

# Luxury and Creativity: Exploration, Exploitation, or Preservation?

Joanne Roberts and John Armitage

*“Craftsmanship names an enduring, basic human impulse, the desire to do a job well for its own sake.”*

Richard Sennett  
In *The Craftsman*

This article considers the role of creativity in the production and delivery of luxury. The concept of creativity is closely aligned to the idea of luxury goods as rare and highly crafted, often unique, objects produced through artistic endeavour. Moreover, some luxuries, such as expensive cars and private jets, require leading-edge design and technologically advanced inputs. Although creativity is essential for the development of new luxury goods and services, this article highlights that some luxuries are timeless and eschew the changes associated with radical creative transformations. Following a brief discussion of the nature of luxury and creativity, a number of examples are employed to illustrate the different roles of creativity in the development and delivery of different types of luxury. The relationship between luxury and creativity is shown to be varied and complex.

## Introduction

The global market for luxury goods and services is expanding rapidly. Its value exceeded €50 billion in 2014, having grown at a rate of 7 percent on the previous year (D'Arpizio et al., 2014). This luxury market growth is accounted for by increasing incomes in advanced countries, especially among the wealthy who have been relatively unaffected by the global financial crisis of 2008, and the expanding middle classes in emerging countries. Moreover, the luxury sector can be regarded as an important element in the creative economy. Indeed, it has been highlighted as a key driver for growth in Europe (ECCIA, 2012; Foray, 2010).

In this article, the link between luxury and creativity will be interrogated. The production of, for instance, seemingly avant-garde haute couture collections from Chanel and Alexander McQueen in line with the increasingly rapid fashion cycle does require creativity; but, to what extent is creativity an essential component of all types of luxury? Is it not possible that luxury may derive from stepping out of the rapidly changing world of creative transformations into a timeless landscape where a major component of a luxury depends on the

preservation of traditions and age-old practices? To investigate these questions, we consider a number of different luxuries to evaluate the extent to which creativity is present in their production and delivery. In so doing, we seek to reveal the varied and complex relationship between luxury and creativity.

We begin by considering the contemporary meaning of luxury, drawing on a critical engagement with the work of Berry (1994). Creativity will then be explored, before the relationship between luxury and creativity is examined. Illustrative examples will be employed to highlight how the nature of creativity and its significance varies between different types of luxury goods and services. The article concludes with consideration of the implications of the findings for managers of luxury businesses and for scholars concerned with creativity in the luxury sector.

## The Nature of Luxury

In popular discourse, luxury is often associated with expensive, elegant, and refined goods and services of the highest quality as well as with a rich, comfortable, and sumptuous lifestyle. Additionally, luxury is related to ex-

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cessive quantity and viewed as superfluous, unnecessary, or indulgent. In his highly influential book, *The Idea of Luxury*, Christopher J. Berry (1994) provides a detailed historical exploration of luxury and defines it as the antonym of necessity, in that it is distinct from basic needs, which are non-intentional and universal. For Berry, luxury occupies the realm of wants and desires. Yet, he goes on to argue that luxuries must be the object of socially recognized desire, and, as such, are capable of giving pleasure rather than merely relieving pain.

What is clear from Berry's (1994) analysis is that luxury cannot be objectively defined because it depends on cultural, social, and individual contexts and meanings. Goods and services that may be regarded as socially non-necessary by some may be "needed" by others, either in a specific instrumental sense or because they are the object of intense desire (i.e., psychologically necessary) or intense identification (e.g., cherished objects). Consequently, not all unnecessary goods or services are luxuries to everyone.

Veblen's (1899) concept of conspicuous consumption, which is so often associated with luxury goods and services, can, according to Berry's perspective, be interpreted as the instrumental consumption of luxury with the purpose of signalling social status. Hence, some consumption of luxuries may actually be necessary for individuals to maintain their social position. For Berry (1994, original italics), *"luxuries are those goods that admit of easy and painless substitution because the desire for them lacks fervency"*.

