



Fashion is letting the shoemaker's children go barefoot!

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Abstract – English

Title: Fashion is letting the shoemaker's children go barefoot!

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This research aims to understand how craft creates value in the luxury shoe industry, locked in a tight embrace between modernity and a seek for traditional authenticity. The *activity system design* is the theoretical framework used to answer the research question.

The case of Berluti, an historic French shoemaker bought by LVMH three decades ago, was studied through a qualitative approach. I conducted nine interviews with Berluti's workers and I collected secondary data to enhance the data analysis.

The findings of this thesis underline that to create value in the luxury shoe industry thanks to crafts, the key players are: (1) Disrupting the offer with crafts techniques, (2) attracting and training new artisans to face the lack of high-qualified profiles, (3) transmitting the spirit of the workshops through physical places and (4) using data to optimize the craftsmen work.

Abstract – Portuguese

Título: A moda deixa os filhos dos sapateiros descalços!

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Palavras-chave: artesanato, sapateiro, luxo, estratégias de criação de valor.

O presente estudo procura perceber de que forma o artesanato cria valor na indústria sapateira de luxo, profundamente interligado numa relação entre a modernidade e a procura da autenticidade tradicional. O sistema de atividade delineado para resolver a pergunta de partida foi o enquadramento teórico.

O caso de Berluti, uma sapataria francesa histórica comprada pela LVMH ha três décadas atrás, foi estudado através de uma abordagem qualitativa. Foram levadas a cabo nove entrevistas com colaboradores da Berluti, assim como foram recolhidos dados secundários.

Os resultados da presente tese revelam que para criar valor na industria sapateira através de artesanato, os fatores diferenciadores são: (1) romper a oferta com técnicas de artesanato inovadoras, (2) a atração e formação de novos artesãos que façam face a um mercado que escasseia em perfis de alta qualidade, (3) transmitir o espírito dos ateliês através dos espaços físicos e, por fim, (4) a utilização de dados para otimizar o trabalho dos artesãos.

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Table of Contents

<i>Abstract – English</i>	2
<i>Abstract – Portuguese</i>	3
<i>Acknowledgements</i>	4
<i>Table of Contents</i>	5
<i>List of figures</i>	7
<i>List of tables</i>	7
<i>List of abbreviations</i>	7
1. INTRODUCTION	8
2. LITERATURE REVIEW	11
2.1 The key role of craftsmanship in the luxury footwear industry	11
2.1.1 Luxury Footwear Industry: a mature market.....	11
2.1.2 Heritage as a major component of luxury footwear brand.....	12
2.1.3 Craft used as a God term	14
2.1.4 Authenticity as a pillar of craftsmanship	15
2.2 Luxury environment is mutating, and so does the footwear luxury one: new challenges are arising for value creation	16
2.2.1 Value creation: a plural definition and its theoretical framework.....	16
2.2.2 The abundant rarity paradox.....	18
2.2.3 Value creation drives creative inspiration	19
2.3 Preponderant role of the designer	19
2.3.1 From craftsmanship to artification	20
2.3.2 Non-artistic legitimization in the fashion luxury industry	21
2.3.3 Assembling charisma through art and magic	21
3. METHODOLOGY	23
3.1 Justification of the methodological choices	23
3.2 Data collection	24
3.3 Data analysis	25
4. EMPIRICAL SETTINGS	27
4.1 From Italian family business to subsidiary brand of LVMH	27
4.2 LVMH and its dreams of greatness	27
4.3 New paradigms to ensure profitability	28
5. FINDINGS	30
5.1 Novelty	30
5.1.1 Betting on innovative craft techniques.....	30
5.1.2 Seducing a larger range of clients thanks to a famous artistic director	33
5.2 Lock-in	34
5.2.1 Customer value proposition: the importance of client’s fidelity.....	34
5.2.2 Developing talents for industry value proposition	35

5.3 Complementarities	37
5.3.1 Display the savoir-faire	37
5.3.2 Extending the area of competences with diverse partnership	39
5.4 Efficiency.....	40
5.4.1 Mastering the supply chain with appropriate digital tools	40
5.4.2 Using data to optimize the product offer and ease craftsmen work	41
6. DISCUSSION.....	43
6.1 New trends driven by value creation	43
6.2 Artisans are not substituted by artists.....	44
6.3 Sharing the craft spirit by staging it.....	44
6.4 Ensuring the preservation of the heritage benefit.....	45
7. CONCLUSION.....	46
8. REFERENCES	48
9. APPENDICES.....	53
9.1 Related to the literature review.....	53
9.2 Related to empirical settings	53
9.3 Related to the findings	54
9.4 Interviews table	57
9.5 Online documents.....	58
9.6 Video and audio content	60
9.7 Coded Data Table.....	61

List of figures

Figure 1: Amitt & Zott's design theme p216-226 (2010).....	17
Figure 2: Example of code used in the data collection.....	26
Figure 3: Quote, intermediate code and final code	26

List of tables

Table 1: Definitions for marketing heritage	13
Table 2: Data Collection Summary	25
Table 3: Summary of findings.....	43

List of abbreviations

LVMH – Louis Vuitton Moët Hennessy

SO – Special Order

KVA – Kris Van Assche

SKU – Stock Keeping Unit

HR – Human Resources

1. INTRODUCTION

A new model of running shoes launched in 2017, the Speed Sneakers by Balenciaga, surpassed all financial expectations in the luxury fashion industry. According to Reuters, it was determinant for the brand to reach a billion euro of annual sales in 2019 (Reuters 2020). The model, produced thanks to technical 3D knit, has a sock-line design with a knit made of polyester and elastane, and a glued-sole made of plastic. This unisex shape has been imitated by all the major brands of the luxury market like Givenchy, Prada, Louis Vuitton. According to Balenciaga CEO in an interview at the Financial Times' luxury goods conference in Venice, Italy in 2018, "*The brand is growing fast, including more than 100 percent in some categories like shoes*". He also asserted that 60% of the customers are now millennials (Financial Time 2018).

Therefore, this earthquake in fashion shoes industry underlines the prominent role of sneakers. Is it at the expense of craft shoes which are replaced by models with a futuristic shape and a futuristic way of production?

The luxury industry now faces the abundant rarity paradox where unicity is still a key criterion but has to go with mass production (Kapferer 2012). To ensure their expansion luxury brands bet on large volumes which are possible thanks to the industrial revolution and the automation of production tools. Thus, artisanal units of production have been pushed aside by innovative techniques like CAD (computer-assisted design) which challenge the design process and final product. It enables brands to reach a better margin thank to a reliable technology (Xiuqin 2018). Choosing to rely on automation to construct shoes led many firms to success like Gucci or YSL. Even if, surprisingly, it happened they sacrificed the unicity assumption, which says that for a product to be considered as luxury it has to be without a like, imitating the sock-shoe model from Balenciaga. Others have not succeeded in adapting their business to the new pace of production and to the new tastes influenced by millennials and had to be bought by big companies like John Lobb by Hermes to ensure survival.

However, in the last decades a resurgence of interest in craft has grown (World Footwear 2020) and so does the number of companies claiming their link to traditional methods (Kurlinkus 2014). Craft defines the skills and experience related to making objects. Its flexible nature makes it a way for design on one hand and also for art on another one (Niedderer and Townsend

2010). Craft and industrial process are more and more coexisting (Alexandre, Gomez, and Valente 2015). Looking at research about craft, especially in the luxury industry, it is not clear how firms fulfil the requirements of success, which are based on making profit thanks to large quantities while keeping the unicity signature, when they run a workshop. So how do fashion companies manage their performance in the long run with units of production which are not initially made to fulfil these requirements? How come big companies are purchasing shoe's workshop, which look more like a source of expenditure than one of revenue? Thus, to answer these interrogations the following research question has been chosen:

How does craft still guarantee value creation in the luxury shoemaking industry?

By answering this research question, we contribute to fulfil an academic gap. First, there is no study about the specific key role of craft in value creation in the shoe industry, only some about the craft typology and its role has a vector of authenticity and of heritage (Boccardi et al. 2016; Carù, Ostillio, and Leone 2017; Kurlinkus 2014). Second, there are no studies on how the sector is mutating with the influence of big companies and the raising influence of designers. Only on how the border between art and craft is blurring (Dion and Arnould 2011; Kapferer 2014; Pye 2007).

Thanks to the exploration of links between crafts' imperatives and the ones of the shoe luxury industry, this thesis provides key information to manager about the business model and the strategy to adopt to keep creating value for customers but also for their workforce. The insights are dealing with human resources issues, with supply chain ones and with artistic considerations. This thesis highlights the key decisions that enable to attract and to keep the main stakeholders which ensure the thrive of an artisanal shoemaker in the luxury market.

To answer the research question, we used the activity system design framework (Zott and Amit 2010) as a theoretical framework. With four value creating units – Novelty, Lock-In, Complementarities, Efficiency – this framework splits the business model to better understand how value is created. Because the research question tends to provide a deep understanding of an organizational phenomenon which has been poorly studied so far, a qualitative approach supported by a case study was chosen. Berluti is the company selected for the case study: it is a case of success that gives insights about how to create value by relying on craft in the shoe industry.

To this end, the thesis is articulated around six distinct parts. In the first chapter, the literature review tackles the current situation of the luxury shoe industry, the definition of craft in business and the introduction of the mutation occurring in the sector. In the second chapter, the methodology argues about the choices made to conduct this research. In a third time, the empirical setting describes the context in which the company of the study case is evolving. In the fourth chapter, we review the findings which thanks to a preliminary analysis highlight the deductions made with the data collection and the theoretical framework. In the fifth chapter, the discussion section enables to make a parallel between the literature review and the findings to corroborate or negate some facts. Eventually, the conclusion summarizes the key takeaways by putting them in perspective with future potential research.

2. LITERATURE REVIEW

This literature review's purpose is to highlight the researches done about the influence of craftsmanship in the luxury footwear industry and how its role has evolved over the years, both with the increasing demand boosted by developing countries and with the increasing influence of the designers. The results show that these two mentioned phenomena have created a new dynamic, where the luxury value of a shoe is no longer just evaluated by its crafts but also by its ability to interact with arts through designers and to answer the imperative to sell quantity. Challenges for keeping on creating value in the luxury shoe making industry are presented since no studies in this field were found. This is to have a better understanding of the factors which may affect brands doing business in this niche sector: luxury and shoes industry combined.

2.1 The key role of craftsmanship in the luxury footwear industry

We show that the footwear industry is a mature market which relies mainly on heritage and craft to shape their brand identity. Previous studies have demonstrated the key role of craftsmanship in the legitimization of shoe companies as luxury ones. Indeed, companies do not hesitate to showcase these values to promote their brand.

2.1.1 Luxury Footwear Industry: a mature market

Footwear is a mature industry (Oliveira, Cunha, and Carvalho 2019). According to Kenneth Figures, the luxury shoes' market was valued at approximately USD 14.5 billion in 2019 and is anticipated to grow more than 7% over the forecast period 2020-2025 (Anon 2019). This market is continuously growing at significant pace even if due to increasing ban on animal slaughtering the raise of the cost of raw material will limit the market growth across the globe (Siegle 2016). Surging urbanization in both developed and developing countries, increasing disposable income of individuals and raising young population are the main driving factors of the market (Siegle 2016). Yet with the unexpected coronavirus crisis, the economic future of the luxury market is blurred at least for a while. In fact, according to an article from Le Monde, which based its information on LVMH's CEO mentioning an internal Boston Consulting Group analysis, the luxury market needs at least seven months to reach its pre-crisis level (Garnier 2020).

