Università
Ca'Foscari
Venezia

Single Cycle Degree programme
in Economics and Management of Arts and Cultural Activities (EGArt)

Final Thesis

Moving beyond the rhetoric of corporate philanthropy: Art-based interventions as components of business models

Supervisor
Prof. F. Panozzo

Graduand
Vittoria Colagiovanni
[893612]

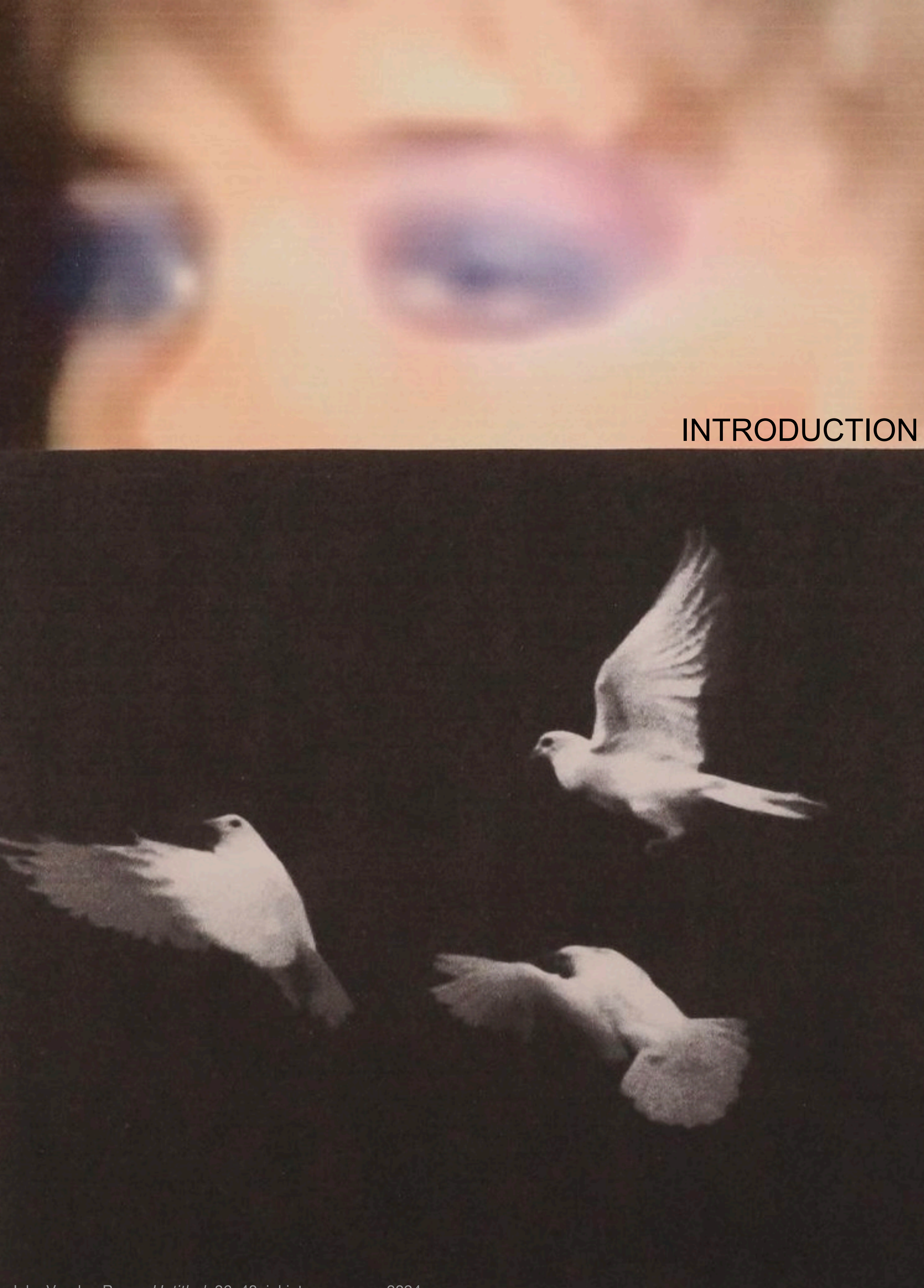
Academic Year
2023/2024

ABSTRACT

This thesis explores the support of heritage by luxury brands and their foundations in the current years. Donations to the arts by business leaders, especially the fashion industry, are conventionally presented as expressions of their philanthropic sentiment, a desire to make the pleasures of culture accessible to the masses, and a way to support, promote, and protect art and artists. Yet, in a consumer-oriented and profit-driven society, it remains challenging to fully embrace the pure and simple concept of "giving." Therefore, this thesis critically examines the ultimate goals and true motivations underlying artistic donations. It asserts that there should be no need to hide both the economic and non-economic benefits deriving from donations. Is it necessary to justify investments through the veil of philanthropy? In 2024, does it still makes sense to hide strategy choices behind the concept of “gift”? The analysis of luxury business models, the study of data related to the so-called art infusion effect and the exploration of risks associated with Art-washing lead to the overarching conclusion that luxury brands and their charitable foundations do indeed derive advantages in terms of image and brand reputation. This extends to fiscal benefits based on relevant legal frameworks, within the context of an ongoing competition with other companies in the same industry. The selected case studies demonstrate that removing art from the adopted business models weakens their effectiveness, justifying the necessity of distinguishing an art-based business model from a simple one and demonstrating that it is in fact possible to stop infintilize art, starting to give it the right credit, the right amount of strategic weight inside the corporate Business model canvas as no more simple philanthropy but as the so called Art-based interventions.

INDICE

INTRODUCTION



Jake Vanden Berge, *Untitled*, 36x48, inkjet on canvas, 2024

In the 21st Century, while a substantial part of the population lives in the name of money, does it make sense to speak of philanthropy, of "giving," as the motive and ultimate goal of a non-profit project? It's a curious period we live in, where success, both the economic and social one, is the only possible option, the myth of the 21st Century: yet it seems incongruous, or at least unhelpful, to declare such intentions for the sake of achieving that success itself. The veil of moralism hides the reality, a general latent altruism confuses and guides opinions. So, the concept of profit seems not to exist anymore and investment becomes an act of pure philanthropy, selfless giving.

Starting from these premises, the following text aims to analyze more specifically the luxury sector and the behavior of foundations of major luxury brands that engage in supporting, conserving and promoting cultural heritage, making art accessible to all. Enormous sums of money are moved for the love of art and humanity and the great magnates of the luxury goods sector donate freely so that anyone can enjoy the beauty of the world's artistic heritage: no return, no compensation, no profit. This is the myth that this paper seeks to debunk.

Such huge sums of money and such a great amount of time and work can hardly be justified by the kindness of those who hold power, by the pure and simple philanthropic sentiment and by the concept of "giving" in an era obsessed with wealth and power. Donating to art, making non-profit investments in the artistic sector, benefits companies and entails advantages that go beyond the mere economic gain. We talk about indirect returns concerning the external world of the company, in terms of brand image, expansion of the target clientele and competition. Similarly, the corporate environment and work life inside the company can benefit from tax advantages, from investments in the manodopera, an undisputed strength in a sector like the one under consideration, as well as in art and artists, often capable of bringing innovative and unconventional working methods to the company team.

The discussion starts from the concept of philanthropy: the first chapter deals with concepts like brand reputation, sector competition and fiscal benefits. It focuses on a classic business model and one that focuses on philanthropy and art in corporate life and the way this match comes to life, questioning whether it is still right to talk about pure philanthropy. In this context, the fairy tale of philanthropy and the false myth of giving are called into question through a series of concrete examples of the economic and non-economic, direct and indirect benefits that giving entails for the company. Here, the foundations of major luxury brands are better framed and their functioning from a legal-economic point of view is briefly discussed. In the second chapter, the concepts of Art-based business model and Art-based interventions are discussed and it is explained how brands could possibly insert the art inside their Business model canvas. The third and final chapter contains a series of case studies taken as examples in support of the thesis. LVMH, Kering and OTB are the not randomly selected groups for the research: the first two are undoubtedly the most powerful groups in the luxury sector and have been vying for power for years, in an open battle of declared donations and veiled investments. In this context, the much younger group OTB emerges, whose strategy seems to be different from that of the aforementioned competitors, despite operating in the same sector and still supporting its way the artistic-cultural heritage.

The cases are therefore chosen "by contrast," to try to focus on how art can be at the heart of a business model in many different ways and what would happen if the art itself gets removed by the business model.

This thesis does not aim to be inquisitorial but critical in the most constructive sense of the term, leading the reader to question how sensible it is, in 2024, to conceal the race for profit under the veil of philanthropy.

Investment brings benefits and when this happens in the charitable field, the rule remains the same: it is not wrong, especially in the current historical-economic context, to invest for both social benefit and the one of the company.

The aim is to define a clear, safe and truthful *modus operandi*, a model brands and corporations can follow in order to insert art inside their business model without infantilizing it anymore but giving it the right importance.

CHAPTER I

Violeta Maya, *Mujer de Pocas Palabras*, 80x80, bleach, acrylics and ink on canvas, 2021

1.1 Philanthropy and art: a long term relationship

Philanthropy: n. [from Gr. φιλανϑρωπία; see philanthropist]. – Love for humanity, as a disposition of the soul and as an active effort by an individual or even social groups to promote the happiness and well-being of others ≈ humanitarianism. ‖ altruism, charity, patronage, solidarity, humanity. ↔ misanthropy. ‖ selfishness.

The definition provided above is the one proposed by the Treccani dictionary for the term “philanthropy”. To better understand the concept, it is necessary to take a step back in time. In Greek, "philanthropy" means "love for humanity," and represents a set of actions and altruistic dispositions aimed at promoting the well-being and happiness of others, both individually and collectively. This concept has ancient roots and has evolved over history, assuming different forms and meanings depending on cultural and temporal contexts.

In ancient Greece, philanthropy was originally associated with concepts such as affability and benevolence. During the Hellenistic and Roman eras, it took on more political connotations, indicating a benevolent attitude of rulers towards their subjects, often influenced by Stoic doctrines.

In the modern context, philanthropy was theorized during the Enlightenment, with the ideas of equality and fraternity among humans as guiding principles. The so-called "modern philanthropy" emerged during this time, expressing and resulting from the ideals of equality typical of the French Revolution. Men, citizens of the world, are all equal and have the same rights, based on the nature that makes them brothers. Philanthropy was specifically theorized by Johann Bernhard Basedow. After studying the work of ancient philosophers and theorists, he established the Philantropinum in 1774 in Dessau. This institute was designed for training the ruling class with innovative teaching techniques and was later adopted by his followers, the Philanthropists, in Germany and Switzerland. The pedagogical research of those years also laid the foundation for the Universal Declaration of Human Rights.

In the early 19th century, philanthropy began to develop practically through the establishment of socially useful institutions such as hospitals for the needy, schools to promote literacy and charitable societies.

Philanthropism, understood as a systematized form of philanthropy, emerged with educational movements such as the one initiated by Johann Bernhard Basedow, an 18th-century pedagogue and theologian, who introduced innovative and experimental educational methods.

Nowadays, philanthropists are not only individuals with considerable financial resources but also ordinary people who contribute to the cause through donations, volunteering and sharing what they own. Whether they are financiers, professionals, entrepreneurs, people with considerable economic means, or ordinary citizens who want to contribute to the common good, they share a certain propensity towards others and aim, through their means, at ensuring that even the less fortunate can access certain services and benefits. Philanthropists, in short, want to share their fortune and competence with the community. This is facilitated by macro and micro philanthropy tools, such as endowment funds and current funds of community foundations, crowdfunding platforms and other digital matching tools between donors and non-profit organizations.

In summary, modern philanthropy encompasses a wide range of private initiatives aimed at improving people's quality of life and achieving general interest goals, such as promoting culture, health, social inclusion and education. These initiatives include funding projects by non-profit entities, constructing public infrastructure, sharing professional skills and volunteering time.

Philanthropy today also extends to public and private institutions. This is referred to as "institutional philanthropy," represented by private organizations managing assets for the benefit of the community, such as banking foundations, community foundations, corporate and family foundations.

Philanthropy represents a crucial value of modern society, based on the idea of solidarity and collective responsibility in improving people's living conditions and promoting social well-being. Nowadays, it doesn’t have to be seen necessarily as something alien or confined to extraordinary acts. It can indeed become a

daily practice, thanks to digital technologies. There are indeed tools that facilitate and promote contact between non-profit organizations and citizens who wish to volunteer their time or financial resources through donations.
After briefly outlining what philanthropy is and how the concept has evolved over history, it is necessary to contextualize it concerning art, aiming to explain the evolution of the art-philanthropy relationship and, consequently, patronage. According to the Treccani encyclopedia, patronage is defined as follows:

Patronage: n. [derived from patron]. – The tendency to favor the arts and letters, granting generous protection to those who cultivate them: generous, enlightened patronage; the patronage of Isabella Gonzaga; also, and especially, as a historical phenomenon: the patronage of Renaissance princes. Today, the term also refers to the financial support activity that some private companies, sometimes with advertising intent, carry out in favor of high-level artistic or cultural initiatives (theatrical and musical performances, exhibitions, scientific research and publications, art restorations, ...).

Elisa Bortoluzzi Dubach, expert in philanthropy and patronage, asserts that art is instrumental and crucial to promote projects and ideas. Nowadays, cultural philanthropy is indeed essential for artistic and cultural dissemination, which inspires and instills positivity.
"*I am convinced that visual artists possess the unique ability to shed light on urgent issues, imagine solutions and ignite the passion for progress. By inviting viewers to question the world around them, disrupt conventional thinking and imagine new possibilities, works of art become beacons of hope, empathy and empowerment. The arts and culture ecosystem includes a wide spectrum of actors, such as artists and creatives, who work in various forms and media. Then there are artistic and cultural institutions, like libraries, museums and publishing houses that offer or produce the arts. Art educators teach young people how to understand and create art, providing early creative experiences that can help create a future audience for the arts. Public media, including local and national radio and television stations, finally present artworks to a wide*

audience. Art collectors, whose activities determine the prices of artworks and thus influence the overall art landscape, are also significant. Companies and entrepreneurs in the tech sector, whose platforms can create opportunities and challenges for artists, are also part of this ecosystem. Many public arts funders, including institutions that distribute grants and services to artistic and cultural initiatives, play a role. There are government-funded arts education programs and municipal administrations allocate funds for public art projects. Finally, there are companies, foundations and private donors who provide significant funding to artistic institutions and support individual artists through awards, scholarships and grants. Philanthropists have long supported the arts and cultural programs and institutions, from launching new artistic organizations to investing in individual artists and projects. Often, the lack of public funding increases the need for artistic philanthropy. Challenges in the sector include the difficulty of measuring the impact of arts funding and the dispersed nature of many artistic organizations. Philanthropy is a state of mind, a way of inhabiting the world that solidifies from diverse motivations. Altruism is just one of the reasons driving a person to donate. Sometimes, patronage is a family tradition, prompting people to donate out of a sense of duty or the desire to conform to certain social norms. In other instances, the gift results from an agreement between parties and the philanthropist acts out of personal interest. The generous gesture can also hide a materialistic need or a desire to enhance one's social prestige. In any case, we know today that the philanthropic act has a direct influence on the psychological and physical well-being of the donor." (Dubach, 2023).

This section aims to demonstrate that modern philanthropy is not as selfless as the original concept implies. Through concrete examples, the first chapter will show that charitable actions and donations bring benefits to both the recipient and the donor, with philanthropic gestures now inevitably linked to the concept of Corporate Social Responsibility (CSR).

Is it wrong to acknowledge a strategic nature in corporate philanthropy? Should we rather consider it as patronage? Is it fair to deny art its potential as a strong and influential tool, a competitive lever on a national and international level, both in the business context and in society? If so, art would be "infantilized," reduced to a weak element that needs protection. Instead, affirming its economic and qualitative potential allows for a virtuous circle where investments and donations benefit both businesses and the community and *vice versa*.

1.2 Donations as (not only) philanthropic gestures and their positive consequences for luxury brands

At this point, the aim is to explain how investing in art and for art impacts corporate competitive advantage, potential increases in economic (and non-economic) returns, tax and communication dynamics and brand competition.
The donations and charitable acts that companies promote today are the result of a new form of philanthropy that is not entirely selfless and unconditional and which seems to be closer to the concept of patronage. In the previous paragraph, the definitions of these two concepts were provided and they are repeated here for ease of comparison.

Philanthropy: the love for fellow humans, as a disposition of mind and as an active effort, by an individual or social groups, to promote the happiness and well-being of others ≈ humanitarianism. ‖ altruism, charity, patronage, solidarity, humanity. ↔ misanthropy. ‖ selfishness.

Patronage: the tendency to favor the arts and letters by providing munificent protection to those who cultivate them: generous, enlightened patronage; the patronage of Isabella Gonzaga; also, and especially, as a historical phenomenon: the patronage of the Renaissance princes. Today the term is also used to refer to the financial support activities that some private enterprises, sometimes with advertising intent, provide for high-level artistic or cultural initiatives (theatrical and musical performances, exhibitions, scientific research and publications, art restorations, …).

Why do we think it is more appropriate to talk about patronage rather than philanthropy today?
Patronage implies the intention, instrumentalization and functionality of certain beneficial and socially useful actions that, without these elements, would be purely philanthropic acts: selfless and unconditional. Specifically, brands operating in the luxury sector, through their respective foundations, collections, or support of cultural institutions, demonstrate a philanthropic sentiment that certainly stems from a great passion for art and culture and a desire to ensure that everyone has access to and use of certain artistic and cultural assets and services. This does not exclude the fact that philanthropic acts lead to benefits for the brand. This duality will be the focus of the paragraph in question: donation as something more than philanthropy, something more concrete and tangible for the company, as the concept of patronage dictates, but it is not patronage either.
Art-based strategies, as we will call the phenomenon to be described and studied from now on, can have different facets: a company donates and invests in socially useful projects in an organized and stable manner or more sporadically, driven by instinctive, emotional decisions. Fundamentally, however, all these choices should be united by a series of values shared by those who run the company and those who work or invest in it, to consistently achieve any beneficial and selfless goal.
But are the actions of companies that make significant donations for the community truly selfless? As will be further explored in subsequent paragraphs, there seem to be many tangible benefits that the act of giving brings to a corporation. Consider the returns in terms of image, prestige, potential competitive advantage, visibility, tax benefits and the social legitimacy of both the company and its leaders. Not to mention that, when the charitable act translates into the establishment of a foundation, it can also become a means to secure corporate assets, the personal or family wealth of those conducting entrepreneurial activities.