In contrast to Berry (1994), in an earlier article, we offered an alternative definition of luxury goods and services inspired by Marcuse's (1964) critique of elites who follow their economic desires or "false" social needs. Hence, we defined luxuries "not as painless substitutes lacking fervent desire but as alienating surrogates saturated with the urgent sense of a life determined by external forces, and consequent lack of control or authenticity and oneness with ourselves" (Armitage & Roberts, 2014). In this view of luxury, media and its deployment by luxury businesses plays a crucial role promoting "false" needs. Hence, creativity in the use of media underpins the demand for luxuries of all sorts and drives the luxury sector's growth.

From a business and marketing perspective, Chevalier and Mazzalova (2012) argue that a luxury product must meet three criteria: i) it must have a strong artistic content, ii) it must be the result of craftsmanship, and iii) it

must be international. The link between art, craftsmanship, and luxury is not new. Works of art and the products of craftsmanship normally require high levels of skill, time, and expensive materials. Therefore, their consumption has been the preserve of wealthy individuals and institutions. Nevertheless, changing income levels and techniques of production have made these products increasingly available to a wider range of individuals since the late 20th century. Chevalier and Mazzalova's (2012) suggestion that, for something to be a luxury, it must also be international, is very much a consequence of the globalization that has taken place from the mid-1980s onwards. It is also a suggestion that is embedded in a business perspective on luxury, which is primarily concerned with market size and the expanding geographical reach of brands as a means to produce sustainable profits, especially among the large luxury sector conglomerates including, for instance, LVMH, Kering, and Richemont.

Thus, if luxury is international, it must be recognized as such in various different locations and different cultures. This suggests that there is a homogenizing process. Yet, if luxury is socially constructed, and we live in a diverse social world, how can luxury be recognized as such across the globe? The international recognition of items as luxury occurs among a global elite who have more in common with one another than they do with their national counterparts. A wider population aspires to join these elites and they satisfy these aspirations by imitating the consumption behaviour of elites.

Luxury has also been classified in terms of its accessibility by Allèrès (1990) who identifies three levels of luxury: i) inaccessible (exclusive unique items), ii) intermediate (expensive replicas of unique items), and iii) accessible (factory produced in large production runs). In the contemporary era, we are witnessing a democratization of access to luxury, and a proliferation of terms, such as new luxury or mass luxury. According to Kapferer and Bastien (2012), this is the result of, on the one hand, the efforts of traditional brands to trade up, and, on the other hand, the drive for profits among luxury businesses by offering products and services to a wider global market. Such changes also reflect the fragmentation of the production process, such that the design of luxury goods and services may involve significant artistic inputs and craftsmanship, but the final goods and services can be mass produced in low-cost locations without any loss of quality (Thomas, 2007). Moreover, globalization has given rise to highly profitable niche luxury markets that can be reached through the Internet and social media platforms (Anderson,

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2009) as well as in the first class airport transit lounges through which the wealthy pass en route to their next destination. Formerly regional and national niche luxury markets can be aggregated into highly profitable global markets, allowing producers to gain economies of scale, yet because their luxury products are distributed across the globe, they retain an exclusive quality in local contexts.

This shift to mass luxury has been accompanied by the emergence of the idea of meta-luxury (Ricca & Robins, 2012) and über luxury (Quintavalle, 2013) as counter terms to those that signify the trend towards luxury for all and to make a distinction between mass produced luxuries and those luxuries that remain exclusive, often because they are the result of high levels of skill and craftsmanship, and their cost renders them accessible only to ultra-high-net-worth individuals (i.e., those individuals having a net worth of at least \$30 million USD [Wealth-X and UBS, 2014]).

The meaning of luxury varies through time and space, and across economic, social, and cultural contexts. For instance, in 1900, a telephone would have been a luxury, but today it is a necessity in most parts of the world. Additionally, the possession of an Internet-connected computer may be regarded as a luxury in present day's least-developed countries, yet this is seen as a necessity in advanced nations. Moreover, the meaning of luxury has become stratified, reflecting a hierarchy of luxury. In other words, luxury is not a fixed concept but rather a relative and socially constructed term.

