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# Premium Design

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Enhancing Synergies between Design and Business  
in Education and Practice

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*Matteo Oreste Ingaramo*

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## Enhancing Synergies between Design and Business in Education and Practice

In today's globalised era, the concept of "affordable luxury" has continuously challenged the traditional luxury business, leading to a broader expansion of democratic luxury meaning. The outbreak of the COVID-19 pandemic has undoubtedly raised awareness of the crucial importance of such a market segment. Alongside the flourishing growth of the premium sector, academia and practitioners have addressed the urgent need to engage in closer university-industry collaboration to yield synergistic results. In this book, visionary experts across the globe share their opinions on the shifting paradigm of the luxury world, from discussing aspects of the new cultural rendering of "premium-ness" to inquiring about challenges and possibilities that the design education sector is facing, proposing solutions to enhance the synergies between design and business, strengthening university-industry ties for a future higher education landscape.

## **ABOUT THE AUTHOR**

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He graduated in 1997 in Architecture with a project of Industrial Design published as an excellent thesis by the Politecnico di Torino. Specialising Master Degree in Strategic Design at Politecnico di Milano. PhD in Industrial Design at Politecnico di Milano. Since 2005 he has developed his research and teaching activities at the Department of Design at Politecnico di Milano. He is Professor in Design.

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## FOREWORD

The management and valuation of products require a broadened range of expertise, and the contribution of design can facilitate a synergistic transformation geared towards stimulating their fruition. From the point of view of value production and economic growth, the culture of design and management offers essential incentives. That's the reason why Matteo Ingaramo had faced these topics and has been developing for years a master course for when he was directing Poli.design, the Consortium linked to the Design Department in Politecnico di Milano.

The use of design as a resource for constructing strategies of innovation on a national or international scale constitutes an essential tool for visualising a reconfiguration and strengthening the supply capacity of companies in global markets and vice-versa. Thus, design and its interdisciplinary nature become the "motor" of knowledge and transversal innovation.

Artisanal and traditional production, with their products and productive processes linked to the identity of the origin area and their sociocultural values, have long been neglected, not considered resources for generating added value within the dynamics of competition in global markets. To alter the situation requires the recognition of the potential and capability of these resources by adopting design strategies and transforming them into practical values without impoverishing the territorial value and reproduction condition.

A far-reaching evolution marks the new millennium in the concept of luxury. Such a change has occurred in the economy, society, and cultural life, focusing on luxury more closely on qualities of perception and the relationship between object and subject, product, and consumer. The vision of luxury as pure ostentation is passed. The phases of total synthesis and the quest for the essence alone have been

superseded. In recent years, the notion of luxury has taken on exclusively personal and introspective connotations. We have passed from simplicity to authenticity. There is a return to personal values that are intimate, spiritual, and real. A simple lifestyle is in favour of the keywords of authenticity and awareness. Home and the domestic environment have become where authenticity is achieved since modern society, characterised by speed, technology, and new nomadism, with a need for protection and an ancestral urge to feel the reassuring safety of the cocoon. Now it is essential to analyse the interaction between humans and technology.

Italian innovation is closely bound up with the design process, which has historically developed a technical culture much closer to craftsmanship than heavy industry through a careful study of technology and materials. It is also the reason behind the success of Italian design abroad. Italian design does not implicate striking innovations. It relates more to minor adjustments, an evolution that proceeds from product to product through specific innovations. For example, traditional textiles and foam plastics technologies are now producing new hybrids that freely combine natural and synthetic with high-tech textiles embodying advanced performance. This process has made bi-elastic fibres with impressive physical specifications and new expressive values. Contemporary finishings, apart from the classic spread-on ones, mix fabrics with metal yarns, creating combinations of translucent materials to yield products with features of structural lift and potential in lighting technologies. Elastic gels, transparent and printable, and foam plastics, die-cast and dyed in mass, enable manufacturers of sofas and armchairs to find new uses. These innovations are the fruits of the widespread technical potential (hardly ever the exclusive property of a single firm) that has developed through the network of small and medium-sized firms based on economies of specialisation and often organised in integrated districts. The wood and furniture sectors, like jewellery and accessories, are among the most exciting examples. Their organisation distinguishes them into districts, where the networks of firms find the sustainable infrastructure they need. Productive micro-segments, somewhere between craft workshops and factories, can

continuously create innovations for their small and flexible plant sizes. The overall system, therefore, can switch between industrial and craft forms of production, mass producing "handcrafted" products, giving an industrial piece the quality typical of fine craftsmanship and turning out relatively limited series at industrial prices.

The industry is typically dominated by the "perfection of the process" compared with the objective, namely constant quantity. At the same time, the dominant factor in craftsmanship is "perfection of the product" compared with the model, meaning consistent quality. In industry, progress means acquiring inventions from outside before beginning production, then being inserted into the production process to improve their performance. However, progress in craftsmanship means the accumulation of the craftsman's experience and the whole direct transmission, from father to son or teacher to student. When it comes to design, there are no substantive differences between industrial production and craft production. What matters is that, in the present productive situation, the design must acquire an essential role called "new craftsmanship." It means the type of production that precedes the industrial phase is an integral part of it, such as the design and production of prototypes, master copies, models, etcetera. So, the integration of two working methods, traditionally and distant, offers the designer a range of possibilities that presuppose new and complex skills and aptitudes. At the same time, it also opens interesting new technological and creative paths. Briefly speaking, we are now moving towards an understanding of the authentic. The sense of value concerns more the mode of use of objects than the objects themselves. The craft component of an object is all-important: services and technologies, practical value, design, and creativity. Craftsmanship is a distinctive and unifying factor of the new millennium, though it is subordinated to economic factors and the globalisation of markets.

Meanwhile, luxury products will continue to be produced in countries with high production costs because of the combination of know-how, quality, and craft skills.

Luxury means a perfect mix of comfort, functionality, art, and elegance. It is a continuous quest to strike a balance between the desire for fashion and the urge to express one's identity. Craftsmanship and the quality of details are, in fact, both distinctive and unifying elements of the new concept of the home. This sector is also conditioned by the dynamics of high finance and the globalisation of markets. It is and will probably always remain a sector in which products tend to have a high craft content or at least semi-craft content. Here emerges the prospect of new connections, meaning the need for manufacturers to integrate different worlds: the technician with the craftsman, manual skills with automation, furniture manufacturers with shoemakers or automakers. Self-skinning polyurethane or heat-moulded fabrics make new ideas and high quality a part of everyday life at the correct prices.

As a "work in progress," the Italian industry is continuously altering and can confront new challenges in fashion and design in the international market. By expressing the Italian approach to innovation, from necessity and choice, it constantly reinvents its technical solutions and adopts new technologies for its aesthetic vocabulary and practical functions. The Italian industry can intuitively grasp its innovative potential and reinterpret it into the specific practice of each business. All these changes focus on the values of tradition, the search for personal well-being, and a slower lifestyle. Materials are enhanced to create new expressive intensities through the treatment of surfaces or new textures. For example, in the lighting design, the aim is not to enhance the aesthetic quality of the device but to enrich the emotional quality of the light emitted by using coloured dichroic filters. New high-performance materials are combined with traditional ones, expressing a new technological language. It gave rise to "a new natural-artificial, strongly iconoclastic and embodying restrained technology," just as the famous philosopher and sociologist Pierre Sansot once wrote in his highly successful trilogy, *Sul Buon Uso Della Lentezza* (In Praise of Slowness).

Nowadays, more and more young designers are moving to economically active places. Undoubtedly, this continuous brain drain has essential social and economic impacts on the countries hosting these young people. Therefore, besides the traditional skills, universities must develop international curricula to provide students with the tools to be used in a global market. Today, the link between design and management is becoming more critical. Top-ranked design schools are developing new programs to integrate traditional skills with broader economic knowledge. The Master Course of Premium Design Management, directed by Matteo Ingaramo, has been developed for this purpose. The course aims to offer students new tools to face the international market and stimulate specific attention to new values like sustainability, which is gaining a more significant role and directs the designers towards a more environmentally respectful design. Students are asked to work on real projects during the course, focusing on technical problems and client relationships. Designers must use design as a tool to redefine the dreams that previous generations once had. Students must learn to involve both companies in developing storytelling strategies and educating consumers about the quality and design features.

However, is an internationalised curriculum planned just for an internationalised design? I believe it is necessary to comprehend design not only through global lenses but also to study it with a particular perspective of the spirit of the place, as Norberg-Schulz defined the "genius loci." Today, it is difficult to understand this concept because of our "copy and paste" habit, which offers similar solutions everywhere in the world. Nevertheless, the "genius loci" theory will help protect minorities and enable designers to fulfil the moral issues of keeping traditions, cultures, and the people working in the area. Recently, luxury has been intensely discussed due to the changes in many societies and, consequently, in the global and local markets. Even if many of us are still associating our society with the hierarchy of luxury, we must admit that luxury is no longer a privilege of the elite. It is attracting larger and larger numbers of consumers and involving higher and higher numbers of products. We

should realise that the affordable luxury category requires new designers and managers to respond to this market's changing demands. Two distinctive market trends can be defined at this moment: one is the democratisation of luxury, while the other is the greater attention to the high quality of all products. As Giorgio Armani recently declared, luxury means product integrity, which comes from the quality of materials, artisanal work, and its value in time.

*Arturo Dell'Acqua Bellavitis*

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This book would not have seen the light without the insights and reflections gathered from Aldo, Arturo, David, Huizhou, Piergiorgio, Maximiliano, and Xiaozhu.

Over the years, these professionals and scholars have helped me define a designer's role in the intense luxury market's phenomenon and aesthetic. Their experience and success in this field have stimulated the topics discussed and have led to this small editorial effort. It is a book prepared for those who want to reflect on the future of luxury and its diffusion.

With Arturo, to whom I am very grateful, we shared intuition and conviction over the years: designers could be decisive not only in the aesthetics but also in the meaning and substance of luxury products, where context and users become protagonists. Therefore, our interest grew through teaching and research in "accessible luxury" and its infinite faces in our changing world.

Xiaozhu has been the youngest and one of the most valuable resources to fuel this journey with her researcher's enthusiasm. Her Chinese origin enabled a more profound understanding of the phenomenon of luxury in a globalised context, which allowed us to connect culturally with a part of entrepreneurship and creativity that is growing in relevance and autonomy. Together, we produced a part of the book focusing on trends and indicators of interest to designers.

The design has many faces. Many times, I found myself saying that they were even too many. Today, however, design is the most effective tool to interpret the near future and the contemporary. Therefore, several times with the doubt of forcibly placing design at the centre of yet another theme, I eventually succumbed to the

need to offer readers an initial critical reading that would allow its qualities and potential to be placed in accessible luxury.

My final thanks go to Ema, Enri, Viki, and Robi, the true luxury that life has granted me.

*Matteo Oreste Ingaramo*

## INTRODUCTION

*by Matteo Oreste Ingaramo*

The design discipline has long been investigated and is concerned with giving value to first objects, later services, and today, lifestyles.

Making design has always meant imparting material and use qualities to products through form, functionality, materials and surfaces, and a solid semantic and aesthetic connotation. Over time, these latter design elements have taken on the role of tools to elevate the value of manufactured goods and everything that accompanies them to the user through the marketplace.

Therefore, design has been integrated with the concept of high quality and luxury. A universally known paradigm has been created that involves a quality of thought behind production quality. Consumers these days seem to expect this formula, making it inescapable and sometimes taking the two elements of value to extremes: buying design or intrinsic quality.

In 1884, Henry Royce started a mechanical and electrical material business. A few years later, he integrated the skills and know-how of his enterprise by building his first automobile, a "Royce," in his Manchester factory. In the following years, Charles Rolls joined the firm, ensuring the sales network for disseminating "Rolls-Royce" automobiles. The Silver Ghost model, the company's first iconic product, had a legendary smoothness and smooth operation that completed a 14,000-mile non-stop journey at the time, thus creating the myth of the best car in the world (Campi, 1975).

The product's intrinsic value created an assumption of recognised quality known to consumers. Then integrations with an effective sales and marketing policy maintain

the perception of quality and create a brand identity that entails access to a higher value. After the death of co-founder Henry Royce, the red-coloured monogram "RR" on the car radiator was restored in black as a sign of mourning. The famous logo takes on the role of guaranteeing the intrinsic quality of the product.



Fig.1 Left: Rolls-Royce "Silver Ghost" (1907). Source: Motorbox. Right: The RR radiator badge changed from red to black. Source: Listcarbrands.

Historically and more typically, however, the design did not come before achievement, and it did not come before function. In practice, luxury was born to impart superior quality to predefined and established functions by identifying materials, artistry, and distinctive finishes in performance and decoration. Craftsmanship, demonstrated in the skilful use of manual processing of materials and the selection of the best materials, slowly influences the form of objects, the peculiar quality of details, sometimes even through virtuositities of artistry that become distinctive features of things.

The Gucci brand starts with the skill of leatherwork and continues through product innovations to a vital commercial capacity. It will arrive in the fashion "collection" of accessories and garments belonging to a lifestyle proposal of production quality and a discerning aesthetic taste. In 1898, at age 17, Guccio Gucci emigrated to London and was hired as a hotel porter at the Savoy Hotel, one of the most exclusive

in the world. While working in the upper class, surrounded by luxury and wealth, he was attracted to the precious luggage, bags, and suitcases that highlighted the status and elegance of the guests. He returned to Italy and worked in his father's fashion atelier and luxury leather goods stores in Milan, becoming their director. He also worked at Compagnie Internationale des Wagons-Lits, the European train company specialising in luxury travel. This experience shaped him in both leatherwork and product sales. In the 1920s, Gucci opened its stores and began its production of leather travel goods, drawing on the artisan knowledge of leatherworking developed in Tuscany for riding goods. Gucci imports from abroad to process leather in Italy and differentiate products and distribution by opening several stores. It expands by making a giant factory to house the 60 artisans it serves. The house's leather accessories will always refer to the equestrian sphere: the horsebit and stirrup first, then a green-red-green ribbon inspired by the saddle's girth, remaining faithful to the typical Florentine leathers. It was in 1925 that Gucci became famous, thanks in part to a particular model of the saddlebag, which was a huge success.

With the Italian autarchy of the 1930s, Guccio Gucci was forced to grapple with the scarcity of materials and experimented with innovative solutions for his industry, such as jute, hemp, and linen, creating designs that became iconic. In the same years, Guccio launched his first women's handbags, becoming increasingly well-known and popular. The family business opened its first store in Rome, on Via Condotti, in '38, and another boutique in Milan later. In '47, again, Gucci innovated materials and products, with the famous bamboo bag launched and, in '52, the unmistakable moccasin.

The company uses a paradigmatic motto of the vision of luxury in which quality dominates price: "Quality is remembered long after price is forgotten." Following Guccio Gucci's death in '53, the company continued to prosper and opened a boutique in New York, followed by several in what came to be known as Gucci City. Thus was born the empire of the Gucci family and their brand (Homer, 2020).



Fig.2 Left: 1920s First Gucci store in Florence. Source: Bagista. Right: Consumers queue up in front of a Gucci store in Shanghai in 2015. Source: Marketwatch.

Another example that is perhaps less well known on a global scale but equally effective in describing how a product and its design and production quality are crucial to the origins of the modern altar of luxury is the case of Valextra.

Valextra's story begins with an insight. In 1937, Giovanni Fontana, an agent, entrepreneur, and great explorer, decided to put into practice what he observed in his travels. (An individual journey made up of cultural and sensory experiences like what happened to Gucci.) He founded Valextra, a brand of products for exotic travellers, but was determined to face Milan's urban and cosmopolitan life. In its early years, Valextra was a boutique of fine artisanal leather goods in San Babila, a stone's throw from the streets of the most famous flagship stores in the luxury world today. The brand is configured as an urban craft workshop, readily responding to the needs emerging from everyday experience with objects with a contemporary spirit, capable of seizing the moment.

From the iconic Tric Trac wrist bag, first designed in 1968, to the Iside handbag, conceived in 2011, Valextra's creations synthesise craftsmanship and a refined aesthetic sensibility that transcends time. The "signatures" are in the details: the

black lacquered Costa edging, the fine handpainted Inchiostro lines, and the famous shade of Pergamena white, reminiscent of the brand's past. According to the company, "thinking about a bag means designing it as an object of use and desire, considering its parts, interlocking, and harmony; designing beauty was Giovanni Fontana's goal, and it continues to be the principle that guides the brand today" (Valextra, 2022).



Fig.3 Left: Valextra Iside handbag. Right: Vertical Wallet with Valextra's signature V-cut-out and black lacquered Costa edging technique. Source: valextra.com.

To the point of such a high awareness of the executive capacity, first of handicraft production and then of the industrial output, as to prepare for an ephemeral, aesthetic, and meaningful interpretation of objects, there is also an extreme but maintained intrinsic and functional quality.

"In no other country [but Italy] is there such an intense and fruitful interaction between manufacturers and designers." Vico Magistretti (cited in Verganti, 2010, p.34) described the complex and varied phenomenon of the relationship between design enterprises. The meaning of products is expressed by an integration of essence and appearance that places design in a strong position of contact between the user and technical or market value. The user perceives and experiences the

experience offered by the product and must be reached by an expressive message that is clear and consistent with functional and economic value.