Moreover, footwear industry has a strong tradition (Oliveira et al. 2019). This tradition is perpetuated through a diversity of brands. We can split them in three categories. First come the brands from great companies which are based on important financial structure and which invest massively in human and mechanical resources to ensure a large volume of product. For instance, we can mention John Lobb from Hermès, Louis Vuitton from LVMH and Brioni from Kering. Secondly, there are also independent recognized brands which are assimilated to specific geographical region. For instance, we can highlight Salvatore Ferragamo from Florence (Italy), J.M Weston from Limoges (France) and Crockett & Johns from Northampton (UK). Eventually, the niche brands have been created in the past twenty years and use little facilities: only one workshop with which they produced less than 100 bespoke shoes per year. They rely on word-of-mouth and sell online like Stefano Bemer, Aubercy or Yuki Shirahama.

2.1.2 Heritage as a major component of luxury footwear brand

According to Cambridge Dictionary, footwear can be defined as the covering of human foot to protect from dirt, heat and cold of the ground while standing, walking or running. Luxury shoes are mainly used to accessorize as well as to indicate the hierarchical status of someone within the society. People value shoes for different meaning: the expression of their identity, the means of conspicuousness, the pursuit of aesthetic value and the collection. (Miyong and Kim 2010).

Brands often specified when they have been created as if longevity, which permit to constitute an heritage, was a synonym of quality for the current products that could affect the sales' results (Dion and Arnould 2011). Heritage is linked both to past and present, and aims to significantly affect the future because the techniques' legacy is still relevant today (Balmer 2011). Following this definition, craft itself is part of the heritage of the brand because its techniques are inherited from previous generations and perpetuated in the workshops. According to Boccardi et al. (2016), brands often use their heritage to constitute a “mythopoesis” – they create a myth thanks to repetitive narrative based on values, tradition, identity. They show that mythopoesis gives a sense to heritage. Indeed, they stress that the symbolic value of goods, thanks to heritage, contribute to the economic value creation. In the sense that this characteristic leads to unicity because its uncommon.

It has been shown by various authors that both heritage and mythopoesis are central for the brands. First, people are looking for heritage because brand identity shares symbolic meanings

and generates a sense of safety due to the feeling that they are investing in a timeless product (Merchant and Rose 2013). Thus, what consumer buy are not so much the physical product, but also the meaning (Sherry 2005). Second, mythopoesis determines affective sentiment about brand identity. These feelings create values of preferability of consumers which turn into economic value for luxury companies. It provides an important competitive advantage (Boccardi et al. 2016).

Yet, the marketing based on heritage is not only made of advantages. In fact, Boccardi et al. (2016) stress that the major risk of heritage marketing is to be anchored in the past and only recreating it. For them, the obsessive fixation in the celebration of the past is a real threat. Which underlines that the goal remains to create economic value.

Table 1 below attempts to describe some of the previous concepts:

Theoretical Concept	Definition
Marketing Heritage	<i>“It is an organisational-wide philosophy created over successive generations”</i> (Balmer 2011, p1345)
Heritage	<i>“The value of heritage is to focus on stable point of reference in a changing world, to help to define places and people”</i> (Balmer 2017, p7)
Mythopoesis	<i>“It is the creation of a myth: an emblematic symbol characterized by a narrative full of sense and allegorical values which is able to orient the generation of sense.”</i> (Boccardi et al. 2016, p3)
Symbolic value	<i>“It refers to the semantic and cultural universe linked to it, which allows consumers to express their identity and social membership.”</i> (Bonazzi 2015, p3)
Craft	<i>“The application of skill and material-based knowledge to relatively small-scale production”</i> (Adamson 2010, p2)

Table 1: Definitions for marketing heritage

2.1.3 Craft used as a God term

Handmade, bespoke, artisan-made – all these terms referring to craft are used as God terms in this period of technological supremacy (Kurlinkus 2014). Craft is the application of skill and material-based knowledge to relatively small-scale production (Adamson 2010) and it has a preponderant role in the luxury shoe making process (Boer and Dulio 2007). It is in opposition with the mass production movement that last since the industrial revolution. Kurlinkus (2014) demonstrated that crafts' qualities are based on three pillars:

1. Craft as crafting: the making process is as valuable than the product. Skills are valued over mechanistic production.
2. Craft as product: The crafted product carry a Benjamin's aura¹ based on originality that individuates the customer. It worships tradition over consumption.
3. Craft as a set of rights: craft frees workers from alienation of their labour. It stresses the skill of the artisan who are unique individuals.

Moreover, Pyes (2007) also argued that craft has another quality which is due to its link to the past: it fosters nostalgia. According to him, with crafts the manner of doing something has a certain aesthetic importance independently from its utility. Craft nostalgia is real, users value the past and want it to be incorporate in their designs. Craft's aura is based on precise technique and know-how; each craft work show that it was made by a human being for another human being.

Yet Kurlinkus (2014) has demonstrated that implementing a unit of production based on crafts is not easy, mainly because managing craftsmen is challenging. He took the case of Salvatore Ferragamo, craft shoes-maker using traditional Italian processes, to show the main limits. Salvatore Ferragamo was so frustrated by the eccentricity and the obstinacy of the old Italian shoemakers who were working from him that he fired them despite their expertise.

Since craftsmanship's management appears challenging, companies want to take advantage of all the other aspects. Why not staging this savoir-faire to share it with the greatest number (Carù et al. 2017).

¹ It refers to the definition of aura given by Walter Benjamin in his influential 1936 essay *The Work of Art in the Age of Mechanical Reproduction*. According to him, the aura of an object is "its presence in time and space, its unique existence at the place where it happens to be."

2.1.4 Authenticity as a pillar of craftsmanship

Authenticity is a multifaceted concept defined as original and no imitation (Gilmore and Pine 2007) which constitutes a criterion to define a luxury product (Hitzler and Müller-Stewens 2017). The creation of the authentic aspect of a luxury products is associated with the highest level of craftsmanship (Hitzler and Müller-Stewens 2017). Since marketers are turning to brand histories as a source of market value, authenticity is a mantra for many companies (Carù et al. 2017). In fact, according to Price, Arnould, and Curasi (2000) the fade of self-identity with the current globalized market has encouraged customers to choose authenticity. For them, it is an answer to standardization in the marketplace and a way to fit their personal goals: authenticity gives a meaning in their lives. Carù et al. (2017) gave a good example of how to use authenticity and crafts to give more influence to a brand with the case of the Florentine's shoe maker Salvatore Ferragamo. This brand went further with creating its own museum about its history and know-how. Salvatore Ferragamo presents authenticity with a new experience to customers and potential customers. This experience is based on two main factors: authenticity pillars and authenticity drivers. The first one is related to brand identity, which can be defined thanks to the founder, the city of origin, the founder's descendants and the family. The second one focuses on craftsmanship and traditions to prepare the brand evolution. In this way, the in-depth knowledge of their own history enables to create an updated offer.

However, managing craftsmanship to converge to authenticity is difficult for brand managers. According to Carù et al. (2017) the principal threat is to based its brand marketing on the museum aspect. For them, the side marketing tool like museum has to stay an anecdotic tool and the economic aspect has to be the priority, proposing the correct marketing mix. The challenge of the brand is to stay true while remaining relevant (Aaker 2011).

So far, promoting of craftsmanship provided authenticity to the brand. Yet is this value created still sufficient in the current world in which rules are changing fast and expectations always higher?

2.2 Luxury environment is mutating, and so does the footwear luxury one: new challenges are arising for value creation

Since the footwear luxury industry is a particular branch of the luxury industry, we assume that what apply to the global industry is also true for a specific segment of it. As more and more people can afford luxury goods, the notion of value creation in the luxury sector has evolved. Luxury companies have to keep on creating value, both economic and perceived. Yet the last mentioned is impeded by the dissolution of the rarity concept, crucial for luxury goods. To address this issue, we assist to the growing importance of rational reasoning.

2.2.1 Value creation: a plural definition and its theoretical framework

Value is defined as the regard that something is held to deserve; the worth, the usefulness or the importance of something (Cambridge Dictionary). From this plurality in the definition, authors have demonstrated that value creation was also made of several dimensions. The first dimension shows that value creation can be defined as monetary trade-offs, from cost to revenue (Eisenmann, Parker, and Van Alstyne 2006). To optimize it, finding the right balance in quality vs. price and costs vs. benefits is essential (Grewal, Monroe, and Krishnan 1998). Thus, this value creation is based on: increasing cost-efficiency, increasing profits and business opportunities, operational stability and risk reduction, increasing economic well-being for the workforce, increasing attractiveness toward potential clients (Laukkanen and Tura 2020). The second dimension expands the concept of value creation to intangible elements such as emotional, cognitive and psychological factors (Cronin, Brady, and Hult 2000). This definition refers to the perceived value which is more qualitative than quantitative.

To optimize the factors creating value, putting them in the spotlight and analysing them is a solution which can be done thanks to the theoretical tool of business models (Zott and Amit 2010). In fact, business models are defined as “*the logic of the firm, the way it operates and how it creates value for its stakeholders*” (Casadesus-Masanell and Ricart 2010, p21). Zott and Amit (2010) have created a system based on several theories to identify what leads to value creation in a business model. This system is more precisely an “activity system” since the activity of the subject is analysed from its own point of view. This model determined four

sources of value creation: Novelty, Lock-In, Complementarities and Efficiency, making the NICE acronym.

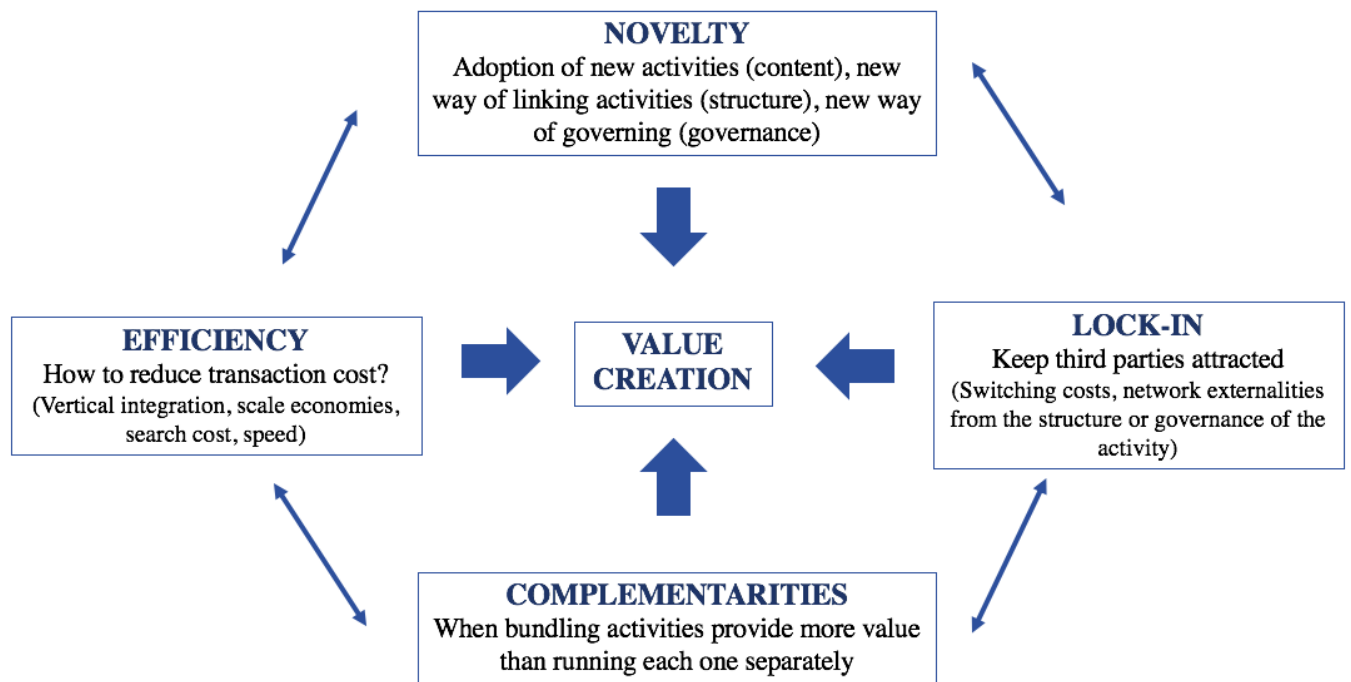


Figure 1: Amitt & Zott's design theme p216-226 (2010)

Each criterion is linked with one another and converges toward value creation. Firstly, Novelty defines the adoption of new content, new link and new way of governing to structure the transactions in new ways. Secondly, Lock-In refers to the ability to keep stakeholders in the business and not letting them move somewhere else. Thirdly, Complementarities deals with the bundle of activities that generate more value because they are part of a whole. Eventually, Efficiency aims to reorganize the activities to reduce transaction costs.