Clearly, luxury is a complex idea, but it is also manifested in a very real form in the global marketplace where luxury goods and services may be defined by high price. The characteristics of demand for luxury goods and services differ from those of normal goods. They are often referred to as Veblen goods because they display high price elasticity of demand such that increases in price enhance their desirability (Kapferer & Bastien, 2012). According to Veblen's (1899) theory of conspicuous consumption, as the price of a luxury good increases, the utility that is gained from its consumption rises because it allows consumers to signal their own rising status. Hence, a Veblen good is not necessarily of a higher standard than a normal good; its status as a luxury depends on the perceptions of consumers of its ability to indicate social standing through, for instance, recognizable luxury brand logos. Although there is much anecdotal evidence to suggest that luxury goods

and services do display the characteristics of Veblen goods (Bagwell & Bernheim, 1996), it would be inappropriate to suggest that the price of all luxury goods and services is merely determined by consumer demand underpinned by the utility gained from signalling status. Although accessible luxury delineated by Allèrès (1990) may be differentiated from normal goods largely by higher prices, with consumers willing to pay more to display their social rank, for those luxuries that Allèrès defines as inaccessible, in the sense of being exclusive unique items, their high price relative to normal goods is likely to be determined by the greater costs of production. Although the high price of such inaccessible luxuries will attract consumers who gain utility from signalling status, the price of such luxuries will primarily be based on the high costs of production rather than solely on demand derived from the desire of consumers to demonstrate their elevated social position.

From a business perspective, goods and services acquire luxury status from the perceptions of consumers, or the high production costs, or a combination of the two. Nevertheless, whatever the source of luxury status, it is important that managers of luxury businesses remember the socio-cultural underpinnings of the meaning of luxury. This is because, as a socially constructed concept, what is defined as luxury and therefore what are recognized as luxury goods and services can shift rapidly due to factors beyond the commercial domain.

### The Nature of Creativity

Creativity is the capacity to bring into being original ideas, whether embodied in tangible or intangible forms. Discussions of the nature of creativity often focus on identifying the characteristics of creative individuals (e.g., Amabile, 1997; Csikszentmihalyi, 1996). For instance, in her theory of creativity, Amabile (1997) identifies three key components of individual creativity: expertise, creative-thinking skills, and intrinsic task motivation. She argues that creativity is most likely to occur when an individual's skills overlap with their strongest intrinsic interests; and, the higher the level of each of these three elements, the greater the propensity for creativity. This focus on the individual as a source of creativity is evident in popular debates, which emphasize the role of creative individuals and their need for freedom to express their talent or vision (Bilton, 2007). It is a conception that is often reflected in the field of luxury by the emphasis on, say, the promotion of the name of fashion designers producing luxury garments and accessories. Luxury fashion houses bear the name

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of their originators and subsequent fashion designers are promoted in their own right as well as part of the fashion house. By linking the product to an individual designer, luxury brands attempt to reinforce the importance of the individual's creative talent that inspires the product. Yet, such creativity is, more often than not, the work of many individuals working as a team, with each member contributing their own specialist skills and creative input. As Cummings, Bilton, and Ogilvie (2015) argue, creativity occurs through group dynamics. So, for instance, the creative talents of the fashion designer Karl Lagerfeld at Chanel are facilitated and realized by a team of individuals working closely with him, including the many *métiers d'art* upon which Chanel couture designers rely (Colapinto, 2007). Moreover, as Bilton (2007) argues, conflating creativity with individualism disconnects creative thinking and creative people from the socio-cultural and economic contexts that give meaning and value to innovations and individual talents. So, the meaning and value of Karl Lagerfeld's creative talents must be considered within the context of the Parisian haute couture community and the broader global fashion culture.