One of the paradigmatic brands of the elevation of decorative design to a driving force for product and brand quality is Alessi. Here, too, the company's origins lie in the quality of metal alloy artistry, and with the wisdom of artistry comes possibilities for the evocative and ephemeral design that becomes iconic.

The Alessi company was founded in 1921 by Giovanni Alessi, an expert in plate turning and brass machining. Alessi's machine shop handcrafted tableware and household objects from copper, brass, nickel silver, nickel-plated, chrome-plated, or silver-plated. His production, which was initially made to order, soon became known for its excellent care in execution and perfect finish.

The tray services with teapot, coffee pot, sugar bowl and milk jug became the most popular products, and in 1925 the brand's first catalogue was created. The objects have the sound and solid concreteness of ordinary common sense, softened by light and traditional decoration (Alessi, 2016).

Design, in the meaning given in this work, appeared in the company at the end of the 1930s when Carlo Alessi, Giovanni's eldest son and industrial designer, joined the company. Between the mid-1930s and the 1950s, the Alessi family was involved in design and production, moving from an artisan dimension to a true industry, open to exporting to over sixty countries with products of quality, good artistry, and pleasing design. These were often "programs" or groups of homogeneous products in form, type, and intended use. They also had to have specific constructive and technical characteristics resulting from a design that was as homogeneous as possible (Mendini, 1979).

With early collaborations with outside designers, these programs brought authorship and style to the stainless-steel tableware industry. However, at the end of the 1960s, Alessi was still better known for the technical quality of its line of products, which specialised dealers sold. The designers who authored and continuously researched the relationship between style and functionality over the next forty years have enabled Alessi to become such a design excellency that it sells design even before the intrinsic quality of the products is now established and expected by consumers.

Alberto Alessi involves industrial designers and architects such as Michael Graves, Ettore Sottsass, Achille Castiglioni, and Alessandro Mendini, consecrating design as a commodity under the Alessi brand. The company has since begun to produce a series of radically designed products that challenge industry conventions as everyday items for the kitchen and table are transformed into uniquely elegant and attractive objects.

Several pieces launched by the company in this era achieved instant icon status. They established new archetypes for their respective product categories by elevating non-noble materials and typical archetypes of kitchen functionality to the level of everyday, accessible luxury.



Fig.4 Left: Enzo Mari, Alessandro Mendini, Achille Castiglioni, Aldo Rossi and Alberto Alessi in officina Alessi, 1989. Source: Alberto Alessi. Right: Logo of the three Alessi brands. Source: Italchamind (cited in Petracca, 2020).

In the framework of such varied design and production, where design is an essential driver in explaining the superior value of the premium, one can glimpse an exciting link between quality, luxury, and design that needs to be investigated, at least from a phenomenological point of view. (It is curious to note that reversing the sequence of the words in sequential and consequential order makes the statement equally valid.) Today, luxury has become a commodity sector, a subject of sociological and design study.

However, education in luxury design requires an informed and assertive view of design's decisive and central role in creating higher quality values, whether luxury or "premium." It is evident how design has the opportunity, and perhaps the task, to extend its application beyond decoration, to design the user's style of use and life, to the point of designing the overall value that the consumer acquires: made up of the object, services, and brand.

Today, luxury becomes accessible as it can be obtained spontaneously, on a one-time basis, if barriers that select the user at entry are removed. The middle class, newly wealthy, or establishment are equally potential users of luxury made of even

single and non-repeated experiences or fruition. The democratisation of luxury implies that social stratification is gradually disappearing, with everyone having access to luxury (Kapferer and Bastien, 2012).

The concept of "premium" becomes consistent here since access to superior quality deserves a premium, a recognition of the decision-making and economic effort made by the consumer user. The word "premium" is derived from *praemium*, which in Latin means to prize or reward. In meaning clearly, we recognise the factors of attractiveness, ambition and competition with peers that lead to rewards. At the same time, it is clear how the reward is such when there have been efforts and choices, as mentioned above.

This articulation of elements that constitute the essence of "premium" turns out to be more complex and nuanced than what is defined as a true luxury, where the high limit of hedonism is the primary condition. Just as premium, the closer it gets to the existential state of ordinary people, it becomes swayed by contemporary signs such as fashions, technological, and lifestyle trends.

Affordable luxury does not necessarily entail vulgarisation or loss of value. It is just making a high value of products and services available for a broader range of users. In this sense, it is essential to maintain a delicate balance between the value shared by many and trivialisation. Just as it is necessary to consider the growth of spending power that makes more and more products accessible, consumers must be guided in their ambitions and choices by creating "discretionary spending power."

Teil (cited in Kapferer and Bastien, 2012, p. 79) defines luxury in two moments. First, the product's quality is sanctioned, and second, a "luxury clientele" is created (often already established by the consumption of other products) capable of recognising this quality. It is clear, therefore, that it is not just a matter of the economic value of the product. Instead, it is a stratified qualification process from

material to society that leads the consumer to consciously select the value to be purchased and to enjoy the user experience that the same value offers in a multi-faceted form. Kapferer and Bastien (2012) state that luxury comprises a privileged system of functional, aesthetic, sensual, hedonistic, cultural, and sacred values. The user community must ultimately enshrine a superior-value product or service as subjective satisfaction.

For over two decades, design has involved a value system so complex, strategic, and multiverse (Verganti, 2017) that it even configures an over-crowding of our value propositions. According to Celaschi (2000), understanding and satisfying our needs by making value preferences among commodities is an everyday action as it is articulate and complex. The prestigious character of any product comes from being placed for a moment at the centre of social life and not just individual or functional needs.

Design in the modern era has been referred to or contrasted with functional use value and giving meaning and form to products. When we speak of products as commodities, the context is broader than economic and can be called systemic, made up of values capable of attracting, influencing, and satisfying us [wealth, freedom, happiness, pleasure, success]. The things in which they are embodied are commodities. The value of items is determined at the time of exchange. According to Ugo Volli (2012), on the other hand, value is expressed in the seduction of humans by objects. Also, for Harman (2018), natural and sensual objects have separate identities. Still, they need each other to take on meaning, especially where the desirable thing is a human being instead of a material being.

According to Verganti (2017), for companies, it is not 'one more idea' that is important but the ability to make sense of the overabundance of new opportunities. Today, the culture of innovation in business suggests engaging in creative brainstorming sessions and soliciting external input, whether from customers or

communities. This innovation can improve products but not seize the most relevant market opportunities. With a fresh perspective, the creation of meaning that best fits the world we live in today can be generated. The alternative path to innovation proposes exploring user desire and product attractiveness rather than just functionality and manufacturing quality.

Defining these complex and articulated values and managing the variables involved now requires specific professionalism that is often built in the professional environment through experience but is even more often required by companies with skills to cope with overcrowding and the consequent need for competitiveness. There is a need for a design manager figure or managers who understand design, can handle complexity, and manoeuvre organisations and have the knowledge to deliver products with a clear identity and value above average.

This book aims to discuss such needed skills and to resonate through the points of view of experienced people from both the academic and professional worlds. A few years ago, me and Arturo Dell'Acqua Bellavitis, the former dean of the School of Design at Politecnico di Milano, from an educational point of view, perceived this demand for knowledge and professional skills as hybridised by creativity and management. The idea was to establish a post-graduate education compatible with arts and crafts, design backgrounds, and economics.

Many of the thematic fundamentals of both disciplines are often treated reciprocally. They need a particular form of culture, created, and trained in the field of accessible luxury and its strong relationship with the market and users. We wanted to start with precisely the users, espousing the user-centred vision represented in Polimi's School of Design and evolving over the years into a user-experience UX approach. Collaborating with strategic construction and process with committed experience has empowered the designers to analyse the user's experience with products and services. Human beings are at the centre of their lives and user experience, with their

feelings, perceptions, and decisions influencing and determining their lifestyle, from products to context, from ordinary to extraordinary.

In the Specializing Master in Premium Design Management operated by POLI.design, the Post-graduate School in Design where I directed until 2010, the subjective view is integrated with the objective view of business and economics. Culture and experience came together in a faculty of academics and keynote lecturers from the professional world. The context of brand identity, market strategy, and client relationships is integrated with the design culture of the physical environments, material products, and services that complement the value offered to users and customers.

This context, starting from the historical and excellent roots of Italian design, is referred to as an internationalised culture of aesthetics and luxury, unity with the socio-economic references of specific areas of the world that are distinguished by extensive and widespread consumption of luxury and premium. Keeping up with the globalisation process, in recent years, both on a general thematic level and through specific lectures offered by the Master program in Premium Design Management, we have embedded the “Chinese case” as an accelerated and relevant phenomenon of evolution. The increasing demand for luxury in China has created a constant and influential dialogue on the certainties of the prominent European players accustomed to exporting archetypes of both product and meaning.

Today, luxury has already become mainly culturally accessible. The premium sector is growing at a proportional speed to the growing needs of clients who were yesterday’s novices and today’s experts, with a claim to new and better attractions, experiences, and quality, at least in perception. What follows is the cultural vision of accessible luxury built to create next-generation professionals through a dialogue with experts and collaborators at the POLI.design Training System and the Master in Premium Design Management.

This book offers reflections and insights for a relatively informed consideration of the premium phenomenon and how to build and offer tools to deal with its complexity.

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# **PART ONE**

## **Premiumised Mindset: The Shifting Paradigm**

Today, the concept of “affordable luxury” has continuously challenged the traditional luxury markets, leading to a broader expansion of democratic luxury meaning. The outbreak of the COVID-19 pandemic has undoubtedly raised awareness of the crucial importance of such a market segment. In 2020, the luxury market worldwide retracted sharply by 23% (Bain & Company, 2021), with only the two wealthiest luxury spender clusters growing 17% in terms of value, the “Beyond Money” and the “Top Absolute” (consumers with yearly spending of more than 20,000€) (Altagamma, 2021). Under such circumstances, the “affordable luxury” sector has been inevitably considered an essential element for the recovery of the luxury industry.

The essence of “affordable luxury” positioning is the ability to offer high-quality premium goods and services by delivering new tangible or intangible benefits that give consumers a viable option to make a prestige-price trade-off (Truong, McColl, and Kitchen, 2009; Dawes et al., 2019). Trending towards global acceptance, consumers in developing countries often choose premium brands to satisfy their emotional desire and displace their social status (Podolny, 2005; Kapferer and Bastien, 2012). Under the shifting luxury marketing environment, the availability of this market segment has gradually attracted the marketer’s attention to reach a wider audience and maximise their profits in increasingly competitive markets.

In this part of the book, we invited experts across the globe to share their opinions on the shifting paradigm of the luxury world, discussing aspects of the new cultural rendering of “premium-ness,” including the emergent narrative around the concept of “affordable luxury,” the evolving consumer’s mindsets and how luxury and premium brands can resonate with today’s consumers. Looking to Eastern markets, we will explore the new norms led by the flourishing luxury and premium demand from Chinese consumers, as the country has the world’s largest and fastest-growing

middle-class size (Pew Research Center, 2021) and is accounted for almost half of the global luxury sales (Bain & Company, 2021). We will also discover how the new Chinese trend, “Guochao,” is flooding China and potentially flowing from East to West, leading to a positive growth trend worldwide. Insights and recommendations on the relevant topics were acquired through semi-structured interviews with a series of open-ended questions.

## CHAPTER ONE

### **From Exclusive to Democratic**

*by Matteo Oreste Ingaramo*

Since the 1990s, the luxury market has witnessed positive growth (Nueno and Quelch, 1998). According to Fortune Business Insights (2021), the global luxury market is in constant change despite the dramatic effects of the COVID pandemic and will hit USD 352.84 billion by 2027. From the consequence of social stratification to the creation of class division (Kapferer and Bastien, 2012), luxury has become a status signal of social rank (Podolny, 2005). With the increasing luxury demand and spending capability from emerging luxury markets like BRIC (Brazil, Russia, India, and China) or CIVETS (Colombia, Indonesia, Vietnam, Egypt, Turkey, and South Africa), the concept of luxury remains no longer the inaccessible products or lifestyle of the elite (Wiedmann, Hennigs and Siebels, 2009). The luxury market is shifting toward a democratised environment with the evolvement of the concept of “affordable luxury” (Mundel, Huddleston and Vodermeier, 2017). To satisfy the massive demand, luxury companies began to move away from the conventional business model, adopting premiumisation as a strategy to drive sales growth, extend core range, and code new values (Dawes et al., 2019).

In 1899, American economist and sociologist Thorstein Veblen proposed the theory of conspicuous consumption in "The Theory of the Leisure Class", which traced how the phenomenon of luxury historically trickled down from the upper classes to the lower classes. In a modern context like today, however, a broader social phenomenon starts with lower-class groups beginning to work their way up through the hierarchy of society and influencing high luxury. The emergence of the "trickle-up" is not just because those who stay at the bottom of a social ladder want to reach the top. Instead, it is a broader basis for interpreting human desires in the social context. It builds a proposal for a value that goes beyond the intrinsic quality of the

material produced, seeking a more elevated lifestyle. To satisfy and move this aspiration upward, luxury and premium brands should distinguish themselves with the following fundamental components: strong branding related to exclusive lifestyle and the aura of the brand's intangible heritage, superior quality and craftsmanship associated with premium pricing, extravagance with stylish touch in terms of design and innovation, and control of the selective or exclusive distribution of the products.

To implement an effective luxury marketing strategy, luxury brands should distinguish and separate their target groups. Luxury is the output and reflection of a complex and dynamic society. Each target group plays an essential role and seeks its symbolic social status. In today's globalisation context, each different group is associated with its own geographical, cultural, and social context and splits the paradigms of local systems through digital networks, social media, and e-commerce. Virtual environments for offering value and purchasing goods are essential and can be integrated with analogue retail environments and the human relationship between seller and customer. Considering these variables, today, it is not possible to think of selling a product without creating, influencing, or supporting users' experiences that happen on both virtual and physical levels. Social and economic factors have broader implications today, generating greater complexity, variability, and subjectivity.

Kapferer has proposed four luxury segmentations based on the core social functions. In this figure, we can find a correspondence between the issues related to personal experience and a form of integration of social inclusiveness or differentiation. The vertical axis represents the need to be integrated into an aspirational class, while the horizontal axis signifies signal superiority (Kapferer, 2012). Notably, the lower left quadrant probably identifies the most contemporary situation. It corresponds to the integration of the design approach, where lifestyle design interacts with the user's personality, which goes beyond social positioning for differentiation. It stimulates

more intimate expectations according to the user's personal life experience, cultural background, general or specific interests, and implicit or explicit knowledge.

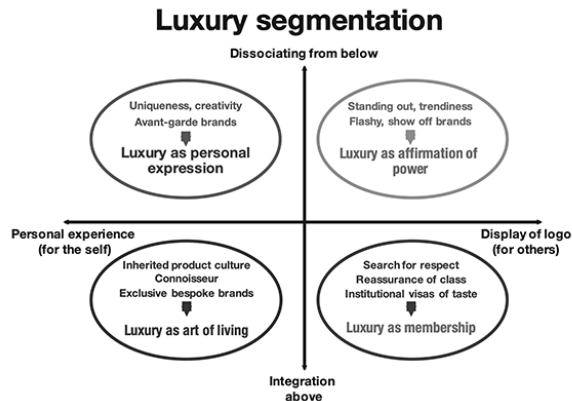


Fig.1.1 Perspectives on luxury segmentations (Kapferer, 2012).

The four segmentations are explained as follows by Kapferer (2012, p.485).

- The lower right quadrant is the bulk of the luxury business. These brands are worldwide visas of distinction. So the size of the brand and its growing sales volume is not a problem as long as prices keep rising.
- The upper right quadrant is a consequence of the growth of the former category. These brands attract people with high needs for recognition and power.
- The upper left quadrant also provides differentiation through edgy brands or even start-ups – typically, the brands we might find in selective, multi-brand shops.
- The lower left quadrant is the connoisseur corner. These brands promote a product culture, selling excellence in life.

In 2014, Kapferer proposed a triangular model demonstrating the ecosystem between luxury, premium and fashion, from which we can interpret a continuous exchange between three worlds. Luxury brands can provide the highest level of intangible value through high-quality products, business models, and visions to satisfy desires that cannot be visualised, for example, social elevation, self-distinction,

and timelessness. The ability to interpret and create desire also ensures luxury brands the freedom to fix prices. The premium brands, instead, are grounded in realism, the business models of premium brands focusing more on comparativeness and the fulfilment of performance of products. While fashion stands relatively the opposite of luxury, seduction and attractiveness stay at the system's core, and fashion brands are often associated with imitation and ephemerality. The contaminations between the three worlds would be the solutions to designing a sophisticated future and making disruptive changes from the inside out.