Critics argue that this framework only analyses a small part of the company's business model (Wirtz et al. 2016) and so a small part of the process of value creation. Yet, it has been recently underlined that business models, even if they are not providing an exhaustive analysis, are relevant because they highlight performance and innovation factors who play a key role in the value creation (Baden-Fuller and Haefliger 2013). So, this is the framework chosen to analyse the data collected.

In luxury, value creation is increased by desirability which is linked to rarity. However, in the globalized world much more people can purchase their products: do they keep their aura?

2.2.2 The abundant rarity paradox

Kapferer (2012) got interested in the growth of the luxury sector, which is also the growth of the luxury footwear industry. He demonstrated that the economic growth has reached double digits numbers in emerging countries. He highlighted that the future is especially bright in the BRIC countries (Brazil, Russia India and China) and also in the CIVETS countries (Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa). Their GDP growth is high. According to Bernstein Research (Kapferer 2012), luxury growth is correlated with GDP growth because luxury growth fosters optimism and creates a middle class. Still according to Kapferer (2012), in comparison to European consumers who tend to save money for their retirement, consumers from emerging countries do rather spend money on newly available products. And they do so especially on products that confer social status and that represent self-achievement. Kapferer and Bastien (2009) have shown that luxury creates social stratification in these developing-country's societies where it did not exist previously. Saying that, they demonstrate that luxury wants to capture demand from extraordinary people but also from normal one. This fast-paced retail expansion would be good news for the luxury sector if it does not jeopardize the equation $\text{luxury} = \text{rarity}$ (Appendix 1, A). Indeed, the status of a luxury product will be diluted if its penetration rate is increasing because it will be owned by too many people (Appendix 1, B) (Kapferer 2012).

Luxury companies follow a basic law of economics which explains that when demand exceeds supply, prices go up. Thus, brands are looking for the scarcity effect. Yet, shareholders may not share the same idea because scarcity prevents fast growth. According to Groth and McDaniel (1993), a solution can be to introduce virtual rarity yet they stress that to do so brands must respect some rules:

- Do not delocalize production
- Do not advertise to sell
- Communicate to non-target
- Maintain control on the value chain and on the distribution
- Keep on increasing the average price

This virtual rarity deludes customers who are looking for exclusivity. Noticing it might keep them away from the brand, as they would feel betray.

Brands are able to make partially up the truth to sell more: a new paradigm, where economic is king, is prevailing?

2.2.3 Value creation drives creative inspiration

Leclair (2017) has shown that nowadays the creative process is more and more rationalized and that it changes the way to create value in the luxury industry, and by extension in the footwear luxury industry. She highlights that two parts of the management are principally affected: the creative actor has to be efficient and rational while the product manager gives creative propositions. She has shown that competencies from both sides are intertwining. For her, tensions between creativity, based on the production of symbols, and economy, with the production of products, are real. She has underlined that the creativity department has to deliver a work that fit with the commercial objectives, and in consequence the creative team is not the only one holding the signature, the commercial also. She concludes that the creative process is made of confrontations. Thus designers have to create value for the creative and managerial sphere. To do so, designers must know about the company's structure and the market, because luxury companies are mainly in a liberal economic paradigm (Osborne 2003). Supremacy in terms of value creation is given to business at the expense of creativity. The creative vibes would only be a smokescreen hiding management theories. This context is reducing consequently the individual's creative scope (Leclair 2017). We can ask ourselves if the role of the designer has finally much more to do with a communication plan rather than with a free mind creating.

With preponderance of economic logic over creative one, does the role of the creative director is fading away?

2.3 Preponderant role of the designer

In the past year, it has been shown that the mediatization of designers and their aura have skyrocketed in the luxury footwear industry. Since they are defined closer to artist than to artisan, this noble title attracts new potential clients and luxury companies put it forward in their communication strategy.

2.3.1 From craftsmanship to artification

So far, the footwear luxury industry has thrived thanks to a storytelling based on rarity, personalization and craftsmanship where artisan was the central figure of the storytelling (Kapferer 2014). However, the majority of brands are no longer family businesses or local ones which focus on the core product, they are mass-producers like Louis Vuitton (Kapferer 2014). Thus, this sector is becoming less and less artisanal and the crafts criterion appears obsolete. In 2009, the UK's Advertising Standards Agency banned Louis Vuitton from using some of its ads because these images were misleading consumers to believe that their products were handmade, when the majority of their offer is produced by machine (Kapferer 2014). Allusions to craftsmanship can backfire.

Indeed, as seen previously, the main challenge of a luxury brand is economic growth, but quantities dilute the brand cachet (Kapferer 2012). The credo of rarity is jeopardized. To circumvent this issue, principally since the seventies brands use the artification process : to turn nonart into art (Kapferer 2014). This strategy fits perfectly in the globalized world since art is considered as universal (Gombrich 1995). This elitist language crosses borders: it enables to enter new countries and to develop the brand influence in new markets (Benjamin 2008). It is a proactive strategy to penetrate markets through "soft" means in comparison to a hard management where structures are set up and quantitative predictions are made. Artification has to take several challenges up: the luxury industry wants to be perceived as a creative industry, it must recreate the gap between masstige and luxury and to procure timelessness to luxury products. Art is a way to legitimate high prices which keeps on increasing. It is essential that price and function are decorrelated in luxury (Mazouz and Cohendet 2013). Artification permits to reduce the social stratification motivation of the consumer and to foster a more humanistic one. The goal is to design object which are a condense of tradition, culture, art, creativity and which are timeless. In fact, according to Oscar Wilde "Life is short, Art lasts". This way they target also the extra rich people who belong to the cultural elite.

A burning issue is to know if the work of a designer can be legitimately considered as art to understand which role he plays in the company and what to expect from him.

2.3.2 Non-artistic legitimization in the fashion luxury industry

Since the raise of artification, fashion has been looking for legitimization to elevate its work from business to art (Benjamin 2008). Yet it is not an easy task because it has been underlines that fashion is ambivalent by nature: it is cultural and commercial, as well as artistic and functional (McNeil 2008). It results that fashion is treated as art by some authors like Crane (2000) because designers use creativity rhetoric where the most innovative creations are considered as “avant-garde” which change contemporary aesthetics. Indeed, according to Gill (1998) communicating vases exist between both world: fashion artifies itself, art commodifies itself. He stressed that designers have a key role in this legitimization by working like conceptual artists, tailoring movement and adding social criticism in their job. The principal evaluation criteria in designers’ attitudes and practices are: independence from dominant tastes, economic disinterest, partiality for radical innovations, raise socially relevant issues with nonverbal tools (Sudjic 2009). However, a major limit is the fact that designers are often employees of massive conglomerates, subject to the brand’s policies (Pedroni and Volonté 2014).

Thanks to Gill (1998), we understand that designers are more and more put forward by luxury brands, a real Mercato has been created. For him, it is as if each fashion piece was blessed by the hand of the designer, and this signature was conferring value to the product.

2.3.3 Assembling charisma through art and magic

Luxury retail strategy increasingly stands on the legitimacy of a charismatic creative director (Dion and Arnould 2011). A significant shift is the “starification” of designers (Godart et al. 2015). A designer’s signature adds value in a way that deals with magic (Bourdieu and Delsaut 1975). The idea is to link the retail offer to the charismatic creative director thus the aura of the brand is ensured. Luxury strategies rely on a logic of adoration with a charismatic basis. The cult of the designer enables to build emotional connections with a large number of clients. In parallel, they bet on a cultural segmentation of customers: people who think themselves as the creative elite. So, designers are mainly part of the communication plan of the brand and appears as the headline of the brand. Yet detractors like Oliveira (2019) question the role of the designers asking if the designers are really the ones giving the value to the product as luxury companies tend to communicate.

To conclude, even if footwear luxury brands are shaped by historical and cultural heritage, they have new business models and ways to create value. They deemphasize craftsmanship which demands time and effort which is not compatible with volume (Kapferer 2012). Since value creation is not based only on monetary aspect but also on a perceived one, they bet on the aura of brand designers. Yet even if designer reputation may fade away, quality work remains. Do versatile designers worth better than immutable craftsman work in the footwear luxury world? When the merchandising team constitutes the offer for clients: should designers' shapes shoes be prioritized over classic crafts model? To fulfil this gap, I propose to answer this research question: How does craft still guarantee the value creation in the luxury shoemaking industry?

3. METHODOLOGY

The first part presents the justification for the methodology. The second and third parts discuss the data collection and their analysis.

3.1 Justification of the methodological choices

According to previous studies, qualitative research is the most suitable choice to get a holistic picture of realities that cannot be reduced to a few variables (Rynes and Gephart 2004). This approach corrects the downplaying of many informal processes created by quantitative research and provide a deep contextual understanding (Birkinshaw, Brannen, and Tung 2011). It rehumanizes theory by highlighting the human interactions (Rynes and Gephart 2004). Given the subject of study and the real-life organizational settings, it justifies the relevancy of a qualitative approach.

I chose a case study since my research question starts with “how” because it provides answers based on links observed over time opposed to frequency (Aberdeen 2013). A case study is a comprehensive description of an individual case and its analysis that can serve practical and theoretical purpose at the same time (Devetak, Glažar, and Vogrinc 2010), it fits with our goal.

I have selected Berluti, a subsidiary brand of LVMH that manufactures leather shoes. I knew Berluti in-depth mainly because I have done a six-month internship there during my gap year. Yet, the relevancy of my choice is plural. First, Berluti is a success story of a shoemaking company perpetuating the craft tradition. Then, its business model is somehow innovative and focuses on maintaining value creation for its stakeholders. Any previous research about this firm has been written before, there is a lack of information in this strategic field of fashion. Thus, this case seemed appropriate to answer the research question.

I originally planned to do a comparative case study between Berluti and a smaller Atelier from Florence, Stefano Bemer, where I had a contact. However, due to the Covid-19 situation all shoemakers closed their facilities and despite my research to find another company, my requests remained unanswered. Thus, my thesis is based on a single case study. Yet according to Aberdeen, single-case studies are useful experimental designs when they are rigorously designed (Aberdeen 2013).

3.2 Data collection

First, I gathered primary data. Thanks to my former manager and colleagues, I had the opportunity to spend almost a full day in the headquarter of Berluti to interview people from diverse services. My day started with an informal lunch with Guillaume Cornaton, Visual Merchandiser and former colleague, and Ségolène Denecque, who is part of the human resources. Then I had two fixed appointments in the afternoon. One with the special-order manager and another with a shoemaker at the workshop, which is 15 min away from the headquarter. Thus, during my spare time I took the opportunity to ask my former colleagues questions. The main theme of the interviews was how they perceive the value of the craft and how, at their level, they support the craft work to ensure an optimisation of value creation. The interviews were semi-structured to enable more flexibility and to go deeper in unexpected subjects. Later, I exchanged some emails with the human resources' service to get complementary information.