We are all creative to some degree, and creativity occurs at numerous levels and with varying degrees of originality. According to Amabile (1998), in the field of business, creativity goes beyond originality: "To be creative, an idea must also be appropriate – useful and actionable. It must somehow influence the way business gets done – by improving a product, for instance, or by opening up a new way to approach a process." This understanding of creativity is close to Tushman and Nadler's (1986) definitions of innovation as "the creation of any product, service or process which is new to the business unit". In contemporary discussions, the terms "creativity" and "innovation" are often used interchangeably (Bilton, 2015), yet they are not synonymous. Although creativity is a necessary component for innovation, alone it does not guarantee innovation, which, from an economic perspective, involves the development of some new knowledge or invention such that it can result in the production of intermediate or final processes, goods, or services available in commercial markets. Innovation, then, necessitates the development of value from creativity and invention. Involving more than the creative process, innovation includes activities such as marketing, sales, and production. Moreover, the synthesis of market needs with technological possibility and production capabilities is required for effective innovation (Tushman & Nadler, 1986).

Following Amabile (1998), we take creativity in the business context to go beyond the generation of new knowledge, and to include the application of new knowledge in the commercial sphere. Hence, the focus here is on the nature of creativity that is taken up by luxury businesses in terms of whether they adopt radically creative developments of their goods and services or production and delivery processes, or whether the creative input in these areas is more incremental. Furthermore, we seek to highlight what Bilton (2015) has recently termed "uncreativity", which he defines as "resistance to new ideas". Bilton (2015) views uncreativity as essential to the creative process in the sense that the "purportedly uncreative traits of scepticism, doubt and resistance to change are essential to the creative process". However, we seek to build on his observation that uncreativity directs attention to issues of value and fitness for purpose, thereby providing a counterbalance to the pursuit of novelty for its own sake (Bilton, 2015). We argue that, in the field of luxury, the changes brought about by creativity may be eschewed by some producers in favour of preserving existing goods, services, and production and delivery practices.

Nevertheless, although some luxury producers resist the change that creativity may bring, others embrace such developments, whether such creativity leads to incremental developments or more radical transformations. In relation to the development of knowledge in organizations, March (1991) makes an important distinction between the *exploration for new knowledge* and the *exploitation of existing knowledge*. The exploration for new knowledge can result in radical new production processes or intermediate or final outputs. However, the exploitation of existing knowledge, for instance, in new situations or applications, can lead to incremental changes to existing production processes or intermediate or final outputs. March (1991) argues that maintaining an appropriate balance between exploration and exploitation is a primary factor in determining the survival and prosperity of organizations. However, we suggest that, in certain luxury sectors, it is necessary to highlight the importance of the *preservation of knowledge* rather than the creation of new knowledge through exploration for knowledge or the exploitation of existing knowledge in new ways. Through preserving knowledge, by resisting change, or adopting only the very lowest levels of creative input, the essence of certain luxuries is maintained. Contrary to March (1991), then, we argue that the survival of certain luxury businesses depends on preservation of knowledge rather than a balance between exploration for and exploitation of knowledge.

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So, for example, the delivery of a greeting to a guest by the doorman at a luxury hotel may be viewed as an act of creativity in the sense that the greeter is performing a role and, in so doing, creating a welcoming atmosphere, which is essential to the quality of the service provided. But, such daily acts of creativity replicate, and preserve knowledge of, original creations largely set out in service delivery systems designed to ensure an excellent service interaction in a given context (Polaire et al., 2013). In contrast, the original introduction of such service systems involves an act of creativity based on either the exploration for new knowledge or the exploitation of existing knowledge. In either case, the creativity involved adds value in the business context because it offers something that is new to the world, such that it deviates in some way from established business norms and conventions, and thereby offers the opportunity to set the business apart from its competitors. While embodying an element of creative action, repetitious daily acts or tasks are not creative because they offer little, if anything, that is new. Rather, they preserve existing ways of doing and acting. Nevertheless, the consistent performance of such daily acts is crucial to the maintenance of service quality and thereby to competitiveness.