This differentiation demonstrates the substantial elements that distinguish the world of luxury from the three subsystems of value and highlights the design and strategy themes addressed for each identified area. It appears evident in Kapferer's model that there is an area in which the tools of design are recalled in their most integrated quality between economic value, production, and quality reproduction, even in series, which is the Premium. Regarding the quality/price ratio, integrating design as a tool appears essential for companies to transmit and emphasise their market strategy, allowing the variety of products, functionality, and market performance to be adequately perceived by users and consumers. In Kapferer's version, the flow within the triangle indicates that "realism" stays at the opposite point of the "seduction" factor and the "dream" factor as the other vertices of the triangle. One can imagine that most products/services are not precisely at the extreme apex of realism and possess aspirational, hedonistic, or ephemeral values in even significant quantities. However, it is interesting to note the crucial role in the premium sector of industrial and business knowledge combined with the qualities of perception and subjective appreciation of the user. In the premium sector, the design discipline seems decisive, transcending only the aesthetic contribution and conveying attractive products that can be reproduced on a large scale while respecting the rules of economic and production feasibility.

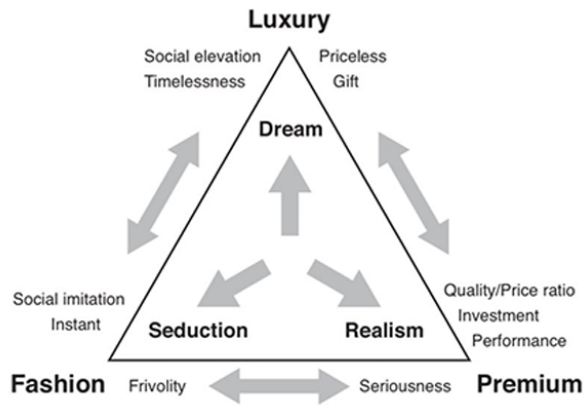


Fig.1.2 Differentiating luxury, premium and fashion. (Kapferer, 2014).

## 1.1 The Changing Facets of the Luxury

“The ordinary for extraordinary people and the extraordinary for ordinary people.” It is the modern definition Bernard Arnault, founder, and CEO of LVMH Group, gave to luxury.

Luxury is always a constantly evolving subjective concept, from the objects found in the tombs in ancient times to the engine of economic growth in contemporary society. It is a multifaceted concept which does not have a single meaning but refers to the quality of personal satisfaction in a relative socio-economic context. Luxury can be presented precisely based on the quality of the product. It can also be interpreted according to contexts, cultures, or nationalities. It is a multi-phase concept associated particularly with desire. Desire is a word with thousands of interpretations. Different territories, societies, generations, contexts, and even periods can all attribute different connotations. The meaning of desire is highly intimate for individuals. In general, what is forbidden is rare and therefore is desired.

For this reason, it is pretty easy to identify the Western luxury products of the last thirty years of the previous century. A deeply puritan society has witnessed a significant desire for unformed and indirect satisfaction to prohibited desires through colours, forms, and ways to illustrate bodies. While in today's globalised society, in the first twenty years of 2000, the struggle for forbidden carnal satisfaction has disappeared. Instead, there is an absence of personal contact of affection, love, communication, and a search for self-affirmation. At the same time, the relationship between luxury and person has spread and reached a global scale.

In the following sections, our interviewees share insights into the changing facets of the luxury world.

## **Q. How do you define luxury?**

“Luxury comes from the Latin root *Luxus*. It is something, in a way, extreme. Understanding its origin could help us define a luxury item,” explains **Dell’Acqua**, “Meanwhile, the definition of luxury varies in different countries and periods. In the Western market, the idea of luxury is much more linked to time, cultural components, or hidden value besides the actual cost of the item itself. In other markets, the perception of luxury is still related to the item’s actual value. For example, you can have jewels made of paper sell well in some markets, while in others, only jewels made from precious stones are preferred.”

Western luxury seems to have developed an identity that transcends the expense of exchanging value to access the good. It appears that quality of life and personal satisfaction (understood as individual, moral, cultural, and intimate) is the consumer's central values compared to others. The hybridisation between low-cost and good taste with iconic and high-cost goods finds a relevant space. It is no coincidence that brands such as Zara are now considered premium despite the low cost and the extensive distribution of products in series. It is no coincidence that a brand like Ralph Lauren offers workwear items such as denim or Native American ethnic-derived products as premium products and accessible luxury. Ralph Lauren has bet on the value of storytelling, a lifestyle through images and the visualisation of stories told through his evocative photographic advertising campaigns. Typical American values are already dominant thanks to the cinematographic industry on a global level. Their aesthetics and the American Dream are the wearable luxuries proposed by the brand through indirect and cinematographic language. The brand offers a comfortable life immersed in the social and cultural values of the middle-upper American class and the aspirational narrative of social elevation. From denim to the polo shirt, in apparent contrast, Ralph Lauren offers personal comfort and belonging to the dominant culture in the Western world.

The definition of luxury also varies from person to person. **Dal Santo** expressed his opinion on luxury: “For me, luxury means purchasing the product for my style and feeling comfortable wearing it or using it. So it is something that is a natural extension of me. It does not have to be expensive. It does not have to be complicated. It is something that does not make me tight or nervous. However, luxury is about exclusivity, high price, craftsmanship, and quality for most people. But more than anything, they talk about something rare to find. Sometimes it is branded as something to be shown off. Sometimes it is exclusive and personal that nobody knows.”

From an experienced designer’s perspective, **Cingolani** states that “for a long time, the word luxury has always been associated with the highest level of consumer goods and experiences. It has become a little old, out of time, solicitous, and almost anachronistic. Today’s luxury is a sustainable concept with the characteristics of durability over time and also comfort.” **Overi** agrees that “there is now a culture of new luxury.” Besides the concept of sustainability, durability, and comfort, he also addresses the characteristic of exclusivity. He considers true luxury in modern times as “limited editions for their nature or uniqueness,” differentiating them from affordable luxury with good products, materials, and competitive prices. The customer nowadays wants to be distinguished by possessing limited edition or unique pieces.”

Although this meaning of luxury seems to be only an elitist interpretation, accessible luxury's uniqueness and distinction are interpreted as factors of individuality and the formulation of a personal lifestyle, which in its highest form is also a non-comparative but identity-driven style. This aspect is already very present in the design of widely used consumer products and in the electronics or automotive sectors, where supporting high levels of customisation is considered a rewarding value. However, it is a well-known aspect, except that the personalisation involves more everyday life than performance. It could be understood that the ordinary tends

to make people extraordinary and unique. This evolution of luxury in premium has been formed over the years, and today it is an object of constant analysis and research by companies.

## **Q. How has the concept of luxury changed over the years?**

“Undoubtedly, the concept of luxury has evolved,” confirms **Dell’Acqua**, “Today, luxury is more linked to freedom, culture, time, and enjoyable space. People invest in these elements more than just purchasing traditional luxury items.” Moreover, luxury is no longer just about a product. “It has become an experience, a service.” says **Dal Santo**, “I think there are too many products available and too many brands, and people do not have the time to sit down and study, relax and choose, or be able to try something on. Instead, sometimes they will see a brand, buy it, and then go on with other things. However, making a luxury product and selecting one takes time. Sometimes, even selling an Apple computer could be luxurious because it may take upwards of an hour for the salesperson to personalise your product and ensure that all your data is well preserved. I think that is how things have been changing.”

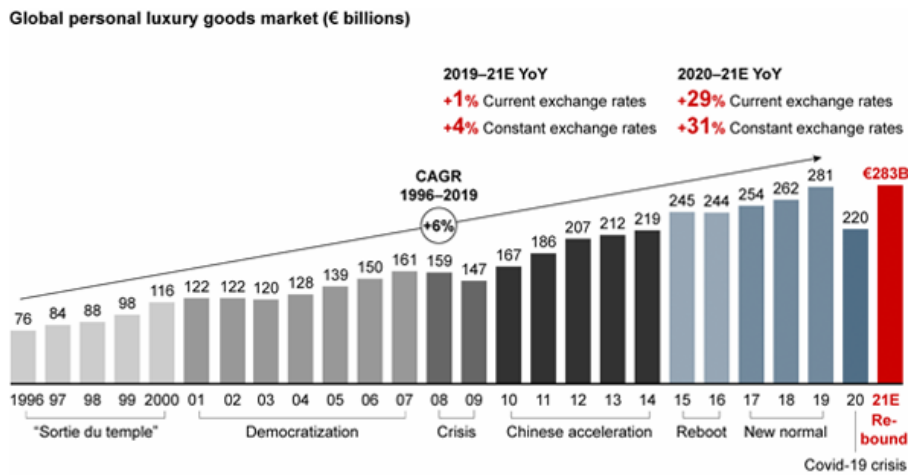
“Before, luxury was flashy, something for show-off, so it was determined by value from price. Today, luxury is closer to something custom-made, made to measure, where customisation is essential.” **Cingolani** also expresses his opinion on the changing faces of luxury, especially during the Covid pandemic. “I think the pandemic has brought back some old values of luxury. When the pandemic ends, you will find that eating at a restaurant seems like a conquest after months of eating at home. But if we think of the tradition of Italian families, we went out to eat on Sundays, or perhaps once a month was a luxury. Undoubtedly, the pandemic has changed people’s way of thinking and living.”

It is not just the concept of luxury. Throughout the years, the luxury consumer has also evolved and contributed to a different meaning of luxury. “Initially, luxury was more linked to this idea of scarcity, exclusivity, and, obviously, high quality and classic attributes. But now, the consumer is much more informed in this highly interconnected world.” When talking about changing consumer

behaviour, **Nicolelli** says, “I think that consumers cannot understand the idea of luxury without having a relevant meaning. And what is now new to the table is this idea of timing and relevance. Today, the evolution of luxury is more rooted in the fact that, on the one hand, brands capitalise on heritage, quality, and exclusivity to a certain extent, especially on exclusivity, because it is an attribute that can be managed. But they must be cautious in finding ways to portray all those values in a very relevant manner to consumers, depending on consumer groups, nationalities, age groups, preferences, et cetera. So, I think the new luxuries are rooted in relevance, high creativity, and consumer excitement.” agrees **Overi**, “Many markets are opening up medium-level classes with customers from developing countries. Many young and newly rich consumers look not only for expensive products but also for design pieces. The taste for luxury has changed.”

## 1.2 The New Culture of Premium-ness

According to Pew Research Center’s 2021 report, the global middle-class population increased from 899 million to 1.34 billion in the past ten years, approximately 54 million people annually. The rising international middle class has brought back the sense of trading for the luxury business. The extension of the desire for recognition and pleasure has also led to an expansion of democratic luxury meaning.



Source: Bain & Company

Fig.1.3 The evolving future of luxury. Bain & Company Luxury Report 2021.

From 1996 to 2019, we saw constant growth in the worldwide personal luxury goods market. Bain & Company's 2021 annual report divided this period into two growth cycles. The first cycle is the opening to the global and transversal market in a socio-economic sense, in which the concept of accessibility and the mass adoption of luxury products become democratized. Then the economic downturn of 2008-2009 impacted the luxury market, shaving 9 per cent off the total value. This recession was also somehow a validation of the relationship between scarcity and excess luxury goods. When luxury became democratized and mass-accessible, its business model needed redesigned to be resilient to market change. The slump can also be

seen as a strong affirmation that some value criteria cannot last more than a decade in the luxury market's progress. Then in the following decade after the Great Recession, global luxury goods consumption witnessed a "Chinese shopping frenzy," which brought a vital reboot and led the luxury market to enter a new normal. In 2020, the luxury industry suffered a sudden pause from the Covid pandemic, which changed how consumers live and shop. However, even if not for this anomalous phenomenon, the luxury industry would still have to reinterpret and revalue the positive reality that Chinese consumers brought to this increasingly globalised industry. In the "new normal" period, the luxury market needs to consider a renewed understanding of Chinese society globally with new standards and values.

Unlike the first cycle from 1996 to 2007, luxury changed its identity and opened itself to a broader audience. In today's "new normal" period, developing personal attraction and one-on-one relationships is key to optimising luxury business growth. There is a transition in the luxury market, linked less to economic phenomena but more to people's satisfaction, with a precise focus on consumers and users, putting them at the forefront of business marketing and creating solid and long-lasting relationships. It is called Consumer Design, in which a consumer is deemed, at the same time, to be a subject. This concept involved all phases of the luxury business, from the material choice to the access level of final consumption. Today luxury consumers have become bulimic, and luxury companies must take new approaches to design new consumer experiences to thrive.

Consumer-centricity has become more critical in the "new luxury" world. Better, authentic, connecting, and inclusive are the new codes of luxury consumption (Bullen and Read, 2019). Luxury brands diversify and explore new ways to resonate with today's consumers. One of the practical strategies for brands to stay competitive is to have a premium offering within the business's portfolio.

Regarding the luxury-premium demarcation line, new values and opportunities must be highlighted for new consumers to deliver quality products and fulfil the need for user satisfaction. Compared to the discipline of marketing, for the domain of design, it is more crucial to provide a positive and relevant experience for the user. In this bulimic and redundant consumerist society, values traditionally considered far from luxury today are viewed as distinctive emergencies, contributing to elevating and conferring positivity to the experience of consumption and the use of products and services. Many companies in the luxury sector today are approaching sustainability as a competitive factor to attract consumers. Brands also acquire value and increase their reputation by providing solutions between luxury and sustainability. For example, in 2019, the H&M group ranked first out of 250 companies reviewed by the Fashion Transparency Index Report (FTIR). The FTIR is a report published annually by the Fashion Revolution movement. It measures and ranks the world's leading fashion brands and retailers based on how and when they disclose information about their suppliers, policies, practices, and social and environmental impacts.

The FTIR is a tool to push leading brands to become more transparent and to encourage them to disclose more information about their policies, practices, and supply chains. Transparency does not mean only best-sustainable practices but clear and complete disclosure of information. Transparency is the first step in making companies accountable for their practices' human rights and environmental impact. In 2013, the H&M group was one of the first global fashion brands to make its supplier list public, and the group had a comprehensive transparency strategy. The H&M group is restructuring its plan to become fully circular. According to H&M, being circular means taking a different approach to how fashion is designed, produced, and used. Fashion should never be associated with the waste (H&M Group, 2021).

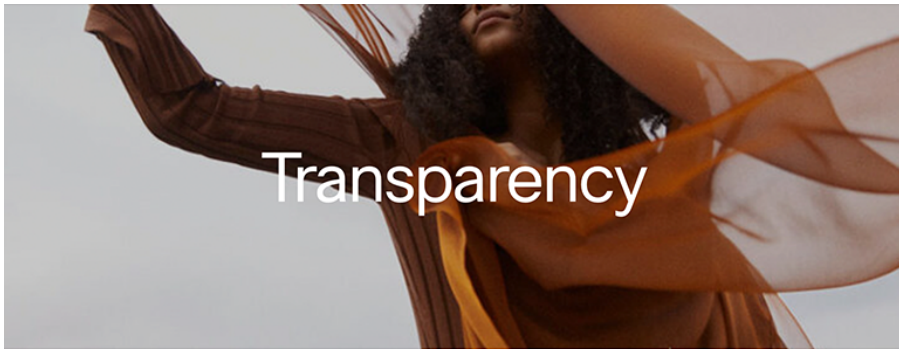


Fig.1.4 H&M Group, Transparency is key to driving sustainable change. Source: hmgroup.com.

One way to provide further substance with less impact on know-how and long-term economic fundamentals is through technological partnerships. A collaboration between Levi's and The Woolmark Company (a non-profit company) has given life to a product, the Torsten Quilted Boot, created from sustainable materials, which underlines the importance of Merino wool as an eco-sustainable and high-performance material. The choice of the material and all the elements throughout the supply chain gives excellent added value to the product, which accredits the brand for technology when facing challenges.

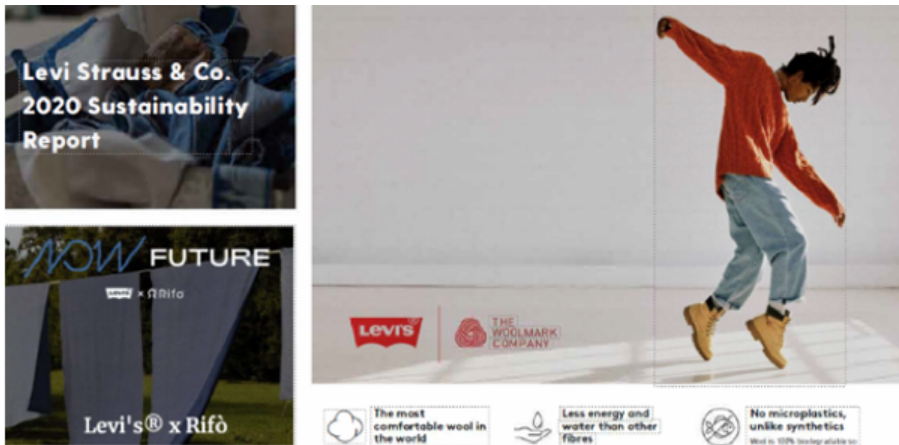


Fig.1.5 Levi's has redesigned its iconic Torsten Quilted boot sustainably. Source: Levi.com.

Communicating a sustainable strategy means promoting value and brand at the same time. The B Corp, for example, is a certification conferred by B Lab, a global nonprofit organisation aiming to spread a more evolved business paradigm that is concrete and replicable. Obtaining a verified certification communicates the company's commitment to participate in a concrete and positive change project toward the value of sustainability.