Concerning my secondary data, I relied mainly on official documents published by LVMH and also on specialised-fashion-information providers like WWD – Women's Wear Daily and Vogue. In parallel, I also listened to video/audio content. The different sources enable to have distinct point of view on similar issues. LVMH website was mainly used to collect information about the organizational context. The other secondary data gave a more critic view on Berluti's information. These sources were chosen according to their reputation. Interviews gave insights about the tangible inside process implemented and how current issues were tackled.

During the data collection, one of my concern was to collect data on the organizational phenomenon studied and on its context and to triangulate the data as the triangulation of data is essential in qualitative research (Myers 2008).

Data Source	Type of Data	Number	Use in the Analysis
Interviews	<ul style="list-style-type: none"> - Formal / Informal face-to-face interviews - additional information given thanks to email conversation 	9	<ul style="list-style-type: none"> - Understand the implementation of process - Clarify uncertainties regarding some decisions - Integrate information given by Berluti's employees
Written articles	<ul style="list-style-type: none"> - Articles written by specialized media - Newspapers about the actuality - LVMH official website 	22	<ul style="list-style-type: none"> - Familiarize with the organizational context
Video/Audio	<ul style="list-style-type: none"> - Company-related documents 	10	Triangulate evidences given by articles and interviews

Table 2: Data Collection Summary

The full table with the name of interviewees, the course of the interviews and articles names/source can be found in Appendix 9, 10 and 11.

3.3 Data analysis

A coding approach, based on “*selecting, identifying and labelling to analyse the data accumulated*” (Robert 2009, p12) was chosen. My coding process first was about writing down the notes of the interviews and to highlight in the documents the relevant information. I had a first label summarizing the general theme of the information. Then the codes were created and linked between them as the goal is to understand their relation in the global analytic context (Dey 2004).

Initially, according to the collected data a code was associated. For example:

<p><i>“We want our customer to come in our store to create a real relationship.” Julie Fina, Product Manager</i></p>	<p>CUSTOMER VALUE PROPOSITION</p>
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Figure 2: Example of code used in the data collection

Then I linked the codes with my theoretical framework. The preliminary codes were associated to the final codes, novelty, lock-in, complementarities and efficiency according to the activity system framework. For example, I associated the code “customer value proposition” to the code “lock-in” which is a component of my framework.

Quote	Intermediate Code	Final Code
<p><i>“We want our customer to create a real relationship.” Julie Fina, Product Manager</i></p>	<p>CUSTOMER VALUE PROPOSITION</p>	<p>LOCK-IN</p>
<p><i>« To ensure a perfect follow up in the orders an internal software was created: Bspecial. » Marielle Ghisalberti, Special order manager</i></p>	<p>MASTER THE SUPPLY CHAIN</p>	<p>EFFICIENCY</p>

Figure 3: Quote, intermediate code and final code

Appendix 12 provides the full coding table.

4. EMPIRICAL SETTINGS

Berluti, with its legacy in the luxury shoemaking industry and its strong financial results, is the case I have studied to answer the research question. Berluti appears as a disruptor in the luxury shoe industry by putting forward a famous fashion designer but with a will to keep its craft legacy alive.

4.1 From Italian family business to subsidiary brand of LVMH

Berluti was founded in 1895 by Alessandro Berluti who came from Senigallia, Italy to practice his craft as a master shoemaker. He became famous for its lace-up shoe “Alessandro” made from a single piece of leather without visible stitching. Even if the company has Italian’s roots, it is French since he opened its first shoe workshop rue du Mont-Thabor in Paris. He made his reputation thanks to the network of Italian concierges working in Parisian palace who promoted the brand to their clients. It was a lightbulb moment for Alessandro to learn about orthopedy. The models he created took into account a parameter that used to be neglected: the instep. Thus, its models are declined in different sole to fit best the customer.

After him, only relatives ran the company and they all participated in its expansion during their time. In 1928 Torello Berluti opened a boutique 26 rue Marbeuf which is today the flagship, in 1959 Talbinio Berluti created a ready-to-wear offer and attracted famous client such as Andy Warhol, in the 80’s Olga Berluti promoted the use of patina on Venezia leather which became the brand signature. Olga also promoted the mundanity aspect of Berluti creating the Swann Club: two times a year the happy few had diner together and she did a shoe polishing demonstration between dishes.

At the end is the 90’s Berluti was famous for its hand-assembled customizable bespoke shoes and enjoyed an established reputation.

4.2 LVMH and its dreams of greatness

In 1993, LVMH bought Berluti. The internationalization of the distribution network started with a second boutique in London at Conduit Street in 1998. Yet Olga still kept leading the artistic inspiration. Today 52 boutiques are opened around the world’s greatest capital cities and the products are also available on the e-commerce website. Every boutique is standardized

to recreate Berluti's experience across the world. A few wholesalers like MR PORTER are authorized to sell their articles but only the ready-to-wear one. Personalization and bespoke are the House responsibility.

In 2011, Antoine Arnault, LVMH CEO's son, became general director and invested massively to develop the brand. First, he expanded the activity by buying the French tailoring workshop Arnys in 2012 to offer full silhouette looks to their clients. Moreover, Berluti's bloodline is over, he appointed Alessandro Sartori as artistic director. Second, he wanted to improve the production tools particularly the manufacture in Ferrara, Italy where are made the ready-to-wear shoes. In 2015, a new facility was inaugurated. It doubled the capacity of the old building since it can greet 300 workers and new machines were bought to increase productivity. In parallel, he recruited famous French shoemakers and their teams like Anthony Delos, awarded as French best worker 2011.

Currently, Berluti employs around 450 people. The turnover increased exponentially: from 30 million € in 2011 to 102 million € in 2019, + 230% € in 8 years! Even if Berluti has diversified its offer, shoes still count for 67% of the turnover. Despite all these financial investments, Berluti is still not profitable since it records minus €40 million of net results in 2019. It is mainly due to the fact that LVMH, the parent company, paid for the investment and that Berluti is still paying back the debts. According to the group prevision, Berluti should be profitable in 2022.

4.3 New paradigms to ensure profitability

As seen previously, profitability is the main challenge of the company and Berluti bet on two pillars to achieve it. First, on diversification because originally Berluti offers classic men shoes models: Richelieu, Derby, Moccasin, Boots. In 2013, it expanded its product line offering sneakers. Indeed, the targeted market has evolved with the years: 34% of regular treaters are 25-34s, it is as much as the 35-44-year old who represent 36%. This new generation has new needs – more casual – and is looking for “affordable luxury”. This oxymoron drives the offer (Appendix 2). In parallel, sneakers enable a better margin since the outsole is glued and need less time to be realized. Finally, special-order offer enables to maximize exclusivity on an individual level.

Second, Berluti invested in a famous face at the head of its creation department in 2018: Kris Van Assche, former Dior Men artistic director. It enhanced Berluti's notoriety on social media,

since he has 290 000 followers and is known to be alumni of Antwerp Royal Academy of Fine Arts with Dris Van Noten and Martin Margiela. He used his reputation to invite celebrities to walk at his show like Gigi Hadid and to give Berluti a greater mediatic coverage. Eventually, his work has been assimilated to art by Art critic like Paul Ardenne. He even exposed at Palazzo Pitti in Florence. Thus, Berluti adds a cultural dimension to its craft one.

5. FINDINGS

In this section, I will answer the research question by analysing the case of Berluti through the activity system design framework developed by Amit & Zott. The findings and its following analysis are structured following the components of this framework. I will show how Berluti is creating value thanks to craft in the shoemaking industry and how Berluti balances tensions between large volume and exclusivity.

5.1 Novelty

In our theoretical framework, novelty refers to the adoption of new content or structure by the company to create value. In our case, Berluti developed a new offer and the role of the artistic director to create value for people inside and outside the organization.

5.1.1 Betting on innovative craft techniques

Berluti developed a bunch of new craft techniques to answer distinct challenges and to keep competitive advantage on the market.

5.1.1.1 Attracting new clients with a very special offer

Personalization is essential nowadays in modern style and Berluti has been working on something different for its offer to gain competitive advantage. Making personalization more accessible is a way to recruit bespoke-uninitiated clients. The “special order” process allows clients to select a product in the collection and to make it their own by personalizing it with details. Marielle Ghisalberti, special order manager, claims that 4 out of 5 bespoke clients already own a Berluti pair of shoes and 3 out of 4 have one pair issue from the special-order offer.

Thus, to stand out Berluti has been offering custom tattoos on leather for more than ten years. After several tries, Olga Berluti succeeded in creating a technique to ink leather with a needle and pigments. Berluti got associated with Scott Campbell, famous Brooklyn tattoo artist whose

creations are more works of art, to create a bunch of design samples. Scott Campbell claims “Like me, Berluti celebrates the art of skin, but in a different way”². To answer to the current order, a specialized tattoo artist, Elena, based in Ferrara manufacture is dedicated full-time to their realization.

Yet even if the client wants something unique, he likes to have pre-defined propositions.

“The client can choose among nearly 80 models of tattoo from our catalogue. It is a way to push their imagination. In parallel, it is easier for Elena, our tattooist, she has a bunch of tattoos she masters.” (Interview of Marielle Ghisalberti, Special Order Manager)

Thus, the tattoo selection is based on four key themes: signs of the zodiac and Chinese horoscope, a classic bestiary of animals, vintage shapes and calligraphy. Yet creating your own design is still possible but it must follow some rules to avoid contentious: any religious, company, cartoon designs are accepted.

Nowadays, Berluti is one of the only brands offering this level of service on the market. Thus, it is high valued by customers. The only shoe brand getting close to it is Tods’, which is not on the same quality’s segment and have a distinct price range.

5.1.1.2 Innovating with existing techniques

Concerning the sourcing and the nature of raw materials, Berluti is facing an ethical issue and one about profitability. First, with the number of brand banning the use of exotic skin in the fashion industry like Chanel, Berluti’s salesmen started hearing from customer that it would be awesome to do the same according to Yanis Meker, Product Merchandiser. Second, because of legal restriction, dealing with exotic skins is a real investment in terms of money and time. Due to it, the profitability linked to this product is diminished. The brand would like to bet on new product to increase its margin.

“Each skin is associated to a CITES which is its ID. It gives precise information about origin, use, dimension, date. However, to obtain these mandatory documents from the national

² Germaine Cheong, « Berluti enlists tattoo artist Scott Campbell to sex up the latest collection », The Peak Newsletter, March 2016

institutions it is more and more complicated. It is time-consuming and just about red tape. They do it to convince us to change our offer and we are definitely about to do it.” (Interview of Elsa Franchi, Material sourcing manager)

Thus, Berluti decided to experiment an alternative product which is gathering its identity, Venezia leather, and the upcoming engagement about skin ban. Berluti creates patterns with patina to imitate alligator scales. These scales are hand-made and are a way to show-off the brand craft’s technicity.

So, the development of innovative techniques, based on high savoir-faire, enables to overcome current issues which arise because of the new environmental engagement of the customers. Yet this offer is a first try to measure customer’s enthusiasm about the innovation.

5.1.1.3 Implementing new tools to enhance craft work

LVMH has emerged as a world leader in the luxury sphere and bet on an irreproachable quality for its product to keep its rank. The group seeks to support the product’s quality by two means.

First, the group has decided to pursue a strategy of vertical integration. Even if it meant assuming the losses, it looks for total control over sourcing. As a conglomerate of several luxury leather good companies, LVMH has its own tannery supplying different brand. Quality is the key word for the group who stressed the relevance of quality check. When a pair of shoes does not meet quality expectations, they are started from scratch.