Companies can gain substantial empowerment and translate it into revenue and financial value, all thanks to a well-thought-out match between entrepreneurial activity and strategy.
Modern philanthropy, therefore, seems to benefit both the donor and the beneficiary in a complete win-win situation.
In the USA, for example, corporate philanthropy is so strategically important that the concept of Art-based strategy is already affirmed and the so-called "philanthropy advisors" are very common. These are professionals who help companies, entrepreneurs and wealthy families to implement organized, win-win and economically rational strategic philanthropy projects (Grumo, 2020).
Given these premises, it is not difficult to understand why the phenomenon of corporate philanthropy is being implemented, whether it involves large corporations or family businesses.
When we talk about corporate philanthropy in relation to the cultural sector and artistic heritage, even the state, in Italy, supports these initiatives both on a small and large scale. There are many incentives promoted, both in terms of the establishment of the entity and capitalization, especially after the so-called national reform of the Third Sector, which refers to private entities that, without any profit motive, pursue social solidarity and utility objectives, promoting and carrying out activities generally aimed at the common interest and in a free or mutualistic form. It is, in short, all those non-public or commercial entities: they are private in nature but do not pursue profit.
The first regulation regarding this sector in Italy occurred in 2017. The latest updates date back to 2019, specifically July 23, the date of the ministerial decree published in the Official Gazette No. 241 on September 12, 2019. This has enriched the subject, defining guidelines for assessing the social impact that these entities have and which, today, can be considered key players in the Italian entrepreneurial landscape.
Thus, corporate philanthropy, now an integral part of the company's value chain, does nothing but benefit anyone who operates around it synergistically. All this, always in the perspective and respect of the sustainability objectives set by the UN 2030 agenda.

Yet, despite the general awareness regarding the subject and the attention it receives from a legal standpoint, it is difficult to "unmask" the phenomenon, highlighting, as mentioned above, a false and superficial disinterest.
Investing in the protection and promotion of artistic heritage, in fact, involves a significant expense for companies. Consider the case of Renzo Rosso restoring the Rialto Bridge in Venice with OTB and promoting the image of his brand Diesel. Or the case of Tod's, which is responsible for the restoration of the Colosseum. Fendi with the Trevi Fountain in Rome, or the general and comprehensive artistic activity always promoted by Miuccia Prada. In all these cases and many others if we broaden the reference sector, the brand becomes a champion of social responsibility and gives the public the opportunity to enjoy culture and numerous artistic initiatives, sometimes almost replacing the state and the public sector.
But which types of concrete benefits do companies gain by engaging in acts of corporate philanthropy? Typically, the main advantages are image benefits, tax benefits, or benefits related to competition among brands operating in the same sector.

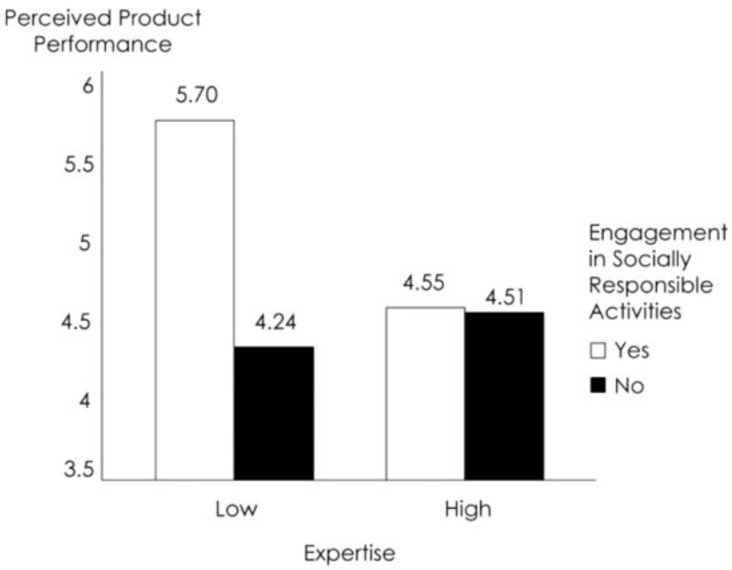
1.2.1 Brand image, reputation and extension: gifting truly has psychological effect on target costumers

Donating is beneficial for both the recipient and the donor. It benefits brands, which through the concept of donation, advertised and communicated as selfless, enhance their brand image, reputation and customer base. When an act of altruism is performed, the human body produces oxytocin, the "*moral molecule*". Benevolent and altruistic actions towards others can immediately release a sensation of empathy and well-being in the individual (Zak, 2012).
Furthermore, it has been concluded that the mesolimbic system, composed of the amygdala and hippocampus, is activated when an individual performs the act of giving. The same areas would also be activated when the same individual receives money or eats a particularly enjoyed food. Therefore, the thesis is that

giving makes people happy, creating positive sensations, just like receiving a monetary reward or eating one's favorite dish (Ambrogetti, 2013).
Neuromarketing, a branch of Neuroeconomics, studies the evaluative and purchasing mechanisms enacted by customers, both voluntary and involuntary. The objective of this science is to help companies create an offer that satisfies customers, thus improving their own performance. The purchase decision in an individual is the direct consequence of a stimulating moment, a trigger, which is actually decisive for decision-making. The stimulus involuntarily and completely invades the consumer's mind, leading to the purchase of the offered good or service and thus determining the competitive advantage (Gallucci, 2016).
When a brand promotes socially useful activities and supports art, as in the case we are interested in exploring here, it aims to create a narrative based on the ability to give selflessly, building a brand image and consequent positioning on the concept of philanthropy. The idea is that the gift in question is truly unconditional, but in reality, there are tangible benefits in terms of the brand's own value. When the customer purchases products or uses services offered by a socially and charitably engaged brand, they also become a donor and feel gratified for the same chemical and physical reasons previously described.
For this to happen, however, it is necessary that the gift is perceived as genuine. This is why it is avoided at all costs to communicate to the potential buyer that corporate philanthropy is a win-win situation, rather it is presented as a pure act of love by those conducting business activities and, by reflection, anyone who works for them or contributes to their cause as a customer. The focus is on choosing a cause that is consistent with the brand's vision, mission, values and nature and at the same time appealing to the potential buyer.
The concepts of "donation" and "charity" therefore have a particular effect on the human mind. The irrational consumer evaluates the product or service offered by the brand in a state of incomplete knowledge. Only the offeror is fully aware of the true characteristics of the good. Therefore, the customer tends to judge and prefer one type of offer over another based on external influences, stimulated by external opinions and the communicative strategies of the offeror.

All else being equal, it is far more likely that the more philanthropic brand will win over the potential customer.
The reason lies in a particular effect, which will be further explored: the Noble edge effect, also known as the Charity effect. It is closely linked to the Halo effect, which generally means that a single positive trait of an individual, good, or service becomes the focus of the judge's attention. This results in the positive evaluation of such a characteristic, even if minimal, being transferred to the entire entity, including negative traits. In short, the evaluation of the single extends to the whole and influences the final judgment of the individual (good or service in the case of the subject described in the thesis).
This effect obviously has pros and cons. Certainly, to attract customers through it, brands feel encouraged and incentivized to allocate part of their corporate assets to charitable and socially useful works through donations, investments and much more. Nevertheless, as often happens in such cases, errors in evaluation may occur, whether genuinely unintentional or the result of some form of Washing effect.
Analyzing the aforementioned Halo effect and how the Noble edge effect derives from it and related studies, it seems pacific that 53% of consumers would pay 10% more for products from companies that demonstrate commitment to social utility (Blair and Chernev, 2015).
These results are supported by a series of experimental studies, one of which involved wine. A group of individuals, not very knowledgeable about wine, participated in a wine tasting. The product to be tasted was served in plastic glasses without any name or information about its origin. The wines were all described in the same way, having similar properties and characteristics. The difference was that, according to the examiners, some of the wines to be tasted and evaluated came from wineries that donate 10% of their total revenues to a specific charitable association. The results of the experiment confirmed the Noble edge effect theory: wines produced by those who donate were rated much more generously. It should be noted that the inexperience of the participants is important, as they were much more influenced by the donation

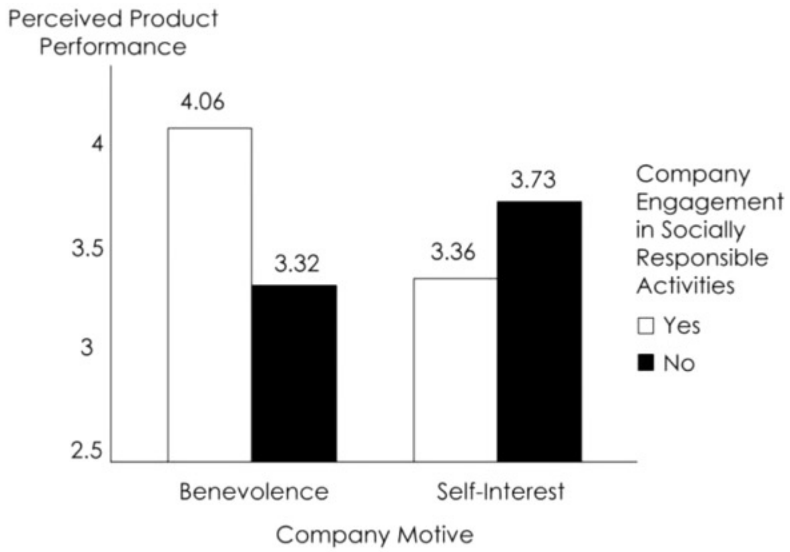
issue than by their knowledge of the product. Uncertainty and partial knowledge are constants in the condition of the consumer.



1. Source: Impact of corporate social responsibility on perceived product performance as a function of domain expertise, A. Chernev (2015)

From the graph, it can be seen how the perception of the product by the consumer changes in relation to the level of knowledge of the same. If the analyzed brand is engaged in social causes and promotes philanthropic acts, a consumer (poorly informed about the offer) will rate its product/service as much better than that offered by a brand indifferent to social issues. If the consumer's level of knowledge is higher, however, the gap between the perception of the two offers will be much smaller, almost nullified, because the consumer will also evaluate all the other offered qualities, regardless of the simple philanthropic value.

The gap will be much wider if there is consistency between the brand's mission and its declared philanthropic or disinterested attitude: the product/service offered by a brand that does not engage in beneficial acts will be perceived as better if, and only if, it is declaredly uninterested in social dynamics and community welfare. In all other cases, the philanthropic aspect will always mark an advantage, as can be seen from the graph below.



2. Source: Impact of corporate social responsibility on perceived product performance as a function of company motive, A. Chernev (2015)

In general, in situations of uncertainty, individuals tend to rely on certain biases and, as already mentioned, the act of purchase implies that the customer is not 100% informed and therefore is in a state of partial unconsciousness. If one possesses the necessary information and fully knows what is in front of them (what they want to purchase in this case), they resist certain biases more strongly, especially if the company's benevolent intentions do not seem so sincere and genuine. For the Halo effect and consequently the Noble edge effect to work, it is necessary for the brand in question to convince the potential customer that there are no ulterior motives behind its benevolent and generous attitude. The philanthropic action must in no case be functional to the company's benefit but solely and exclusively to support the beneficiary entity.
One wonders at this point: is it actually reasonable, in the current social context, to believe that this is possible? To be convinced that a for-profit company engaged in social causes (and particularly in the cultural and artistic sphere)

does not benefit from philanthropic investments? Does the current clientele really let itself be influenced by the previously described effects? Especially considering the vast amount of studies and research showing how statistically companies gain various benefits from philanthropic demonstrations.

In general, whenever the philanthropic act does not remain in the background but is promoted on communication channels, it means that the brand is implementing a specific strategy. Indeed, purely philanthropic and selfless acts do not need to make the news: those who perform them are satisfied with the simple result, without seeking media attention, or at least without ensuring that the media and its audience can easily associate the good deed with the brand that carried it out. This is never the case for brands operating in the luxury sector, which, albeit with varying intensity, intentions and dynamics, donate only by making the news.

Developing the brand, caring for and promoting the brand image and communicating a captivating and coherent storytelling are fundamental elements for any company, as well as the reasons behind investment strategies. By investing in socially useful and philanthropic projects, brands enhance their awareness, build specific positioning in the potential consumer's mind and distinguish themselves from competitors in the sector. All this while creating a stable relationship with the surrounding territory, the external environment, which also significantly influences internal dynamics. When this includes art and the Cultural Heritage sector in general, somehow, the artistic and more economic-financial aspects begin to blend and mix with each other. Art thus becomes a tool. It begins to acquire economic value, bringing practical benefits to the company's revenue and a specific competitive advantage in terms of value, without ever mentioning it. The penalty for admitting that the beneficial act in which one has invested has brought a return for the brand is the nullification of the Halo effect and the Noble edge effect, because the charity would no longer be seen as such, as a selfless act. But as a doubly devious act as it "exploits" something pure and noble in the name of "dirty" money.

The successful positioning of the brand in the consumer's mind, therefore, among other things, is also the result of a strategy that intelligently leverages these effects, communicating a commitment to social causes, particularly art and culture, that appears unconditional and independent. This positively impacts the brand image; the brand's reputation grows and the customer base expands, all as a direct consequence of targeted communication aimed at concealing the brand's overall intentions and highlighting only those capable of activating all the mechanisms of Neuromarketing and the effects described above.

Corporate philanthropy, therefore, is nothing more than a mechanism that omits part of the reality from the brand's storytelling. In this regard, Luca Caldironi , a psychotherapist and passionate owner of contemporary art spaces in the Venetian lagoon, questions how to create a win-win situation based on transparency instead. According to him speaking personally with the writer, it is more truthful and functional to admit that the company can benefit from donations and philanthropic acts. This would create a relationship based on interpersonal honesty, a clear *do ut des* where those who support the charitable act are well aware that they are also supporting the company promoting it. This discussion prompts reflection on the concept of transparency, "*with the perspective of ideals achieved by approximation, a naturally human attitude, following asymptotic rather than direct lines.*" (Caldironi, 2024).

1.2.2 Luxury sector competition: a contemporary cold war

Beyond being a means to enhance brand image and reputation, thereby attracting clientele, corporate philanthropy can become a weapon in the hands of entrepreneurs leading companies to combat competition within the sector. The best way to delve into this topic is to focus on the battle itself. Consider LVMH and Kering, two of the leading multimillion-dollar corporations in the luxury sector. Here, we limit ourselves to describing the fierce competition between them and how it has shifted towards the realm of art.

In 1999, French luxury and fashion magnate Bernard Arnault, head of the LVMH group, was poised to acquire the renowned Florentine brand Gucci. However, his acquisition attempt never materialized. François Pinault, leading the Pinault-Printemps-Redoute group (later renamed Kering), preempted him by not only acquiring 42% of Gucci but also snatching up the beauty division of the Sanofi conglomerate (Yves Saint-Laurent, Roger Gallet, Van Cleef & Arpels), which was another target of Arnault's. This setback, now famously known as the "*Gucci battle*," was deeply impactful and humiliating for Arnault, especially as it occurred quietly and without prior indication from Pinault regarding his intentions towards these brands. Arnault attempted to retaliate, particularly aiming to acquire 100% of Gucci.

However, his efforts were in vain. Paris became the stage for a cold war between the two titans of luxury, a conflict that initially played out in the fashion luxury sector and then extended into luxury food, publishing, and, significantly, the artistic domain. Both entrepreneurs expanded their domains, first in France and then globally, broadening their portfolios by acquiring more brands. This strategy eventually led them into the realms of art and heritage, where they invested substantial sums and made donations to support these sectors. In 2006, for instance, the Fondation Louis Vuitton was established: a hub for contemporary art designed by Canadian architect Frank Gehry, located in the former Museum of Popular Arts and Traditions in the heart of the Bois de Boulogne, just beyond the périphérique, Paris' ring road.

Around the same period, Pinault also planned to establish a center for contemporary art on Île Seguin, Boulogne-Billancourt, on the site of a former Renault factory. However, due to technical challenges and lack of political support, this plan was abandoned in 2005. Undeterred, Pinault redirected his efforts and established the Fondazione Pinault in Venice, with venues at Palazzo Grassi (opened in 2006) and Punta della Dogana (opened in 2009). Surprisingly, in 2021, he revived his original plan by opening a Parisian venue for the Fondazione Pinault at the former Chamber of Commerce building in the 1st arrondissement, redesigned by Japanese architect Tadao Ando, an achievement owing in part to shifts in political landscape and the newly elected mayor of Paris: Anne Hidalgo, who played a crucial role in the rivalry between the two magnates, envisioning that their competition would invigorate the contemporary artistic scene. Indeed, the investments made by these entrepreneurs became potent tools, an ambitious display intended to assert their dominance, not just in Paris but internationally. Art became a strategic tool in their competitive strategies, shifting the rivalry from luxury to the realm of art.

Since the 1990s, a strategy has characterized the *modus operandi* of these magnates, sometimes involving covert and secret methods, as depicted in the recent interesting TV series "*Kingdom of Dreams*," produced by Ian Bonhôte and Peter Ettedgui in 2023. The series effectively illustrates the context and dynamics that pushed these two luxury tycoons to their current *status quo*, occasionally playing the role of "villains" and prioritizing economic gains over the creative needs of those in their empires' creative divisions. Arnault and Pinault engaged in a battle, employing both fair and unfair covert means to create their empires. In doing so, they poisoned the creativity and artistic sensibilities of their controlled brands.

Once the battle in the luxury sector became sature, it didn’t come to an end but morphed into an artistic competition. Both magnates demonstrated significant philanthropy, investing in and supporting art without expecting anything in return. Their actions portrayed as pure altruism, a desire to share artistic assets and services that might otherwise remain obscure, hidden away in the hands of a fortunate few.