Fig.1.6 Chloé Is the first luxury company to become a B-Corp. Source: Instagram/@Chloé (left), Vouge Business (right).

Building a relationship of trust and continuity with customers allows the company to transmit value beyond the product's functionality. The nature and the story a product tell are intrinsic values representing a way of thinking, a status, and a lifestyle. Rolex, like English shoes, tells a timeless tale. The customer perceives the product's value in all its forms and passes it down from generation to generation. Like the Patagonia brand, it embeds its mission into its brand strategy, taking care of the planet in all its forms.

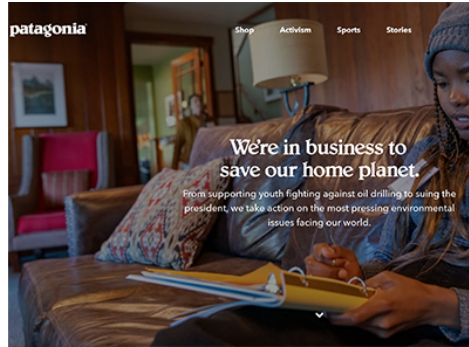


Fig.1.7 Left: Rolex's timeless story. Source: rolex.com. Right: Patagonia's activism. Source: patagonia.com.

## **Q. How do you perceive this new culture of “premium-ness”?**

“A premium is a product that is still mass-produced.” **Dal Santo** defines premium in this way, “It is not made by hand by artisans in a small laboratory but industrially manufactured. The challenge is going from a mass-market product to a more premium product. The company is attempting to step up the bar, like an increase in the height of a high jump. Every time you go up one or two centimetres, it becomes more difficult, but once you do jump over that, you know the people notice you, and then they perceive you in a certain category.” It was noted that premium is also beginning to have more original designs. “What is nice is when brands go from premium to luxury and attempt to make something by hand in their own company, which also improves or increases the quality and premium-ness of products. For example, co-branding is one area that we talked about quite a bit. When two companies from different sectors come together and create something new, it is more the design than the manufacturing that makes the product attractive. Especially with younger customers, millennials dictate this premium-ness and know what luxury is. It is still a bit out of reach for them, so they are pretty happy with the premium-ness.”

Talking about the difference between premium and luxury, **Dell’Acqua** says, “What we call premium luxury today is what luxury traditionally was. Now we define traditional luxury as a high-end luxury, the very top for the very few, the top segment of the luxury pyramid. The premium, instead, is an affordable luxury. Many brands are trying to reach different kinds of markets at different levels. Sometimes it is a strategic move to educate the consumers: they start buying and associating with the premium lines when they are younger. After they become older and have a little more money to spend, they will upgrade to more expensive items. Luxury brands need to develop different product segments. It can boost brand awareness across markets and generate significant revenue for them. For example, for some fashion

companies, the cosmetics segments are much more critical for revenues than their core garment business.”

“We have seen the end of single taste for the typical classic design trend in the past years. Now there are many different tastes in the market.” **Overi** comments on how companies and consumers are moving to new generations. “If you compare the red dress by Valentino ten years ago with the t-shirt from Supreme now, you will understand how the market has been evolving so fast in the past years.” When talking about the relationship between true luxury and affordable luxury, he explains that “the true luxury brands have the power to create their market, and then the market follows them. By controlling the market, they create demand. Then the brands that belong to the affordable luxury segment must follow the market by launching new collections and designs yearly with high expenses. Then you see that consumers will spend a fortune on one luxurious design piece and buy the rest of the furniture from Ikea, for example.”

“There can sometimes be blurry lines between premium and luxury,” adds **Nicolelli**. “It is easier to go down in luxury but harder to go up in premium. In that sense, it is an exercise where premium brands try to trade consumers up and do certain things more in a luxurious way. Sometimes it is difficult because it lacks depth, content, and context. But when it comes to luxury going down, it is an exercise we have seen regularly. The best example is the idea of street style, particularly in fashion. But those in another sector, with the top luxury brands trying to reach younger consumers and the consumers who are just entering luxury and are more on the aspiration side, might not have enough income yet but will find ways to make luxury.”

For the approach of reaching a broader range of markets, **Cingolani** suggests that “instead of launching one premium line, luxury brands may launch many different product lines, among which there is one premium. Putting new and more lines is a

step towards a more democratic luxury.” Today, luxury brands are approaching a consumer segment less willing to spend much money. “This kind of consumer seeks the excellence associated with the product, which is considered best-in-class. So the premium line certainly has distinctive characteristics compared to other product lines, like personalisation and custom lettering on the product purchased. However, being positioned as premium means being reserved for a particular group of consumers that are more restricted. Therefore, it is still a niche sector.”

When talking about the behaviour of another vital luxury market, one of the famous Chinese fashion designers, **Huizhou Zhao**, explains that “Chinese consumers define premium as the second line of top luxury brands, the products that the public can accept and afford.” She believes that the Chinese market is still relatively polarised at this moment. “On the one hand, there is a frenzied consumption of absolute luxury goods because it is not easy to go abroad due to the epidemic’s impact, which is why we see that domestic luxury goods consumption has increased by 45% during the pandemic period. On the other hand, we have live e-commerce: the cheaper, the better. Therefore, it is more difficult for the brands in the midstream sector to survive in such a polarised situation.” For the HUI brand, she decided to position it in a market segment between the top and premium luxury. “It is a top luxury brand, but the price is biased towards the cost of premium luxury. It is mainly a marketing consideration because HUI needs a larger audience that can help the brand survive and grow.”

**Q. Do you think premiumisation is the right way for luxury brands to grow?**

“The luxury market has been very attentive to the premium elements.” When commenting on the premiumisation strategy, **Cingolani** says, “In the past two years, luxury brands opened many pop-ups and concept stores abroad as external structures to cater to consumers’ desires to shop outside their own country. You see, it has always been fascinating for European consumers to go to the United States to find brands or products that you cannot find here. Also, for Chinese consumers, the experience of coming to Europe and shopping in European stores differs. Perhaps you will find the same products in China’s stores, but the desire, the taste for living an experience in Via Monte Napoleone or on Fifth Avenue, generates added value for the products. It is not just about buying a simple object but buying it from where it was born. The context, the history, and the story make you happy and satisfied.”

**Dal Santo** believes that the premium is increasing because that is the type of product the brands can have increased profit margins from luxury. “Fashion is brutal to make money in. You have to control the entire raw material production, distribution, and sales process. So, there are many expenses there. However, the premium has the correct quantity and price level, allowing the brands to recover and make a little money. But to succeed in premium, you have already raised the bar on luxury. It would be best if you were perceived as more luxurious. That ultimately allows companies to charge higher prices on so-called premium products.”

Speaking about the paradigm-shifting in the luxury business, **Nicolelli** offers his observation. “I believe that in the past 10 to 20 years, what has happened to luxury is that brands were facing a new paradigm based on basically two things: the increase in global GDP, which means more available income, and the massive access to information. Social media, social networks, the internet, etcetera, have put luxury brands in an interesting situation. Brands can start looking at the new markets, the new consumers, and the new price points. And dynamics have changed quite a lot.

So, regarding that, I think that the brands who have managed to succeed are ordered to continue conveying this idea of luxury, reputation, and exclusivity to a certain extent while also bringing lots of relevance and excitement.”

### 1.3 The Premiumised Paradox

“I am wary of the paradox of luxury: The more one is desired, the more one grows, but the more one grows, the less desirable.” In 2011, Patrick Thomas, CEO of Hermès has expressed his concern (Berghaus, Günter Müller-Stewens and Reinecke, 2018). From one side, luxury is about imposing superiority. However, the premiumisation concept offers a peer-to-peer conversation, extending the brands from luxury to mainstream. Olbertova (2019) states that luxury brands need to embody premium essence to stay competitive in the fast-changing world we live in today. In an era of ubiquitous information, consumers become more knowledgeable and discerning with greater access to information. The ability to speak the language of modern consumers has become a critical success factor for luxury and premium brands.

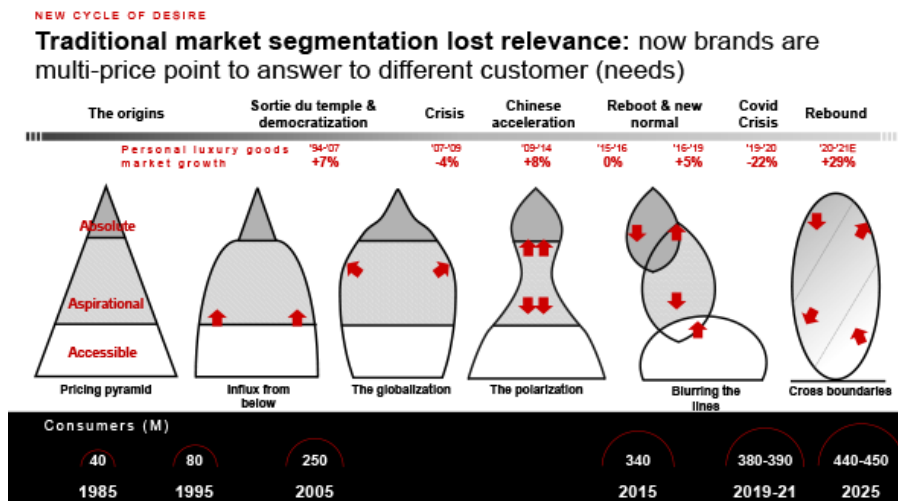


Fig.1.8 Multi-price point strategy for luxury business development. Bain - Altgamma Luxury Goods Worldwide Market Study Fall 2021.

According to Bain and Altagamma classifications, luxury comes in varieties and can be divided into three major parts: absolute, aspirational, and accessible. Młody and Stępień (2020) define these three categories as follows.

- Absolute luxury brands are characterised by heritage and a high level of elitism. This market covers mainly heritage brands that created the luxury segment from scratch and until now have been arousing strong emotions and a sense of exclusivity among consumers. These brands do not use traditional advertising but rather public relations (PR) strategies that enhance company reputation targeted at a selected group of recipients.
- Aspirational luxury brands are still considered prestigious yet targeted at less-affluent consumers. The range of products is more comprehensive and changes more often. This group's image is created based on cultural references and art, which are used to justify the high price. Marketing communication is more developed, and advertising plays a supportive role.
- Accessible luxury brands appeal to consumers in the upper-middle and middle classes, who want to possess the symbols that show social status and those who want to stand out. This segment needs to maintain communication with consumers; therefore, various tools are implemented: advertising, PR, sponsoring, and events.

Since the mid-1980s, the number of luxury goods consumers has tripled in less than twenty years, reshaping the luxury pyramid with a dynamic increase in the aspirational and accessible luxury segments. As illustrated in Figure 4, the absolute luxury segment has remained relatively stable for years, with the two lowest tiers of the pyramid growing constantly. The quantitative growth also reflects the pluralised personal satisfaction or a personal elevation. Therefore, all those who have an aspirational need and can access even just one of the luxury proposals become the

luxury brand's targets, which undoubtedly generates a loop. The more accessible the luxury becomes, the more easily consumers can access it, pushing themselves upwards. Consequently, the absolute luxury segment becomes smaller, while the aspirational and accessible segments become swollen.

However, suppose we confront this growing tendency toward the nature of luxury. In that case, we will find that in terms of quality and value, luxury is an axis which always goes upwards, leading to a thinner and thinner top. If we intend to broaden the horizontal basis of the axis, perhaps reaching the typologies of value in different sectors might be an effective strategy to open prospects for luxury business development.

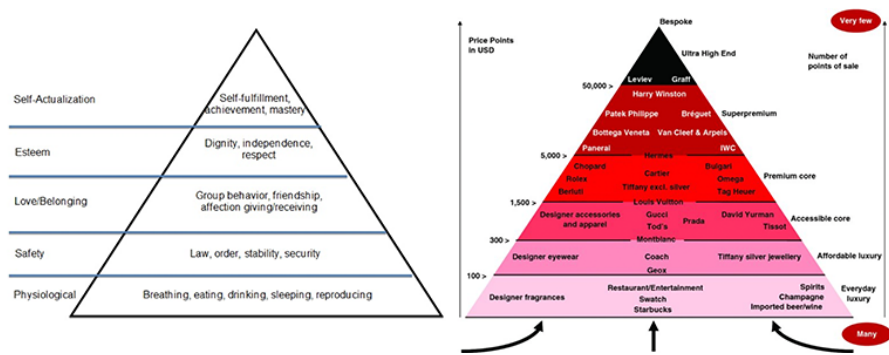


Fig.1.9 Left: Climbing the mass-luxury pyramid. Left: Maslow's hierarchy of needs (Maslow, 1943). Right: The Mass-Lux Pyramid (Rambourg, 2014).

According to Maslow's hierarchy of needs, most premium consumption would correspond to "esteem needs" (Rambourg, 2014, 143) that include appreciation and respect by others, confidence, and search for self-esteem. This pyramid helps us understand the intangible human desire, from basic needs to abstract hope. The vertical typological phenomenon perhaps makes us think provocatively. It might be a correct interpretation of the money spent, the purely economic value of the price of the products, which is no longer decisive or is not the only determinant of the

luxury good. This differentiated value proposes an almost unexpected vision, the pyramid of mass consumption, with the lower-priced segment as a broader base. It is no coincidence that in figure 4, you can find the most innovative brands of the last century in the low-end range. Some brands have produced more up-to-date business models, lines and context interpretations than those higher on the vertical axis of quality and less on the horizontal axis of typology, product difference and lifestyles. Think of Supreme or Off-White. They are democratically making fashion by reinterpreting a particular lifestyle. Although they are considered mid-range aspirational, they are still very selective with a renewal strategy to achieve an aspiring goal.

Groups like Armani, instead, adopt an expansion strategy to identify various value propositions according to different market segments. Their urban line satisfies the mass market's functional needs, providing primary commodified benefits with inexpensive products. The high-end ready-to-wear line fulfils a relatively influential social requirement by fitting in or standing out, providing benefits as social currency. Their haute couture line proposes a strong reputation and heritage, making consumers resonate with the brand's legend and provoking the feeling of a strong social signal. Exclusivity is crucial for maintaining the brand's aura and avoiding brand dilution. By differentiating the value to the customer, Armani Group can tackle multiple market segments, meeting various consumers' needs. By adopting unique distribution strategies, different lines do not overlap between other sectors.

The American brand Ralph Lauren, a company that started its life fifty years ago, has grown immeasurably over the past decades. The company began selling neckties in New York, and today, you can find polo shirts, perfumes, and even household items in their showrooms. Over the past decades, the brand has grown immeasurably from a fashion brand to a luxury lifestyle leader selling a sophisticated American dream. "I do not design clothes," Ralph Lauren once said, "I design dreams." The visionary designer knew the importance of elevating the brand's

signature in a broader lifestyle context. For example, the logo of Polo was chosen intentionally to evoke the association with the glamorous sports world. The brand elevation is the core strategy of the brand. If we look at different selling points of Ralph Lauren, we will find that the products offered are more elevated than three or four years ago. By offering elevated experiences for aspirational consumers, the brand has an opportunity to upgrade its brand image. Today's consumers continue to look for aspirational products and stores, and there is a constant need to keep up with rapidly changing expectations.

**Q. Do you think the premiumisation strategy generates paradoxical tensions for luxury brands?**

“I believe that it is almost a paradox,” says **Cingolani**, “However, luxury is not just fashion and cars. Luxury is inclusive with a broad vision, and it is changing too. Consumers nowadays are looking for more additional values at a fair price, which is the standardisation of needs. Globalisation has undoubtedly contributed to the possibility of approaching multiple market niches with the same product. Of course, the most exclusive niche, the top end of the luxury market, is not involved in this change. I believe that luxury is interpreted according to the value of brands and consumers. It depends on the geographic area, the culture, and the sociological stratification. Design, instead, belongs to needs based on sociological changes.”

“Whether it is a paradox, I think, depends on the markets,” **Dell’Acqua** offers his views saying that the same company could have different strategies for different markets. “For example, a brand like Zara is considered not a premium but a luxury brand in Latin America. The reason is linked to the taxation issue and how the brand is perceived. In Latin America, products from Spain, Italy, and France are usually perceived as the best. It is pretty much correlated to culture. Similar things also happened when premium brands tried to enter the Chinese market. They adopt a different strategy to be perceived as a luxury brand by the market. For example, Unoaerre has developed a jewellery collection just for the Chinese market, which is not on sale in the European market. The design is very decorative and baroque, with a price much higher than their other collections. So, companies adopt specific strategies according to the market needs.”

**Nicolelli**, instead, offers his arguments from the perspective of a brand consultant and advisor, “I do not think luxury brands are going down or behaving like brands in the premium sector. I believe what they are doing is quite different because they are trying to play with the positioning with several different tools that they usually

do not counterbalance with other actions that premium brands do rapidly.” He then provides an example for further explanation. “Let us say that you have brands like Chanel or other brands at the same level that are applying massive price increases for leather goods. They keep selling sunglasses, lipsticks, and entry-price categories. They are managing this idea: I’m somehow maintaining the dream of luxury by launching exceptional products or experiences or marketing activations like fashion shows, et cetera. There is always this very delicate game of increasing the business while maintaining or even potentially increasing the brand’s appeal and ensuring that the reputation is there, and it remains intact.”