Second, to ensure the quality and the volume of the products delivered, LVMH invested in the rehabilitation of the main production unit: the Ferrara manufacture. The manufacture had a new structure where collaboration was enhanced by new workspace: prototyping and the production room where linked to permit quicker answers if problems raised. Moreover, the workforce capacity was multiplied by two, from 150 to 300 workers, to answer the growing demand in term of quantities. Eventually, to avoid loss, it invested in precise machine for basic actions such as Goodyear welt (stitching between the sole and the outsole). And also for more precise actions: an important signature of the house is the Scritto pattern it represents a letter from the 18th century bought at auction by Olga Berluti (Appendix 3) and it is now engraved in leather

thanks to precise laser tools. Tanners have to process with the laser before finishing to take care of the flower of the leather.

Craftsmen's competencies are enriched by these machines which need precise control. Berluti values the work of the artisans so much that it tries to limit the fail factors and to help them to save time.

5.1.2 Seducing a larger range of clients thanks to a famous artistic director

Berluti tends to give a cultural dimension to its product thanks to its new artistic director and to play more with medias to target new clients.

In fashion, particularly in the couture industry, creations are correlated with one designer put in the spotlight. Historically, it is not true for the shoes' one: models are drawn by shoes' designers who are behind the scene. Counterexamples are few like Jimmy Choo and Salvatore Ferragamo, both passed away. They are eponymous brand, yet all designer successors are unknown. However, since 2018 Berluti appointed Kris van Assche (KVA) as artistic director for menswear and shoes. Reputed for leading Dior Men studio, his fame permits to attract new clients and also new faces to represent the brand. Indeed, his reputation and his network in the fashion and cultural industry enables him to attract personalities to collaborate with the brand and to give it more visibility. In this way, Gigi Hadid – one of the most famous and expensive models on the market – opened the show for the last collection. Berluti also started to sign sponsorship contract with artist such as Rami Malek (actor) or Nick Jonas (musician), to dress them for social events. KVA gives a greater visibility to the brand, the spotlight is not only focus on the craft but also on the artistic director and his influence.

In summary, the juxtaposition between large volume and exclusivity had to be overcome to ensure a profitable business on the long term. Thus, Berluti introduces a business model implementing very unique techniques of personalization for high quality products. Moreover, craftsmanship qualities are supported by artistic recognition.

5.2 Lock-in

Lock-in describes the means implemented to keep stakeholders in the business. To do so, Berluti's business model gives a value proposition for customers and professionals to ensure a long-term success.

5.2.1 Customer value proposition: the importance of client's fidelity

To keep the clients in the business, Berluti provides a high level of service to ensure their fidelity in the long run. It is embodied by the aftersales service which guarantees a life-long free patina for every pair purchased. Clients come to store to use this advantage since Berluti's shoes need to have their patina done by a specialist. Thus, it also encourages existing clients to spend time in stores to discover new models.

“Our role is to create overwhelming value. We want our customer to come in our store not only to purchase but also to take care of their products, to ask information to their referent salesman: to create a real relationship.” (Interview of Julie Fina, Product Manager)

With KVA at the head of the artistic direction, salesmen were afraid that customers would not be interested in the brand anymore, but it was not the case. Shoes' sales went up. Berluti fostered a sense of modernity. The new artistic vibe encourages a new segment of customers, younger with the sneaker's offer, to get to know the brand. At the same time, classical craft models are still available and are still the key of the business. It does not distort the brand offer, it expanded it.

“Thanks to its mediatic influence, Kris attracted younger customer profiles. However even the most extravagant man needs formal shoes.” (Interview of Julie Fina, Product Manager)

It is clear that craft models are still valued by customers and are still the backbone of Berluti's business. Yet with sales going up, how can Berluti get enough qualified artisans with a business based on exigency?

5.2.2 Developing talents for industry value proposition

To guarantee the business success, it was essential to show to artisans how beneficial the company would be to them. Underlining that it could offer training of excellence, social recognition and appropriate workplace.

5.2.2.1 Promoting craft professions' visibility

When Ségolène Denecque, human resources manager (HR), first tried to hire artisans for the workshops she faced a lack of qualified profiles to suit the positions. She would end using word of mouth to get what she was looking for. At this point, she realised that craft professions had to be put forward and that there was a need to create a talent pool.

In this dynamic, LVMH launched The Journées Particulières in 2011 to let the public discover the diversity of professions and savoir-faire of LVMH brands. Every year, in fall and spring, LVMH brands all around Europe open their doors for three days to present their savoir-faire. Not only it is made to pay tribute to Europe's unique heritage of craftsmanship, but also to give rise of vocations. LVMH website³ claims explicitly that it is a place *“to put in contact one generation to the next”*. Moreover, communication is also done thanks to the Campus Management team which focuses on getting in touch with schools to promote the event. Artisans give demonstrations and share interactive presentations. Berluti presents its bespoke atelier (rue Marbeuf, Paris France) and its manufacture (Ferrara, Italy). The HR is present during the guided tours in Paris' workshop to discuss with potential new profiles.

“During these three days, I received many resumes from people with very diverse backgrounds, looking for their first experience or for professional retraining. They heard about us thanks to our communication channels but also through less specialised media like newspapers, mainly because our craftsmen were given the title of Meilleur Ouvrier de France⁴.” (Interview of Ségolène Denecque, HR)

Thus, LVMH uses its reputation and various channels of communication to attract new talents.

³ <https://www.lvmh.com/group/lvmh-commitments/transmission-savoir-faire/the-journees/particulieres>

⁴ The « Meilleur Ouvrier de France » is a competition between several French craftsmen to become the best French craftsman in its category. It is meant to preserve the French heritage, its know-how and its prestige.

5.2.2.2 Creating training centres

Berluti has a large need of qualified workforce. Yet it is not certain that new recruited artisans meet the high-quality expectations of the brand. So, the brand developed its own program to train people.

“For the past years, we opened numerous positions and we like to have our own educated profiles who meet our quality expectations.” (Interview of Ségolène Denecque, HR)

At the company level, apprentices are trained in two places:

- Ferrara manufacture is dedicated to the ready-to-wear and special-order offer. Emilia-Romagna in Italy is a region with a strong history with shoemaking and this training project has been supported by the region itself⁵

“We save time at Berluti Academy training apprentices because they are educated to meet the requirements of our quality control because they always worked with them.” (Interview of Claudia Ilardo, Planning and special production manager)

- Parisian Atelier rue Marbeuf focuses on the bespoke offer:
Apprentices represent a big share of the Atelier’s workforce: 5 workers out of the 19 are apprentices, here from 1 to 3 years. They all have different backgrounds from young profile with strong vocation to people looking for a career change. Berluti collaborates with Les Compagnons du Devoir, a national vocational training provider. Trainees move between workplaces all over France learning a trade with a distinct master. Jean-Michel Cassalonga, one of the shoemakers, has followed himself this formation.

“Every year, an apprentice from Les compagnons du devoir is learning with me. It is a way to transmit my knowledge and at the same time it is an exigency for me because I have to be precise and clear in my movement. It is also a way to remind me that I acquired unique skills which permit me to express myself through my production.” (Interview of Jean-Michel Cassalonga, Master shoemaker)

⁵ Alberto Ravani, «Berluti forma e assume 12 operatori delle calzature», La nuova Ferrara, May 2018

At the group level, a training program for leather goods' professions has been implemented: IME Institut des Métiers d'Excellence. This vocational training program, where students work with professional while finishing their studies, enables LVMH to give know-how to new generations while recognizing expertise talents. The apprentice's employability raised consistently. 62% of graduates found a position in a LVMH Maison or with an external partner. So far two students from this program are learning with Berluti, one in Paris and the other one in Italy.

5.3 Complementarities

In our theoretical framework, complementarities refer to the additional activities implemented that make sense because they are part of a whole. Indeed, Berluti provides an immersion in the crafts' workshop and proposes product issued from artistic collaboration to serve the customer better, to provide a complete experience.

5.3.1 Display the savoir-faire

5.3.1.1 Helping customers in stores to get immersed in the Atelier spirit

The stores always played a strong role in the relationship between brand and clients. It is where they can get style advice and try on shoes. As the business expanded its role in creating value for Berluti grew up, turning into an integral part of the company's competitive advantage. As the store is the reflection of the house's soul, it is crucial not only to be a showroom but also an extension of the workshop paying tribute to craft and tradition. In that sense several initiatives have been taken.

A first example is the "patina corner" which has been settled in several stores like the one 24 rue de Sèvres, Paris. In this set up corner, a worker is doing the patina in front of store's clients for precise order. This staging enables Berluti to emerge the clients in the Atelier spirit without opening its own doors.

“We managed to create an authentic atmosphere. Moreover, we offer content for people who want to post a picture on social network, it is a good promotion we do not neglect.” (Interview of Guillaume Cornaton, Visual Merchandiser)

A second example is the “tattoo corner”. Even if it is still in the experimental stage in Miami’s store, an artist is tattooing in live flash tattoos on the new pairs bought by clients. The goal is to democratize the tattoo offer and to show that it is easily available. So far, the tattoo offer is limited to pre-concepted flash tattoos which are easy to master to avoid mistakes.

5.3.1.2 Transforming the Atelier in a showcase for the brand

Bespoke clients have to meet at least three times the shoemaker to concretize their order in the Parisian workshop. As they are the most premium clients and that bespoke is the signature of the brand, Berluti introduces itself to these customers in a controlled-sophisticated way. Located in a perpendicular street of Les Champs-Élysées, the place looks like a real Parisian apartment at the 4th floor of a Haussmann building, with a traditional entrance and a lounge with armchairs. Yet 17 craftsmen are working in it. Several times a week, clients are coming to take their measure for their bespoke shoes, but they never leave the first time without a visit of the place. It is part of the experience. Everything is planned, even the fun facts. The apartment has been thought to display the savoir-faire and shoemakers have a procedure written by the headquarter to follow.

First, clients go to the lounge with shoemakers to talk about their wishes and to take the measures. Then they can assist to a step of the creation of a last in the room next-door. It is very impressive since wood is cut so precisely with a long knife that it reconstitutes your foot shape. Eventually, clients can have access to the heart of the atelier where at least 6 people are working at the same time sat on short stools nailing, cutting the future shoes. The place has been dramatized with a wall made of lasts. (Appendix 4) However, it can be underline than 10 other people are working in the “back office”, doing the patina, finishes and dealing with logistic aspects. They are not part of the tour. Berluti present itself as a traditional brand, high end, and in line with the product they sell.

5.3.2 Extending the area of competences with diverse partnership

Berluti is a niche brand which attracted mainly men looking for formality with its classic models. Yet the brand would like to enlarge its client scope. Thus, it is betting on collaboration, with diverse field, to enhance its influence.

Firstly, Berluti keeps a link with the key players of its expansion, even the ones from the past, to assert its authenticity. Even if Olga Berluti left the company at the beginning of the century, once a year a small collection named *Berluti Art* – often composed of 5 models – is edited in collaboration with her. (Appendix 5) She designed shoes which remind her the life in the 70's/80's to celebrate the legacy of the past. The last models created were about her memories with Jacques Lacan, a French psychoanalyst.

Secondly, through collaboration with the art environment, Berluti introduces itself in an artification process. A relevant evidence is the auction led with Sotheby's in 2018 to sell 14 lots of high-end products: all with the craft signature and the leather know-how. Full physical exhibition at Sotheby's Paris occurred for a week. The name of the auction showed all the ambiguity of Berluti's position: "The Art of Craftsmanship" (Appendix 6). The standout lot was a Porsche 911 from 1973, a car fully customized in Venezia patinated leather interior. Even the prices reached the ones of art collection products: Estimated EUR 175 000, it was sold EUR 348 450. The lot were always composed of a pair of shoes, to remind the core of the brand. Triumph motorcycle, club chair, table football are prototypes created in collaboration with a crafts company, Domeau & Pérès - saddlers and upholsterers which realized artistic creations for contemporaneous artists. Berluti tried to promote its lifestyle products, all hand-crafted leather sheath.