Could such a pure and disinterested sentiment have changed so drastically within a decade? Before diving into battles using art as ammunition, these entrepreneurs had declared intentions to expand their economic empires through luxury brand acquisitions. However, their more recent focus on museums, culture and art cannot be justified solely by business growth but rather by an unconditional philanthropic spirit.

Is all of this coherent? Could the desire for power suddenly diminish over a scant decade? Neither magnate has abandoned the battlefield; it has merely shifted. The foundations they have established, the art they have acquired, the sponsorships and the grand restoration projects are means to showcase their power.

After all, "*contemporary art readily goes hand in hand with a pursuit of image and profit*" (Routier and Le Brun, 2017).

1.2.3 Are you supporting art and culture? Here you are some fiscal benefits

Philanthropy benefits companies even when it comes to taxation and bonuses, deductions and grants: there are numerous advantages to donating. The facilitations granted to enlightened entrepreneurs act as multipliers for donations, designed and implemented based on corporate values, mission and vision and especially in relation to strategic choices and corporate social responsibility.

Donating is a win-win situation for both companies and a state that often struggles to care for certain matters, including art and heritage, which are considered in this context. In simpler terms, through tax benefits and financial incentives, the state supports today's patrons, encouraging them to invest part of their wealth for the common good and accessible to all citizens.

Particularly, the state supports and promotes corporate charitable donations rather than individual ones. Regarding cultural assets, the situation is more complex: they are protected and subject to safeguarding regulations originally provided by Law No. 1089 of 1939 and currently by the Cultural Heritage Code, both concerning direct and indirect taxes.

It's important to differentiate between direct and indirect taxes: direct taxes directly affect existing wealth or income as it is generated. Examples include the IRPEF tax (Personal Income Tax), the IRES tax (Corporate Income Tax) and the IRAP tax (Regional Tax on Productive Activities). Indirect taxes, on the other hand, indirectly affect wealth when it is spent or transferred. One example could be the VAT tax (Value Added Tax), which affects consumption and property transfer taxes.

Direct taxes imply a rewarding tax system, where the benefit varies depending on the nature of the subject making the donation. If subject to Personal Income

Tax (IRPEF), Article 15 of Legislative Decree No. 917/1986 applies, allowing a deduction of 19% from the gross tax for the donation. If the donor is subject to Corporate Income Tax (IRES), Article 100 of Legislative Decree No. 917/1986 instead applies, allowing in this case a full deduction from income of the amounts donated (Valentino, 2012).

Nowadays, taxation is a crucial element incentivizing companies to invest in art and cultural heritage, making such operations not only sustainable but also economically and reputationally advantageous for them and, as a consequence, for everyone. In Italy, for example, the government has introduced the "Art Bonus," which provides a tax credit equal to 65% of donations made for the maintenance, protection and restoration of public cultural goods. Meaning that companies can deduct a significant part of their donation expenses, making support for culture a highly beneficial investment. Additionally, there are further tax incentives for sponsorships and other forms of support for cultural activities.

At the European level, many countries offer similar tax incentives, although the modalities and percentages may be different.

Anyway, to summarize, in Italy the current legal system provides that companies investing in the artistic sector, donating with a philanthropic attitude, must receive the following tax benefits, starting from the right before aforementioned one:

- Art Bonus: introduced to promote charitable donations supporting culture and artistic heritage. Companies can benefit from a tax credit equal to 65% of donations made for:
  - Restoration, protection and maintenance of public cultural goods;
  - Support for public cultural institutions such as museums, libraries, archives and archaeological sites;
  - Financing maintenance, protection and restoration works of public cultural goods.
- Tax credit for cultural patronage: companies making charitable donations for cultural projects can benefit from a tax credit equal to 65% of the donated amount, usable in three annual installments of equal value;

- Tax deductions for cultural sponsorships: expenses incurred by companies for cultural sponsorships can be deducted as advertising expenses, provided these activities are linked to promoting the company's image;
- Facilities for cultural and creative enterprises: there are specific incentives for cultural and creative enterprises, including:
  - Tax credits for the production of films and audiovisual works;
  - Incentives for the digitalization of cultural heritage;
- VAT exemption for cultural activities: some cultural activities may be exempt from VAT. For example, services provided by non-profit entities operating in the cultural sector, such as museums and art galleries, may be exempt from VAT;
- Tax deductions for the non-profit sector: companies supporting third sector entities operating in the arts and culture field can benefit from tax deductions on charitable donations made to these entities.

1.3 How do philanthropy and art match in the corporate life?

After explaining and delving into the concrete benefits that investing in the artistic sector can bring to companies, the next step is to describe the nature of contemporary patronage. There are two types of corporate philanthropy: passive and active. Passive patronage is based on indirect involvement, charitable donations and sponsorships while active patronage involves direct and engaging participation by businesses in the art system, which manifests in partnerships and corporate collecting (Lisbonne and Zürcher, 2009).

1.3.1 Sponsorship and membership

When discussing passive patronage, in addition to mentioning the aforementioned charitable donations and tax support (as in paragraph 1.2.4), it is essential to refer to the concept of sponsorship. Brands become sponsors of charitable projects, which involves direct funding of the operation or assuming responsibility for it entirely. The sponsored entity, in turn, is obligated to promote and disseminate the sponsor's image, such as through displaying the sponsor's logos or any other form of advertising. Essentially, when a sponsor invests in a project without expecting direct financial returns, the project becomes a banner for the sponsor's altruism. This concept paraphrased suggests that behind sponsorship, there is always an intention, of any type, for profit, alongside the benevolent intention towards the beneficiaries. This is particularly applicable in significant restoration projects, for example.

Moreover, the concept of sponsorship is so important and widespread that it is currently regulated in Italy under both the Public Procurement Code through legislative decree of April 18, 2016 and the Cultural Heritage Code through legislative decree of January 22, 2004. These texts indicate the ultimate goal of this phenomenon: to protect and enhance cultural heritage and the arts sector while promoting the sponsor's brand through a direct association that can take various forms. Sponsorship contracts may involve pure sponsorship (a monetary contribution from the sponsor), technical sponsorship (providing services or donating goods owned by the sponsor), or mixed sponsorship (a combination of monetary contributions and goods or services). It's important to note that the beneficiary does not necessarily have to be part of the public sector, although this is more common. Donation recipients can also include Third Sector organizations, foundations, associations and generally anyone in the private sector who traditionally plays the role of benefactor. All of this is overseen by the Ministry of Cultural Heritage and Activities (MIBACT), which ensures that all initiatives are coherent, compliant, correctly managed and, of course, legal.

Therefore, sponsorship in the arts and cultural sector always attracts significant media attention and does so entirely voluntarily, as it is now widely understood that there is always a profit motive behind sponsorship, regardless of its form, in addition to the benevolent intentions towards the beneficiaries. The fact that this

phenomenon has been regulated for some time now is confirmation of its wealth-generating potential and the need for legal and economic oversight.
Even when a project is promoted and organized by the same company and thus the brand sponsors itself, promoting an active form of patronage, media attention is no less significant and its effects are equally important. This is the case with the creation of corporate collections, organizing pop-up events, direct investments in the training and promotion of young emerging artists and much more. Particularly, this applies to the creation of memberships.
The legal concept of membership in the Italian legal system is basically and primarily regulated by the Civil Code, with specific provisions varying according to the type of association taken into consideration. Recognized associations, governed by Articles 14-35 of the Civil Code, have legal personality and enjoy greater autonomy and financial responsibility. Unrecognized associations, regulated by Articles 36-42, do not have legal personality and their obligations fall directly on the members acting on behalf of the association.
Membership in an association implies acceptance of its bylaws, the fundamental document that establishes the organization's internal rules. The bylaws define members’ rights and duties, admission procedures, conditions for exclusion and procedures for general meetings. Members' rights generally include: participation in meetings, voting rights, eligibility for election to office and access to services offered by the association. Duties may include payment of membership fees, active participation in the association's activities and compliance with statutory rules.
The aforementioned general meetings represent the very first moment of democratic participation within the association. During these meetings, members discuss and decide on significant issues such as approving the budget, electing governing bodies and amending the bylaws. Decisions are made by majority vote, ensuring democratic and transparent operation.
In order to admit new members, the process and the rules must be clear and transparent, as stipulated by the bylaws. It may involve submitting an application for membership and meeting certain conditions, such as accepting the association's values and purposes. The exclusion of a member, on the other

hand, may occur due to behaviors against the bylaws or failure to pay membership fees and must always be justified, respecting the members’ right to defend themselves.

In summary, membership in an association in Italy is a legal structure that promotes active and democratic member participation, while ensuring transparent and responsible management of the organization. The Civil Code, supplemented by specific bylaws, balances the rights and duties of members, facilitating the achievement of the association's objectives in accordance with current laws.

The partnership between a brand and a cultural heritage entity represents a form of strategic collaboration where both parties work together to achieve common goals, such as the promotion and enhancement of cultural heritage. This type of agreement is governed by specific contracts establishing the rights and duties of both parties. Here's how it works within the context of the Italian legal system:

- Contractual Agreement: the legal basis of membership is a contractual agreement between the brand and the cultural heritage entity. This contract specifies the parties' obligations, collaboration methods, agreement duration and terms for renewal or termination. The agreement must comply with Italian regulations concerning cultural heritage, particularly the Cultural Heritage and Landscape Code (Legislative Decree 42/2004);
- Collaboration Objectives: objectives may vary but generally include promoting cultural heritage, financing restorations or cultural projects and organizing events. The brand gains visibility and association with cultural and historical values, while the cultural heritage entity benefits from financial resources and logistical support;
- Support Methods: support from the brand can be financial (donations or sponsorships) or non-financial (providing services, materials, or expertise). As an example, a fashion brand might sponsor the restoration of an artwork or organize an exhibition, gaining visibility and spamming its logo in promotional materials in return;

- Rights and Duties: the contract defines the rights of both partners. The brand may receive rights to use the cultural heritage entity's logo, exclusive rights for events, or privileged access to specific spaces. The entity, on the other hand, must ensure proper fund allocation and transparent management of funded activities;
- Supervision and Control: the agreement should include monitoring and control mechanisms to ensure activities comply with contractual terms and current regulations. The cultural heritage entity is responsible for reporting fund usage and achieved outcomes;
- Benefits for the Brand: the partnership enhances corporate image, increases visibility and associates the brand with positive cultural and historical values, potentially providing a competitive advantage and strengthening emotional connections with consumers;
- Benefits for the Cultural Heritage Entity: the entity receives necessary resources for conserving and enhancing cultural heritage, alongside access to the brand's expertise and networks to expand outreach and public engagement capabilities.
- Collaboration Examples: a practical example could be a collaboration between a technology company and a museum, where the company provides interactive multimedia devices to enhance visitor experiences. In return, the museum promotes the brand through its communication channels.

In conclusion, a membership between a brand and a cultural heritage entity represents a beneficial synergy for both parties, contributing to cultural heritage promotion and conservation while offering visibility and recognition to the brand.

1.3.2 Corporate art collections and brand foundations

Corporate collecting is a phenomenon that has affected and continues to affect thousands of companies operating in various sectors. Extremely popular in recent decades, this phenomenon is a direct result of the art-business combination and of course, companies operating in the luxury sector have not been slow to put it into practice. In practice, it consists of top-level executives of any type of company acquiring works of art which, when exhibited together, give life to exhibitions accessible to the public. However, unlike exhibitions and collections belonging to public entities, these collections belong to private individuals and to those who hold shares in the company itself.

A collection owned by a company, rather than a museum, has very different characteristics: first of all, it is not generic and universal but somehow recalls the themes of the company itself. The phenomenon in question originally takes hold as a way to invest money in something that could be passed down from generation to generation and that would increase in value over time, especially with the growth of the art market in the 1950s, when the phenomenon began to take hold thanks to the increasing presence of Institutions and artistic events such as the Venice Biennial and the Rome Quadriennial in Italy or Art Basel.

To prove this, on artelier.com, a website belonging to art promoters and artists worldwide, it is reported that works collected in the 1960s and 1970s were then resold for more than twice the original price in the 1990s. Banks were the first institutions to foresee, with foresight, the profitable deals that could be made by investing in the art market and paving the way for the corporate world.

Today, corporate collections and foundations, representing the company itself, embody the values and mission of the company. However, for some years now, there have been aspects threatening the foundations of this phenomenon. The questions of the last decade regarding the phenomenon under analysis stem from the fact that the public is nowadays more attentive, educated and informed: it becomes more difficult to use art investments to cover the shortcomings of companies, especially thanks to the Internet and social media, where information and news travel very quickly. This is certainly related to what has been said in the previous paragraphs about the effects that the art-business combo can have on the public, especially the concept of Art-washing (Gerlis, 2020)

However, this does not mean that the art market is in crisis and that it makes no sense for companies (especially those in the luxury sector) to continue investing in art; rather, it should be done with more transparency and honesty with the same audience that trusts the values they promote. Values that, due to their purely economic nature, are sometimes completely absent or at least not very explicit. Therefore, while on the one hand corporate collections are the direct result of the passion of entrepreneurs and support artists from all over the world and their art, on the other hand, there are many more practical reasons why this phenomenon has spread so much. For example, the possibility of obtaining tax benefits and the opportunity to increase brand awareness through the effects that the art-business match has on the consumer, as described in the previous section of the same chapter. In this way, collecting art would also become an investment for the company, in addition to being the direct consequence of a simple passion for the art world.

Often, these companies not only accumulate and exhibit works of art but also create foundations, non-profit organizations that promote and protect art, displaying it in fascinating places, allowing many artists to make a living from their art, investing in the cultural sector in general and keeping heritage alive through restoration works that the public sector often cannot support. Brands thus become bearers of values and social utility and responsibility. Furthermore, corporate collections and foundation activities can improve employee working conditions and a general higher degree of satisfaction with corporate life, because usually, these phenomena go hand in hand with a general integration of the typical *modus operandi* of artists in everyday activities, the so-called Art-based interventions. It should also be considered that, in addition to the well-being of workers, the well-being of artists is also taken care of: it is not necessary for the acquired works to be by already rich and famous artists or deceased; often, the aim is to encourage the artistic growth path of emerging artists by financing their work and allowing them to exhibit their works. In fact, investing in emerging artists sometimes turns out to be the most right and profitable key for brands, as these are low-cost and long-term investments with potentially wide growth margins. New faces also bring freshness to the company, helping it to be perceived as innovative, dynamic, ready for change and capable of looking to the future without neglecting the important traces of the past.

Corporate collections and the birth of brand foundations are becoming increasingly popular and, although it is often believed that they depend exclusively on an excessive passion for art and pure and simple acts of philanthropy, the reality could be very different. "*Precisely because of the growing popularity of these types of institutions, it is legitimate to ask why the art collecting of artworks interests luxury companies. Born with the aim of satisfying mainly advertising needs, linked to the sphere of communication and public relations,* [...] *corporate art collections have contributed to broadening interest in contemporary art, legitimizing the functional intertwining of the symbolic values of art with the more concrete and productive economic and financial structures. In this sense, art plays a prestigious role not only for individual entrepreneurs and financiers but also for companies according to precise image strategies managed with managerial logics. The luxury and fashion sectors approach the art market in general, or contemporary art in particular, because they generate dynamic values such as flexibility, innovation, exploration, and escapism, which companies seek to appropriate to communicate their corporate culture. The interweaving between luxury and fashion with art has ancient origins, and in the controversial relationship between economy and culture, they are redefined in the choice to purchase and "marry" the values expressed in the works of certain artists and certain currents based on the relevance of their symbolic representation with the history and heritage of the company* […]" (Mazzotta, 2020).

Art attracts luxury, as already explained, by nature. Ontologically, both are rooted in the humanistic concept of culture, creativity and genius. Therefore, the company becomes a medium capable of promoting such genius and art, at the same time, is the means through which the corporate brand elevates itself. The entrepreneur-collector, sensitive to and passionate about art, thus transforms economic capital into cultural capital and asserts to have a certain status, experience in the art field and a great knowledge of artistic matters. All this, combined with a sense of solidarity and philanthropy and the desire to ensure that everyone can benefit from what only he has the honor and privilege of possessing, forms the basis of modern patronage.

Different (but not too different) from what happened, for example, in Medicean Florence, patronage would have a new meaning today. It would indicate an investment that is not an investment: a expenditure of money and energy, justified by love for others and for art, which almost replaces state support, which does not consider risks and does not expect a direct return. Returns that, although of a different nature, actually exist and are also very substantial.

In short, as can be seen from certain conducted studies, the major brands operating in the luxury sector (and which usually belong to very relevant groups for the economy also globally) use their economic resources to acquire power in the artistic and cultural sector through "*three different fronts: that of collecting, (long-term capital investment), sponsorship, (investment aimed at image return) and patronage (investment as benefactor by providing funding for artistic and cultural projects).*" (Mazzotta, 2020).

At this point, it seems useful to explain what's a foundation and, in particular, its relationship with the art sector right before talking about the fashion luxury brands art foundations.

1.4. Foundations and art: the perfect match

From a legal standpoint, in Italy, a foundation, regulated by the Civil Code in articles 13-35 and by the Constitution in article 45, is a private legal entity with legal personality. This means it has a distinct legal identity from its founders and administrators and therefore creditors can only seek recourse from the foundation's assets. The institution serves socio-cultural purposes and is based on a capital dedicated to a specific lawful and socially beneficial purpose. For these reasons, the foundation must possess assets adequate for its intended purpose and must never be used for profit-making activities. Foundations do not have members and typically, the governing body is not democratically elected, unless specified otherwise in the statutes. Governance is usually designated according to the foundation's rules.

The management of activities is overseen by the Board of Directors, with the institution's legal representative typically being the president. Other bodies may exist as outlined in the statutes, including an assembly whose role is determined by the statutes. Accounting and financial oversight are entrusted to a specific auditing body.

After this legal framework of foundations is briefly outlined, the focus shifts to analyzing foundations operating within the artistic sector. Cultural foundations are a specific type of foundation established by law, dedicated to arts and culture. This legal framework was initially established by the decree that created the Ministry for Cultural Heritage and Activities (Legislative Decree 368/1998; "MiBACT"), which regulated how MiBACT could manage its assets, allowing it to "*enter into agreements with public administrations and private entities*" and "*establish or participate in associations, foundations, or companies*."