### Luxury and Creativity

The exclusive element of luxury requires that it should always be beyond the reach of many people. Yet, as incomes rise, more luxuries become accessible to more people, and in the process they become commonplace and lose their exclusive quality. Consequently, there is a constant drive to create new or enhanced luxuries that replace those items and experiences that fall from luxuriousness due to their widespread availability. The current prevalence of mobile phones in the advanced countries sends luxury telecommunication to a new level of exclusive and opulent experience. So, although a mobile phone is accessible to the majority of citizens in advanced countries, one of the world's most expensive mobile phones, such as the British designer Stuart Hughes' Black Diamond iPhone 5, which is covered in 100 grams of solid gold, 600 white diamonds, has a sapphire glass touch screen, and a 26-carat black diamond replacing the "home button", is, at a price of \$19 million CAD, out of reach of all but a small number of ultra-high-net-worth individuals (Armitage & Roberts, 2014). In this example, creativity in the design and the use of rare materials take a standard mobile phone from the commonplace into the realm of the extraordinarily rare and hugely expensive. The nature of the creative activ-

ity involved in the production of the Black Diamond iPhone is based on the exploitation of knowledge from the jewellery sector and its application to the production of the luxury mobile phone.

The search for ever more luxurious products and services can also be seen in the field of tourism. Although this search may involve exclusive locations and increasingly sumptuous accommodation and service provision, there is also a growing market for adventure-based activity such as space travel. The US company Space Adventures ([spaceadventures.com](http://spaceadventures.com)), in collaboration with the Federal Space Agency of the Russian Federation, has for example facilitated space flights for private tourists such as Guy Laliberté, the CEO of Cirque du Soleil, at a reported price of \$35 million USD in 2009 (Bertoni, 2011). Clearly, such a price puts this experience out of reach of all but the very wealthy. Not only is the price prohibitive, but the months of training accompanying such adventures rule them out of reach for even many of the ultra-high-net-worth individuals. To cater for the time-poor, and to reach out to a wider market, Virgin Galactic is one among a number of companies that is working to provide commercially viable space travel at a cost of \$250,000 USD per seat (Chang & Schwartz, 2014). But, of course, such luxury experiences are heavily dependent on high levels of technological advancement that require huge investments in the exploration for new knowledge. The development of this knowledge into commercially viable services requires a complex innovation process. Nevertheless, such technologically advanced innovation depends upon an initial idea, that is, it depends on creativity. In this case, the idea is radical and requires substantial investment in costly technological resources for its realization.

Related to what might be regarded as more down-to-earth luxuries, we can also see high levels of creativity involving the exploration for new knowledge in, for instance, the production of luxury watches. The development of one of Patek Philippe's 175th anniversary watches, the Grandmaster Chime, priced at \$2.63 million USD, for instance, gave rise to six patents (Patek Philippe, 2014). The transformation of the creative ideas embedded in new watch designs through to the actual production of the final product involves a complex innovation process. Similarly, luxury products such as expensive cars, super yachts, and private jets involve high levels of creativity in their design and development and in the integration of new materials and technologies. Although the production of such luxuries also involves the exploitation of much existing know-

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ledge, they also require extensive innovation processes to bring incrementally creative ideas through to the production of marketable products.

Consequently, many categories of luxury evolve through the application of creativity inputs that feed into complex innovation processes, which result in the production of new luxury goods and services or production and delivery processes. However, we argue that there are some luxuries whose very essence is a sense of inertial timelessness and unwavering continuity. Such luxuries do not become widely available as incomes rise because a major component of their costs rises as incomes increase. As a result, some luxuries retain their price differential with other less luxurious goods despite general changes in the organization of economic activity that lead to productivity increases in many sectors. For instance, in highly skilled craft production or service delivery, it is not possible to increase productivity at the same rate as is possible in highly technologically assisted production systems such as factory production or self-service delivery. Therefore, the cost per unit of production cannot be lowered through the application of increasing amounts of technology to increase productivity. So, as incomes rise, so, too, does the cost of the skilled labour required to produce and deliver such goods and services. There are, then, some luxuries that do not become relatively more accessible as the economy expands and incomes grow.