## **Q. How can brands adjust to cope with consumers' changing expectations?**

“The luxury consumers have changed quite a bit.” When talking about consumers' changing attitudes, **Nicolelli** brings up his insights. “First of all, because you do not only have the traditional affluent luxury consumers but consumers from different age groups, different nationalities with different characteristics. They now represent an essential part of the business. So that is the first part. The other part is that because of the information these consumers have. There is a level of expectation from the more mature inspirational luxury consumers. The level of expectation is much higher than before. There are many more discussions about luxury that include other matters like inclusiveness, sustainability, transparency, relevance, the importance of connecting with local communities, and the importance of giving back through corporate social responsibility. How much are these consumers willing to pay extra for those attributes not presented before?”

“Each brand has a different motivation for moving outside the luxury world,” explains **Dal Santo**. “Generally, they do so because they want to get in touch with new customers, grow, and get bigger. They do not just want to be limited in quantity and only be perceived as what they are. So most of them today, especially the Italian brands, have invented industrially manufactured products, making products available to the elite, to a few, and more affordable through the brand's second or third line. It is also linked to the market's economics and the purchasing power of the customers in general. The customers wanted to buy nice products but could not afford a personalised-made product, so they accepted the branded product made at a lower cost but still packaged by the same brand in a made-to-measure way.”

Speaking about the impacts and challenges raised by the COVID pandemic, **Nicolelli** believes COVID has substantially affected the luxury business. “First, financially, because of the losses generated, certain groups are still not revering but making up for what was lost. Then, from a business standpoint, I think

there has been an acceleration in several trends that started before the pandemic, from digit-digitalisation sustainability to social responsibility and transparency, etcetera. The pandemic has accelerated these processes because people began to look at their lives, their roles in this world, the international dynamics, and the relationships between employees and employers in companies.”

**Nicolelli** also mentions the pendulum effect regarding the digital trend in the luxury world, which comes and goes and then returns. “Consumers now give much importance to physical retail to live experiences. They are looking at health in ways they have never looked at before. They are looking at how brands can integrate their importance to health, which comes from luxury and premium brands, or even potentially in luxury food with healthier products containing less gluten and less alcohol, with no conservatives. On the other hand, consumers are looking at brands more on the health side. So, the relationship between consumers and brands is changing. It is no longer unidirectional but a one-to-one interaction between consumers and brands and vice versa.”

## CHAPTER TWO

### From Initialise to Normalise

*by Matteo Oreste Ingaramo and Xiaozhu Lin*

According to Bain & Company's 2021 luxury report, China has experienced remarkable momentum, with its market size nearly doubled since 2019 and is projected to be the world's largest luxury market by 2025. Despite the overall sales for the luxury industry declining by 23 per cent in 2020, China remained the only region globally to have a rise in sales, expanding by 45 per cent. Having the world's largest and fastest-growing middle-class size (Pew Research Center, 2021), Chinese consumers yearly spend more than 300.000 yuan (US\$ 47.000) on luxury items which constitute 40 per cent of the overall luxury sales; the age of Chinese luxury shoppers is also younger, with an average of 28, ten years younger than the global average, which accounts for more than half of the total Chinese luxury consumers. (Tencent Marketing Insight and Boston Consulting Group, 2021).

The significant weight of the Chinese consumer sector undoubtedly affects luxury brands' management and design philosophies. According to Doreen Wang (2019), domestic and international brands increasingly focus on premiumising their offer in the Chinese market. She suggests that brands focus on consumers' perceptions and behaviour to build trust and reputation.

After researching cross China's post-80s and post-90s generations, Mckinsey (2019) has divided them into four distinct clusters (WARC, 2019).

- **Luxury newcomers** care most about brands.
- **Status surfers** are the most minor brand loyal.
- **Luxury connoisseurs** with more sophistication and higher aspirations often are business owners with higher incomes or substantial family money.
- **Fearless young spenders** shop for what is trendy rather than branded products.

The first two categories account for almost 70 per cent of the young Chinese luxury market. Regardless of brands' emphasis on heritage and history, they should engage more with young Chinese consumers to win over their hearts and wallets. According to Daniel Zipser, a senior partner at McKinsey, China's luxury market, compared to other mature markets, has been driven by younger consumer groups, "Chinese consumers' desire to buy more premium brands and upgrade their spending ... is evident in luxury goods, which are seen as social capital" (WARC, 2020). Luxury brands need "the right mix of incentives to get young consumers to try a new brand with a premium on renewed and refreshed product lines and marketing that creates an aura of novelty" (WARC, 2019).

## 2.1 The Silk Road in Reverse

“The change we are seeing with the Chinese is a once-in-a-generation transformation: no other nationality will influence luxury consumption as much as the Chinese in our lifetime.” Victor Luis, CEO of Coach, exclaimed at the fast-expanding speed of China’s luxury market (Rambourg, 2014). Despite concerns about a global slowdown in China’s economy or a full-blown recession, the desire for premium luxury goods among Chinese consumers remains vigorous (WARC, 2020).

The Europeans craved Chinese luxury goods via the Silk Road two thousand years ago. In 1877, German geographer Richthofen first used the term “Silk Road” to refer to an ancient trade route crossing central Asia (Foltz, 1999). The Silk Road derives its name from the highly lucrative trade in silk textiles produced almost exclusively in China (Wikipedia). It was essential to facilitate economic, cultural, political, and religious interactions between the East and the West. However, today, the Silk Road that used to flow from East to West looks like the antithesis of the luxury industry. As Rambourg described, “there is a New Silk Road that runs from the West to the East. It is a road that has not been open for long, but it is a busy one and one where new lanes have been created quickly” (Rambourg, 2014).

Chinese unique social-cultural factor made this super consumption market distinctive. On the one hand, the drastic expansion of the upper-middle class will double or even triple luxury consumption within a short period (see Fig.6). No other country has experienced such speedy economic growth. On the other hand, China is a society lacking social mobility. With a vast population and widening income inequality gap, premiumisation naturally becomes a way of “trading up”. With limited opportunities for upward mobility, luxury possession become a compensation to signal one’s elitist social status.

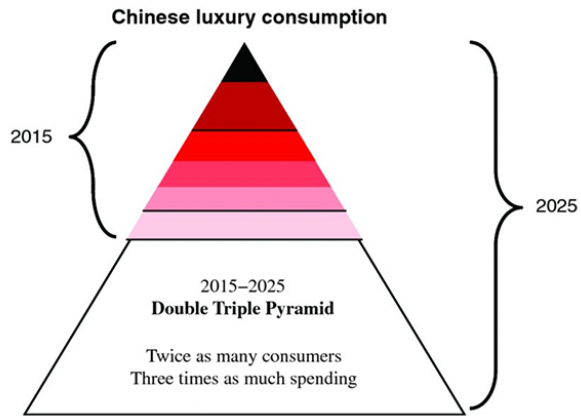


Fig.2.1 The Chinese Luxury Consumption Pyramid by Rambourg (2014, p.50).

## **Q. How are Chinese consumers altering the luxury market?**

“I have known China since the beginning of the 90s. I have seen changes in China regarding habits and tastes,” exclaims **Cingolani**, “Being able to visit more places in the world, sending their children to study abroad, and seeing and ascertaining what design is, has undoubtedly matured the taste of the Chinese consumer. Luxury in the Chinese market has evolved a lot in the past decades. I remember the taste of Chinese interior design twenty years ago was completely different from today. The culture of refined design has grown there. For example, the Saarinen tables that once were not understood and accepted for the Chinese taste today are very much appreciated. The Chinese luxury market is evolving as a function of a cultural change.”

**Dell’Acqua** also agrees that Chinese consumers are changing. He believes there is a gradual process regarding this change, “The majority of the Chinese consumers who can afford luxury goods are still traditionally defining luxury. For example, they invest in fancy cars, luxurious villas, and golden stuff, items that can make them stand out from the crowd. However, a small but emerging segment of consumers has different tastes. These kinds of consumers often travel abroad. They share western ideas of luxury. They like to discover good Chinese products and promote local high-end production. Although it is still a small segment, China is a vast market.”

As a Chinese designer, **Zhao** interprets this change from an insider’s perspective, “China has gone through a very long time and numerous stages on the way to developing the modern luxury concept. From the beginning, we sought to prove who we were deliberately, but now we aim to transmit the core of Chinese culture. This transition is because people did not know who China was in the early period. For example, during the 2008 Olympic Games, China invested a lot to prove herself and show her self-confidence. But by the 2022 Winter Olympics, the focus was no longer on self-proving but on exploring Chinese-style romance.”

Besides the evolving taste and design culture, the spending ability of the Chinese millennials is also increasing. “It is pretty linked to the single-child policy,” says **Dal Santo**, “When most of the attention and the salary of the parents and grandparents are directed towards the single child, the child can desire something more premium and prestigious. So I think the premium is the price level that younger children in China can afford. When they buy things, they do not want to buy cheap, but they want to buy real. They do not want to buy the same brands as their parents and grandparents, but they want to buy new brands and designs.”

**Lin** expresses her favour of Dal Santo’s viewpoint, “More than half of affluent Chinese travellers will purchase one or more brands that were not on their wishlist during their trip, some of the brands they may never hear before, especially the millennials, they prefer buying from local designers, they wish to experience how local people live.” **Lin** suggests that leveraging digital tools is critical to reaching these younger luxury consumers.

## **Q. How can luxury and premium brands succeed in the Chinese market?**

As a researcher studying Chinese luxury's internationalisation, **Lin** indicates that “China is a distinctive consumption market for its unique contextual and cultural factors. Chinese consumers differ not only from the rest of the world but also from city to city. Consequently, luxury consumption patterns also change in tier one, tier two, and tier three cities. So, it cannot be seen as just one big market, but many. When entering this market, it is necessary to have a general understanding of China's past and current sociocultural background to avoid controversial luxury incidents, like Burberry's Chinese New Year ‘horror movie’ campaign and Versace's problematic shirt design in 2019.” She also stresses that knowing how elitism and conspicuous consumption affect Chinese consumers' consumption behaviours is essential. “For example, sometimes Chinese consumers do not always buy the things they like but things they think others would like them to buy. China has relatively low social mobility. It is tough to climb the social ladder in Chinese society. In such a context, consumers are inclined to buy expensive luxury goods. They are obsessed with brand logos being visible to signal their status instead of individuality. Chinese consumers are constantly spoiled by new offers and are adventurous with new brands. Therefore, luxury brands should always be prepared to propose better products or differentiated lines regarding quality, design aspects, or outstanding value for money to prevent customer churn and harvest customer loyalty.”

**Dell'Acqua**, too, shares a similar opinion, “When brands promote luxury and premium products in the Chinese market, they must work with Chinese consultants to plan all the communication content according to the market's needs and culture. You cannot use the same communication strategies in both Europe and China. Some western brands tried to please the Chinese market by launching China exclusive editions, but in the end, many Chinese consumers did not appreciate the gesture. I think the Chinese market is quite different from ours. It is much younger and fast-moving. It would help if you were not arrogant when you did not have

enough experience. Brands need to research and trust their Chinese consultants since they understand the culture and how to present better and communicate their products.” Talking about the collaboration with Chinese partners, **Overi** believes that joint ventures and mixed production will be the future trend for companies to be more competitive in a larger market. “Sometimes, some brands remain in the niche market only because the manufacturing cost is too high, which cannot permit them to enter a medium-level market. Now we have more options for design and taste, and we can move some components and manufacture to our oversea partners.”

From a designer's perspective, **Cingolani** stresses the importance of delivering experiences. “It is unthinkable that all Chinese consumers come and shop physically in Europe. To increase sales, brands must create an environment where Chinese consumers feel at ease and are willing to buy the same products in China’s shops. Perhaps the key is working on details. Although today, for brands, the style of their retail shops does not change that much worldwide, for Chinese consumers, maybe we can create an adequate shopping experience according to their habits. It does not mean creating exceptional products for the Chinese market, which in my opinion, makes no sense. The products should be the same. When someone buys your product, it should be because they believe in your brand. What should change is the way of selling. Maybe there could be bars inside the shops, a place where they can sit at the table and talk with friends, or a place where you go not only to buy the product but to experience the brands, the lifestyle of that brand. Some slight changes according to Chinese habits and desires.”

Mentioning the effects caused by the pandemic since 2020, **Dal Santo** says, “The Chinese mainly purchased their luxury products overseas, so in the first two years, consumption shifted back to china. I still think the United States has remained very strong in its luxury purchases. It is still the number one luxury market in the world. China will probably take it over now that it is buying more at home within five years. Europe, I think, is perhaps the most sensitive because of inflation. People are

questioning whether they need something a lot more. Chinese consumers have the ability or desire to purchase luxury because they want to learn more and more about the western world and feel connected with it. They are open-minded, and they speak foreign languages. They travel more and want to fit in and experience the culture more. Still, I think travel will not come back quite so quickly due to the pandemic. It is going to be a gradual return.”

Besides the gradual return of the Chinese traveller internationally, an off-line shopping trend will also go back, states **Nicolelli**, “The pandemic caused different effects in different markets, which impacted how people consume. In China, on the one hand, there is a very high level of digitalisation that allows people to continue to connect with brands despite the lockdowns. On the other hand, I believe that in the post-pandemic period, there could be revenge spending physically in stores with the idea of trying to enjoy life again.” He also stresses the extreme importance of brand image. “I think that Chinese consumers have become very international in the past ten years, and now they look for what is authentic and appealing in trends. They are balancing the idea that quality, sometimes, might not necessarily be linked to a brand. In China, the brand's importance is exceptionally high compared to other markets. I think that it is really about engaging with consumers. There are many ways in China to engage with consumers, particularly from a digital standpoint, versus the rest of the world. In the future, it would be much more important to use the proper channels to connect with these consumers, but I wouldn't see the messages being too different between China and the western world for luxury brands. In my opinion, what Chinese consumers want is what other consumers wish on the other side of the world. It should not be a Chinese version of the brand. Some things can be done more tactically. But I think that Chinese consumers will be interested in really having the possibility to experience the brands at the maximum level. That will be something that will go beyond the products. And I think brands will look at providing exceptional experiences to customers in China to engage with them.”

## 2.2 The Guochao Movement

Not long ago, "Made in China" was synonymous with "made low-quality." However, this stereotype changes with a new trend rising in China, bringing the world to the East. It is the movement of "China Chic" (Guochao 国潮), which means "national trend." This term describes an interest in rediscovering and redefining Chinese culture and traditions, which can also refer to time-honoured brands, childhood nostalgia, and patriotism.

The movement emerged in 2018, with Chinese sportswear brand Li-Ning (李宁), a Chinese old fashion brand, cat-walking the new collection at the New York Fashion Week, launching a special edition in colours of China's national flag and characters written in Chinese "China Li-Ning" (中国李宁), gained an extraordinary performance. Meanwhile, the Hanfu (汉服) trend, an ancient type of Chinese costume revival movement, started booming overseas, with millions of views and followers on short video platforms like TikTok, attracting fans worldwide. Since 2018, the Chinese local government has established the first official China Hanfu Day to support the revival of the historical legacy.



Fig.2.2 Left: Li-Ning New York 2018 Fashion Show. Source: [chinessima.com](http://chinessima.com). Right: The street photography of Hanfu. Source: [ziseviolet.tumblr.com](http://ziseviolet.tumblr.com).

The pandemic year of 2020 witnessed a solid boost in Guochao goods sales (Jing Daily, 2021). Many domestic fashion brands started incorporating traditional Chinese elements into their design and packaging. This term has even appeared as one of the most popular words of 2020 in China. The emergence and proliferation of this word also reflect growing enthusiasm for “a stronger cultural confidence”, as Chinese President Xi Jinping stressed during the 10th National Congress of China Writers Association held in Beijing in December 2021. During the congress, Xi Jinping called on Chinese artists and writers “to boost their awareness and confidence in Chinese culture, create new prospects for Chinese literature and art. [...] All these efforts will help present a new look of China’s literature and art and add new lustre to Chinese culture, thus contributing to realising the Chinese Dream of national rejuvenation” (Xinhua, 2021).

In the past decades, China has created a fertile ground for premium brands from around the world to develop in China. However, the silk road is not one-way traffic. Chinese local companies have also risen to the challenge of designing and manufacturing premium products for Chinese and oversea consumers. A brand like Haier is a good case in point. Forty years ago, Haier was only a high-quality Chinese provider of home appliances. Today Haier brand is at the top of the global ranking of household appliance manufacturers. During the Milan Design Week 2022, the brand brought the “home switch home” concept, narrating an impressive smart home immersive experience for oversea markets. Such success also motivates other Chinese brands to embark on the same journey, shifting the “Made in China” perception toward a new concept of “Design in China”.



Fig.2.3 Haier - Milan Design Week 2022. Source: Superstudio.