This regulation was subsequently replaced by the Cultural Heritage and Landscape Code (Legislative Decree 42/2004), which outlines the establishment of mixed foundations involving both public and private entities for the management of public cultural assets, aimed at their enhanced valorization.

Public cultural assets are defined as those of "*cultural interest*," including "*artistic, historical, archaeological, ethnographic, archival and bibliographic*" assets and their valorization aims to promote cultural development and public accessibility, including for persons with disabilities.

Cultural foundations typically adopt the legal-economic structure of participatory foundations, a type characterized by a synthesis of the asset-based foundation and the personal-based association elements.

Assets owned by the public are transferred by the public entity, usually the Ministry of Culture (MiBACT), to the foundation, returning to the public entity's custody in case of the foundation's dissolution.

The founding public entity selects private subjects capable of ensuring, especially financially, the achievement of previously established management results. Private subjects may participate as founders or join the foundation later.

MiBACT plays a crucial role in cultural foundations, not only by transferring assets but also by appointing the foundation's president and the Scientific Committee president, nominated by the Founders' Board.
MiBACT supervises Cultural foundations by approving statutory changes, adopting directives regarding criteria and requirements for private participation, temporarily suspending administration bodies, revoking usage rights of conferred cultural assets based on control body or scientific committee recommendations and decreeing the dissolution of foundation bodies for severe and repeated irregularities in management.
Practically speaking, what advantages can a private entity derive from participating in a Cultural foundation? Questions like these lead to the core of the thesis, outlining a series of advantages that will support the thesis's arguments. The analysis now shifts to examining artistic-cultural foundations closely linked to the luxury fashion sector and businesses operating within it.

1.4.1 What about luxury brands foundations?

Today, luxury brands promote and protect art and cultural heritage assets, both nationally and internationally, becoming catalysts for culture. They actively engage in social initiatives, promote events and foster open debate. But how do they achieve this? As previously explained, in addition to partnerships, sponsorships and sporadic large-scale restoration projects, they typically do so through the creation of corporate collections and subsequently, the establishment of fashion artistic foundations.
Foundation Prada, Foundation Louis Vuitton, Foundation Alda Fendi, Foundation Pierre Bergé: these are just a few initiatives promoted by major luxury brands to enter the artistic-cultural sector. The phenomenon of fashion foundations, the focus of this writing, emerges in response to luxury brands' trend of promoting corporate culture and broader cultural values. This occurs in a context where companies are expected to demonstrate a commitment to

social and environmental issues, aligning with principles of Corporate Social Responsibility.

These oundations often celebrate the brand's heritage, history, vision and mission, playing a pivotal role in overall business activities. They serve as a bridge between internal and external environments and between employees and the community, fostering dialogue and essential storytelling that enhances brand positioning in consumers' minds. Allocating part of the corporate assets to establish foundations can thus be a strategic move to preserve corporate memory while looking forward to the brand's future, remaining faithful to its past and values.

From a management perspective, what characterizes a luxury fashion foundation? A study conducted by Axa Art and Plus 24-ArtEconomy24, in collaboration with Economics and Management students specializing in Art and Cultural Heritage at the Sole 24 Ore Business School, analyzed the formation, management and valorization of corporate collections. The study, based on questionnaires distributed to approximately 350 companies, foundations, professional studios and banks, revealed an evolving landscape often lacking effective management strategies and tools. However, it also showed a readiness to face challenges beyond national borders and embrace advancements in technology.

Corporate collections displayed within foundations are often driven by entrepreneurial passion (reported in 34% of cases), aimed at reinforcing corporate identity (12% of cases) and implementing communication strategies facilitating external dialogue (6%). Importantly, 37% of companies highlighted the significance of social responsibility as a prerequisite for establishing artistic foundations.

Art thus becomes a crucial strategic tool for companies. Given the substantial financial values involved (with 50% of national corporate collections exceeding 5 million euros), effective management tools and preventive measures are essential. Only 42% of companies surveyed reported entrusting their foundations' supervision to a technical-scientific committee, highlighting both surprise and concern given the vast potential of this market.

Regarding physical foundation spaces, meticulous planning ensures strategic and image-related outcomes. The foundation represents the brand, playing a pivotal role in shaping its public image and common identity. The goal, exemplified by institutions like Prada Foundation in Milan, is to mirror the company's vision and mission. Architecturally striking, these spaces not only house art collections but also serve curated selections aligned with the brand's DNA, echoing the aesthetic sensibility and values of figures like Miuccia Prada.
Beyond architectural aspects, the curatorial selection of artworks, whether from established or emerging artists worldwide, must align with the brand's strategic direction. This approach ensures coherence between interests and intentions, thereby reinforcing the foundation's role as a cohesive force linking fashion, luxury, architecture, management and legal governance within a single framework.
Establishing a foundation not only enhances a brand's public image but also offers fiscal benefits for private entities supporting and contributing to cultural heritage preservation and development. This competitive landscape encourages luxury brands, as modern-day patrons, to vie for influence.
These themes will be further explored in the current chapter, starting with a distinction between philanthropy and patronage today, followed by practical examples highlighting the benefits of artistic foundations for luxury brands.

1.5 Is it right to talk about pure philanthropy?

Is it right, therefore, to deny art the status of a strong and influential tool, a competitive lever at both national and international levels, within both business and society? In light of what has been discussed so far, art seems to play a role far beyond marginal in the operations of some companies that base part of their business processes on it. Denying its strategic role and the benefits it brings in terms of image, competitiveness and fiscal advantages risks "infantilizing" art, reducing it to a weak element, a series of assets of sometimes immeasurable value but still "to be protected". On the other hand, affirming its economic and

qualitative potential allows for the creation of a virtuous circle where businesses benefit art and, conversely, art benefits businesses.
Philanthropy alone is not enough to justify the relationship between art and business; through it, a storytelling is created that sees art as a fragile subject, not on par with the company. The philanthropist is the individual, philanthropy is as human as it gets: the brand is different and the entrepreneur, who operates a business, acts in the interest of their brand, albeit driven by a passion for art and heritage.
How, therefore, can we dignify the dynamics between companies and the art world? The next chapter is useful in this regard, focusing on the concept of business model. After a brief introduction to the history of the relationship between art, fashion luxury and business and how this has evolved over time, it delves into how art can become part of the Business model canvas of a company operating in any sector, particularly in fashion luxury. Whether in a gradual and moderate manner or more assertive and imposing, the aim is to demonstrate how art can become an operational strategy, not just an accessory to corporate life or something to be defended with the heritage of entities capable of monetizing, the "adults" compared to the art "infant" that benefits without bringing any benefit.

CHAPTER II

Rae Klein, *Untitled*, 2022

2.1 What is a business model?

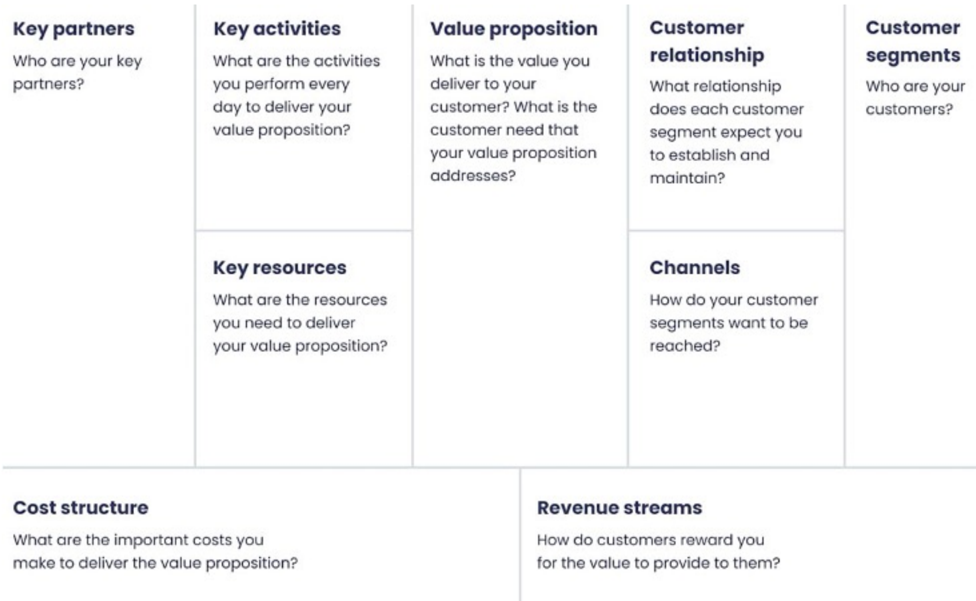
A business model is a strategic plan that outlines how a company intends to generate revenue and profits through its operations. Essentially, it's how a company creates, delivers and captures value, ultimately gaining a competitive advantage.

The concept of "business model" began to emerge in the 1990s, yet to this day, there doesn't seem to be a clear and definitive dedication to the concept itself. Indeed, it is defined in many different ways, with facets of meaning that change depending on the specific context. However, in summary, a business model is the set of strategies and organizational solutions useful for classifying companies in a given entrepreneurial environment and exploring how the business can develop, achieving a certain competitive advantage, both in the short and long term.

The concept of a business model can be compared to art: something easily identifiable and recognizable but difficult to explain. The definition varies depending on the context in which the concept of a business model is used, identifying a very basic one that defines a business model as "*how you planned to make money*" (Lewis, 1999). However, this is just one of the many ways the concept of a business model has been explained throughout history by business experts.

For examples, business models can also be "*stories that explain how businesses work*". An effective business model asks (and answers) questions about who the target customers are and what they value, how to generate revenue and how to provide value at a cost consistent with the service or product offered. The business model can be defined in relation to the concept of the "value chain," stating that, within it, the "*part one includes all the activities associated with creating something: designing it, purchasing raw materials, producing it and so on. Part two includes all the activities associated with selling something: finding and reaching customers, closing a sale, distributing the product, or providing the service*" (Magretta, 2002).

Originally, before the advent of today's technologies, business models were somewhat random and proceeded by trial and error, hoping that what was hypothesized would prove to be effective and profitable. Today, companies have the tools to ensure that their insights correspond to concrete benefits and above all, to design both innovative products and processes, separately or together. To date, the most comprehensive model for developing strategic hypotheses is likely Alex Osterwalder's "Business model canvas", an helping template, useful in order to easily create a business model.



3. Source: Business model canvas made by codica.com (2023)

A “shared language”, a model articulated into nine constituent elements, including four main business areas: infrastructure, offering, customers and financial stability. The first, infrastructure, is based on key activities, partners and resources:

- Key Activities: these are essential activities to create value, generate revenue and sustain certain costs;

- Key Partners: they represent all collaborations and alliances useful for optimizing activities and reducing operational risks;
- Key Resources: these are the human, financial and material resources necessary to conduct business activities.

Next, the offering: the set of all products and services offered by the company to the target customer base, necessary both to create value and to distinguish the company from others based on the characteristics of the products and services offered.

Customers and the relationship the company builds with them represent a fundamental element for the company itself. Connections can be direct, for example through the creation of personal assistance services, or more detached, providing automatic and self-service services. Channels, on their part, can be both long and short, while markets can be distinguished and classified based on the customer segment to which the proposal is addressed: local markets, mass markets, or niche markets. This last element is really crucial as the attainment of value depends greatly on the positioning that services and products occupy in the consumer's mind. Business strategies, in fact, must necessarily adapt to what follows from the customer segmentation process.

Lastly, the last of the four main business areas under analysis is financial stability. Revenues and costs are at the base of the business: the former are the incoming flows of revenue, the latter, fixed or variable, are the price of the conducted activity.

So, to summarize, Osterwalder's Business model canvas allows companies to distinguish themselves from each other even in the same sector, thanks to the analysis of the aforementioned key points.

The Osterwalder Business model canvas is visually intuitive, simple to understand, dynamic, easily updatable, inclusive and stimulating. Ultimately, it is extremely useful for developing, innovating, obtaining funding, proposing ideas and sharing one's vision of corporate life.

2.1.1 Business models in the luxury industry

What is meant by luxury? Is there only one type? Is there a generic and global definition?

In general, goods or services become "luxury" when they exhibit six specific characteristics:

- They have an indulgent nature and are therefore asserted in a qualitative sense;
- Distribution is controlled and limited;
- They are marketed at a price higher than the actual production value;
- They are distinguished by the brand, which carries distinctive cultural baggage and a certain know-how;
- They convey an elitist sense, a sort of privilege granted to a few;
- They involve a series of personalized services and customer care that, together with other factors, justify the price gap compared to the actual value of the product/service.

These six characteristics are also the common thread that unites the five different meanings of "luxury" (Bastien and Kapferer, 2012).

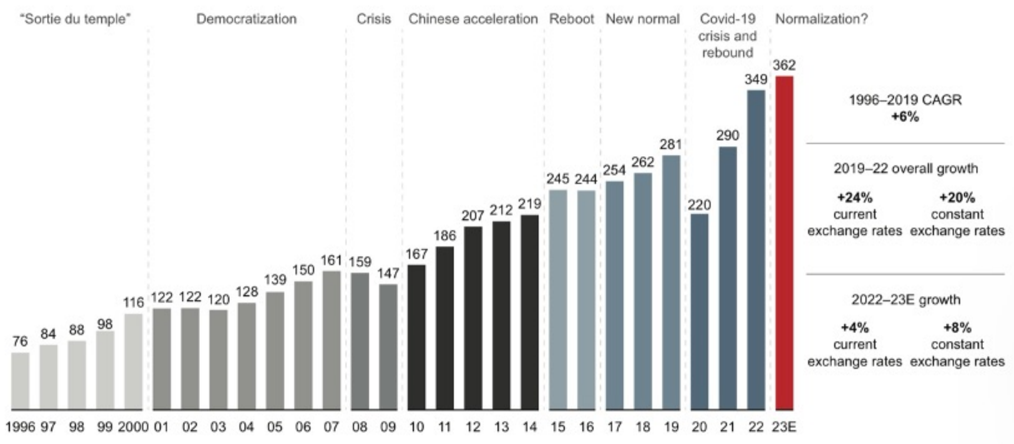
Below are the first three:

- Absolute luxury: a lifestyle, an assertion of economic and social well-being, expensive or even inaccessible goods and services;
- Relative luxury: a concept devoid of reason, impossible to generalize and entirely subjective, linked to a sense of excess, pleasure and desire for those who enjoy it;
- "*My luxury*": subjective, personal, intimate, does not imply a sense of inaccessibility, imitation, or ostentation and is extremely linked to the experience.

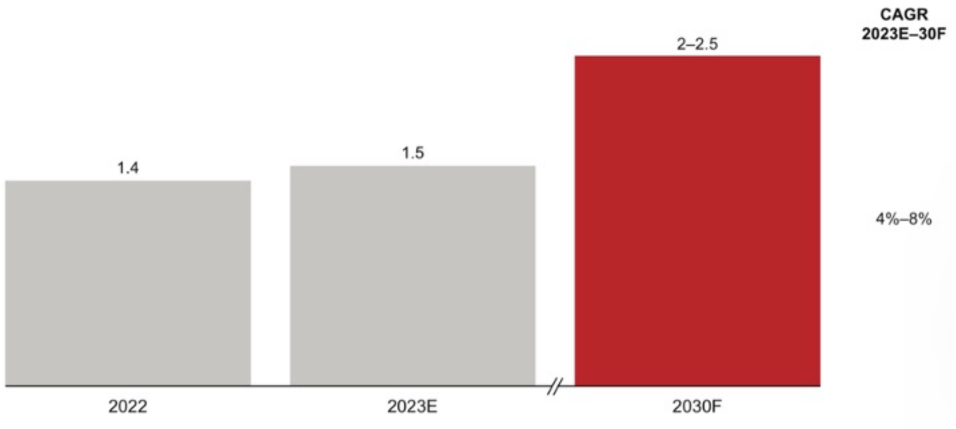
Then there are:

• Luxury as a "strategy": in this case, luxury would mean a set of rules and strategies distinct from those provided for the fashion sector in general and not applicable to it;
• Luxury as a "sector": it refers to all companies that produce outputs with the above-mentioned characteristics and that present similar aspects. These companies, together, give rise to the global luxury sector but are indicated by a representative organization that collects data and elaborates estimates.

In Italy, the reference organization is Altagamma, whose mission is to promote the development of Italian cultural and creative industry companies but which disseminates studies every year containing important information regarding the performance of the luxury sector globally. For 2024, for example, in general, the Altagamma Consensus predicts a contained but stable EBITDA growth of 4%, higher prices to compensate for the increase in costs incurred and to be incurred, higher margins and a low single digit of 5%-6%. Below are two graphs that help better understand respectively the trend of the luxury market from the end of the twentieth century to last year and the growth of spending on luxury goods expected to occur by 2030.



4. Source: Global personal luxury goods market in billions, Bain&Company (2023)



5. Source: Worldwide luxury spending 2022-30F in trillions, Bain&Company (2022)

After briefly explaining in general what a business model is and having analyzed and dissected the concept of "luxury," indicating also estimates and past and future trends, the aim now is to better specify how these two elements merge in a specific business model for the luxury sector. As anticipated, business models are constantly evolving, also thanks to technological progress and vary depending on what is necessary for the company to gain a competitive advantage, whether it is a micro-enterprise or a large holding. This thesis aims to focus on the luxury sector, so we will limit ourselves here to analyze it. Companies in the luxury sector, although similar in many respects, diverge from each other and therefore require specific and *ad hoc* business models. For this very reason, it is difficult to generalize to the maximum and propose to describe a business model that is valid for every situation, in reality, it would be impossible and wrong. Nevertheless, we still want to try to identify strategic characteristics that are common to luxury brands. Companies in the luxury sector can be distinguished from each other based on a series of elements. First of all, companies distinguish themselves from each other based on the origins of the brand, for example in the strictly fashion sector, brands range from fast fashion to major historical haute couture brands. The geographical origin of the brand also influences the strategy adopted, sometimes giving a certain value to the company, especially if it is of Italian or French origin.