To conclude, the experiences implemented in the physical store meant that Berluti could be closer to its customers and create value in a different way. Also working with art-related companies generates value as the brand is presented to customers in a noble way, customers can have some of the exclusive feeling of luxury. Even if lifestyle is not the core of Berluti, it is a way to expand its reputation.

5.4 Efficiency

Efficiency is defined in our theoretical framework as the decisions taken to reduce the transaction cost. To do so, and as a subsidiary of LVMH, Berluti learned that vertical integration is the key to control operations and quality while optimising its costs. Even if it appears challenging, it results as a core competency for the brand in the sense that it also provides a competitive advantage, keeping competitors away.

5.4.1 Mastering the supply chain with appropriate digital tools

As an important part of Berluti business is based on bespoke and special order, the correct transmission of the client's specific demand and its follow-up is crucial to ensure the efficiency of the process. The two key variables are first the tools to reference the order, and secondly, the one to follow their progress.

First, in the early days of the SO, client's wishes were written in the comment section of the order. Even if senior salesman mastered the wording, since the company was growing selling more volume and hiring junior salesforce, the indications were lacking precision. It was not standardized, and each salesman had its way to describe the client demand. The issue raised when this information was treated at the manufacture of Ferrara: information resulted most of the time as uncomplete or could lead to a misunderstanding. Thus, the manufacture was asking constantly additional information at the SO coordinators based in the headquarter.

“We were spending our days checking the information with salesman for the manufacture. We were not coordinating anymore, just checking.” (Interview of Marielle Ghisalberti, Special order manager)

To fix this problem a software dedicated to SO order was implemented: Bspecial. An external firm specialized in digitalization, Salesforce, developed a platform where all the specificities available with their price were available (Appendix 7). And so, with possibilities for the SO headquarter team to modify the offer according to the company's will (Appendix 8).

“This software is a time saver! We can now dedicate more time to our core work: the development of new special offer.” (Interview of Marielle Ghisalberti, Special Order manager)

Second, to be in control Berluti has chosen vertical integration with its own manufacture and workshop to produce at the speed needed. Quality is controlled at every stage, maintaining the luxury exigence. The follow up of the current order is the key challenge for Berluti's supply chain. To face it, it has chosen a software dedicated to supply chain units: SAP. Thanks to it, the logistic team can assign automatically the SKU (stock-keeping unit) of each shoe created. It follows the model from its order until its deliver to the client and it is finally collected for sales historic. The SKU, the ID of each model, enables to know precisely at what stage is the shoes and to manage easily urgencies. Moreover, craftsmen do not have to worry about the logistic aspect, everything is managed in back office. All models are tracked, and even if the manufacture is away from France, a transparent follow-up is possible. SAP also enables to edit prices in various currency according to the policy chosen by Berluti. It permits to standardize its prices instantly.

By having full control, Berluti optimizes constantly the production of the order bringing undeniable competitive advantage.

5.4.2 Using data to optimize the product offer and ease craftsmen work

All the data concerning the sales are collected and analysed (yearly, monthly and weekly) to see if the objectives in terms of quantity and value in euro are to be reached. However, this pernickety analysis between reality and expectations is not driven by greed but by the will to calculate how close to the reality their forecasts are. In fact, it is crucial to rely on trustful forecasts because they determine the buys done during the showroom period. The showroom occurs few days after the show, twice a year. All the pieces chosen for the new collection are displayed. Buyers, either wholesalers or store directors, place their orders.

At an early stage, Berluti makes its retail merchandisers identified pieces and features that the customers liked based on past sales history. Informed decisions can be taken then for the business strategy:

“Our challenge is to propose to our customer what they are looking for. We have to target what we are offering.” (Interview of Yanis Mekerri, Retail Merchandiser)

Then collection merchandisers receive it and consolidate the offer with the studio to be align with the artistic direction. Thus, a meeting occurs between the two merchandising teams, where the collection's one gives the main guidelines of the upcoming collections to the retail's one. Thanks to it, the retail team calculate the forecast and the order-to-buy (OTB), which are buying guidelines given to store managers. Thus, store manager can base their choices on this analytic support and on more subjective evidences, based on the knowledge about their clients' taste.

The crucial role of the forecast is to enable the order of raw materials upstream. So, at the end of the showroom the production in the manufacture can start directly. The main idea behind it is to reduce the pressure on craftsmen work by optimizing some actions thanks to analytic tools. Like this, the supply team helps craftsmen to fit with the requirement of the fast-paced fashion environment.

Thus, mastering the supply chain and the data are keys to optimize the cost of production and to help craftsmen in their tasks.

6. DISCUSSION

This table summarizes the findings:

Key takeaways from findings	
NOVELTY	<p>Disruption and innovation in the craft techniques to:</p> <ul style="list-style-type: none"> - attract a new segment of clients with a unique offer (tattoo) - answer current ecological and conscious challenge (imitating alligator scale to reduce exotic leather use) - deliver a work of better quality (improved Ferrara manufacture)
	<p>Emphasize the cultural dimension of the brand by hiring a famous artistic director (KVA) and collaborating with world's largest brokers of fine art (Sotheby's Auction). The name of the auction stresses the ambivalence of Berluti's position: The Art of Craftsmanship</p>
LOCK-IN	<p>Providing an overwhelming value to customer giving access to personalization easily</p>
	<p>Creating a relationship of trust with artisan promoting their visibility and providing them appropriate training to meet the high expectations (IME) and to create a talent pool</p>
COMPLEMENTARITIES	<p>Using stores and ateliers to put forward craftsmanship, to communicate about the technicity and to strengthen the artisanal influence on the brand image (patina pop up / rue Marbeuf)</p>
	<p>Collaborating with known artists to introduce the brand in an artification process (diversify the knowledge with lifestyle)</p>
EFFICIENCY	<p>Vertically integrating to have a full control over operations (Bspecial, SAP)</p>
	<p>Data analysis to predict customer demand</p>

Table 3: Summary of findings

6.1 New trends driven by value creation

It is clear that Berluti is making its designers more efficient and rational (Leclair 2017) asking them to develop new offers with new tools to create economic value. This exclusive range of product is valuable enough to be presented at auctions like Sotheby's.

Luxury companies are following a liberal economic paradigm (Osborne 2003) that drives their choice. In fact, the reduction of exotic-leather offer and the creation of its alternative offer highlight that Berluti's creative inspiration is driven by earning the optimal profit. Indeed, these skins are expensive, and their acquisition is time consuming. Providing an alternative, it

addresses these issues. A positive side effect of withdrawing this offer is cleaning the brand image. It makes Berluti more environmental-friendly and answers the wish of clients to find an ethical value in the brand. A link between the creation of ethical and economical value can be stressed.

6.2 Artisans are not substituted by artists

Berluti stands on the legitimacy of KVA as a charismatic creative director (Dion and Arnould 2011). His reputation from Dior Men enables the brand to cross border (Benjamin 2008) by reaching more clients. Even if partnerships with art gallery and auction firm like Sotheby's stress that Berluti is looking for legitimation by elevating business to art (Benjamin 2008), craftsmen are in the heart of these collaboration.

So, in contrary to what argued Kapferer (2014), there is not a translation of interest from artisan to artist. In Berluti's case, art is used as a showcase to put its savoir-faire in the spotlight. The storytelling is mainly based on craft and not on KVA. We corroborate that fashion is ambivalent by nature between commerce and art (McNeil 2008). Yet Berluti takes the best of both worlds by keeping its DNA and by making money through recognition by the art universe.

6.3 Sharing the craft spirit by staging it

With Berluti we can corroborate what Boer and Dulio (2007) said: craft has an important role in the luxury shoe industry. For Berluti, putting forward craft is a way to create value both for its clients and its employees. It is also through it that Berluti expresses its authenticity which takes the shape of a recurrent mantra (Carù et al. 2017). In fact, the visual merchandising of the store and the bespoke visits aim to immerse the client in the craft world. These initiatives go against the standardization of the point of sales, strengthening the feeling of authenticity. Besides, to attract qualified artisans Berluti organized events to show that it stays true while relevant (Aaker 2011). The open-doors days, les Journées Particulières, share the know-how of the brand while noticing to the greatest number the existence of these handmade jobs. The craft aspect of these jobs is particularly valued because shoemakers express that craft bring them a set of rights. As defined by Kurlinkus (2014), these workers feel free from alienation since they have developed unique skills.

6.4 Ensuring the preservation of the heritage benefit

How to create continuous sense with the heritage was seen as a concern (LaTour et al. 2010) since LVMH bought this Italian family business. Although Berluti experienced massive mutations since its creation, the brand has succeeded in keeping a link with its past and in putting it forward. Collaborating with Olga Berluti once a year gives a symbolic value to goods and it contributes to the economic value creation (Boccardi et al. 2016). Moreover, the assertion of saying that heritage is strongly linked both to past and present and aims to significantly affect the future (Balmer 2011) makes real sense at Berluti. All programs launched to help the shoemakers to pass on their knowhow to the apprentices are to ensure the thrive of the brand and its techniques in the long run.

We can notice that the marketing heritage is mainly based on products with crafts signature, patina or Venezia leather. Yet, Berluti's marketing strategy does not use mythopoesis defined as a repetitive narrative of tradition and value (Boccardi et al. 2016). In parallel, we saw that the transition from the era of unknown artisans to the one relying on the influence of the mediatized designer KVA was well accepted by clients. Eventually we can stress that Berluti overpasses the challenge to be anchor in the past (Boccardi et al. 2016) by nominating a famous designer, accepting its heritage and mixing it with modernity.

7. CONCLUSION

The purpose of this thesis was to have a better understanding about how luxury shoemaking companies could keep on creating value with craft. Until now, no research in luxury focused on luxury crafted shoes. With the raise of famous designer reshuffling the cards, there was an urge to analyse their business model.

To answer my research question, I used the activity system design as a theoretical frame work (Zott and Amit 2010) and I conducted a single case study about Berluti, a successful shoemaker with a strong crafts history.

The results show that first, innovation in crafts and the use of digital tools are essential components of success in the luxury shoe industry. Without disruption in the offer, the value proposition would remain the same and would not follow the trend and the concerns of their time, which are key drivers of the business. From the company's point of view, promoting the know-how of craftsmen by asking them for innovation is crucial and it confers a value to the brand. Second, hiring a famous artistic director gives the brand a larger influence. Collaborating with art actors creates competitive advantage as the company reaches a new audience. However, these projects remain side-projects which only aim to make good advertisement for the core offer of the brand. Therefore, there is a need to choose precisely what to showcase to control the brand image that would be shared. Third, although it is not an imperative to make its Ateliers free of access to stress its authenticity, recreating the spirit of the Ateliers is a complement to the client experience. It is relevant to catch the attention of every types of clients, from non-initiated to loyal customer, in the stores or during controlled-atelier's visits. This way clients can meet the brand and the relationship with the brand is enhanced. Eventually, developing its own talent pool enables the brand to face the lack of qualified profiles on the job market to meet the high expectations for production. Employees are crucial and the company has to think about all the process to recruit them, from giving visibility to the job to providing adequate training.

The main limit of the thesis is that it is based on a single-case study. If the results have to be adapted to other companies, the context has to be taken seriously into account. Indeed, Berluti belongs to LVMH, the biggest luxury conglomerates, it provides particularities that other shoemakers may do not have. For instance, Dior belongs to LVMH and the appointment of KVA as Berluti's artistic director was basically a transfer within the group.

An interesting axis for future research could be to address the problematic to another area of luxury like fashion, or also art of the table and lifestyle. To get a better understanding on how these companies can create value, a study could focus on how they are managing the digital era, focusing the role of social media with influencers, the new battlefield of publicity.

