. Self-indulgence. Treat...non-essential. Frill. Refinement.

antonyms:

necessity

ADJECTIVE

luxury (adjective)

synonyms:

smart · stylish · upmarket · fancy · high-class · fashionable · chic · luxurious · deluxe · exclusive · select · sumptuous · opulent · lavish · grand · rich · elegant · ornate · ostentatious · showy · high-toned, upscale, classy, swanky, snazzy, plus, plushy, ritzy....

ORIGIN

Middle English (denoting lechery): from Old French luxurie, luxure, from Latin luxuria, from Luxus "excess." The earliest current sense dates from the mid-17th century.

The Merriam-Webster's Collegiate Dictionary (10th edition) defines luxury in a similar manner:

Lux.u.ry...1. archaic: LECHERY. LUST. 2. a condition of abundance and comfort: sumptuous environment...3. a. Something adding to pleasure or comfort but not absolutely necessary b. an indulgence that provides pleasure, satisfaction or ease.

4 Chapter 1

Generally speaking, what we learn from these definitions is that luxury involves, among other things, extravagance, costliness, lavishness, opulence, indulgence, and excess. And its opposite is the realm of necessity or things one needs to survive. One must have a certain amount of wealth to afford luxuries and the term generally is applied to material culture: things we own, such as Rolls Royce automobiles, large homes, and expensive fur coats but also to the things we do, such as take expensive tours to foreign countries, stay in elegant hotels and dine in expensive restaurants.

This book will explore the social, psychological, and cultural significance of some of the luxurious things people own and do. There is a continuum between the two opposite realms: necessity and luxury. Poor people tend to live on the necessity end of the continuum, middle-class people in the center of the continuum, and very wealthy people at the luxury end. We might even suggest there is an ultra-luxury aspect to luxury at the very end. I'm talking about sixty million-dollar yachts and fifty million-dollar homes and apartments.

These terms for luxury and its opposite, necessity, play a role in our understanding of luxury and its role in American culture and society (and luxury in other countries as well). There is, I suggest, a continuum between luxury's antonym, necessity, and luxury, ranging from poverty to ultra-luxury. Poor people live in the realm of necessity while extremely rich people live in the realm of what we might call incredible indulgences and expenses.

In the realm of necessity, we have people who are barely able to take care of their basic needs and many who cannot. Many Americans live from paycheck to paycheck and their money is spent on necessities: food, housing, transportation. In the middle of the continuum, we have people who have more ease in taking care of their necessities. Then at the near end of the continuum, we have wealthy people and at the very end, we have the multi-millionaires and billionaires who are not price-conscious when it comes to extremely expensive things such as yachts, houses, high-end travel, and everything else.

Luxury Does Not Mean Lazy

Queen Elizabeth of England, who is one of the wealthiest women in the world and lives in a beautiful castle, is an example of someone whose life can be described as ultra-luxurious. She is very wealthy but she is also hard-working and that is the case with many people who fit into the ultra-luxury category. Many very wealthy people are also hard-working. Being wealthy does not mean being lazy, though some wealthy people are lazy, of

course. This continuum is based, in large measure, on socio-economic status. This does not mean that poor people cannot experience, at times, something luxurious but that is unusual.

The New Luxury

There is a category called "the new luxury" that deals with the desire many consumers have to obtain premium goods that are within their price range. In Michael J. Silverstein and Neil Fiske's book, *Trading Up: Why Consumers Want New Luxury Goods—and How Companies Create Them*, we read (2008:1):

America's middle-market consumers are trading up. They are willing, even eager, to pay a premium price for remarkable kinds of goods that we call New Luxury—products and services that provide higher levels of quality, taste, ad aspiration than other goods in the category but are not so expensive as to be out of reach.

They offer, as an example, Callaway golf clubs and describe a worker who saves for a year to be able to afford these clubs, which cost around \$3000. It is what we would describe as a splurge, but a manageable one. They offer a chart contrasting conventional goods, new luxury goods, and old luxury goods. My version of that chart follows:

Table 1.1

	Conventional	New Luxury	Old Luxury
Affect	Bland	Engaging	Aloof
Availability	Ubiquitous	Affordable	Exclusive
Price	Low Cost	Premium	Expensive
Quality	Mass-Produced	Mass Artisinal	Handmade
Social Basis	Conformist	Value-Driven	Elitist

Conventional, New Luxury, and Old Luxury Consumption

So there are many Americans who buy these New Luxury items that are within reach, our authors claim, of forty percent of American households and maybe even sixty percent.

Socio-Economic Class in the United States

Many years ago, W. Lloyd Warner, a sociologist, and anthropologist, suggested there are six classes in America. His typology is still fairly

6 Chapter 1

accurate and gives us a pretty good idea of our class makeup. His book, *American Life: Dream and Reality,* published by the University of Chicago Press in 1953 offers the following classes:

Table 1.2

Upper-upper	1.4%
Lower-upper	1.6%
Upper-middle	10%
Lower-middle	28%
Upper-lower	33%
Lower-lower	25%

Class Makeup of American Society

The common man and woman, Warner said, are found in the lower-middle and upper-lower classes. In recent decades, the upper-upper classes have become much wealthier and lower-lower much poorer as income and wealth inequality have grown much greater.