Another important element that contributes to the formation of a specific business model is the presence, within the brand, of founders or employees who are known: a useful example to understand this could be the figure of John Galliano, a brilliant designer who has created true works of art for a luxury brand like Dior, who has now joined the Maison Margiela team with Renzo Rosso after a series of personal scandals. Without a doubt, his name associated with that of the brand in which he works will influence in a certain way the positioning of the brand in the customer's mind, being in fact inevitable to distinguish the image of one from the other, whether it be positive or negative (Golizia, 2016).

The level of specialization of the product or service offered also greatly influences the construction of a specific business model: there are indeed brands that produce a specific type of output and others that offer a more diversified offer. Sometimes, this diversification corresponds to a different but still coherent naming with the brand, another aspect that influences the strategies adopted. Then, if on the one hand we talked about the strategy of product specialization and its strategic influence, equally important for the construction of a business model are the despecialization strategies: some companies adopt a purchasing strategy whereby they expand the umbrella of products and services offered by integrating other companies into the same company (the large groups described and deepened in the third chapter of the same script are an example of this). On the other hand, companies may adopt a strategy opposite to the aforementioned one, namely, creating products and services themselves from scratch. It is also possible for a brand to adopt both strategies simultaneously (Golizia, 2016).

Companies in the luxury sector also distinguish themselves based on the monitoring, more or less strict and central in the business model, exercised on the value chain. Finally, even the prices charged depend on the different strategies adopted to achieve competitive advantage: there are companies that apply differentiated price ranges and others that do the opposite, adopting a target price. Normally, the business model and the strategies adopted will undoubtedly be consistent in line with the workforce, the quality of materials and the production processes adopted. In luxury, the creation of output is somewhat independent of customer needs, as luxury brands themselves dictate the rules and encourage the customer to purchase the product or service offered, adhering to the rules dictated by the sector itself. In this case, productions are slower and limited and attentive to environmental and social sustainability. The result is a sense of exclusivity and elite, selling not just a product but an experience, an image, a standard of living that few can afford, a privilege, an unnecessary necessity that grows as the price increases, contrasting and almost mocking any economic law whereby, logically, price and demand are inversely proportional.

A business model suitable for companies in the luxury sector aims to achieve the maximum level of value for the brand thanks to everything immaterial that is linked to its identity, namely the elements listed above, starting from the country of origin up to the scarcity of the product or service offered. To do so, there are twenty-four laws (Bastien and Kapferer, 2012), summarized in the following focal points:

- The product must have enough defects to be human, not made by machines but the result of a human know-how that remains rare today;
- There is no point in responding to growing demand, but rather in dominating demand itself;
- It is necessary to maintain a sense of exclusivity and difficulty in obtaining the good/service, excluding those who are not truly passionate about it and protecting customers from "non-customers";
- There is no point in trying to sell through advertising, in reality, there is no point in selling in general;
- Advertising is used to communicate to those outside the target in order to potentially expand it;

- The price must always be higher than the actual price and must be directly proportional to the passage of time: luxury sets the price and not the other way around;
- It makes no sense to involve VIPs in the role of "sales agents", again: there is no need to try to sell because you are not trying to satisfy a need but to create one;
- Production should never be relocated, a typical *modus operandi* of other sectors where cost reduction is pursued, unlike that of luxury;
- It is necessary to cultivate closeness with the arts.

Precisely the last point serves as a link with what will be said in the following paragraph, within which the concept of the business model in the luxury sector will be further dissected but this time with art inside it, whether it plays a marginal and accessory role or a central and necessary one for the future fortunes of the brand itself.

2.2 Art-based business model: when art meets strategy

Since the 1980s, there has been an analysis of the relationship between business and art, their intertwining and merging in common points. However, it is the luxury sector enterprises that have implemented this union for strategic reasons and to partly justify the high prices applied to goods and services whose market value would otherwise be much lower (Bastien and Kapferer, 2012). This does not mean that only those operating in luxury can exploit these strategies: indeed, many theorists now argue that the process of artification is beginning to affect other sectors as well, especially fashion in general and food. However, the focus here is solely on the luxury market, starting from artification in general and proceeding towards the core theme.
To better understand the origins of the fashion-art match, we must go back to 1937 when Elsa Schiaparelli and Salvador Dalì created a dress with a surrealistic soul, made of white silk decorated with a large lobster placed right

on the front of the skirt. At that moment, fashion was linked to art in an indissoluble bond that would later be strengthened and consolidated in 1965 when Yves Saint Laurent created the Mondrian dress, openly inspired by the artist's geometries.
But the fashion-art union is not limited to just the inspiration and ideas behind the garments. Towards the end of the twentieth century, designer-artists such as Alexander McQueen and the aforementioned John Galliano took the fashion-art union to the next level by not only creating clothes and accessories that could be considered true art pieces but also by making fashion shows a true theatrical and performative moment.
This relationship between fashion and art continues into the twenty-first century. Numerous collaborations between brands and artists have emerged. For example, in 2003, contemporary Japanese artist Takashi Murakami collaborated with Louis Vuitton and then in 2017, Benjamin Shine and John Galliano created marvelous garments decorated with faces made of tulle, a distinctive element of the London-based artist.
The examples of how artists and designers have collaborated are actually countless and would also include ready-to-wear, but the focus here is specifically on analyzing the relationship between fashion and art in the luxury sector.
Today, year after year, dress after dress, fashion show after fashion show, collaboration after collaboration, the major companies in the luxury sector have begun to invest huge sums in the artistic sector, promoting artists and art, protecting and restoring heritage and cultural and historical assets, but also ensuring that art is accessible to all by donating and planning socially useful investments through their charitable foundations.
Art seems to have become a fundamental part of the corporate strategy of major luxury names for a variety of reasons. Moreover, the match between art and fashion seems to have reached the next step: not only inspiration in creating corporate outputs but a core process of the corporate strategy, as mentioned in the last lines of the previous paragraph.

This is precisely the theme that we want to delve into in the following pages, explaining the dynamics, reasons and effects of this now extensive phenomenon that is the indissoluble union between art and fashion in the luxury sector.

Today, mixing fashion and art does not only mean drawing inspiration from existing works to create clothes, accessories and jewelry, investing in designers who are actually artists, or creating breathtaking and contemporary sets during fashion weeks. In 2024, but already for some time now, we talk about "luxury artification," a process whereby luxury sector companies no longer limit themselves, as previously described, to creating a product that generates a need in the consumer rather than simply satisfying it but go further by creating an output, object, or service perceived as a work of art of the highest value.

The artification of luxury, defined as "*the process of transforming non-art into art*" (Bastien and Kapferer, 2012), is a strategy based on the close relationship between brand, art and artists, integrated elements throughout the value chain, upstream and downstream.

All this discourse on luxury artification is the starting point to better frame and understand the core theme of this thesis.

The reason why companies, through their non-profit foundations, invest in the artistic sector is not random or purely philanthropic: it is based on careful strategic evaluations and business models that include a certain focus on art. Luxury companies are forming increasingly close relationships with art and artists to appropriate values and elements associated with their brand.

Artification involves not only using art to communicate and enhance the image but also and above all to structurally change the company, through the similarity between artistic objects and luxury objects or artistic performances and services offered. The consumer perceives this similarity and the company gains a competitive advantage. Art thus becomes the "saving" element for companies operating in the luxury sector whose goal is to enchant the wealthy, expand their customer base and distance themselves from competitors in an external environment that is anything but favorable due to globalization and the online market. Art seems, therefore, capable of justifying the unjustifiable: the exorbitant prices of products and services and their positioning, through a process of aesthetic, cultural and moral legitimization (Martorella, 1996).

Luxury, "*the science of artificial rarity*" (Bastien and Kapferer, 2012), combined with art and in collaboration with artists, does not create hype to raise the level of demand and focuses on the time dedicated to creating the output and its level of creativity, just like works of art. In that case, too, the cost of the materials used does not justify the price at which the work is sold, but the time dedicated to it, creativity, the name of the artist and many other factors justify the gap.

Furthermore, through art, companies can also try to mask the shortcomings resulting from the current historical period: by transforming their outputs into works of art, they contrast the general increase in production volumes, a trend growing in recent years but destructive socially and environmentally. The luxury sector was born as a collection of small family businesses dedicated to craftsmanship, where the work of artisans gave life to limited-edition products with excellent characteristics. In 2024, but already for years now, scarcity is beginning to diminish even in luxury and the rarity promised by companies is starting to become a distant mirage. Precisely for this reason, companies can recreate a sense of exclusivity based precisely on the artification of the product or service offered: a work of art in every respect, which remains eternal over time since art itself, unlike a simple expensive or cheaper fashion item, is eternal.

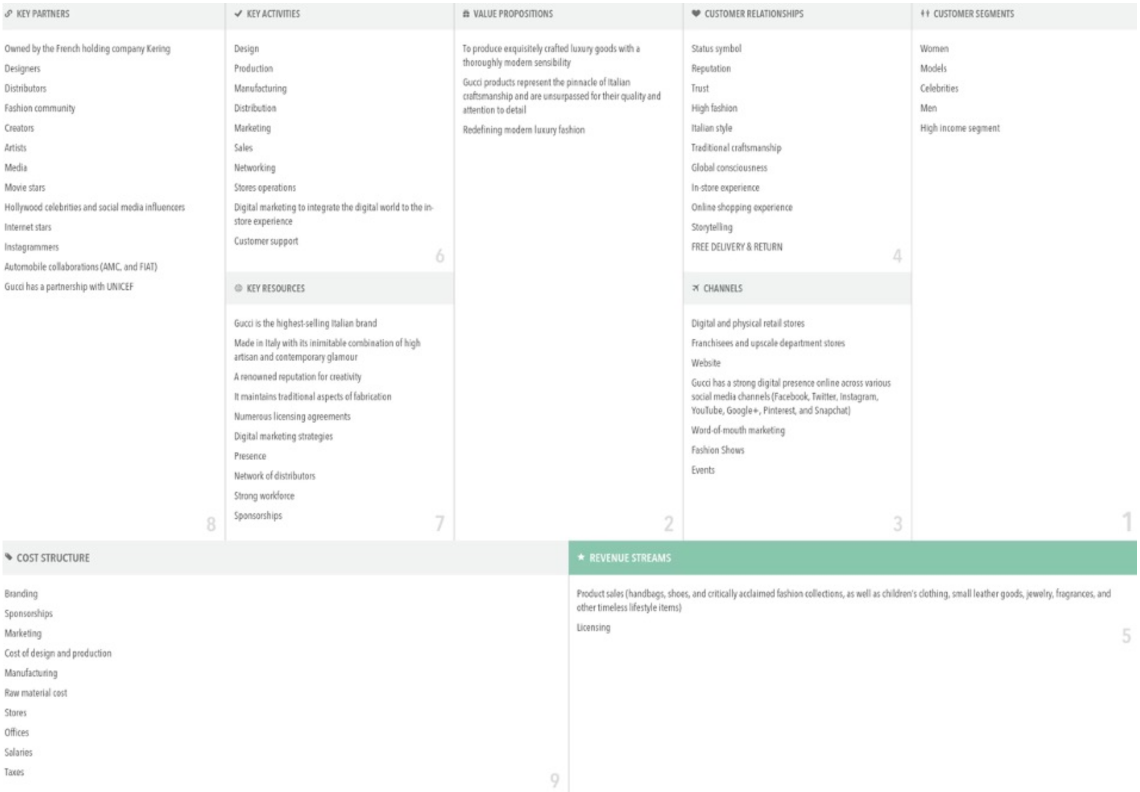
Art also undoubtedly influences the purchasing decisions made by customers and although the goal of a luxury brand is not to satisfy a need and sell as a pure consequence, it seems able to increase the selling power of companies operating in luxury. The belief is that, with the same product or service introduced into the luxury market by a company, there is greater intention to purchase and willingness to pay (WTP) for the output of the two, realized in collaboration with artists or through an artistic process.

If what art gives to the company's output makes it the symbol of a *status quo*, something eternal and symbolic, it is not difficult to believe that a potential

customer would want to spend their money to receive these qualities, willing to pay a high price that actually buys these characteristics.
As proof of what has been said, according to the aforementioned global landmark for the analysis of the entire luxury sector, Altagamma, it emerges that the growth of the luxury market expected by 2030 is also due to a series of precautions and trends related to art adoptedby companies in the luxury sector.
It sounds clear that "*luxury brands and entrepreneurs in the sector have long seen a convergence of interests between their core business and art. And not only because they themselves own rich collections of modern art or sponsor various initiatives, but also and above all because they have focused on a transformation of the perception of luxury products, which lose their functional value and instead assume increasingly a symbolic value: what is sold is a concept of aesthetics much broader than that which would be linked to the mere function of the product. It is no coincidence that the artistic directors of the various fashion houses are increasingly versatile artists, who want to convey artistic messages to consumers and for this purpose enter into agreements with artists or communities of creatives* […]" (D'Arpizio and Levato, 2022).
As is evident from the above, therefore, there are many ways in which art integrates into corporate life and strategies, whether it be internally or externally, whether it involves collaborations with artists, foundations, non-profit investments, sponsorships, collections, events, restorations, creation of museum-like stores, exhibition sponsorships, or involves art-based initiatives and other strategic choices that place art at the forefront of the business model, whose presence can indeed lead the company towards a brighter future.

2.2.1 The Art-based Business model canvas: an important instrument

At this point, the aim is to summarize what has been explained and listed in a concrete example of a Business model canvas applicable to companies operating in the luxury sector. Taking Gucci as an example, the Florentine brand, thoroughly analyzed in recent years due to its successes and unique strategies, presents the following business model:



6. Source: Gucci Business model canvas by vizologi.com (2024)

- Key Partnerships: collaborations with high-profile celebrities, influencers and designers;
- Key Activities: design, manufacturing, marketing and distribution of luxury fashion and accessories;
- Key Resources: brand reputation, skilled designers, artisans, manufacturing facilities;
- Value Proposition:high-quality, innovative designs, exclusivity and status symbol;
- Customer Segments: affluent individuals, fashion enthusiasts, trendsetters;

- Channels: flagship stores, e-commerce platform, luxury boutiques;
- Customer Relationships: personalized shopping experiences, loyalty programs, social media engagement;
- Cost Structure: production costs, marketing and advertising expenses, employee salaries, rent for retail spaces;
- Revenue Streams: sales of luxury goods, licensing agreements, collaborations.

Gucci's business model exemplifies how a luxury brand can leverage its heritage, craftsmanship and innovative designs to appeal to affluent customers and maintain a strong position in the market.
Starting from this specific example and extracting what is related to art and what is typical of every brand operating in the luxury sector, the aim is to generalize. From the specific to the general, envisioning a Business model canvas that is valid for brands operating in the luxury sector and that want to integrate art into the company's strategic plan, in a more or less intense and massive way.

7. Source: Art-based Business model canvas, created by the author (2024)

In this Business model canvas, a series of items (highlighted in different colors) representing specific strategic and operational choices are summarized:

- Those common to the activities of any brand operating in any sector, the characteristics that cannot be missing if the company not only wants to grow but also remain at least alive (highlighted in blue);
- Those typically adopted by brands operating in the luxury sector and sometimes also by companies operating in the artistic sector (highlighted in pink);
- Those usually adopted by institutions and companies dealing with art but which, more or less massively, can also become part of the business model of brands operating not only in the luxury fashion sector but also in those offering products and services distant from that reality (highlighted in yellow).

Potentially, from the union of the three categories, a hybrid business model is created in which art can be more or less relevant.
Below are listed and explained all the points of an hypothetical art-based Business model canvas (hereinafter referred to as such):

- Key partners: this section consists of the essential partners with whom the company can ally to create value both for customers and for the company itself. In an hypothetical art-based Business model canvas, collaborations with key partners common to any activity and useful in every sector (distributors, media and influencers for product or service sponsorship), partners typical of the luxury sector and fashion in particular (VIPs from the fashion community and celebrities in the entertainment world) and partners with whom collaboration is usually sought if operating in the artistic sector (digital content creators, artists, artistic institutions, art dealers and brokers and many others) are included. All of the existing collaborations between artists and the creative directors of luxury brands are a clear example of this phenomenon. In case the artist is helping creating the good or the service to offer both. In 2023, for example, FKA Twigs (an American singer and performer) has opened the Valentino Garavani S/S 24 show in Paris directed by Pierpaolo Piccioli, only contributing to the presentation of the collection and not also to the creation itself. On the other hand, as aforementioned, brands like Louis Vuitton use to collab with artists and create unique creative collections;
- Key activities: these are the activities necessary for the business to be effective and generate value and revenue. In this section, in addition to all the activities fundamental to any type of business regardless of the sector (production, distribution, sales, ...), activities more typically related to art could be inserted, such as manufacturing and attention to production details, the adoption of specific and distinctive designs that can facilitate the brand positioning in the consumer's mind and in general, any other activity based on artistic processes, regardless of whether the output is actually artistic. In this case, the right example to describe could be the collaboration between Alessandro Michele (Gucci creative director between 2015 and 2022) and

Silvia Calderoni (Italian non-binary artist devoted to the LGBTQ+ community cause). The collab has led to the creation of a TV series directed by Gus Van Sant in 2020. This is a clear example of how the minds of creatives can work altogether on innovative artistic activities in order to create incredible outputs;

- Key resources: it is the company's assets, what is at the base of the company's functioning. Without resources, whether human, financial, physical, or intellectual, there can be no business activity. In general, process innovations, workforce, sponsorships, marketing strategies (and much more) are fundamental for any brand. For those intending to change their Business model canvas into an art-based one, in addition to craftsmanship and manufacturing, both contemporary and timeless together, one could consider seeking all those resources that lead to the adoption of artistic processes and, why not, even to the creation of artistic products or services. Resources are at the base of the production system and this is the reason why a lot of money is invested. Bottega Veneta, for example, has launched in 2023 the so called *Accademia Labor e Ingenium*. The main goal of this school is to form the future artisans, in a historical context where antique craftsmanship skills are risking to disappear. Creating an *accademia* clearly is a huge investment but the brand itself will gain a return in term of resources, still saving such cultural value as artisanship;
- Value propositions: it is the main reason why the customer should choose the company in question. The offered value can be the result of a completely innovative process or simply an improvement of something that already exists. Even in this case, obviously, the customer remains the real beneficiary of what is proposed because it is from their choices that the advantage over the competition derives. And the only way to beat the competition is to produce goods or generate services that are clearly superior to others proposed in the sector, through meticulous qualitative research and attention to detail in each section of the value chain. The Bottega Veneta aforementioned example fits here aswell: traditionally hand made products and yet glamour and innovative, are a value proposition and can distinguish one brand from another, convincing the clients;

