In order to reconcile the competing needs of business and society, the pursuit of shared value relies on the individual as the common element between the two institutions.

Brands are composed of people, and so must work to align their values with those of society, define their purpose as citizens, and shape the behavior of their people to suit.

Luxury brands are not just citizens but leaders, which gives them the ability to raise their stature by influencing the wider community.

There is pressure on companies to do more than make money. Customers still want the best product at the lowest cost. But “best” today means that the product, and thus the brand, must reflect their way of thinking and living, and “cost” today encompasses the holistic costs – psychological, environmental, and so on – of obtaining the product. Employees want more than just a job and a salary. Today’s labor force is more attuned to the possibilities for their work to be fulfilling. Company owners want more than just the fastest and highest possible return on their investment.
Shareholders want to know that the company they own is legally compliant, well run, and responsible in managing their business. In addition, indirect stakeholders, such as the people living near a factory or the fans who follow a brand on social media, want more than just a name they recognize and respect. The public now wants to be assured that the company’s presence in their lives and communities is a positive influence. These developments show a convergence in the attitudes of all the stakeholders of a brand toward qualitative criteria in addition to quantitative criteria. In an industrial but pre-information economy world, quantity versus quality was a trade-off. Today, people want both.

This is especially true of luxury. Luxury customers want the best of something, they are not willing to accept compromise in terms of design, manufacturing, or functionality. At the same time, luxury customers want the products they want, when they want them, where they want them. This responsiveness is part of what they are paying for. The only exceptions to this rule are when there is a physical constraint. The customer for a one-of-a-kind product, such as bespoke apparel and accessories or a custom-made car or yacht, is obviously willing to allow time for the process. The second exception is when the product, even a standard one, is in such high demand and so desired by customers that they are willing to wait their turn in the production queue. The classic example here is that of the Hermès Birkin bag, the wait for which has grown from a couple of months to more than a year over the past decade.

These two specific situations aside, however, luxury customers are representative of the rest of us. In the preceding chapters, we discussed how there has been an overall increase in prosperity in society and how the fragmentation of institutions and the abstraction of value from material wealth to knowledge is pushing everything to address more than our physical and security needs.