Economic Inequality

Wikipedia defines income inequality as follows:

Income inequality in the United States is the extent to which income is distributed in an uneven manner among the American population.[1] It has fluctuated considerably since measurements began around 1915, moving in an arc between peaks in the 1920s and 2000s, with a 30-year period of relatively lower inequality between 1950-1980. The U.S. has the highest level of income inequality among its (post-) industrialized peers.^[2] When measured for all households, U.S. income inequality is comparable to other developed countries before taxes and transfers, but is among the highest after taxes and transfers, meaning the U.S. shifts relatively less income from higher income households to lower income households. In 2016, average market income was \$15,600 for the lowest quintile and \$280,300 for the highest quintile. The degree of inequality accelerated within the top quintile, with the top 1% at \$1.8 million, approximately 30 times the \$59,300 income of the middle quintile.[3] The economic and political impacts of inequality may include slower GDP growth, reduced income mobility, higher poverty rates, greater usage of household debt leading to increased risk of financial crises, and political polarization. Causes of inequality may include executive compensation increasing relative to the average worker, financialization, greater industry concentration, lower unionization rates, lower effective tax rates on

higher incomes, and technology changes that reward higher educational attainment.

https://en.wikipedia.org/wiki/Income inequality in the United States

The United States used to be thought of as a classless, essentially all-middle-class society, except for pockets of poverty and pockets of great wealth. We now recognize that America has many classes and that those at the top live lives full of luxuries while those at the very bottom, tragically, often go without necessities.

The Objects of Affection

In this book, I will discuss various manifestations or examples of luxury such as:

Automobiles

Cruises

Homes

Restaurants

Hotels

Department stores

I will also consider luxury from different disciplinary perspectives such as the semiotics of luxury, the psychology of luxury, luxury from a Marxist perspective, linguistics or the language of luxury, the sociology of luxury, and luxury and brands. I will deal with the theoretical matters and techniques of analysis in the first part of the book and in the second part, I will analyze luxury products and services.

To see what others had written about luxury I looked at the books available on Amazon.com and discovered relatively few books on the subject, per se, though it might not be the best source for scholarly books on luxury. This book, as I see it, is a contribution to the scholarly understanding of luxury.

Summary

This chapter starts with various definitions of the term "luxury" found in dictionaries and sources on the Internet. These definitions offer some synonyms for the term such as lavish and, opulent, and some antonyms such as austerity, poverty, and necessity. I also discuss the origin of the word in Middle English where it denotes lechery. Then there is a discussion of the opposite of luxury which is necessity. We know the

8 Chapter 1

meaning of concepts (according to a semiotician, Ferdinand de Saussure, whose work will be discussed shortly) by knowing their bipolar opposites: poor/rich, necessity/luxury. I point out that luxury doesn't mean lazy and that some people who have lives full of luxuries work very hard.

This leads to a discussion of what has been called "the new luxury," which involves middle-market people purchasing semi-luxurious objects or, as the title of the book about this puts it, "trading up," in many cases, this involves people with moderate salaries and wealth saving up for a splurge. I then discuss socio-economic class in the United States and the typology of a social scientist which posits six classes: lower-lower, upper-lower, lower-middle, upper-middle, lower-upper, and upper-upper. This typology is dated but still useful.

The discussion of class leads to a Wikipedia analysis of income and wealth inequality in the United States, which has been growing over recent decades, as the rich become richer and the poor become poorer. The introduction concludes with a discussion of what are called "objects of affection," the luxury items I will analyze.

PART 1 DISCIPLINARY APPROACHES TO LUXURY

The basic unit of semiotics is the *sign* defined conceptually as something that stands for something else, and, more technically, as a spoken or written word, a drawn figure, or a material object unified in the mind with a particular cultural concept. The sign is this unity of word-object, known as a *signifier* with a corresponding, culturally prescribed content or meaning, known as a *signified*. Thus our minds attach the word "dog," or the drawn figure of a "dog," as a signifier to the idea of a "dog," that is, a domesticated canine species possessing certain behavioral characteristics. If we came from a culture that did not possess dogs in daily life, however unlikely, we would not know what the signifier "dog" means. . . . When dealing with objects that are signifiers of certain concepts, cultural meanings, or ideologies of belief, we can consider them not only as "signs," but *sign vehicles*. Signifying objects carry meanings with them.

Mark Gottdiener, The Theming of America: Dreams, Visions, and Commercial Spaces.

Since the meaning of a sign depends on the code within which it is situated, codes provide a framework within which signs make sense. Indeed, we cannot grant something the status of a sign if it does not function within a code...The conventions of codes represent a social dimension in semiotics: a code is a set of practices familiar to users of the medium operating within a broad cultural framework...When studying cultural practices, semioticians treat as signs any objects or actions which have meaning to the members of a cultural group, seeking to identify the rules or conventions of the codes which underlie the production of meaning within that culture.