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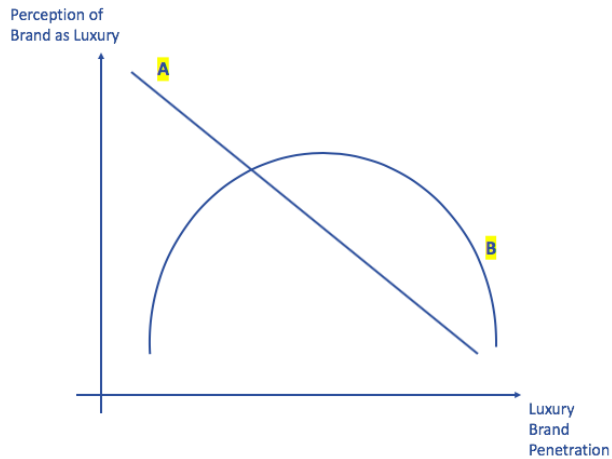
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9. APPENDICES

9.1 Related to the literature review

Appendix 1 – Kapferer Luxury/rarity relationship (2012)



9.2 Related to empirical settings

Appendix 2 - Price range according to the category of shoes, summary based on the offer available on www.Berluti.com

	READY-TO-WEAR		BESPOKE
	SNEAKERS	CLASSIC MODELS	
BOTTOM OF THE RANGE PRICE	750 €	1 350 €	5 800€
STITCHING	Incolla (e.g. glued)	Blake / Goodyear / Norwegian (machine or handmade)	Blake / Goodyear / Norwegian (handmade)
MATERIAL	Canvas / Leather	Leather	Leather
AVAILABLE ON SPECIAL ORDER With personalisation featuring: Tattoos on leather / Hot Stamp / Diverse size, color, material Price on request			

9.3 Related to the findings

Appendix 3 – Scritto on Leather



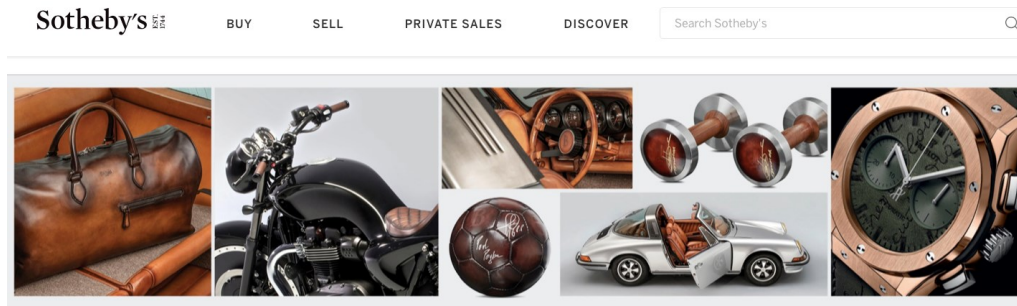
Appendix 4 – Wall full of last in Atelier rue Marbeuf, Paris



Appendix 5 – Antoine Arnaud, current CEO of Berluti, and Olga Berluti at the launch of her capsule collection in September 2018



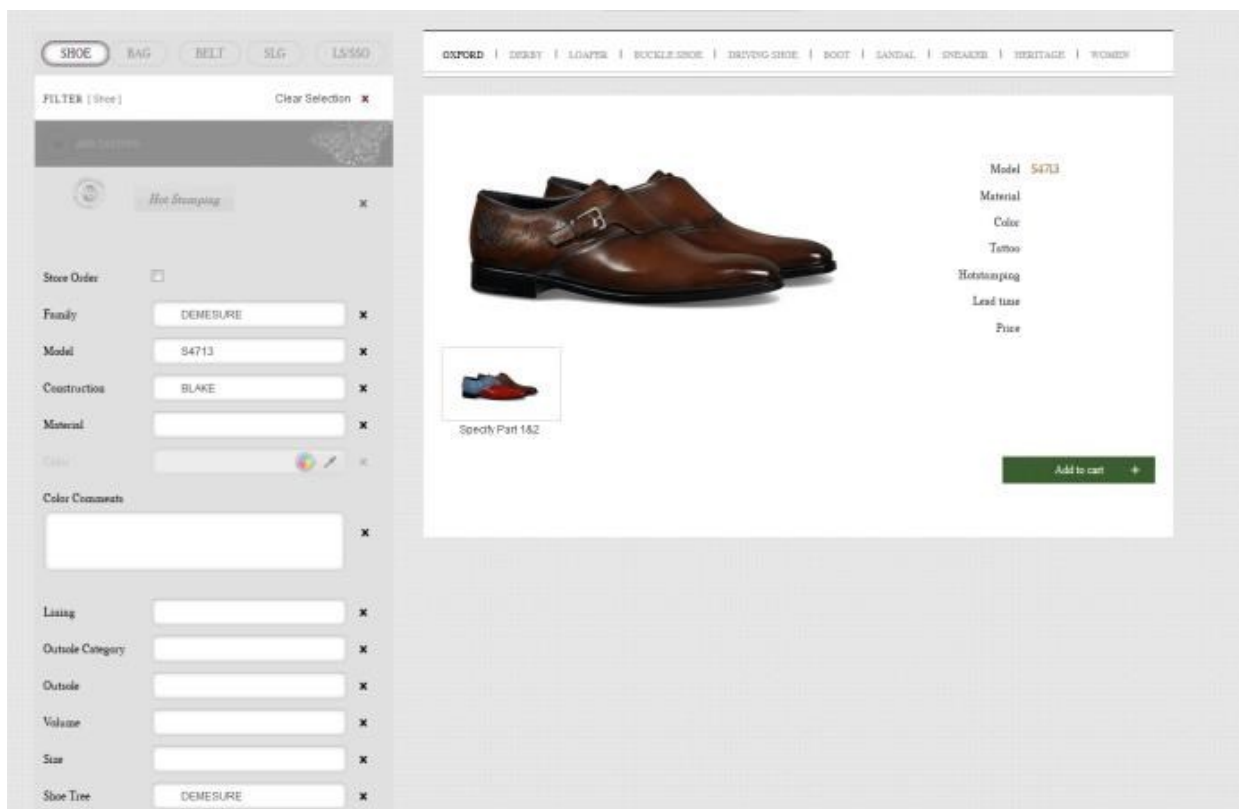
Appendix 6 – Sotheby’s web home page for Berluti’s auction



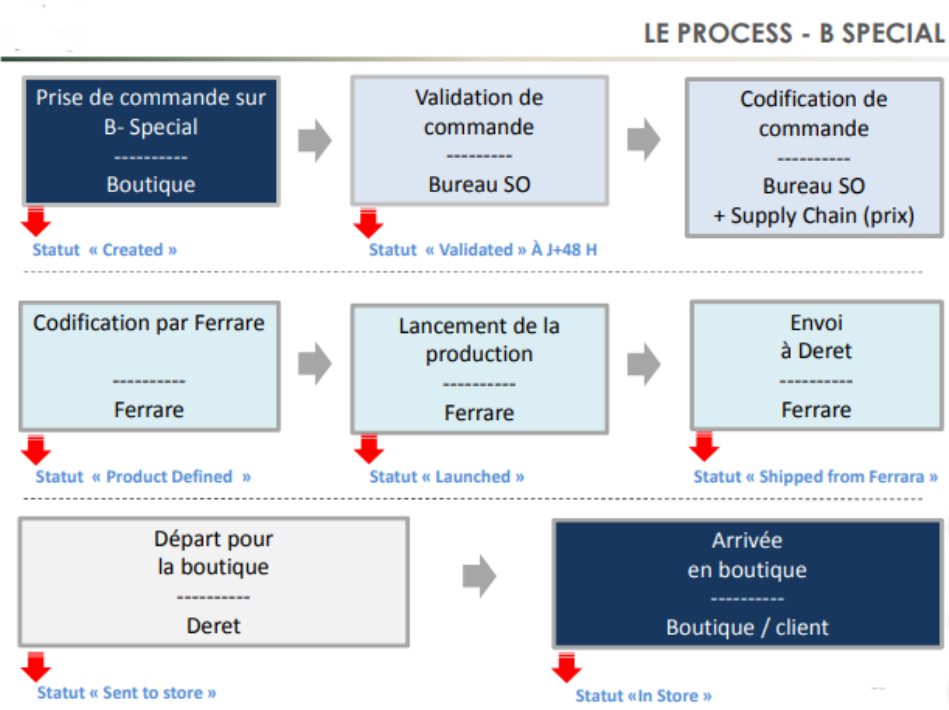
Auction Closed

Berluti : The Art of Craftsmanship*

Appendix 7– Screenshot of Bspecial interface to ease special orders



Appendix 8– Berluti’s internal document explaining Bspecial process



9.4 Interviews table

Appendix 9 – Interview for data collection

INTERVIEWS					
	Interviewee	Function	Duration (minutes)	Date	Format
1	Julie Fina	Product Manager	15	22/01/2020	unformal interview in the open space
2	Yanis Mekerri	Retail Merchandiser / Buyer	10	22/01/2020	unformal interview in the open space
3	Jean-Michel Cassalonga	Master Shoemaker	20	22/01/2020	formal interview during the visit of the Atelier
5	Marielle Ghisalberti	Special Order Manager	45	22/01/2020	formal interview in a meeting room
6	Guillaume Cornaton	Visual Merchandiser	30	22/01/2020	unformal interview during lunch time at the restaurant
7	Claudia Ilardo	Planning and Special production manager	15	22/01/2020	formal interview on skype chat thanks to Marielle
8	Ségolène Denecque	HR	30	22/01/2020	Unformal interview during lunch time at the restaurant + additional information thanks to emails
9	Eleonord Bisard	Public Relation	10	22/01/2020	unformal interview in the open space

9.5 Online documents

Appendix 10 – Written documents for data collection

WRITTEN DOCUMENTS			
Document	Written by	Date of publication	Web link
Financial Documents - LVMH 2019	LVMH	31/12/2019	https://r.lvmh-static.com/uploads/2019/12/lvmh_documents-financiers_2019-vf.pdf
Annual Report - LVMH 2019	LVMH	21/12/2019	https://r.lvmh-static.com/uploads/2019/03/rapport-annuel-lvmh-2019_va.pdf
Annual Report - LVMH 2018	LVMH	21/12/2018	https://r.lvmh-static.com/uploads/2018/03/rapport-annuel-lvmh-2018_va.pdf
Annual Report - LVMH 2017	LVMH	21/12/2017	https://r.lvmh-static.com/uploads/2017/03/rapport-annuel-lvmh-2017_va.pdf
Annual Report - LVMH 2015	LVMH	21/12/2015	https://r.lvmh-static.com/uploads/2015/03/rapport-annuel-lvmh-2015_va.pdf
Annual Report - LVMH 2011	LVMH	21/12/2011	https://r.lvmh-static.com/uploads/2011/03/rapport-annuel-lvmh-2011_va.pdf
LVMH Institut des métiers d'excellence	LVMH	N/A	https://www.lvmh.com/talents/ime/lvmh-institut-des-metiers-dexcellence/
Berluti / Auction Sotheby's	Sotheby's	24/04/2019	https://www.sothebys.com/en/buy/auction/2019/berluti-the-art-of-craftsmanship
Berluti opens new workshop in Italy	LVMH	21/08/2015	https://www.lvmh.com/news-documents/news/berluti-opens-new-workshop-in-italy/
Les journées particulières lvmh 2018	Romain Costa's blog	19/10/2018	https://romaincosta.com/les-journees-particulieres-lvmh-2018/