## **Q. How do you perceive the Chinese Guochao movement?**

“In China, life's rhythm is much more accelerated than ours.” **Dal Santo** compares the Eastern and the Western backgrounds, “Chinese consumers are catching up equivocally regarding the appreciation of brands, products, and themselves. So, the individual style is coming out. Whereas before, maybe they were imposed to look in a certain way or fit into society in a certain way. I think they have learned to find their style. Moreover, they do not want to give up their Chinese traditions. So slowly but surely, they have also been mixing and matching international and Chinese brands to develop their distinct style. They do not want to look like French, Italian or American, especially the younger generation. They want to look Chinese. I travelled twice a year to China between 2010 and 2016. I found that education and investments changed quite a bit. I see many Chinese brands with young designers trying to make their creations.”

“I think it is a kind of national pride,” says **Dell’Acqua**, “It happens in many parts of the world and is sometimes promoted by different governments. Chinese consumers, for many decades, have just been looking to the West. Now they are rediscovering the old traditions, something they understand culturally and can be proud of.” As a professor with years of international teaching experience, he suggests that although the practices and research are interesting, “Chinese designers must not just copy the traditional items, but translate them into something modern, something proper for our era.” He recommends that the design pieces offered should not be too Chinese. Otherwise, it would not be easy to use for western consumers. “As a fashion designer, you should take care of different body shapes, climates, and laws. For example, a classic piece of Chinese Cheongsam can look nice on young Chinese women but is not suitable for many European females with curvy bodies. For icy areas in northeast China, wearing fur is considered normal, but it is not appropriate for a sustainable and ethical attitude towards nature in Europe. These are all the aspects that a designer should be aware of.”

As a Chinese fashion designer, **Zhao** expresses her insight regarding this national movement. “It should not be too extreme,” says Zhao, “As a designer, our work must be genuine, emotional and warm. Sometimes Chinese designers would either deliberately evade China or emphasise China. I think neither is undesirable. Chinese designers must go through this process: from the initial advocacy of Guochao, that is, trying to prove who I am, to not emphasising this movement, expressing the Chinese style genuinely.” She also echoes Dell’Acqua’s opinion. “At this moment, many are talking about Hanfu, Mao Suit and Cheongsam. These apparel forms are more of an era’s imprints, signs of generations. But after all, our society is changing, and we cannot simply copy them. We must iterate with the modern design language and empower them with new values. For example, you can find cheongsam elements in HUI collections, but what you see is not the kind of cheongsam in the traditional sense. I hope that when Chinese designers express our identity, the relationship between us and the rest of the world should be harmonious, not antagonistic, not isolated, but mutually integrated. I think Chinese designers should not be too anxious. Making a brand is like making soup. First, you need a cultural identity, which requires contact, communication, and cooperation. Since 2015, I have built a multinational team between Italy and China. It is a complicated and laborious process. But in the end, you will find that such cooperation is not a business relationship but more of a mutual understanding, friction and fusion of two cultures.”

From the angle of design education, **Lin** briefly explains the gradual shift from “Made in China” to “Design in China”. “Besides the awakened national pride, Chinese designers are gradually glimpsing into the true essence of design. Saying this because the term ‘design’ was introduced to China only in the early 20th century by a group of Chinese artists who studied in Japan and France, and etymologically this term in Chinese means ‘drawn graphics and patterns for manufacture.’ Accordingly, it has been long comprehended as ‘drawing’. Moreover, academically, the design training in China mainly focuses on ‘aesthetics’ and ‘function’ dimensions.

Therefore, design education in China has long attached excessive importance to drawing. The complete design thinking skill was somehow missing for many Chinese designers. Thanks to globalisation, the international exchange platforms enabled more and more Chinese design students and professionals to stay in line with international standards. The acquisition of design methodology and knowledge of design history enhance them to integrate the Chinese tradition into their design. What we see now, this Guochao movement, the emerging Chinese design, is gradual precipitation of a long steady accumulation, which does not happen in one sitting.”

**Q. How will this new trend affect the global luxury business?**

“Looking at the past, art nouveau has brought orientalism to Europe. Today in this globalised world where diversity and identity are valued, Chinese history would be an excellent starting point for Western designers and consumers to draw extraordinary inspiration,” says **Cingolani**. He believes that this Guochao movement is happening now because the Chinese municipalities intend to preserve historic buildings and revalue the testimony of the past. “There is a phenomenon of cultural regeneration from architecture to design. The Chinese market is vast and robust, and it will undoubtedly influence other markets, affecting the choices of non-Chinese designers.”

**Dal Santo** gives the example of the brand Shang Xia to explain his opinion toward this Chinese trend “Potentially, the brand could open up twenty shops in Europe if they wanted, but there is not enough demand. The Chinese culture is very distant, so there must be some connection for us to understand each other.” He adds, “In China, luxury is not entirely understood through the supply chains, from the suppliers, raw materials, and people to help you make the product. But as more people understand what it means to create a product by hand, more luxury brands will be in China. However, I think the first step has to be a premium design, and then industrial manufacturing and luxury will come sometime during our lifetime.”

From a Chinese researcher's perspective, **Lin** suggests that brands be very cautious when responding to this emergent trend. “Chinese consumers are not absent-minded and sometimes even are a bit sensitive. One slight careless mistake may have a horrible impact on a brand's reputation. What happened to Dolce & Gabbana in 2018 is a very typical example. Even three years after the advertisement controversy, the brand still struggles to win back Chinese consumers. Another issue to be appropriately dealt with is cultural appropriation. In the fall 2022 collection, Dior presented a pleated skirt, which encountered a fierce controversy on Chinese social

media platforms, with consumers accusing the brand of not just copycatting but stealing from Chinese culture. Sometimes there is just a thin line between attribution and misappropriation. Luxury brands should be respectful when entering overseas markets.”

Echoed comments also proposed by **Nicolelli**, “In western countries, luxury traditionally has always conveyed an idea of dream, exclusiveness and richness. And those attributes have always been crucial for Chinese consumers. I think the Chinese national trend might come as a counterbalance to an extreme appetite. However, it might be slightly different from generation to generation, also depending on the consumer's age. I think brands can still convey their values in a relevant manner, respectfully to the Chinese community.”

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## **PART TWO**

## **Mind the Company-Academia Gap**

Across the world, universities are still struggling from the pandemic. However, even as campuses reopen, university administrators must realise that returning to normalcy after the pandemic will not be easy. Business reinvention is already coming. Changing workplace demands and evolving student expectations create considerable disruptions for the global higher education system (Euromonitor International, 2022).

Over the years, building up the linkages between industry and academia has been under intensive discussion (Siegel et al., 2003; Burnside and Witkin, 2008). As companies' external network, the university plays a fundamental role in supporting the evolution and development of the luxury industry. With the significant paradigm shift in the luxury sectors, the necessity for effective industrial-academic collaboration has become increasingly crucial. However, there is always a gap between what the industry requires and what the university delivers (Wallin et al., 2014). Preparing the proper workforce is necessary to sustain the company's in-house capability, which requires constant and constructive dialogue between academia and the professional world.

During the First Fashion Education Market Monitor Summit in Milan in 2017, industry and education experts offered their perspectives on the altering landscape of the luxury industry. They believe that new professional figures are emerging in the coming years in a broad sense, integrating the creative world with the business realm. Nevertheless, there is a concerning mismatch of supply and demand of labour skills (Deloitte, 2017). Instead of staying in an insular world, universities must transform and reinvent themselves to adapt to the sector's new realities and rectify the theoretical knowledge into up-to-date practical industrial issues to equip graduates with adequate skills and competencies.

This part of the book investigates the industry-academic gap regarding the affordable luxury system. A diverse range of leading practitioners shares their views on the challenges the higher education sector faces, focusing on the synergy between design and business, which has been considered critical in assuring the company's success in today's globalised era. An innovative program at Poli.design for aspiring designers and managers is introduced as an example of the solution to strengthening university-industry ties for a future higher education landscape.

## CHAPTER THREE

### **The Growing Mismatch**

*by Matteo Oreste Ingaramo*

As the world changes, the luxury industry must be ready to adjust business models, as do universities. However, it has been widely acknowledged that there is a growing gap between skills trained in universities and needed in the labour market. “Education is extremely relevant, but it must be customised to meet the needs of students, not of professors and institutions,” reiterated Santo Versace when criticising the current design education state (Turra, 2017). According to research conducted by Bocconi University in 2016, the skill mismatch may be responsible for significant GDP losses and unemployment in the country. Since universities and industries have different drivers, difficulties in interpreting and appreciating common goals are inevitable (Siegel et al., 2003). Gaining a mutual contextual understanding across various stakeholders has become one of the fundamental challenges in narrowing the university-company gap (Wallin et al., 2014).

### **3.1 The Emerging Figures**

According to Deloitte's research (2017), shortly, creativity and innovation will not be the only defining qualities for designers. Business acumen is also considered an invaluable ability for professionals. Integrating design and business becomes a critical success factor that fosters a superior dynamic performance across all industries. "Companies with the best financial returns have combined design and business leadership through a bold, design-centric vision embedded in the deliberations of their top teams" (McKinsey & Company, 2018). Increasing the interconnectedness of design and business in today's era of education has become an urgent need.

**Q. What do you think of the current company and university relationship?**

“These two parties must work together,” says **Cingolani**, “The university must, more and more, be a bridge linking company and academia. Also, the training program should aim more at integrating industry and academia.”

**Nicolelli** expresses the same views, “In an industry, such as the luxury industry, that is growing, it is crucial to ensure that there is a pipeline of human resources that will fulfil that growth and demand. The role of universities, business schools, and academics, in general, is vital for the industry. It requires the right balance between theory and practice. Because clearly, the luxury industry is very complex. It's a fast-changing sector because the consumer is always rapidly evolving. So, I think the relationship between universities and the luxury industry should get closer and closer.”

**Cingolani** adds, “University’s added value to companies is that they are not bound to make profitable products, which is its beauty. I always tell students that the most beautiful years in life are the years at university. Because you can experiment, you can think about things that perhaps, from a commercial point of view, do not make sense but have an altruistic research purpose. After all, a university is a place dedicated to experimentation and research. Moreover, your research, a whole series of innovative ideas, materials, and technologies, will be implemented if you manage to carry it out within the industry. So from experimentation to industrialisation and production, this is kind of the thing that should happen.”

However, there has been long acknowledged a gap between companies and academia. According to **Dell’Acqua**, such a gap existed because many professors in the academy often never experienced the professional world. “They developed interesting research but did not have an actual link with the industrial system. To overcome the gap, we should make students work on real projects with companies and make them aware of their needs. Besides, the teaching methods vary from

country to country. Some design schools in Latin America still adopt methods developed in Europe in 1930. While in other parts of the world, students have total freedom to create projects that have nothing to do with the real world. I think these are defects in our current university curriculum.”

Similar opinions have also been brought up by **Cingolani**, “Currently, the university is a bit too closed and isolates itself in its programs and training courses. At the same time, the industry is concentrated mainly on doing business, making profits, and hiring people who are already well trained. Sometimes the industry considers inserting neo graduates a waste of time, an investment that does not see an immediate return. I think it is an error not to plan for the long term.”

“There have been many turnovers inside companies, especially during the last two years. Many people have lost their jobs. While companies are not hiring managers, they are hiring interns. Moreover, they will often keep only hiring interns without integrating them full-time inside the company, just because they do not have a clear forecast of their sales from season to season.” concurs **Dal Santo**, “We need someone within the education system that runs around and keeps relationships with companies. Someone works as a bridge between companies and universities who can bring fresh minds to companies with special projects or needs. Unfortunately, some professors in state universities have never worked inside companies. They remain on the theoretical level.”

**Q. How do you think the current design education system needs to adapt to the shifts in the luxury industry?**

“We should have a flexible program focusing on companies’ needs. Otherwise, students will find a closed door in front of them when they graduate. In the meantime, the government should also support the university to become a part of our productive system to prepare graduates for work,” suggests **Dell’Acqua**.

**Overi** endorses the opinion, “I think the university should understand the real needs of the companies. The teaching content should be close to the manufacturing, materials, and machinery. Some brands like Gucci sponsor young students and designers to stay relative to the real market. In this way, they can learn and get trained efficiently. Besides the universities and companies, I think the government should also support the cultivation of designers. For example, our new city mayor has decided to establish a design centre for young designers with companies’ financial sponsorship. I found this effort very important for some non-first-tier cities like ours. It is a way to form new generations of workers for regular jobs. A certain ecosystem should be created instead of letting companies do it alone.”

“It would be essential in the future that the industry keeps providing universities with specific industrial requirements since the industry can understand the type of profiles and type of people they will need in the future, so that dialogue needs to be extremely open,” stresses **Nicolelli**, “The balance between theory from the university and practice from the industry is essential. And probably, it still needs to be a little more articulated to ensure that you know as a formula is working successfully.”

Instead of state universities, private institutions have an advantage, says **Dal Santo**, “They are typically more motivated to contact private industry companies, create a flow of communication, and facilitate the interaction between the company and the

university. They invite companies to come and talk to the university. They bring university students to visit the company. And then, the company interviews students for specific positions, recruiting the best business or creative minds.”

**Cingolani** also proposes some possible solutions to bridge the company-university gap, “For example, planning internships for students, bringing students to visit companies and doing projects in partnership with enterprises. I think these are the right moves, but perhaps, the internships could be arranged not just at the end of a three-year or five-year degree course but during the first years with shorter periods so that students can gain experiences immediately. That means if I already show the students from the first year what the world of work is, perhaps they can understand why they must study certain subjects, books, and materials in their degree course.”

“I suggest two things,” adds **Nicolelli**, “The first is that universities must sit down with companies and brands, asking them precisely what they need in terms of output and skills from the different potential students to fulfil the workforce. Rather than just coming up with various programs that sometimes might be less useful for the industry because of the rapid change. The second point is to increase the integration between universities and companies by having students work at companies in different sectors. It could be from field projects to short-term internships to let students stay close to companies early in their study program.”

### **3.2 The Internationalized Scenarios**

“In the globalisation system, where you are doesn't matter much anymore. And it also doesn't matter who you were. While countries should be encouraged to preserve their culture and heritage, they can't ride on it. What matters now is what you are, and that depends on whether you make the choices for prosperity available in this system” (Friedman, 2000).

During the past 25 years, internationalisation has become a priority for universities and the government. Higher education's international dimension has been emphasised more in international, national, and institutional missions than ever before (De Wit, 2011). With the increasing diversity of students from different educational and cultural backgrounds, possessing various entry-level skills and differentiated learning styles, universities are requested to rethink their long-standing philosophies toward “pedagogically responsive and culturally appropriate curricula” (Gu and Schweisfurth, 2011).

**Q. Do you think the internationalisation process is more of a challenge or an opportunity for universities?**

“I think it is an excellent opportunity for the university,” states **Cingolani**, “International students bring their culture, knowledge and lifestyles. It gives our Italian students a chance to get in touch with something outside our country and learn different study methods and thought patterns. I think it is a very positive and exciting experience.”

“Today, when we talk about luxury brands, we talk about international brands. Therefore, it is also a positive process from a student standpoint,” says **Nicolelli**, “Being able to get in touch with an international class is a small representation of what they might find themselves in tomorrow's company.” Agrees **Dell'Acqua**, “Today, unfortunately, many students do not have a fair idea of how our society is moving. They do not watch the news or read newspapers. They live joyous and carefree university lives without being aware of our social issues. To become a manager, you must know why people are or are not coming to buy at a particular moment and the various reasons behind their behaviours and mindsets. For students, it is not enough to follow lessons or events but also to get trained to understand the social environment that they are living in. Having international students also means offering opportunities for discussions about cultural, religious, and political issues, which is often avoided in university classrooms.”

**Q. Are the current education models and methods sufficient for international classes?**

“I think it is important that universities, in the early stage of a study program, start to integrate students who come from countries that might have been less exposed to western local brands, which would be a practical aspect of an international program,” suggests **Nicolelli**. “Our professors must improve themselves,” recommends **Cingolani**, “They must adapt to teaching international classes, not only for the language but also the way of expressing themselves and conducting lessons. It is necessary for both the professors and staff to improve their performance and make the study programs more oriented toward an international level.”

**Cingolani** also stresses, “Design schools should not just teach how to draw or focus mainly on creativity since it is linked to individual talents. Instead, schools need to develop design students’ managerial skills. For example, as a student, you need to learn how to design a table and sell it to your client at what price. No one had ever told me about it when I was a student. University must ensure that our students, when they leave school, are ready for the world of work and can support themselves with their salaries, especially the freelancers who decide to work by themselves or open their studios.”

**Dal Santo** believes European students have a particular advantage when discussing luxury and fashion. “They have more sensitivity to certain types of products. Whereas if I have international students from, for example, China, India, the Middle East, or Africa, they have a more challenging time grasping these concepts, especially strategically, but creatively and design-wise, it seems they are in the right place.” Therefore, he proposes that creating working groups would be more effective for an international class. “By mixing students from different countries in the same group, they can work out some interesting strategies to confront the world. The first step in the project is to have a creative idea. Then, with the strategy they

learn from each other, they can find a good compromise between creativity and strategy.”