Daniel Chandler. Semiotics: The Basics. London: Routledge.

CHAPTER 2

THE SEMIOTICS OF LUXURY

I begin with a brief introduction to semiotic theory and an application of this theory to the nature of luxury. We can say that luxury goods are signs. What does that mean?

Figure 2.1



Ferdinand de Saussure

Semiotics is the science of signs—a sign being anything that can stand for something else. Thus, the word "tree" stands for a certain kind of large plant, a cross stands for Christianity, and a Rolls-Royce stands for and is a signifier for luxury. Semiotics teaches us how signs communicate and how to find meaning in signs.

The Founding Fathers of the Science of Signs

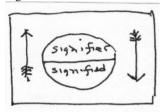
There are two founding fathers of semiotics. One was the Swiss linguist Ferdinand de Saussure (1857-1913) whose lectures were turned into a highly influential book, *Course in General Linguistics*, by two of his students. It was published in French in 1915 and translated into English in 1966. Saussure wrote (1915/1966:66-67):

12 Chapter 2

The linguistic sign unites not a thing and a name but a concept and a signimage....I call the combination of a concept and a sign image a sign, but in current usage, the term generally designates only a sound-image.

Saussure divided signs into two parts: a sign-image, which he called a signifier, and a concept generated by the signifier that he called a signified. The relationship that exists between signifiers and signified is arbitrary, a matter of convention

Figure 2.2



Signifier/Signified Relationship. Berger after Saussure.

Saussure offered what we might describe as one of the charter statements of the study of signs (1966:16):

Language is a system of signs that express ideas and is therefore comparable to a system of writing, the alphabet of deaf-mutes, symbolic rites, polite formulas, military signals, etc. But it is the most important of all these systems. A science that studies the life of signs within society is conceivable; it would be a part of social psychology and consequently of general psychology; I shall call it semiology (from Greek sēmeîon "sign"). Semiology would show what constitutes signs, what laws govern them. Since the science does not yet exist, no one can say what it would be; but it has a right to existence, a place staked out in advance.

What Saussure suggests is that semiology would study signs and figure out how to analyze them. He also offered an important insight relative to our understanding of concepts. He explained that concepts have meaning because of relationships, and the basic relationship is oppositional.

Bipolar Oppositions and Meaning: Concepts are Differential

He wrote (1966:120) "In language, there are only differences." Thus, "healthy" doesn't mean anything unless there is "sick," or "happy"

unless there is "sad." He added (1966:117) "Concepts are purely differential and defined not by their positive content but negatively by their relations with the other terms of the system." We can better understand the meaning of luxury by contrasting it with its polar opposite, necessity. These binary oppositions help us understand what a concept is but telling us what it is not. As Saussure wrote in his book (1966:121), "The entire mechanism of language...is based on oppositions...." The chart below offers some bipolar oppositions between luxury and necessity.

Table 2.1

LuxuryNecessityEaseHardshipAbundanceScarcityOpulenceAusterityPrice of no ConcernPrice ConsciousExtravagantBasic

Extravagant Basic Fancy Plain

Up Market Down Market
Expensive Cheap
Self-Indulgence Frugality

Luxury and Necessity. Source: Author.

These oppositions may be somewhat oversimplified and extreme but they provide us with an understanding of what the meaning of luxury is by showing us what it isn't. For Saussure, it is not the "content" of a concept that determines its meaning, but the "relations" among concepts in some kind of a system. Thus, as he explained, (1966:117) "[the] most precise characteristic" of these concepts "is in being what the others are not." He adds, that signs function (1966:118) "not through their intrinsic value but through their relative position." In essence, we determine the meaning of a concept by recognizing what it is not. We can see this readily enough in language, but it also holds for signs of all kinds. Nothing has meaning in itself!

14 Chapter 2

Fig. 2.3



Charles Sanders Peirce

Peirce on Icons, Indexes, and Symbols

The term semiology is based on the Greek term for sign, *sēmeîon*. The other founding father of the science of signs was the American philosopher Charles Sanders Peirce (1839-1914) who called his science of signs semiotics and that has become the term used by everyone involved with the study and analysis of signs. Peirce suggested that there are three kinds of signs: icons, indexes, and symbols.

Icons are signs that signify by resemblance, *Indexes* are signs that signify by cause and effect, and *Symbols* are signs that signify based on convention.

As Peirce wrote (quoted in Zeman, 1977:36)

Every sign is determined by its objects, either first by partaking in the characters of the object, when I call a sign an *Icon*; secondly, by being really and in its individual existence connected with the individual object, when I call the sign an Index; thirdly, by more or less approximate certainty that it will be interpreted as denoting the object, in consequence of a habit (which term I use as including a natural disposition), when I call the sign a *Symbol*.

We can see their relationships in the chart I have created that follows:

Table 2.2

	Icons	Indexes	Symbols
Signify by:	Resemblance	Cause and effect	Convention
Example:	Photographs	Fire and smoke	Cross, Flags
Process:	See	Figure out	Must learn

Peirce's Analysis of the Three Kinds of Signs