It would however, be a mistake to assume that technology is not essential to the production and delivery of these types of luxury goods and services. Technology, in its broadest sense of the application of scientific knowledge for practical purposes, is central. Although the tools and techniques employed by, for instance, a present-day bespoke luxury jeweller are those that have been in use for many centuries, they are nevertheless technologies that are employed to realize the creative ideas of contemporary designers, such as the British luxury jewellers Gary Wright and Sheila Teague ([wrightandteague.com](http://wrightandteague.com)).

Luxuries that are handmade using only traditional tools and techniques or that involve personal delivery by highly skilled individuals persist in their capacity to command high prices beyond the reach of the general population. Moreover, they might even become rarer as the skills required in their production become increasingly scarce. A prime example would be bespoke shoes; here, the age-old techniques of handmade custom shoe production are central to their luxurious quality. Commanding a price far in excess of factory-made shoes

and requiring the consumer to have the patience to wait for the shoes to be made, a process that involves a number of fittings, bespoke shoes are generally the preserve of the wealthy, aside from cases where public healthcare systems may provide free or subsidized handmade shoes to those whose health and mobility is impaired by the lack of availability of suitable footwear. Luxurious bespoke shoes require the preservation of shoemaking knowledge and skills, and they command a high price because of the sheer time and labour involved in their production.

Dimitri Gomez ([dimitribottier.com](http://dimitribottier.com)), for example, is a bespoke shoemaker, working out of Crockett & Jones' boutique in Paris. His shoes are constructed entirely by hand and take four to six months to produce – a process that includes measurement and the production of a trial shoe; prices start from €3,000. Of course, this is not to say that creativity does not occur in any aspect of the process by which the shoes are provided. For instance, shoemakers at John Lobb Ltd travel across the globe to meet the needs of their bespoke clients – a service that is advertised on the Lobb website ([johnlobbltd.co.uk](http://johnlobbltd.co.uk)) and is facilitated by innovations in transportation and communications. Here, the use of the Internet has become necessary as a means of marketing and reaching out to old and new clients alike. However, the fundamental production of the shoes remains the same. Shoemakers must undergo a lengthy period of apprenticeship before they are competent to practice and apply their knowledge to produce luxury footwear for their wealthy customers. Moreover, such craftsmen and craftswomen are not driven by market competition. Rather, they endeavour to practice their skills for the satisfaction of producing a well-crafted good or service.

The examples outlined above indicate that the relationship between luxury and creativity is varied. Indeed, there appears to be a spectrum in relation to the extent to which luxuries depend on creativity. So, for instance, at one end of the spectrum, significant levels of creativity are employed to develop new and more sumptuous and extravagant or technically advanced luxury goods or services. However, at the other end of the spectrum, knowledge remains relatively static with creativity being concerned with customization and the accommodation of client requests within a given and restricted tradition of age-old craft practices. Table 1 provides a typology of luxury goods and services with consideration given to the level and nature of creativity involved in their production as well as to the way knowledge is employed in luxury production and development.

