Editorial

Luxury

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According to the latest research by the Future Foundation (2013), consumer attitudes towards discounts reveal four distinct groups – ranging from those willing to pay full price most of the time (accounting for just 4 per cent of shoppers) to those who are seeking deals on a continuous basis (23 per cent). Nearly 70 per cent of people are full- or part-time discount hunters among UK consumers. When attitudes towards deals are aggregated, the *Discount Forever* mindset – that is, the desire to avoid paying full price – is felt by 54 per cent of individuals. This outlook is present across all income, age, gender and social grade breaks but reaches its most. Discounting and Revenue Management seem to be the same language but what about the opposite – those with affluence and willing to pay a premium. The research papers in this issue are devoted to this topic. *Yeoman and McMahon-Beattie* explore and discuss the dimension of materialism, which is often neglected in the luxury literature. The authors argue that luxury providers are focusing on materialism as exclusivity on High-Worth Individuals. The utility value of the paper is demonstrated in how many luxury brands and operators position themselves as exclusive whether it is the provision of concierge services or experiences. *Kapefer* explores the driver of how luxury sales have expanded through the rise of the middle classes and affordable prices. This extension creates a paradox as luxury must be expensive but become more accessible. If consumers want to access luxury, below what price do they consider that it no longer represents a luxury? This study presents research on how consumers decode luxury prices, how lower prices fit with luxury and whether a minimum price exists.

Quality and luxury intertwine, and therefore *Hunold* illustrates a new process for examining Revenue Management effectiveness by investigating how *Six Sigma*, a control process and philosophy, would work in reality. The findings draw out that *Six Sigma* could eliminate root causes of defects within the Revenue Management process while screening the process in five different stages – Define, Measure, Analyse, Improve and Control. Applying *Six Sigma* to Revenue Management could help organisations to make right decisions about pricing and distributing services while maximising revenue and utilising capacity. Carl Fabergé was the jeweller of the Russian Tsars, who crafted extraordinary Fabergé eggs, which are famous all over the world. His business model was based on producing all manner-opulent accessories to complement the household fashions of the time. *Yeoman* explores this phenomena in a modern time paradigm in how luxury goods that would be considered everyday are transformed into exclusive items. The authors give examples, such as mineral water and toilet paper. Fundamentally, this article demonstrates the application of high aesthetics to low-value goods.

REFERENCE

Future Foundation (2013) Discount society, <http://nvision.futurefoundation.net>, accessed 1 December 2013.

Ian Yeoman
Victoria University of Wellington,
New Zealand
E-mail: ian.yeoman@vuw.ac.nz