- Customer relationship: it literally is the dialogue between the company and the clientele, the established relationships that lead not only to the acquisition of new customers but also to the loyalty of existing ones. Reputation, trust, awareness and care for the surrounding environment, storytelling, communication, customer relationship management and dedication to their pre and post sales needs are key elements for any company in any sector, artistic or not. Then, in the realm of luxury fashion, much emphasis is placed on generating a sense of wealth and scarcity in the customer's mind. If one wants to switch to an art-based strategy, one can also aim to attract and retain customers by convincing them to be part of a niche of knowledgeable and cultured individuals, or more generally to be part of an artistic community. Sometimes it could be even enough to enter a luxury shop and get invested by art to feel involved in something bigger than mere shopping. The Loewe retail store in Milan is a clear example of this dynamic. The goal of Jonathan W. Anderson, creative director of the aforementioned Spanish brand, is to provide customers with an immersive experience where art accompanies purchases coherently, matching the collection vibe and aesthetic;
- Customer segments: consists of customer profiling, the division of customers into distinct classes based on specific characteristics (age, gender, ethnicity, ...) but also psychographic factors (habits, interests, needs, ...). A fundamental moment for the brand to enhance its work through targeted products and services and distribution channels suitable for the target clientele and the sector in which it operates. Most companies (except those that produce and provide very specific goods or services targeted at a particular category of people) target the public based on many factors that contribute to creating a target clientele still, especially in this historical period, including all types of gender identities. For those operating in luxury and fashion, in addition, the clientele also includes members of the fashion community, celebrities, collectors and generally people with high incomes. To integrate art into the business model, in this case, one can try to expand the target customer segment by including art enthusiasts who, without the new

artistic component inserted into the business strategy, might have shown less interest in the output or turned to the competition;

- Channels: would be the "roads", the physical or media channels to reach the target customer at each stage of the value chain. Through these channels, the company informs customers about the nature of the offered output and also ensures post-sales assistance. The channels common to those intending to conduct business activities are certainly those listed in the scheme, highlighted in blue. In the luxury sector, there is also a tendency to rely on fashion shows and events. Just as the organization of various artistic events can be included in the adopted Business model canvas. To concretely speak, the use of personal invitation *via* e-mail could be an example of this phenomenon. It makes the client feel important and included in a artistic niche. During the first week of the sixtieth edition of the Venice Biennale, for instance, a vernissage has been organized at the Maison Margiela retail store in San Marco square so to celebrate the new collection dedicated to the venetian lagoon. For the occasion, loyal clients were invited through e-mail and a response was requested. This way, even who is a simple client feels to be part of something, a community interest both in art and luxury fashion;
- Cost structure: this section consists of all the costs of the company, both variable and fixed, necessary to obtain resources, carry out planned activities and maintain relationships with partners upstream and downstream. Obviously, these cost flows must always be lower than revenue flows so that the activity can continue. The elements listed in this section have all been highlighted in navy blue, being in general costs common to any company producing and offering any goods or services. For example, branding costs are common to any brand and including artistic elements in the corporate strategy contributes to defining a certain type of image and positioning the brand in the consumer's mind. The same goes for other items: these begin to be based on artistic processes and lead to the creation of artistic outputs, but are present in the canvas regardless of this. In other words, to provide another example, regardless of whether the adopted marketing strategies are art-oriented or not, marketing costs are still included in the Business model

canvas. At most, the amounts of the costs will vary and in the revenue section, the amounts of the benefits. The same applies, to continue, to the costs incurred by the company to maintain physical retail stores: including artistic elements within them will certainly entail higher costs, but their absence does not imply the elimination of the "stores" item from the canvas. On the other hand, taxes in an art-based business model can be much lighter and in such a case, art would be a benefit rather than an increase in costs;

- Revenue streams: these are the company's earnings, obtained through the exercise of its activities, through the sale of services and products. Revenues have different natures and derive from various sources. Even in this case, the benefits listed in the canvas are the same regardless of whether it is art-based or not. However, art that becomes part of the company's strategies can increase (or decrease) the magnitude of revenues.

As important as the content, is the concept of the intensity of artistic presence, especially for the adaptability of the model itself to the numerous and diversified types of activities present today. This phenomenon will be better explained in paragraph 2.4.1 of the same chapter. In the meanwhile, as already read so far and as will be reported below, let’s keep in mind that there certainly is a particular affinity between art, artistic output and the product or service offered by those operating in the luxury sector. This would naturally lead companies in this sector to adopt an art-based business model. Yet, the fact that art can become part of business strategies should not imply a sudden and unnatural modification of the current business model. Hence, the importance of timing and intensity. For example, a company working in the fashion sector but outside the luxury sector can gradually and gradually incorporate into its business model those yellow-highlighted items in the model shown, evaluating their positive effects from time to time and comparing the results obtained with what was forecasted *ex ante*. Examples of this are the myriad collaborations existing between *prêt-à-porter* brands and famous artists. For example, already in 1983, a collaboration between Keith Haring and Fiorucci was born, which did not limit itself to the mere production of clothing items capable of recalling the artist's

aesthetic but also involved the complete restyling of the brand's Milan store by the artist himself, in a combination of fashion and street art. A clear example, therefore, of how art already several years ago and perhaps still somewhat unaware, became part of business life and strategic choices.
Even distancing oneself even further from everything related to the fashion, luxury, or *prêt-à-porter* sectors, the same discourse applies, whether it is simple marketing strategies or art-based initiatives. In such a case, the integrative process of art into the business model will be even more complex and gradual, but it can potentially lead to extremely solid and lasting results in terms of competitive advantage.
This concept finds confirmation in what is explained regarding the so-called Art infusion effect in paragraph 1.3.1, wherefrom the following words are reported: "[...] *the effect of the artwork was much more pronounced for utilitarian products, moving from an informative approach to an emotional one in their sponsorship, than for hedonistic ones.*" For as much, precisely, it is closely connected to those sections of the Business model canvas that concern advertising dynamics and marketing strategies.
After explaining and demonstrating that all companies, whether in fashion or not, operating in the luxury sector or not, can effectively adopt an art-based Business model canvas with varying degrees of intensity and with more or less expanded timelines, in the following paragraphs of this first chapter, the writer wants to delve even deeper into the concept of "art-based business model" in the luxury sector, listing some other dynamics and certain effects more specifically, in order to better understand what can happen to a company operating in the luxury market if it stops relying on art.

2.3 The positive and negative effects of mixing art, luxury and business

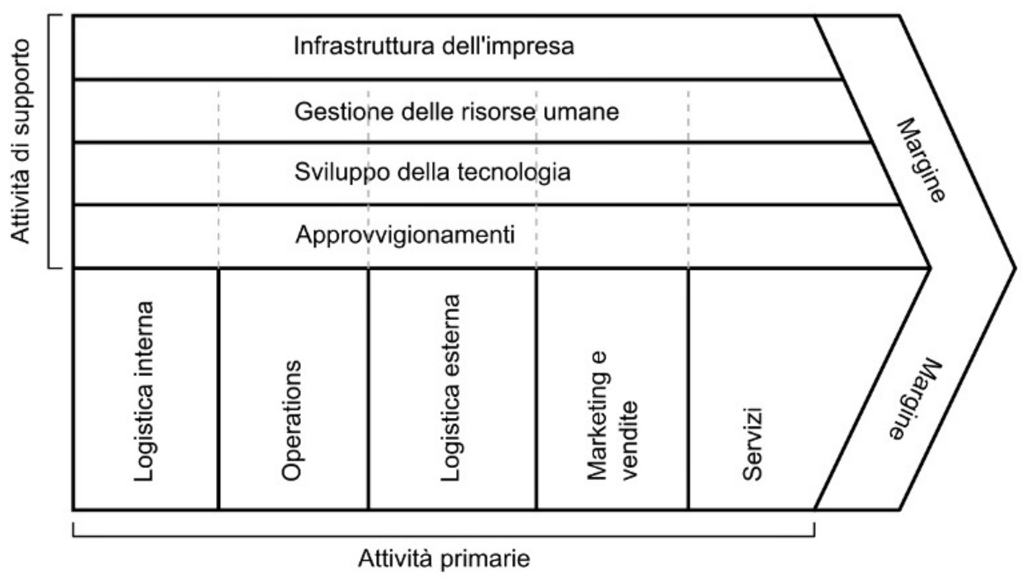
Inserting art within a business model, especially in the luxury sector, appears to be the most appropriate key to enhance the brand perception and positioning in the consumer's mind. The previously mentioned points seem to lead precisely

to this assertion, particularly in light of the data reported by Altagamma. "*As the year passes, so do the predictions. A "contracted" 2023, which saw values normalize after the post-pandemic hangover of 2022, gives way to a 2024 of total uncertainties and, at times, confusion. However much the forecasts may matter, the next twelve months should continue along the path carved out by the past year. No big bangs, neither on New Year's nor during the year, but rather a "happy decline" guided also by a precarious socio-political situation, if not "warlike" – normalization and recalibration of values can have more positive aspects, for example, limiting speculation. Let's take a look at what has just concluded to try to grasp some insight on the horizon. We already anticipate it: luxury, whether before, now, or after, will emerge victorious, both as an autonomous proposal and as a hybrid offering alongside the more classic Fine Art* […]*. Could it be that this year, some blue-chip gallery multinational will not launch its own fashion brand or a dedicated showcase in the gallery? We'll see*[…]" (Zuccala, 2024).
It is evident from his words that those operating in the sector expect an increasingly close connection between art and luxury, where one supports the other and *vice versa*, with all the positive and negative aspects that come with it. These two realities could end up intertwining, significantly impacting the business life of those operating in the sector and what happens outside, in the external environment. The way in which the use of art within business models and corporate strategies influences the target customer and the external world is called the "Art infusion effect," and this is precisely what will be analyzed in the following paragraph, describing its pros and cons, the benefits for the company and the risks for the market.

2.3.1 The Art infusion effect

When we talk about the Art infusion effect, we refer to the influence that art has on an individual's perception and evaluation of a product or service. It seems that by associating an artistic meaning with any corporate output, it gains added

value in the eyes of the target audience, thus generating a higher willingness to pay compared to products or services with no connection to art in either the production process or the final result.
The term "Art infusion effect" was first used in the Journal of Marketing Research: the association between art and the offering positively influences the evaluation of the product or service offered and a greater propensity to purchase non-artistic goods that are connected and associated with art through design, production process, or simply marketing strategy and how they are advertised (Hagtvedt and Patrick, 2008). Obviously, the affinity of these products or services with art has absolutely nothing to do with their functionality; it does not have utility but does not affect it, reducing the possibility of use. The art-output match simply concerns the creativity that coincides with the creation of the product and the level of appreciation that naturally derives from it, regardless of other functions or their absence. Furthermore, the Art infusion effect would derive from the mere association with a work of art, regardless of its content. The "content-dependent" influence is based on the meaning of the art associated with the product and the expectations that are created about it. "Content-independent" influence, on the other hand, focuses solely on the concepts of exclusivity and sophistication typical of luxury. In this case, the message of the artwork does not matter because the concept of art alone provides added value to the product or service offered (Hagtvedt and Patrick, 2008).
But what kind of practices pragmatically lead to the Art infusion effect? Artistic elements can be introduced into corporate strategies in various ways, ranging from resource procurement to marketing, through production. In short, art can influence each point of the value chain differently and ad hoc, generating improvement (usually) in terms of competitive advantage.



8. Source: Porter Value Chain, 1985, wikipedia.com (2023)

Any company could develop an artistic design for the products offered without compromising their functional nature, as mentioned above.

More often, the focus is on communication strategies, taking care of advertising, for example by inserting artistic elements and references to art in the packaging or advertising campaigns of the product or service. Perhaps the field of marketing is the one that best lends itself to the use of artistic strategies, especially in the luxury market where goods and services are produced that visually and by nature are easily associated with art and artistic goods. In fact, the presence of artwork in a brand's advertising campaign, especially when it is original and not a duplicate or replica, entails an association of the product or service in question with luxury.

But how is the value transferred, in fact? And above all, is this transfer of value from art to the product always valid or does it vary depending on the type of offer? In short, is the theory of the Art infusion effect always valid and, if so, on what grounds is it based?

The transfer depends on the emotions evoked in the observer by the work of art. These emotions would be transmitted to the product offered by the brand when the connection between the product and the artwork in question is true and coherent and not forced. The emotions evoked can actually vary in intensity, which would imply a positive response to the previous question. Faced with utilitarian goods, even an association between goods and artwork proves to be much more complex precisely because of the nature of the product or service itself. When it comes to utilitarian goods, in fact, reference is made to those objectively essential goods, the purchase of which is necessary regardless of WTP and the economic conditions of the customer. It is quite different with hedonic goods. They, by nature, are practically superfluous and already have a high emotional component. At this point, this emotional component can stand out and amplify them thanks to the association of such products with an artistic good that generates strong emotions. If, therefore, the association between a hedonic good and a work of art is simpler and more immediate, on the other hand, much more consistent results are obtained from an association between a utilitarian good and a work of art because initially the emotional component is zero.

Obviously, the goods and services offered by companies operating in the luxury sector have a hedonistic nature and are absolutely not necessary for potential buyers, as evidenced by what has been written in the previous paragraphs in relation to the concept of "need": luxury does not satisfy needs but creates them. At this point, it is clear that an association between a work of art and a luxury good is immediate but potentially complex to develop if the aim is to develop a significant emotional transfer from the former to the latter, precisely because a certain degree of emotion is already present, with or without associated artistic message. This is not to say that the Art infusion effect is not valid in the luxury sector, simply that, even in the case of associations as immediate as that between a luxury good and an artistic work, the success of the emotional transfer may hide pitfalls and the infusion effect is the result of specific and deliberate strategies (Estes, Brotto and Busacca, 2018).

In order to support this thesis, some individuals were presented with two different advertisements for some fictitious brands, specifically a mineral water brand and a toilet paper brand (utilitarian goods). In the first advertisement, a water bottle was associated with Jan Vermeer's painting "*Girl with a Pearl Earring*," while in the second, there was a photo inspired by the same painting. At that point, indicators of brand affection, perception of luxury and an overall evaluation of the product were measured for each participant. The second survey, that of the toilet paper brand, associated it with Vincent van Gogh's "*Self-Portrait*" and included a different indicator from the previous ones: the willingness to purchase. In the third and final survey, consumers were presented with two goods, water and chocolate, of different natures: utilitarian the former, hedonistic the latter. The two were advertised in two different ways, namely one without an associated work of art and the other with Leonardo Da Vinci's "*Mona Lisa*" alongside. And even in this case, the evaluation of the products was expressed through the willingness to pay, that is, the maximum price that the consumer would be willing to pay for a certain good.

The result was clear: the work of art, regardless of its content but only as visual art, positively impacts the evaluation of the product by the potential buyer. The use of different indicators and the variety of case examples also diversified the hypotheses, further affirming their reliability. Finally, it was understood how the effect of the artwork was much more pronounced for utilitarian products, shifting from an informative approach to an emotional one in their sponsorship, than for hedonistic ones (Estes, Brotto and Busacca, 2018).

Now, what benefits does Art infusion effect bring?

To consider the most immediate and concrete effects, for example, if the association with art and emotional transfer leads to an increase in willingness to pay, then the company can decide to increase the selling prices of the offered goods, as consumers are willing to pay more for a product that conveys certain emotions and values. Art serves as a differential factor in the decision-making process and fosters customer loyalty.

Therefore, to approach the core theme of this writing, associating a product with art makes it emotionally perceived as luxurious, unique and a privilege of the few. For this reason, the Art infusion effect is less impactful when it comes to goods that are already artistic and luxurious by nature.

But then, if the Art infusion effect is stronger for non-luxury goods, why should luxury brands rely on art? Why should the incorporation of artistic elements into business models and corporate strategies bring benefits? If luxury brands can rely less on the transporting effect of art compared to a brand, for example, of mineral water, why continue to focus on art, not only in marketing practices but with all the other examples listed above? Is it pure love for art that moves the great magnates of luxury towards it? Commissioning it, protecting it, promoting it and associating it with their precious goods?

The answer is that the Art infusion effect related to luxury goods usually goes well beyond simple advertising association, which is visual and immediate. Luxury brands seek, through art, to develop storytelling, a solid reputation coherent with foundations that go beyond mere advertising but encompass a series of strategies and investments capable of engaging a specific and selected target audience. And above all, they associate the product with art without neglecting to convey ethical messages from a social or environmental point of view. This happens, for example, through collaborations, investments, sponsorships, charitable activities through non-profit legal entities and much more.

Take, for example, Gucci's actions. In recent years, precisely in 2020, the Florentine brand, under the guidance of then-creative director Alessandro Michele, collaborated with the artist Silvia Calderoni. The result was a series of episodes featuring the actress engaged in everyday moments. In the scenes, Gucci clothes and accessories were everywhere, but the focus was on the actress, a member of the LGBTQ+ community and engaged in fighting for their rights. There were also other well-known personalities from the entertainment industry, but above all, the themes addressed referred to a commitment to social issues, in a setting with a retro and somewhat dreamy atmosphere.

Or, consider entities like Fondazione Prada in Italy or Fondation Louis Vuitton in Paris and the way they support, promote and protect art and artists, creating a strong bond with the brand and implying that it is ethics, passion and philanthropy that drive them in this direction.

These are just a couple of the many, many other examples of luxury artification that could be listed, demonstrating how, despite the aforementioned theories that the Art infusion effect and its benefits are more effective for utilitarian goods, they actually also impact luxury goods, which are superfluous but necessary in their own way and naturally associable with art.