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**Table 1.** Types of luxury goods and services and their relations to creativity and knowledge

Luxury	Source of Luxury (Beyond High Price)	Level and Nature of Creativity	Predominant Relationship to Knowledge	Examples
<b>Handmade shoes</b>	Bespoke; quality, exclusiveness	Low, based on customization and materials available	Preservation of existing knowledge	Dimitri Bottier, working out of Crocket & Jones' boutique in Paris; John Lobb Ltd., London
<b>Luxury hotels</b>	Quality, customization of service; design of hotel building and tangible facilities; quality location; brand	Low, frontstage maintenance of tradition and quality of customer-client interactions; High, backstage creativity to improve efficiency in service delivery	Frontstage: preservation of existing knowledge Backstage: exploitation of and exploration for knowledge	Claridge's of London; Ritz of London; Le Meurice, Paris
<b>Handbags</b>	Brand; quality of production; design	Low when handmade with high levels of craftsmanship; High in factory production and supply chain to gain quality at relatively high production scales	Preservation of leathercraft working knowledge; Exploitation of and exploration for knowledge	Hermès; Mulberry; Louis Vuitton
<b>Haute couture</b>	Bespoke, with highly creative design and brand recognition	High levels of creativity following the industry determined fashion cycle	Exploitation of and exploration for knowledge; preservation of the skills of métiers d'art	Chanel; Christian Dior; Alexander McQueen
<b>Luxury mobile telephones</b>	Quality of design and craftsmanship; rarity of materials; exclusive services (e.g., concierge)	High in design and development of services	Exploitation of and exploration for knowledge	Black Diamond iPhone 5; Vertu luxury mobile phones
<b>Cars</b>	Brand; bespoke elements; comfort/safety; design; craftsmanship; prestige; speed; embodiment of the latest technological developments	High in design, materials, and technological development	Exploitation of and exploration for knowledge	Rolls-Royce Cars; Bentley; Ferrari; Lamborghini
<b>Space travel</b>	Exclusive	Highly creative; at the forefront of technological developments	Exploitation of and exploration for knowledge	Space Adventures; Virgin Galactic

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### Conclusion

This article has revealed the complex relationship between luxury and creativity. Although luxury is often associated with highly creative products and services, from haute couture and luxury cars to exclusive experiences such as space travel, some luxuries are less dependent than others are on high levels of creativity. Indeed, the very attraction of certain luxuries is that they remain unchanged or uncreative. However, even these luxuries are touched by the creativity that has facilitated recent technological changes. The Internet, email, and social media are today mainstream means of communicating with customers and clients. Nonetheless, a core component of certain luxury good or service remains timeless. Moreover, some luxuries require a combination of levels of creativity. So, for instance, luxury hotels may go to great lengths to preserve the traditional forms of customer–client service interaction (frontstage), yet behind the scenes (backstage), they may employ highly sophisticated technology in the form of supply chain management and customer relationship management systems.

The investigation of the relationship between luxury and creativity detailed in this article suggests that managers of luxury businesses need to reflect on the place of creativity in the goods and services that their companies produce and deliver. It is vital that managers identify where preserving existing production and delivery techniques is central to the maintenance of the luxury status of their goods and services. There may be occasions when managers need to avoid change and put resources into ensuring stability. In other instances, change through the introduction of incremental or radical creativity may be vital to ensure the survival of the luxury firm. Importantly, the changes necessary for the realization of creative ideas are not always conducive to the survival of luxury businesses. Knowing when creativity should be embraced and when it should be resisted is vital for the successful management of luxury companies.

What is evident from this examination of the relationship between luxury and creativity is that their interaction is complex. There is great variability in the role of creativity in the production and delivery of luxury goods and services. This is evident in the way that knowledge is employed in the production of luxury. In

some cases, where luxuries are dependent on technologically advanced inputs, the boundaries of knowledge are pushed back through exploration. In other cases, luxuries are produced through the exploitation of existing knowledge by its application in new contexts. Yet, as we have shown in this article, in some instances, the production of luxury depends on *preserving* knowledge and the manner of its application. Gaining a deeper appreciation of the nature of creativity of relevance to particular luxuries would be of benefit for those managers engaged in the development and production of luxuries. Where can creativity be introduced without diminishing the luxuriousness of a good or service? And, crucially, where must creativity be eschewed to preserve the core nature of a luxury? To address these questions managers and scholars must recognize the variety that exists among luxury goods and services and they must adopt a more nuanced approach to explorations of luxury and its relationship with creativity.

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