As a Chinese designer who received both Chinese and Italian fashion design education, **Zhao** shares her study and work experience with us. “Politecnico di Milano’s Master class was crucial to me. It helped me achieve a structural transformation. It was during that course that I learned that creating a brand is not only enough about making a good sell but also about telling a story, and this part is missing in our Chinese design education. That Master class changed my mind, which is fundamental for carrying out my actual future changes. During my study, I learned how to make a fashion show. I learned how designers and managers work together as a team. This knowledge is entirely different from my previous working experience in China. We had courses arranged for Milan fashion week during the study period, which touched me profoundly. I remember walking more than ten kilometres daily and attending fashion shows day and night. We went to buyer’s shops, design museums and fashion foundations. It was an explosion of an immersive culture of fashion. I realised then that fashion is and should be multi-faceted with multivariate expression. I remember our last lesson was held inside the Armani Silos, and this way of teaching is unthinkable in China.”

Meanwhile, she believes it would be helpful for Chinese students studying fashion and design to have a study abroad experience. “In Europe, for example, you can find a complete and sophisticated fashion system, which unfortunately cannot be developed in China in the short term. However, in China, we have realised such differences and needs. Currently, China’s fashion design education has reached a moment of transformation and upgrade. People’s attitude towards fashion, art and design has changed compared to a decade ago. Many people despised art and design students when I was an undergraduate student. However, many high-level families will now send their children to learn fashion and design, which is a remarkable

change. Now, cultivating art and design talents is also very encouraged in China. I believe China's fashion design will proliferate in a relaxing atmosphere.”

## CHAPTER FOUR

### **Bridge the Gap**

*by Matteo Oreste Ingaramo*

Eliminating the skills mismatch requires continual alignment of the university curriculum with industrial needs. A seamless pathway must be ensured for graduates to enact their career and transition goals successfully. Unlike the current design education model, a flexible delivery model should be adopted to accommodate today's study and work responsibilities (Spang, 2014). The author suggests an internationalised curriculum development framework (Lin, 2019), bringing in the notion of phases and stages to ensure a better adaption and reflection of the internationalised curriculum design process.

As illustrated in the figure below, the curriculum design process comprises three developmental phases: the prophase, the metaphase, and the anaphase. Every phase refers to major time segments spanning the design curriculum internationalisation cycle from inception to conclusion. The five stages considered sub-phases could be adjusted and “customised” to merge, expand, overlap, and interchange better to adapt to the specific implementation area of the process. The phase cycles are explained as follows (Lin, 2019).

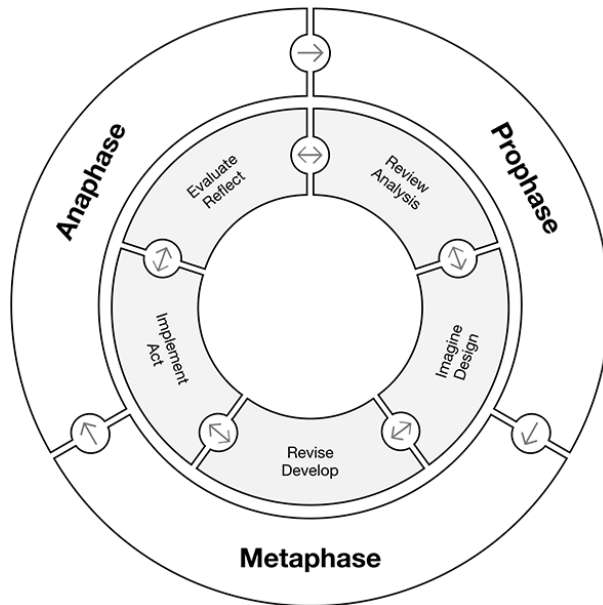


Fig.4.1 The internationalised curriculum development framework (Lin, 2019).

### ***Prophase***

Key point: Avoid overstating or understating the extent of the program. A thorough investigation of the participants is crucial to balance the long-term goals with short-term achievements. The support from the intermediate facilitators is indispensable.

For any process of curriculum design, from the very beginning, it is essential to clarify the program goals and objectives. Discussing with internal teams and negotiating with external partners is fundamental to ensure that these are the same goals that both sides aim to achieve. During this phase, support from the intermediate facilitators is indispensable. The expert intermediate facilitator could interpret the implicit message of the contexts and encourage meaningful intercultural and interdisciplinary conversations.

### *Metaphase*

Key point: To consistently explore the boundaries between the dominant and emerging paradigms within the discipline, an appropriately differentiated curriculum is effective and beneficial, and a safe learning space is essential.

This phase is considered essential and integral, as it challenges the taken-for-granted mechanism and requests a broadening engagement in constructing the curriculum. The globalisation phenomenon has impact significantly the traditional teaching methods. With students coming from different cultural and institutional backgrounds, it is challenging to have them together in the same class and teach them with the already loaded methods. The curriculum developers suggested during the interviews that one solution is teamwork so students can learn from each other. Another option is a personalised curriculum, which could help fill students' disciplinary knowledge and competencies gaps.

### *Anaphase*

Key point: To ensure the process's cyclicity, multilateral engagement is critical to diminish the operational gaps. Honest feedback and conversations are fundamental.

The curriculum structure should be seen as a whole rather than isolated parts, and the evaluation of the achievements of the outgoing cycle and improvements of the oncoming process should be discussed and negotiated by all the participating members. Having an honest conversation with participating members throughout the program is fundamental. Their genuine feedback can help to stimulate further improvement and development of the process. By reflecting on the feedback collected, the sub-phases of the process and the methods adopted during the implementation practice could be adjusted accordingly to ensure the effectiveness of the designed curriculum.

#### **4.1 A Sustainable Linkage: POLI.design**

Tradition and innovation, quality, and ability to connect with the professional world are the cornerstones that have made POLI.design since 1999 one of the reference companies at an international level for post-graduate training. With the School of Design of the Politecnico di Milano and the Department of Design, POLI.design forms the Design System of the Politecnico, an aggregate of resources, skills, structures, and laboratories among the most important in the world.

POLI.design is the post-graduate school in Design of the Politecnico di Milano that supports and completes the curricular paths of the School of Design, aiming at professional training and an effective insertion in the many areas of work in which the designer operates today. It plays a hinge role between universities, businesses, organisations and institutions and professional worlds, running in the perspective of internationalisation and establishing partnerships with universities, schools, organisations, institutions, companies, and companies from time to time.

The entrepreneurial system and universities in Italy have experienced a seemingly contradictory history in the discipline of design. On the one hand, there have been excellent but spontaneous cases of design's contribution to the success of products and companies. On the other hand, companies have assimilated a culture of innovation based on technology or economic tools, leaving design with a role as a refinement of the values produced. Talented designers have made history for Italian companies, but companies have not been able to tap into a knowledge market fed by design schools and universities.

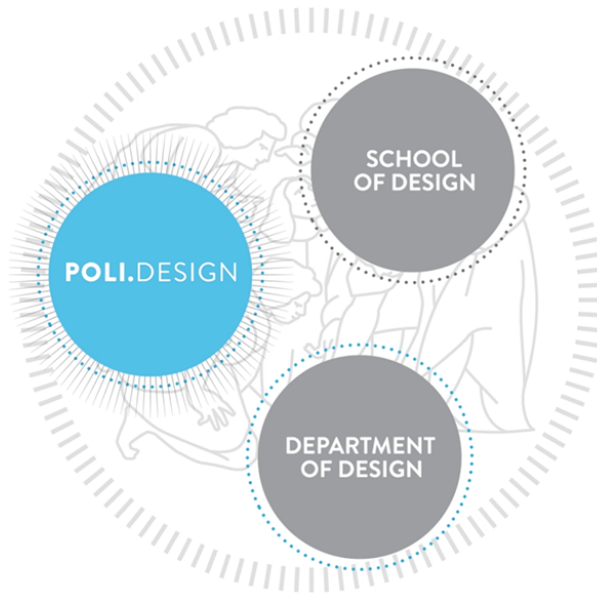


Fig.4.2 The Politecnico Design System.

POLI.design was born and has grown, intending to educate professionals and businesses to codify their own culture and make it available to managers and designers facing change generation after generation. From 1999 to the present, the postgraduate school has dealt with existing design issues and addressed boundary issues brought on by the constantly altering contest and contemporaneity. Now we are facing an evolving instantaneity in which consumers' consumption, satisfaction, and desires are changing in an international and multicultural landscape. The Master of Premium Design Management seems to be a perfect solution for the scenario that proposes design as a tool for speculating on the future and designing value for the future.

## **The Vision**

The design represents a resource that can guide societies and production systems toward new development models in complex and closely interrelated worlds such as those we live in today. Standing up to the global competition regarding identity and diversity is also crucial.

Design is a driving force behind the growth that can guide individual and collective choices through cultural trends, guiding tastes, behaviours, lifestyles, and consumption styles. It has numerous and highly varied applications: from research and applications connected with the introduction of new technologies to designing new products and services, from the study of communication interfaces to managing ergonomic and environmental qualities, from defining urban spaces and one's own body to governing processes connected with environmental and social sustainability policies. In this context, POLI.design proposes to:

- Unite the academic and business cultures and the world of knowledge professionals.
- Promote and develop the design as a discipline and system of professions.
- Foster virtuous relationships between universities, institutions, manufacturers, and professionals.
- Support the development of creative enterprises.

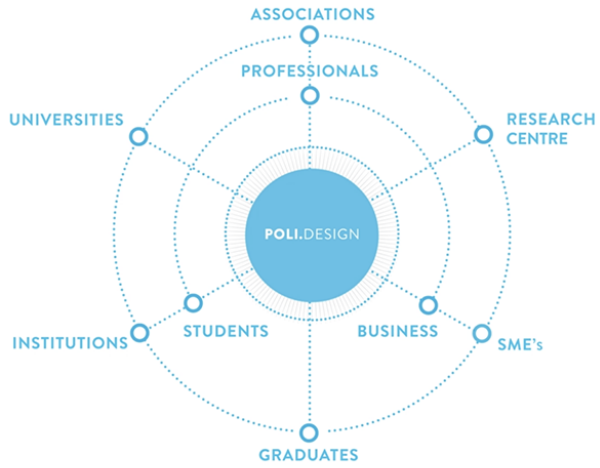


Fig.4.3 POLI.design as an academic-industrial linkage.

## **A Bridge Between Education and Profession**

POLL.design develops its methodology and knowledge transfer activities in contact with enterprises, trying to orient them and, simultaneously, obtain a culture compatible with the limits and opportunities dictated by the market and production technologies. Understanding companies and co-involving them in knowledge production and educational experiences aims to bridge the gap between the spontaneity of design companies' successes and the rigidity of academic knowledge paradigms.

POLL.design was born twenty years ago as a bridge between academic research and production dynamics, aware that practical design arises from overcoming borders. Every year it transforms this belief into five innovative paths.

### ***Active Learning***

These paths activate design knowledge by generating value for companies and institutions. Training and applied research are oriented toward understanding the new market and consumer demands to create innovation.

- **Active learning projects** transfer the design knowledge ecosystem of the Politecnico di Milano within companies and institutions, defining active learning interventions (or learning by doing paths) tailored to the shared objectives in the briefing phase.
- **Knowledge transfer** is the process activated by these paths to involve company teams in acquiring an aptitude for design as an effective lever for creating value for the company.
- **Design advisory** is the phase of the strategic approach to the project: design coaching activities to establish a bridge between the client's objectives and the culture and academic research of POLL.design.

- **Areas of intervention** of the training activity involve all aspects of design: the analysis of markets and trends, the inclusion of design incorporating processes and strategies, the practices of involving internal and external personnel in the creation of value, and the techniques for generating new products and market ideas.

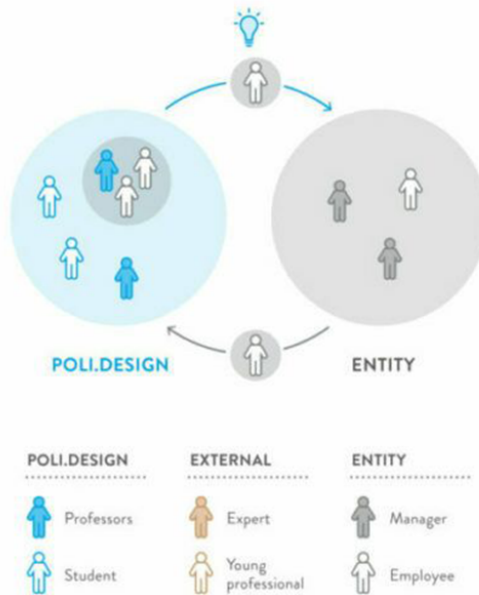


Fig.4.4 Five innovative paths: Active Learning.

### *Design Acculturation*

The academic culture and market challenges meet in innovation paths in which POLI.design makes disciplinary knowledge and active teaching experiences available to companies, associations, and institutions.

- **Short and tailor-made courses** fit into training policies and are dedicated to teams or individual professionals. The teaching-oriented to the activation of innovative processes is based on seminars, workshops, and training courses and can take place face to face, remotely and in blended mode, depending on the customer's needs.
- **Innovation and skills maintenance** are the two faces of Design Acculturation which enhances resources already acquired with a solid injection of new design culture.
- **On-demand** is the formula that expands the range of courses in the catalogue. POLI.design's knowledge of design, international vision and teaching practice is focused on the client's objectives and project development times. The intervention can cover all the training areas of the school.
- **On-field** education is offered for foreign professionals interested in learning about the excellence of Italian design from within. Thematic study tours are periodically organised by POLI.design, including seminars, company visits, cultural tours, and workshops.

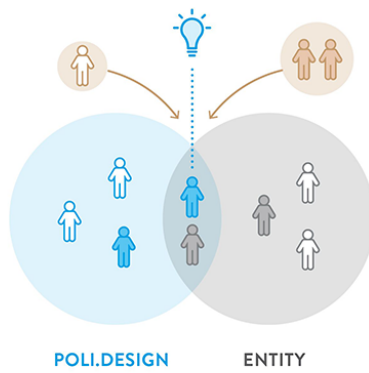


Fig.4.5 Five innovative paths: Design Acculturation.

### *Partner in Education*

The design culture grows by grafts: among academia, associations, companies, and professionals. A partnership offered through educational paths will promote together in ways that meet students' goals.

- **Participatory teaching** is the objective that POLL.design pursues continuously and consistently by opening its courses to the contribution of companies and public or private bodies.
- **The partner is a training actor** who can actively collaborate in the Specialising Masters and Courses educational program by participating in project workshops, sponsoring a course or assigning scholarships to selected candidates. Through the launch of a project brief, students and graduate designers worldwide will develop a concept coordinated by a team of teachers, a class tutor, and a sponsor team.
- **The company enters the Community** of POLL.design by supporting the training courses in one of the three ways described in the following: a network of students, teachers, and external professionals that expands and renews itself at each edition of the Master.

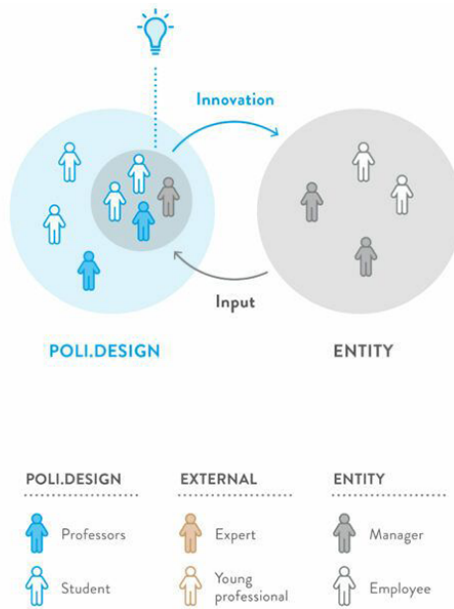


Fig.4.6 Five innovative paths: Partner in Education.

### *Internship Experience*

Like the students, the design has many faces: a melting pot of cultures, languages, experiences, and specialisations, with only one common trait: an academic education as solid as it once was and as liquid as our times require.

Specialising Masters attract students from all over the world and are designed to end with fieldwork in companies or public or private institutions. Internships in Italy and abroad are a natural extension of the training course in POLI.design. Students from all areas of our specialising masters can be integrated into teams with the internship formula.

This educational activity primarily aims to give the student an experience in an organised contest with professional objectives to exploit the knowledge and method learned during the courses. Indeed, the post-graduate student already possesses expertise and experience gained with the university career or in the first possible professional experiences. This aspect of the relationship between student and company can turn into a phenomenon of positive company contamination by the trainee. It is also more evident and frequent for companies in the premium sector where the internship is often an opportunity for cultural or generational openness that is very useful for updating the strategy and the catalogue of products and services.

This internship aspect also allows companies to open up to the integrated and complex vision of the products that designers have: the ability to synthesise meaning, function and value becomes strategic for configuring accessible but highly qualified products. Just like premium products should be.

- **Internships in Italy and abroad** are the natural extension of the training course in POLI.design. Students from all areas of our Specialising Masters can be integrated into teams with the internship formula.

- **Our Specialising Masters** are delivered in Italian and English, attract students from all over the world and are designed to end with fieldwork in companies or public and private institutions.
- **How to activate the internship** Each internship is activated based on two formalised agreements: the internship agreement with the Career Service of the Politecnico di Milano and the training project with the Politecnico di Milano through POLI.design. It lasts up to 500 hours and confers training credits.