2.3.2 The Art-washing risk

Nowadays, there are various types of "washing": the common "greenwashing," "pinkwashing," "purplewashing," "blackwashing," and the so-called "art-washing." In each case, the phenomenon involves a true brainwashing of potential consumers' minds by brands promoting their offerings. The purpose of this practice, a scourge of marketing in the vast majority of companies operating in myriad sectors, is to disguise certain strategic corporate actions through communication that convinces potential buyers that the company in question is instead attentive to ethical, social, political and environmental issues. All these forms of washing are a direct consequence of companies' need to sell their products and services in a social context where more and more individuals care about social issues. The most correct strategy would be to actually incorporate into the company's value chain practices that are truly ethical and sustainable, but often this entails higher costs for the company or a structural transformation of the adopted business model. Therefore, often, in order to boost sales or maintain adequate levels of production and distribution, companies develop marketing and communication strategies that make the company appear attentive and dedicated to sustainability and ethics. The difference in the name derives from which social issue the company cares about.
In the case of art-washing, therefore, companies that practice it would hide their shortcomings through a product-art association and the emotional transfer that such association entails, also exploiting the previously described Art infusion effect.

The term "art-washing" was first used in the UK in 2010, starting from the already known greenwashing. Already at that time, the meaning was the same: all those sponsorship and communication strategies adopted by entities of any nature that want to disguise and cleanse their actions through association with art and the value derived from it.

The foundations of the phenomenon lie in the fact that art, as also mentioned concerning the Art infusion effect in the previous paragraph, is sentiment, emotion, sophistication, luxury. Art is a language that goes beyond languages and that everyone can understand through the subjective perception of the work. Art is culture, research, intellect and whatever else positive can be said. It is therefore easy to imagine why small companies and huge multinational corporations want to exploit it to their advantage, even, in this case, to "cleanse" themselves from certain troublesome dynamics and practices.

Obviously, when talking about art-washing, one does not only describe the fictitious actions of those who produce a product and advertise it through an association with art. Often, the phenomenon is associated with all those artistic entities (galleries, museums, exhibition spaces, ...) that occupy urban spaces with the promise that the artistic activities they promote can benefit citizens, but often only exploit the city itself, as other activities would do, for example through excessive tourism or the rise in costs in certain areas resonating with the fame of the artistic institution. In this case, art-washing is carried out by companies that share the same nature and are often non-profit and therefore driven by love for others and philanthropy.

Today, more and more individuals pay attention to washing practices and denounce them regardless of their nature. As for the case being analyzed here, art-washing, one of the first campaigns to put an end to it, "*Liberate Tate*", concerned precisely the Tate Museums in London, Liverpool and St. Ives. For years, these institutions had been funded and supported by British Petroleum, a petroleum magnate in the UK. Environmental activists, in that case, wanted such important artistic institutions as Tate to choose sponsorships more sensitive to ethical, political and environmental issues.

The outcome of the protest was ultimately positive: in 2016, after 26 years of funding and patronage, then-director Nicholas Serota terminated sponsorship relationships with British Petroleum in favor of more ethical collaborations.
Many other similar cases have occurred over the years, with different outcomes and endings. But does the art-washing phenomenon also apply to the luxury sector? Shouldn't such high prices be at least justified by ethical and sustainable strategic choices for the environment and the community?
The luxury sector is actually the most inclined towards sustainability and the adoption of an ethical *modus operandi*. Yet, there are still cases of all kinds of washing that hide immoral methods of extracting raw materials, inexplicable supply chains and mysterious but also known cases of cultural appropriation and offshoring of production connected to cases of exploitation of local workers. In short, whether upstream or downstream, the value chain of luxury brands has flaws, but art camouflages them. The same brands, individually or within the large groups they belong to, cleanse their image through the creation of foundations, museums, galleries, or generally promoting and supporting art and making it available to all. And they do so, usually, through a clear naming strategy, where the association between the brand and art is immediate. Take, for example, the very recent case of the super-luxurious Loro Piana: the Italian brand that sells products for tens of thousands of euros each seems not too inclined to allocate the right portion of the proceeds to pay Peruvian workers who are involved in production. First of all, as written in the previous paragraphs, luxury brands should preserve the workforce and the original know-how that distinguishes them from each other and especially from all other existing brands, making them unique and unparalleled. That said, the simple fact of offshoring would not be a practice too in line with the nature of the brand in question, currently one of the most luxurious. As if that were not enough, then comes the scandal of worker exploitation. But what does all this have to do with art-washing? Loro Piana is part of the LVMH group, which, among others, also owns Louis Vuitton and therefore the eponymous foundation. The same one that supports, protects and promotes art, craftsmanship and culture. Certainly, in cases like these, the brand-artwork association is much less immediate, as

the brand name is different (although connected) from that of the artistic foundation. This does not diminish the seriousness of the case: especially because often those who purchase luxury goods are aware of the relationships between one brand and another and transfer both positive and negative aspects from one to another, working for mental associations.
But art-washing not only masks scandals like the one just described, it also simply masks the intentions of the brand, for example using the excuse of love for art and culture to justify investments and projects that actually enrich those who promote them or in any case improve their image and reputation.
Taking a big step back in time, one of the earliest examples of art-washing probably dates back to the Medici period in the city of Florence. In those years, art was used by the Medici family in an instrumental and functional way to the growth of their political power. The best artists of the time were commissioned works of art that manifested the power of those who commissioned them, a current testimony to art in Italy in the 1400s. Behind the veil of artistic philanthropy of the then rulers of Florence, there was the desire to change the world. Culture had become a tool in the hands of the most powerful and the political struggle between the wealthiest families also materialized through the practice of patronage (Wehner, 2002).
More than half a century later, the situation has not changed and the world's richest and most powerful men and women clash with strokes of art, between investments, commissions and donations, all in the name of a very strong philanthropic sentiment.

2.4 How can art enter luxury companies' strategies?

As mentioned in the preceding paragraphs of this chapter, there are numerous ways in which art can merge with business in the luxury sector today. From the first half of the last century to the present day, from the early creative attempts that saw designers and artists collaborating closely to the ancient but highly

relevant patronage, luxury meets art and the latter integrates into corporate life, business models and corporate strategies, both internally and externally.
Whether it's simple collaborations between brands and artists and performative moments closely related to fashion shows or whether we're talking about art-based initiatives, the creation of foundations for social utility, non-profit investments, patronage, sponsorships, collections, events, restorations, creation of museum shops, sponsorship of exhibitions and other strategic choices, the common thread is that art has become a fundamental ingredient for companies operating in the luxury sector.
The following paragraph will delve into concrete interaction models between a corporation and art, more or less intensely according to the specific case.

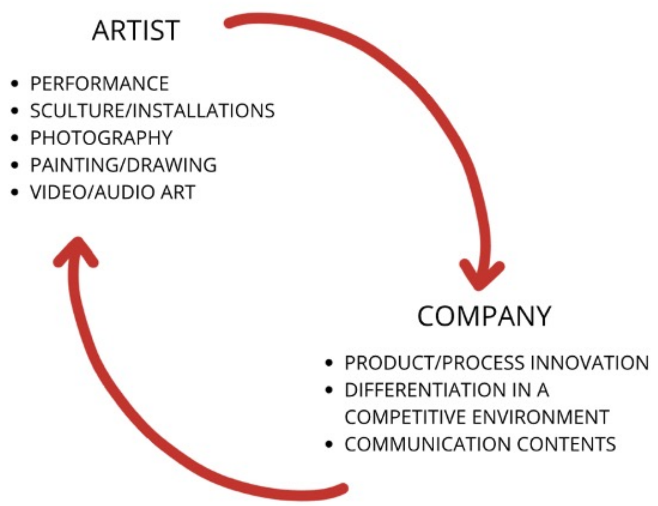
2.4.1 ABIs: Art-based Interventions

After analyzing the effects that the union between art and luxury produces in the external environment of the company, the public response and current risks, we now proceed towards a more in-depth analysis of how, pragmatically, this blend of art, luxury and business translates. We aim to delve into some of the most common and typical practices of today, starting with art-based initiatives within the corporate environment.
Art and business merge both internally and externally within the company, giving rise to collaborations, foundations, non-profit investments, sponsorships, collections, events, restorations, creation of museum-like stores, exhibition sponsorships, or Art-based interventions. Let's begin by analyzing the latter, examining what happens within the company before studying the external environment and the related initiatives.
The acronym ABI stands for "Art-based Interventions" and generally refers to all artistic activities promoted by artists that benefit any type of work environment. Within a company, Art-based interventions consist of a hybrid element between enterprise and art, through an exchange of processes and techniques that add

value and lead to innovation. Indeed, two seemingly opposite worlds like art and business ultimately tend towards innovation, creating new and distinctive outputs and processes compared to those offered by other companies in the same sector.

The purpose of these artistic initiatives is to mediate between economic-scientific logic and artistic-practical aspects. In practice, an artist brings to the company an entirely new *modus operandi*, a mental and practical elasticity and inventiveness typical of artistic endeavors, along with creative and innovative problem-solving skills. Specifically, the objectives of art-based initiatives are to:

- Foster a creative and collaborative process;
- Encourage creativity and innovation in any field;
- Improve leadership within the corporate team;
- Promote team building;
- Define the company's identity, missions and values;
- Develop creative and effective communication;
- Foster the development of creative products and processes.



9. Source: ABIs process, readapted from creea.com (2024)

In relation to the last point on the list, it is worth specifying that art-based initiatives are usually more closely related to the production process leading to the creation of a product or service rather than the output itself. This does not mean that product innovations cannot arise from ABIs, but simply that more often, the benefits obtained concern the creative, production, advertising process and more generally, the life within the company, with all the difficulties and unforeseen events that come with it. Art-based interventions, as mentioned earlier, also promote leadership development, for example through musical and theatrical activities where the figure of the "manager" is necessary.

Art-based interventions are very varied both in nature and duration. They range from visual art to theater and can last from a few hours to entire years. Sometimes, it takes time to transform a classic company into a place conducive to creative development and where one can actually think and operate outside of rigid schemes, with inventiveness and extravagance typical of artists.

In these cases, the theme of the unexpected and consequently problem-solving has a certain prominence, essential skill for being part of a corporate team. It is one of the situations in which an art-based initiative can benefit the most, making improvisation the basis of managing the unexpected. And no one improvises better than the artist at work or engaged in a performance, capable of questioning themselves, investigating everyday life with a different perspective and questioning every certainty. The artist adapts to change and embraces instability because they know that genius can derive from it and this is also necessary in the business environment, as companies operate in sectors and markets in constant development and evolution.

Creative collaboration greatly impacts productivity and improves workers' attitude, making them willing to abandon a sometimes toxic routine in favor of a creative, fresh, sometimes playful and therefore lighter atmosphere. Trusting artists means giving space to ideas, believing in change despite initial difficulties, even considering the risk of failure and, indeed, accepting it as a learning moment for the future. The team thus learns to leave their comfort zone, experimenting with different forms of interaction and new approaches to tasks, showing a certain courage, a brand-new energy and a unique resilience.

Through Art-based interventions, team members also discover new sides of their own selves that collaboration stimulates and reveals. People rediscover and get to know themselves, learn to change their opinion first and foremost about themselves, grow exponentially and expand their social network thanks to the development of genuine and sincere relationships based on mutual trust. Those who participate in a team working with art-based initiatives demonstrate a greater inclination for learning and acquire useful tools and experiences in both work and daily life, independent of the corporate reality.

All these aspects, even personal ones, stand out and are valued only thanks to a collaborative environment and this applies to both the internal and external, as the company itself is an open system, influenced by the world outside it and capable of influencing it.

The artist knows how to look at the result, envisioning *ex ante* the final output or identifying from the beginning what needs to be changed and improved in the production process. Within the company, art-based initiatives provide new reflective insights, create awareness of the current situation compared to what it was and with a keen eye on what it could be.

These are all very useful skills in a corporate team to identify the right path to overcome the rigid schemes of old management models and identify more innovative, effective and efficient ones.

But what happens from a practical point of view? What does an art-based initiative actually consist of? Are there specific examples in the luxury sector?

An art-based initiative involves participants engaging in creative interventions, interacting directly with the artist, responding to stimuli and the energetic and vibrant environment created through artistic practices. Obviously, personal initiative is absolutely expected (indeed required): inspired by the creative environment, workers can and must propose something new and useful, the result of introspection and confrontation with oneself and the other project participants. Managing these introspective moments is not easy, but if conducted in the right way, it can be learned, guiding emotions, instinct and the decisions that derive from them. This is a necessary skill in uncertain environments like business ones can often be.

Reflection on life and business processes leads to awareness, for better or for worse: in this case, reflection leads to a corrective and constructive process.
This is, to summarize, one of the ways in which a company can integrate art into its corporate strategy today. It is important to emphasize, however, that in the specific case of companies operating in the luxury sector, the integration of artistic aspects into their strategic plan, in line with what was previously written about business models, is much deeper and more entrenched than simply adopting ABIs. An example could be what Brunello Cucinelli, a designer, entrepreneur and king of cashmere, has put into practice in Solomeo, a medieval village near Perugia. There, immersed in nature and surrounded by a bucolic landscape, the cashmere artisans work inspired by the strong artistic sense that echoes through the streets of the village. In 2013, Brunello established a School of Contemporary High Craftsmanship for the Arts and Crafts, where the company's activities are still held today, strongly linked to the Forum of the Arts. The entire village of Solomeo is "*an area dedicated to culture, art, tradition, history and happy life*" (Cucinelli, 2024) where, with flexible hours and more than adequate salaries, workers live and work studying and practicing the arts directly, learning new artisanal techniques both through practice and theory. All this leads to moderate but steady growth, to sound business results. "*We didn't make exaggerated profits nor was that our goal: we wanted fair growth, fair profit, that everything be kind. Thus, we became a world-class economic reality: from knitwear to total look, to the search for a contemporary, casual yet chic style. We developed complete men's and women's collections, ready-to-wear, footwear and accessories and opened a retail channel, inaugurating mono-brand boutiques in Europe, America and Asia*[…]" (Cucinelli, 2024). The designer justifies the brand's growth with the artistic, stimulating and at the same time serene environment in which the work is conducted, demonstrating how art and artistic practices can improve corporate life and implement the result of work, in terms of production, output, profit but also the physical and mental well-being of employees. In this case, the company seems to have succeeded in integrating the artistic process into its business model to such an extent and in such a deeply rooted manner that it is

almost impossible to imagine the same brand operating without the help of such artistic processes. ABIs are, therefore, the starting point for art to become part of a company's strategic plan, but undoubtedly do not represent the end point in this sense. Potentially any company, even one that does not operate in the luxury sector and for which it may be easier to associate its work with art, could start from basic associations and small integrative acts between its core business and art and then eventually reach much higher levels, of which the Cucinelli case is just one of many examples. Again, it is proposed what was previously stated regarding the possibility of developing step by step an art-based business model, proceeding with caution and ensuring that the choices made bring real benefits and only in that case, increasing the intensity of the art-based business model.

2.4.2 AIs: Art Interactions

Based on what has been said regarding the work of the stylist Brunello Cucinelli, it can be argued that the concept of ABI is probably too limited to explain the many facets of the art-business relationship. Therefore, we propose to go beyond, framing the existing interactive dynamics between art and business through the so-called Art interactions as a business model.

With the growing recognition by companies of the importance of beauty and aesthetic thought in product innovation, business processes and strategies, it is clear that "thinking artistically" can make companies not only more innovative but also more competitive. Art not only helps to understand organizational processes and drive managerial change but also strengthens corporate cohesion and well-being, stimulating decisions with positive social impacts. It intervenes in the dynamics between the company and workers, as well as in the relationships among the employees themselves, playing a crucial role in communication with consumers and stakeholders, as well as in strengthening the relationship with the community.

The collaboration between companies and artists creates a context that allows breaking away from conventional patterns, fostering broader and more innovative thinking. This collaboration can be seen as an investment in innovation, especially in the context of the digital transformation of Industry 4.0, often perceived as a threat by workers. The artistic approach can transform this fear into an opportunity for corporate cohesion and transformation.
It is possible to develop a model that decrypts the complex interactions between art and business, translating them into an accessible language that facilitates the identification of engagement phases, the roles of actors and moments of interaction. This model, called "AI business models" (where "A" stands for "Art" and "i" for "interactions"), classifies companies and their business models into four categories:

- Art interested;
- Art inspired;
- Art infused;
- Art immersed.

Art inspired	Art interested	Art infused	Art immersed
Companies interested in art	Companies inspired by art	Companies infused in art	Companies immersed in art
Limited or episodic art-business interaction	Ongoing art-business connections research	Art has a central and fundamental role in the BMC	The company is closely connected and dependent on art
The mediator intervenes to bring and keep the parties closer	The mediator intervenes to develop the connections	The mediator has a constant role and keep the connections stable	The relationships curator is in the corporate team him/herself

10. Source: AIs' characteristics sum up graphic, created by the author (2024)

These four levels, sometimes progressive, represent the degree of integration between art and business and can be briefly explained as follows:

- Art interested: the company shows marginal interest in art, limited to episodic initiatives such as purchasing and exhibiting artworks, without deep integration into management processes. In this case, the relationship between the company and art is barely hinted at;
- Art inspired: the company seeks a more continuous relationship with art, using it as a source of inspiration for managerial processes and attempting to create a connection with the brand;
- Art infused: art penetrates into the company's mechanisms, becoming an integral part of the business model and significantly influencing production and managerial processes;
- Art immersed: art and the company are completely integrated, with art pervading every aspect of production and business operations, as in the case of companies that produce goods or services essential to the art world or that engage in artistic activities as a central part of their business.

This model allows for the classification and understanding of the various stages of artistic involvement, from simple aesthetic interest (art interested) to total artistic immersion (art immersed).

In the table outlining the AI business models, the different columns represent the peculiarities of the types of interaction between art and business, from aesthetic interest to complete integration. The role of the mediator is also considered, facilitating and enhancing the quality of relationships between art and business, particularly in the more advanced levels of integration.

The mediator is essential for the development of relationships between art and business, determining whether to maintain them static or to evolve them. In situations of total integration (art immersed), the mediator becomes an integral part of the company's personnel. AI business models not only define isolated situations but can also explain progressive evolutions of relationships between art and business, from initial interest (art interested) to complete integration (art immersed).

In conclusion, AI business models propose a clear encoding of interactions between art and business, providing new insights to understand and improve these relationships, defining the involvement of the parties, suggesting specific mediation interventions and understanding the extent of the interaction.