The journees particulieres initiative lvmh	LVMH	N/A	https://www.lvmh.com/group/lvmh-commitments/transmission-savoir-faire/the-journees-particulieres-initiative-lvmh/
Berluti Unveils New Canvas With Globe-Trotter Collaboration	WWD	09/01/2020	https://wwd.com/fashion-news/designer-luxury/exclusive-berluti-unveils-new-canvas-with-globe-trotter-collaboration-1203415089/
Kris Van Assche Rebuilding Berluti From the Shoes Up	WWD	16/01/2020	https://wwd.com/fashion-news/designer-luxury/exclusive-kris-van-assche-rebuilding-berluti-from-the-shoes-up-1202963175/
Berluti Men's Spring 2020	WWD	21/06/2020	https://wwd.com/runway/mens-spring-collections-2020/paris/berluti/review/
Fall 2020 Menswear Berluti	Vogue	17/01/2020	https://www.vogue.com/fashion-shows/fall-2020-menswear/berluti
Ma nouvelle vie chez Berluti entretien avec Anthony Delos	Parisian Gentleman	17/06/2014	https://parisiangentleman.fr/2014/06/17/ma-nouvelle-vie-chez-berluti-entretien-avec-anthony-delos/
Have You Considered Getting Your Berluti Shoes Tattooed?	Vogue	21/02/2018	https://man.vogue.me/fashion/shoes/berluti-shoes-tattooed/
Customized Tattoo	Berluti	N/A	https://www.berluti.com/en-mc/bspoke/extreme-personalisation/
Pact d'excellence, le scritto Berluti	Hublot	30/04/2019	https://www.hublot.com/fr/news/the-hallmark-of-excellence-a-hublot-case-bearing-berluti-s-scritto-script
How to become shoe designer?	Vogue	27/04/2018	https://www.vogue.it/en/vogue-talents/news/2018/04/27/shoes-how-to-become-shoe-designer-fashion-career-school/?refresh_ce=
Berluti apre grande stabilimento produttivo a ferrara	Fashion Network	22/07/2015	https://it.fashionnetwork.com/news/berluti-apre-grande-stabilimento-produttivo-a-ferrara,552877.html
Luxury market age analyse	Global Web Index	05/01/2020	https://blog.globalwebindex.com/chart-of-the-week/luxury-market-2019/

9.6 Video and audio content

Appendix 11 – Audio for data collection

Title	Origin	Date	Web link
Bespoke creation	Vivement dimanche prochain	2010	https://www.youtube.com/watch?v=fSIGBehDlbQ
September 2019 Fashionshow	By Loic Prigent	2019	https://www.youtube.com/watch?v=FAcSf1I7g_k
Alessandro Sartori talking about Berluti	Bert Magazine	2013	https://www.youtube.com/watch?v=zhcjw0JjTuI
Qlickview and Bspecial/Btwist	Viseo	2015	https://www.youtube.com/watch?v=jbdfUgEpY
Berluti Tattoo Personalisation Process	Fashion Ide	2018	https://www.youtube.com/watch?v=QESMFa4CfeQ
Berluti apre le porte ai ferraresi	Telestense Ferrara	2018	https://www.youtube.com/watch?v=Vxpn5bFIIlOQ
Antoine Arnault interview	Berluti	2016	https://www.youtube.com/watch?v=Zku2CmNrgCc
Behind the brand / Berluti	MR PORTER	2014	https://www.youtube.com/watch?v=QaZYz4nJG0I
« Le sur mesure, c'est une traversée, un long chemin, un moment tout sauf solitaire »	LVMH	2019	https://soundcloud.com/user-111726850/le-sur-mesure-cest-une-traversee-un-long-chemin-un-moment-tout-sauf-solitaire
L'excellence de la patine	RTL	2019	https://www.rtl.fr/emission/l-excellence/l-excellence-du-25-aout-2019-7798060902

9.7 Coded Data Table

Appendix 12 – Coded Data Table

Julie Fina	Yanis Mekerri	Jean-Michel Cassalonga	Anthony Delos	Marielle Ghisalberti	Guillaume Cornaton	PRELIMINARY CODE	FINAL CODE
<p>The product team launched a new product imitating crocodile scales to avoid the use of real exotic leather + it emphasises the know-how of the brand First it has been launched as a capsule collection of clients react to it</p>	<p>Clients told about their exotic engagement to salesmen, we collect this kind of information for continuous improvement They pointed out that other brand like Chanel already took this engagement</p>			<p>Personalization and Special Order have an crucial role for a client to upgrade from ready-to-wear to bespoke. "4/5 ofbespoke clients already have a Berluti pair of shoes" Yet a define offer is proposed yo help the client to choose while feeling unicity. Very special one : Tattoo on leather - > Elena in Ferrara is dedicated to do tattoos, it is a full time job for one of our worker</p>		<p>DISRUPTIVE TECHNIQUES</p>	<p>NOVELTY</p>
		<p>KVA designed new shoes that are directly produced in the italian manufacture, I only do bespoke models The model still follow the tradition of the brand, but to be honest so far I have not done bespoke sneakers.</p>		<p>Every model are available in SO, even KVA ones. But they already have a strong visual identity. SO is mainly for formal models.</p>		<p>ARTISTIC ASPECT PUT FORWARD</p>	<p>NOVELTY</p>

Claudia Ilardo	Ségolène Denecque	Eleonord Bisard	Elsa Franchi	BERLUTI WEBSITE	LVMH WEBSITE	Sotheby's Website	PRELIMINARY CODE	FINAL CODE
<p>A new manufacture was created in 2015 to give the best tools. Machine to do goodyear stitching/Laser to do the Scritto. There is a will to modernize to enable the workers to work in good conditions. From 150 to 300 people working there. Antoine Arnaud (Berluti's CEO) and the president of Emilia-Romagna (Italy's region) were present, it was a local event.</p>			<p>Real challenge with exotic leather. Ask for CITES -> the European regulation tends to discourage companies to work with this leather and ask for pernicky official documents. Yet it represents an important part of the turnover, we look for a transition which will not impact our profitability</p>	<p>80 models of tattoo are proposed in SO, 4 main themes are proposed</p>			<p>DISRUPTIVE TECHNIQUES</p>	<p>NOVELTY</p>
		<p>KVA has a real network of celebrities to give Berluti a greater image and he brings an artistic inspiration to the house with a work based on colors. With its arrival, Berluti changes its logo for something more geometric fitting with the new identity of the brand</p>				<p>Sotheby's presented Berluti: The Art of Craftsmanship*, a selection of items hand-chosen by Sotheby's specialists, which pay tribute to the pillars of Berluti's heritage and proficiency</p>	<p>ARTISTIC ASPECT PUT FORWARD</p>	<p>NOVELTY</p>

Julie Fina	Yanis Mekerri	Jean-Michel Cassalonga	Anthony Delos	Marielle Ghisalberti	Guillaume Cornaton	PRELIMINARY CODE	FINAL CODE
<p>“Our role is to create overwhelming value. We want our customer to come in our store not only to purchase but also to take care of their products, to ask information to their referent salesman: to create a real relationship.”</p> <p>KVA attract younger profiles but formal shoes is still the crucial point of our business</p>	<p>Formal shoes market share > New models one The store expansion is selective e-commerce was launched in Japan</p>	<p>Zero cut is a creation to show our unique technicity and to offer something that clients cannot find anywhere else. It is not an innovation it is to go further in our teshnicity</p>				CUSTOMER VALUE PROPOSITION	LOCK-IN
		<p>In the Atelier, each shoe maker has one apprentice. It is also a way for us to stay precise in our work to explain it</p>				INDUSTRY VALUE PROPOSITION	LOCK-IN

Claudia Ilardo	Ségolène Denecque	Eleonord Bisard	Elsa Franchi	BERLUTI WEBSITE	LVMH WEBSITE	Sotheby's Website	PRELIMINARY CODE	FINAL CODE
							CUSTOMER VALUE PROPOSITION	LOCK-IN
At Ferrara, we hire a lot of young profile that we train to fit our requirements.	Journées Particulières were launched to communicate better about craft jobs and to promote them. The goal is to give more visibility to craft to attract gifted people "During these three days, I receive many resumes from people with very diverse backgrounds, looking for their first experience or for professional retraining."			<ul style="list-style-type: none"> Manufattura Thelios is dedicated to techniques transmission / IME in Italy celebrated the announcement of three new partnerships for training courses in artisanal professions and sales – women's footwear at Politecnico Calzaturiero in Capriccio di Vigonza, men's footwear at the Berluti Academy in Ferrara and sales	<ul style="list-style-type: none"> The IME promotes, transmits and valorizes savoir-faire unique to the luxury industry in craft métiers, as well as 		INDUSTRY VALUE PROPOSITION	LOCK-IN

Julie Fina	Yanis Mekerri	Jean-Michel Cassalonga	Anthony Delos	Marielle Ghisalberti	Guillaume Cornaton	PRELIMINARY CODE	FINAL CODE
		The Atelier rue Marbeuf is also were the appointments with clients is taken. It is part of their experience to visit the Atelier after or before the fitting, in this way they see how their pair is going to be created. Everything has to be "clean" in a certain way, it has to be presentable		Every time we create a special product, we keep track on it by recording the process in video	In store, we put forward the savoir faire setting up exhibition of patina -> rue de sèvre, patina exhibition / in the Miami, we are launching a tattoo exhibition in the boutique so people can see the tattoo in live	DISPLAY	COMPLEMEN TARITIES
Olga Berluti is still present. Once a year we create few models in collaboration with her to celebrate the legacy of the past: Berluti Art			In 2014, Berluti did a proposition to buy my Atelier and to merge my team with them. I accepted and I bring my techniques and style in the house	Scott Campbell designed exclusive sample for tattoos that we use in our offer		COLLABORATIONS	COMPLEMEN TARITIES

Claudia Ilardo	Ségolène Denecque	Eleonord Bisard	Elsa Franchi	BERLUTI WEBSITE	LVMH WEBSITE	Sotheby's Website	PRELIMINARY CODE	FINAL CODE
		On social media, we broadcats movie of the Atelier, Manifatturra, the leather, we communicate a lot about the craft process it is a way to legitimate our work					DISPLAY	COMPLEMEN TARITIES
		KVA wants to associate Berluti with a younger image. During the shows famous models like Gigi hadid walked. The question to create feminine model is also present					COLLABORATIONS	COMPLEMEN TARITIES

Julie Fina	Yanis Mekerri	Jean-Michel Cassalunga	Anthony Delos	Marielle Ghisalberti	Guillaume Cornaton	PRELIMINARY CODE	FINAL CODE
	<p>The role of the merchandise team is to do forecast for the buyings during the showroom. We send at the end of the showroom the final ordered quantities so orders can be made to sourcers. Everything as to be precise</p>	<p>To create bespoke shoes 3 appointments are needed. The follow up is done carefully, yet some unexpected situation can happen: a pair got broke during the montage. We have to keep time for the unexpected events</p>		<p>To ensure a perfect follow up in the orders an internal software was created: Bspecial, special platform for Special Orders and Bespoke only. It lists all the possibilities</p>	<p>The display window are implemented by night, all the material as to be here on time to meet the launch day of the collection</p>	<p>MASTER THE SUPPLY CHAIN</p>	<p>EFFICIENCY</p>
	<p>During the buyings, we analyse the sells done to see which model perform the best Formal shoes are the main part of our market As merchandiser it is also our role to communicate with the studio to tell them the clients requirements, even during th showroom we can ask them to do changes (details)</p>					<p>DATA MANIPULATION</p>	<p>EFFICIENCY</p>

Claudia Ilardo	Ségoène Denecque	Eleonord Bisard	Elsa Franchi	BERLUTI WEBSITE	LVMH WEBSITE	Sotheby's Website	PRELIMINARY CODE	FINAL CODE
Francisca and Federica are coordinators: their job is dedicated to ensure the right timing in every step in the shoe construction. One is in charge of the ready-to-wear line and the other about the SO			SAP is the reference software to create SKU and to do pricing	ADDITIONAL GRAPH / SKU construction + ferrara process			MASTER THE SUPPLY CHAIN	EFFICIENCY
							DATA MANIPULATION	EFFICIENCY