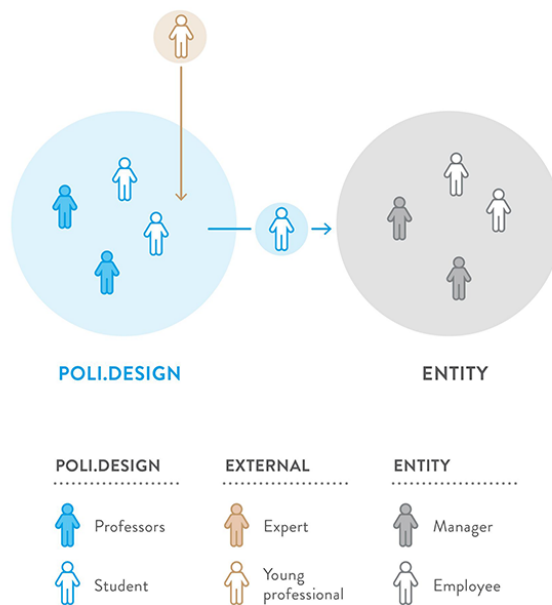


Fig.4.7 Five innovative paths: Internship Experience.

### *Contests and Events*

Design is the engine of growth, cultural orientation, the evolution of taste, transformation of lifestyles and consumption. Disseminating and transferring knowledge through teaching is a process that guarantees individual skills and approaches in design. However, companies have their expertise and internal system to ensure their identity and quality objectives. Then companies are collective organisations where knowledge and operations move inflows. Furthermore, companies trust their historical and brand identities. It is necessary to exploit the potential of design as an integrator of knowledge and values. The value of design must be promoted among companies and supported with cultural activities and by providing free and frequent access to design so that managers and workers can trust design to boost their performance. POLI.design develops competitions and cultural events together on these issues.

- **Promoting design culture** is one of the aims of POLI.design. Organising competitions, seminars and conferences, exhibitions, and events; providing consultancy services for cultural and communication initiatives; supporting editorial activities.
- **The partnership with POLI.design** is agreed upon based on the initiative's objectives that companies, public or private entities, want to pursue and use our experience in the cultural promotion of design themes. POLI.design takes care of the design, organisation, and coordination of these initiatives with different degrees of involvement based on the promoter's project needs.

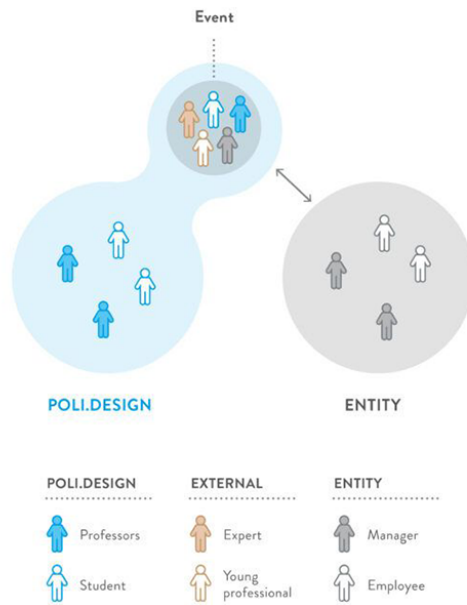


Fig.4.8 Five innovative paths: Contests and Events.

## **POLI.design International Network**

POLI.design operates within an international network that is continuously growing thanks to the wide-ranging experiences and collaborations in an increasingly interconnected and global dimension. We aim to promote and spread the design culture by enhancing and intensifying our international relations.

POLI.design has built strong relationships with companies and institutions worldwide by offering training programs for international students, professionals and companies and organising tailored training courses and site-specific projects.

The goal of POLI.design is to promote the exchange, access, and mobility in the design world, strengthening and intensifying relations with a perspective of spreading the design culture. POLI.design involves each year international students coming from 88 countries all over the world, such as Colombia, Brazil, Peru, Mexico, Chile, Ecuador, China, Costa Rica, Turkey, Russia, India, Uruguay, Greece, Lebanon, Switzerland, Denmark, Korea, Thailand, Morocco, Mauritius, Qatar, Uganda, et cetera.

It guarantees a cosmopolitan and multi-cultural vision of design, continuously regenerated thanks to the education process. All sectors in change, like premium, need to refer to a global context and absorb the differences and specificities of local cultural and social systems.

## **4.2 An Innovative Program: Premium Design Management**

Managing the value produced by creativity requires a good understanding of the culture and approach of design and the value of products and services. At Politecnico di Milano, an educational program has been developed with academic partners from excellent business schools. This program aims to supplement the knowledge base of designers and managers who want to deal with the changes in luxury goods that are increasingly accessible and ever closer to changing technologies and social behaviour.

The Specialising Master of Premium Design Management blends design and marketing to assess and reinterpret the strategies of the premium sector brands in an innovative way. The course entails investigating topics connected to the design of a new form of marketing and management in the luxury sector with the interdisciplinary involvement relating to themes and tactics of the two domains of Design and Economic Management. In particular, with its current trend of commercialisation of experiences, the luxury goods and services market offer a unique meeting ground between the academic and practical areas regarding design and the analyses related to marketing and business management.

## **An Innovative Program for Aspiring Designers and Managers**

The Specialising Master aims to train key figures able to mediate management and corporate marketing instances with the needs of products, spaces, and services characterised by high or very high design quality. In today's new dynamic and hybrid context, analysis and knowledge can be deepened from the following thematic areas.

### ***Creative Leadership / Strategic Design for Innovation***

Innovation is the key to growth. Companies worldwide invest millions yearly in developing innovative products and services that ensure economic sustainability. However, innovation demands strategic thinking, customer focus, a suitable organisational climate, and a practical management approach.

An effective leadership model consists of several aspects, including acting with passion and determination, applying an experimental mindset, envisioning a better future, and orchestrating creative teams. Following a slightly different approach: selecting a field of application, defining an area of intervention, observing behaviours, considering the usual stereotypes, trying to destroy them and then defining new formal constraints, providing preliminary solutions, using different principles and methods as means of validating and give the final proposal.

### ***Product Design and Engineering***

The production processes and the satisfaction of the needs of the target audience are essential elements at the basis of the success (or failure) of a project: the analysis of the qualitative/quantitative tools necessary to evaluate the design of a product and its adequate adherence to the needs of multiple users and the standards of production systems.

### ***Historical-cultural Context Knowledge***

It is only through understanding the critical intersections and movements in the history of Design and Fashion that it can bring to light the numerous alternative approaches that today coexist and define this productive realm. Is Design "style"? Is Design rough production? Is Design Art? Is it technical? Is Design a process? Perhaps Design is all of these and possibly much more. The recent success of brands like Gucci with its ability to reinvigorate archives indicates that historical research on different design themes has a present value.

### ***The Production System***

The European Design and Fashion system have a complex and heterogeneous structure made up of a small number of large companies, owners of the leading brands worldwide, together with a dense network of production districts and small and medium-sized enterprises which, with particular reference to Italy, have supported and support the development of creative and cutting-edge solutions. Knowing its primary qualities and the reason for its success is fundamental to making compatible and coherent development choices.

### ***Fashion Lifestyle Innovation Trends***

An industrial product takes shape from the constant tension between technical and material constraints and opportunities, or rather the paths of innovation that make it possible to interpret and overcome those constraints. The response to the restrictions frequently opens the way to new product scenarios.

### ***Lifestyle Communication trends***

Today more than ever, visual languages and the corresponding tools and techniques targeted at conveying the project through the development and interpretation of perceptual processes and chromatic systems are fundamental. Luxury companies

nowadays cannot limit themselves to the quality of their products. Still, they must necessarily know the leading strategies and methods for translating the fundamental components of the brand and its products on a visual level.

### ***Digitalisation***

Today the digital world and digital communication are redefining the connections between consumers, customers, and brands: narrative and the tools used to convey the stories have become strategic at all levels since adaptability to different channels, starting with social networks. Media ensures public engagement.

### ***New Retail and Experiential Shopping***

If the Internet has won the pricing battle, brick-and-mortar stores today must stimulate customer engagement. The physical store is still vital, and retailers are increasingly transforming their stores into "experiences" linked to brands: luxury brands will invest more and more in the identity of their boutiques rather than in the simple expansion of surfaces.

From the new, innovative, and compelling sales formats to digital solutions, analysing and understanding the leading solutions in-store design have also become essential to favour unique experiential shopping. From single-brand stores to large surfaces, the enhancement of the shopping experience passes through innovation and greater integration between channels. It passes through the development of flexible spatial models, typically hybrid and increasingly designed ad hoc.

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## ABOUT THE INTERVIEWEES

**Aldo Cingolani** graduated from the Politecnico di Milano in 1989; he joined the Group Giugiaro in 1995, where he worked until 2011 as a Managing Director at the headquarters of Giugiaro Design in Milan. After two years, he became Commercial Director of Giugiaro Design SpA while still in charge of the Milan office. During that period, he was responsible for developing the Architecture division.

In 2003, he became co-founder and Managing Director of Giugiaro Architettura, a project he had been part of since the beginning. During those years, he started and developed a consulting project for the Politecnico di Milano and also for the Politecnico di Torino, the University of Tianjin, the University of Design of Budapest, the Polytechnic of Hong Kong, the Faculty of Communication Sciences of the University of Turin and the Master's Course in Marketing and Corporate Communication by Publitalia. He was also a supervisor at numerous international conferences and seminars. In 2010 he launched the Master's Course "Design for Architecture" with the Poli.Design of Milan. In 2012, he worked as a consultant for the Poli.design of Milan in the design of the interiors of the new LAC theatre for the City of Lugano. In 2013, he co-founded Bertone Design, becoming the company's CEO. Also, numerous collaborations with Institutions, Public Bodies and universities.

In 2015 he became an honorary member of the Pontifical Academy and participated as a supervisor in Lombardy's Design Thinking Forum "Inspiring the Future". The following year he became a member of the Board of Directors of the FON University in Skopje, launching the Bertone Design Academy project. The Poli.design of Milan has included him in the Club of the 87 Notable Alumni behind the education project "Verso il 2099".

In the same year, he developed "Floating Houses", three different projects to build a modular and environmentally sustainable floating port on Lake Bolsena. The Stroganov Academy of Moscow invited him to hold a lecture in Transport Design

and, in collaboration with the Ippiart studio, he followed the Design course students as a supervisor in the design of high-speed trains for the New Trans-Siberian Railway. He was a speaker during the Real Estate Convention Day at the Milan Stock Exchange with the topic "Hotel & Retail: the Italian market, signals of the new normal".

In 2017, he was invited by the Siberian Association of Designers to hold a conference in Novosibirsk, Siberia, on the topic "Business in Design".

[bertonedesign.it/en/](http://bertonedesign.it/en/)

**Arturo Dell'Acqua Bellavitis** is an architect, who has been president of the Triennale Design Museum in Milan for ten years, for which he has developed the new concept of a changing museum and the different editorial lines on new Italian design, the masters and new looks on new design from far away countries.

He is an Industrial Design full professor at the Design School of the Politecnico di Milano, where he has covered eight years the role of Head of the Design Department and the Dean of the School of Design for seven years. He is one of the founders of the College of Design of the Politecnico, the Interior Design PhD course, and later the Design PhD course. He started for Polimi and is still directing design courses in India and exchanging courses with top American and Chinese fashion schools.

He lectured at the Universities of Copenhagen, Helsinki, Oslo, Barcelona, Montreal, Berlin, Shanghai, Beijing, Orleans, Paris, Melbourne, Buenos Aires, Santiago, New York, Takshent, Tehran, Istanbul, São Paulo and Rio de Janeiro.

He is one of the founders and actual President of Milan Fashion Institute, connecting Politecnico di Milano, Università Bocconi and Università Cattolica in their activities in the field of fashion management and design. On the board of this consortium, he has planned the master courses delivered by this institution.

He has developed scientific research on interior design and fashion and, more recently, on retail and new scenarios. His actual area of interest is interior and fashion.

He has planned and directed for many years master courses and short courses for Chinese professionals on interior design both in different Chinese cities and Italy. He is the director of the International Art and Design Center in Shenzhen (China), where he is taking care of the Design Museum which will open in a few months.

**Huizhou Zhao** is a Chinese designer, founder and chief designer of EACHWAY and HUI brands. She is currently the director of the HUI FOUNDATION and the Century Fashion Museum in Shenzhen, China.

She holds a bachelor's degree from Hubei Academy of Fine Arts in 1996 and a Master's degree from Politecnico di Milano in 2016, where she learned the charm of Italian fashion, perfectly combining classic oriental beauty and timeless elegance mixed with avant-garde modernity.

The extraordinary Asian aptitude inspires the HUI brand for embellishments that mix with clean, minimalist design rigour. This mood comes from Huizhou Zhao's passion for art, and its influence on fashion skillfully blends multiple languages.

Since 2016 HUI has become a FOUNDATION aiming to protect and promote ancient artisan techniques of the Chinese culture. Its objective is to study social wellness projects, using art and design to help reduce poverty and, in particular, improve the quality of life for women and children.

Thanks to HUI FOUNDATION, the Century Fashion Museum was established and inaugurated in 2018. The museum is committed to promoting Chinese art and culture worldwide, guiding the people's aesthetic values and design concepts in China to raise public awareness of cultural heritage. The idea of inheriting and innovating art and culture, giving modern fashion aesthetic value through design, is directly reflected in the HUI fashion collection.

[www.hui-milano.com/en/index.html](http://www.hui-milano.com/en/index.html)

## **David Overi**

Chairman of FORMITALIA luxury group.

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Shareholder MIRABILI Srl

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Website: [www.mirabili.it](http://www.mirabili.it)

Shareholder GO-FORM Srl

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Shareholder AD YACHT SRL

Yacht interiors and design.

Website: [www.adyachts.it](http://www.adyachts.it)

Shareholder of PREMINVEST Srl and Santa Teresa Real Estate

Finance and real estate companies.

## **Maximiliano Nicoelli**

Founder & Managing Partner

Before founding Hydra Advisory and contributing to different assignments as a senior consultant and advisor to brands and investors, Max has matured decades of international experience working for leading corporate luxury groups and family-owned brands and start-ups.

Among other brands, Max has worked for LVMH Group, Dolce&Gabbana and Ermenegildo Zegna, as well as other companies and start-ups, covering several roles in general strategy, international development and marketing.

Max holds a Master in International Trade from Universitat Pompeu Fabra (Spain) and an MBA in Luxury Brand Management from ESSEC Business School (France). He has also attended the Executive Program in Global Strategy at Harvard Business School (USA).

Max is also a regular visiting lecturer at ESSEC Business School in Paris, frequently invited to talk about International Strategy and Development in the luxury industry.

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**Piergiorgio Dal Santo** is one of Europe's foremost experts in Luxury and Fashion Brand Management. US raised and educated, for +25 years, he has held senior strategic management positions in sales, marketing, licensing and communication for top international luxury, fashion and accessory brands while based in Europe, Asia and USA.

Since 2008, Piergiorgio has been President of PGDS Consulting Milan, a boutique advisory firm working with international brands on business development activities, focusing on developing markets such as China, Brazil and India. Piergiorgio has assisted many well-known brands in expanding their business interests globally while creating cross-border partnerships, mergers & acquisitions and strategic alliances between companies.

He is Chief Researcher and Educator for the Fortune Character Institute of China and Co-Secretary of the Luxury in China Summit (Shanghai), which presents the annual High Net Worth Individual consumer research known as the China Luxury Report. Piergiorgio is Scientific Contributor for to the annual publication Cina – Scenari e Prospettive per le Imprese by the Fondazione Italia Cina.

Piergiorgio is also Visiting Professor in Luxury Brand Management and Fashion Marketing at major universities in Europe (London College of Fashion, Polimoda Firenze, IUM Montecarlo, University of Padova, Fondazione CUOA, 24Business School) and holds master classes in China (Shanghai JiaoTong University) and the USA (SCAD Savannah, Georgia). With Maison du Luxe Brazil, he organises the annual Luxury Brand Management master certificate course in Milan, Italy's fashion and design district. Prof. Dal Santo has contributed numerous articles and research papers to consumer industry publications worldwide and is often a keynote speaker at fashion and luxury industry events. He holds a BBA degree in Marketing from Texas Tech University (USA), speaks fluent English, Italian, French, and German and is based in Milan, Italy.

**Xiaozhu Lin** holds a PhD in Design from Politecnico di Milano, where she is currently a research fellow and lecturer since 2019.

Her research interests lie in the areas of the internationalisation of the design curriculum, the internationalisation of luxury fashion, and cross-cultural teaching and learning in fashion design education. She has presented her research at many high-level international conferences.

She has lectured at the universities of Milan, Beijing, Melbourne, and New Delhi. She is a faculty member of POLI.design, the consortium founded by Politecnico di Milano and the coordinator of POLI.design international programs since 2015.

She obtained her MSc from Politecnico di Milano and BSc from the University of Florence, and she speaks fluent Chinese, English, and Italian.