CHAPTER III

Alisher Kush, *Untitled*, 2023

3.1 Case studies and methodology

At this stage of the discussion, having established that art should not be trivialized but instead leveraged as a strategic tool to foster competitive advantage and brand growth in a transparent and honest manner, we introduce a series of concrete case studies to substantiate this argument.

Considering any given company, art can and should be integrated into its Business model canvas through various initiatives that diverge from traditional philanthropy and align with the Art-Based Strategies previously mentioned and explained.

Although the earlier chapters have presented general concepts that are more or less applicable to any type of company, regardless of the sector in which it operates, it is now clear that the focus is specifically on brands within the luxury fashion sector and their respective foundations. This focus informs the selection of the case studies that follow.

We aim to compare three giants of the luxury industry: LVMH, Kering and OTB, along with their respective foundations. These are three globally renowned groups, sharing similarities as well as substantial differences.

The ensuing analysis results from an in-depth study of both the internal and external dynamics of these companies. Beginning with the historical development of these giants and their founders, the discussion proceeds to analyze the strategic choices that have led to the current situation, with particular emphasis on the role of art in influencing business operations.

It is crucial to highlight how, due to both entrepreneurial decisions and purely social and generational factors, one of the three giants under analysis operates in a manner significantly different from the other two, particularly in how it manages its foundation. This difference is fundamental to arriving at the conclusion of this discussion and to supporting and demonstrating the thesis that art is not randomly incorporated into a company's strategic plan (merely for philanthropic reasons) but rather plays a central role in achieving a competitive advantage.

3.2 LVMH: *sine tempore* elegance

Following a chronological order of establishment, the aim is to analyze the LVMH group, first by detailing its history, then by presenting relevant data and figures and finally by concentrating on the strategic elements where art is a central element, incorporating expert opinions and historical perspectives.

History

LVMH, which is an acronym for Moët Hennessy Louis Vuitton, was established in 1987 by Alain Chevalier and Henry Racamier through the merger of two prestigious companies: Louis Vuitton, founded in 1854 and specialized in fashion accessories and Moët Hennessy, a company formed in 1971 focusing on the production of wines and spirits. This merger signed the beginning of a new and innovative era in the luxury sector.

Bernard Arnault, who is now the chairman and owner of the group, intervened during the merger negotiations due to significant disagreements between the two parties involved, taking control of the group from 1989 onwards. With the assistance of Lazard Bank, Arnault was able to implement a sophisticated financial structure, allowing him to gain control of the group with only a 4% minority stake, spread across 10 holding companies. Arnault's vision, aimed at making LVMH the world leader in luxury, has guided the group towards unprecedented expansion.

Today, Bernard Arnault is not only the CEO but also the principal shareholder of LVMH, controlling 46.84% of the shares with 63.13% of the voting rights, both directly (5%) and through Christian Dior SE (42%). LVMH boasts an impressive portfolio of 75 brands, which represent the epitome of tradition and prestige in the luxury sector. Each brand has maintained its distinctive identity while benefiting from the expertise and resources of the LVMH group.

This product portfolio is the result of a series of acquisitions and an exponential growth that has never ceased, despite various ups and downs, strategic shifts and corrective maneuvers in times of intense competition. Arnault has never abandoned his empire, which is now one of the most formidable in the world.

The expansion began in 1988 when the group acquired the French Maison Givenchy, founded in 1952 by Hubert de Givenchy and immediately recognized as a symbol of elegance and femininity, two concepts perfectly aligned with LVMH’s vision. A few years after Arnault's appointment as CEO, in 1992, following the Earth Summit in Rio de Janeiro, the group established a department dedicated to environmental issues. The following year, LVMH acquired Kenzo, founded in 1970 by Kenzo Takada, a designer known for his exotic and unique style. In 1994, Guerlain, a Maison prominent in perfumery, skincare and makeup since 1828, was also acquired. Loewe and Celine, founded in 1846 and 1945 respectively, joined the LVMH portfolio in 1996 and are now among the most sought-after and prestigious brands. Two years later, LVMH acquired Le Bon Marché Rive Gauche, the first department store in the world, opened in Paris in 1852.

LVMH's international expansion aimed at gaining control of major Italian and American fashion brands: an ambitious acquisition strategy. Between 1999 and 2000, LVMH acquired more than 25 brands, including fashion labels (Pucci and Fendi) and food and beverage brands (Krug and Château d’Yquem), significantly expanding its global presence and creating new divisions, such as watches and jewelry with the Swiss brand TAG Heuer. This expansion occurred in a context of intense competition, particularly with the Pinault-Printemps-Redoute (PPR) group, which in March 1999 blocked LVMH's acquisition of the Florentine group Gucci, as explained in the previous chapter on competition. Nonetheless, in the same year, LVMH inaugurated its New York headquarters. In 2004, the group established its Paris headquarters at 22 Avenue Montaigne.

In 2007, LVMH acquired groupe Les Echos, a prominent media outlet in France, symbolizing Arnault’s intent to expand into the publishing industry. In March 2011, Bulgari became part of the group, marking another significant acquisition. In July 2013, LVMH acquired 80% of the Loro Piana company for 2 billion euros, keeping Sergio and Pier Luigi Loro Piana as 20% shareholders and at the helm of the company.

In 2014, LVMH inaugurated the Louis Vuitton Corporate Foundation, a key element of its corporate art strategy. In 2015, the group acquired the newspaper Le Parisien for approximately 50 million euros, further strengthening its presence in the press sector, already solidified with the financial newspaper Les Échos. In 2016, LVMH sold the Donna Karan and DKNY brands for 650 million dollars to G-III Apparel and acquired 80% of Rimowa, a German company specializing in luggage, for 640 million dollars.
In March 2017, LVMH acquired a majority stake in Maison Francis Kurkdjian, a perfume company founded in 2009. In the same month, the group took over the joint venture "De Beers Diamond Jewelers" from De Beers, which included 32 stores. A month later, LVMH acquired the fashion house Christian Dior for 6.5 billion euros. At the same time, Bernard Arnault, through the Arnault Family group, increased his stake in Christian Dior, which held 41% of LVMH, from 74.1% to 100%. In the same period, the Arnault Family group sold its 8% stake in Hermès.
In December 2018, LVMH announced the acquisition of the luxury hotel chain Belmond for 3.2 billion dollars, marking its entry into the hotel sector and further expanding its areas of interest. Belmond, listed on the New York Stock Exchange but based in London, owns and operates 46 hotels, restaurants, trains and river cruises, including the legendary Orient Express and iconic hotels such as the Cipriani in Venice and the Splendido in Portofino.
In November 2019, LVMH announced its 55% stake in Château d'Esclans, a renowned producer of the Whispering Angel brand. In the same month, LVMH acquired the first American luxury brand, Tiffany & Co., for 16.2 billion dollars. The acquisition, initially scheduled for mid-2020, was canceled by LVMH in September of the same year, leading to a series of legal disputes between the two companies. By the end of October 2020, however, the parties reached a new agreement that led to the completion of the deal and LVMH's acquisition of Tiffany & Co. for 16 billion dollars.
In summary, this expansion has spanned various sectors: Wines and Spirits, Fashion and Leather Goods, Perfumes and Cosmetics, Watches and Jewelry,

Selective Distribution, Hospitality and Media. The figures are staggering and the purchasing power is enormous.

Datas

LVMH has demonstrated remarkable financial growth, driven by a diversified portfolio of 75 high-end brands, as previously indicated. The company reported €86.2 billion in revenue, a net profit of €22.8 billion, €6 billion in taxes paid and employs 213.000 people, 92% of whom hold permanent contracts. The group operates in 81 countries, with 6.097 boutiques and 120 production facilities in France alone. As of today, the group's market capitalization stands at €1 trillion (BIT), with a share price of €661.70, as shown in the following chart (LVMH, 2024).

This is a significant achievement, especially considering the current downturn affecting the luxury market, particularly in China, which has long been a key player in this sector. Since June 2024, luxury goods have reportedly been sold at "bargain prices" by multi-brand retailers, with discounts of up to 50%. Whether due to overproduction, a more frugal and savings-conscious customer base, or a shift towards a more understated chic aesthetic, it remains clear that the luxury sector is facing challenging times (Zhao, 2024).

The consulting firm Asterès has calculated the economic footprint and all the socio-economic flows generated by LVMH in France: the global economic footprint of LVMH in France represents 1.1% of the country's GDP. Each euro of revenue generated by the group creates an additional euro of economic activity in the rest of the French economy. Moreover, each job at LVMH creates 4.4 additional jobs for the French economy. The amount of taxes paid has increased by 50% compared to 2019. This includes corporate taxes paid directly by the group in France, as well as various production taxes and value-added tax (VAT). Regarding exports, as estimated at the end of last year, LVMH's exports were valued at €23.5 billion, representing 4% of France's total goods exports, making LVMH the eleventh largest French exporter (LVMH, 2024).

In the first half of 2024, LVMH recorded revenues of €45.1 billion, up 15% compared to the same period the previous year (LVMH,2024).
Fashion and Leather Goods represent the main revenue source for LVMH, with iconic brands such as Louis Vuitton, Christian Dior and Fendi. Growth has been supported by strong demand in Asian and American markets. The Watches and Jewelry divisions continue to thrive with significant sales growth and increased market penetration in China. Perfumes and Cosmetics also showed robust growth, driven by the expansion of online sales channels.
LVMH's performance results from a growth strategy focused on innovation and significant investments in technology and digitalization to enhance the customer experience, but never abandoning tradition. The company is actively expanding geographically, penetrating emerging markets with high growth potential, particularly in Asia. Additionally, strategic acquisitions continue to expand the product portfolio and areas of interest. Recently, for example, Arnault has set his sights on the film industry (Brini, 2024).
Of course, there are also many challenges and difficulties: competition, inflation and currency fluctuations that can impact profit margins. Nonetheless, LVMH, despite ups and downs, remains one of the most important benchmarks in the luxury sector.

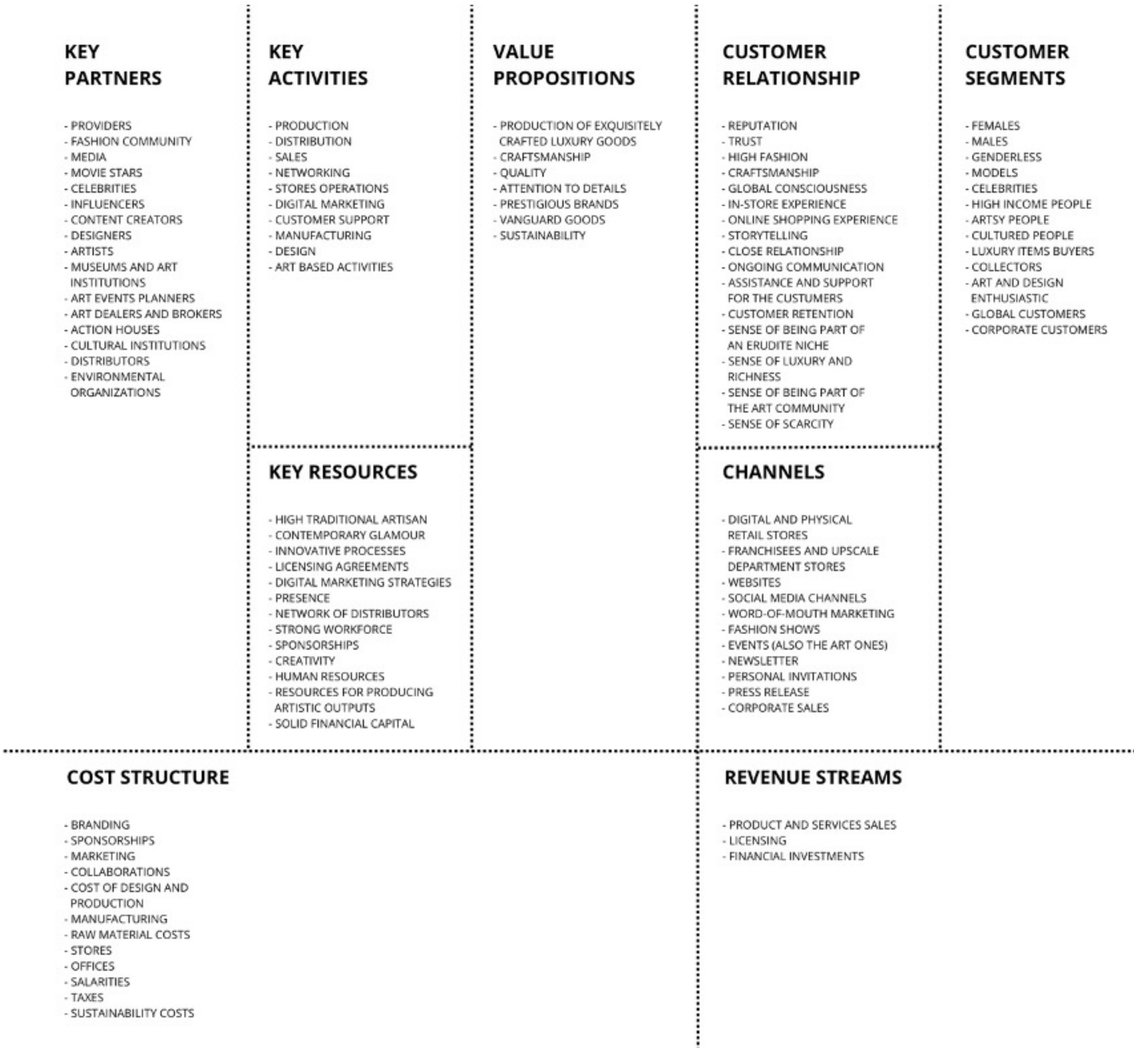
Business model

LVMH diligently nurtures the well-being and growth of the Maisons within the group. Resources are consistently allocated to the design, production and commercialization of company outputs, all with the goal of achieving unparalleled excellence in an innovative manner while respecting tradition and adhering to social and environmental ethics. The business model of LVMH is based on fundamental pillars that ensure the group’s leadership position in the luxury sector:

- Decentralized Structure: LVMH grants autonomy and agility to its Maisons. This structure allows closer proximity to customers, ensuring quick and effective decision-making while motivating teams to maintain an entrepreneurial spirit and promptly respond to market demands;

- Internal Growth: LVMH favors internal growth by investing substantial resources in the development of its Maisons and preserving their creativity. Employees play a key role, which is why career support and growth opportunities are essential, fostering healthy competition;
- Vertical Integration: vertical integration allows the management of the entire value chain, ensuring the quality and excellence of resources and outputs, from sourcing to selective distribution and production. This is crucial to maintaining the image of the Maisons and the group as a whole;
- Creation of Synergies: the sharing of resources creates intelligent synergies while respecting the autonomy of the Maisons, each of which benefits from the combined strengths of the group, optimizing resources, knowledge and innovations, thereby enhancing operational efficiency and the overall value of the company;
- Transmission of Savoir-Faire: to preserve the identity and excellence of the Maisons, LVMH has developed various programs to transmit savoir-faire and promote artisanal and creative crafts to new generations. This process ensures the continuity of artisanal traditions, the quality of products and keeps the corporate culture and heritage of the group alive;
- Innovation in Service of Excellence: LVMH has achieved continuous success thanks to its relentless pursuit of excellence. In a changing world, innovation is a key lever to achieving this goal, making products desirable and the customer experience unforgettable;
- Balanced Activities and International Presence: LVMH has developed a balance between its activities and a diversified international presence, a harmony that enables the company to face economic uncertainties. Geographic and sectoral diversification also helps mitigate risks and seize growth opportunities in various global markets.

Find below the Art-based Business model canvas of the LVMH group.



11. Source: LVMH Art-based Business model canvas, created by the author (2024)

Vision and mission

LVMH, managed as a family-owned group since its founding in 1987, pursues "*The Art of Crafting Dreams*" (LVMH, 2024).
The group continuously ensures the highest quality of its products and services. Vertical integration along the value chain allows for the maintenance of this excellence, from sourcing the finest raw materials to selective distribution and

production. This model guarantees timeless excellence, creating products designed to last for generations.

Corporate responsibility (ethical, social and environmental) is central to all processes. Corporate philanthropy is also a key component of the strategy: the group supports art and culture, pillars of the company since its inception and a driving force in its development. LVMH's economic footprint, especially in France, extends beyond its business activities, generating a wide range of positive impacts, both direct and indirect, on the economic and social fabric. The group's commercial performance is accompanied by a broad social, environmental and cultural commitment. Year after year, LVMH strengthens its commitments through long-term, consolidated policies, actively supported by all Maisons and their employees.

The group's long-term performance rests on four fundamental values, proposed by Arnault and embraced by every member of LVMH:

- Creativity and Innovation: creativity and innovation are the bedrock of the group's 75 Maisons, ensuring a necessary balance to continually renew offerings with an eye to the future while respecting heritage, thereby creating timeless products;
- Excellence: quality is an indispensable element for the entire LVMH group. Craftsmanship is respected, protected and supported, with particular attention to detail and perfection in all products and services. This pursuit of excellence is the group's hallmark;
- Entrepreneurial spirit: the group's organizational structure is agile and decentralized, promoting efficiency and responsiveness, encouraging individual initiative and assigning significant responsibilities to every person. This entrepreneurial spirit, supported by pragmatism and the ability to lead and motivate people toward ambitious goals, fosters risk-taking and perseverance;
- Positive impact: every action by the group and its employees reflects a noble commitment to ethics, social responsibility and environmental respect. The desirability of products is closely tied to sustainability,

ensuring that production has a positive impact on ecosystems, communities and territories where the group operates.

Corporate strategy and ethics

LVMH's strategy reflects a continuous process of innovation and improvement, with particular attention to corporate, social and environmental sustainability, always keeping people at the center of its numerous initiatives spread worldwide thanks to the group's global reach and influence. The strategy is based on four principles: cultivating individuality, promoting a healthy and safe work environment, excelling through competence and contributing to a better society.

From a commercial standpoint, LVMH is characterized by its choice to sell its products primarily in its own stores or selected outlets, thus maintaining the brand's elitist character. The holding company manages around sixty companies, each overseeing specific brands. As a family-run group, LVMH has adopted a business model focused on supporting the development of its Maisons while respecting their unique identities. Each LVMH Maison offers products and services that aim for excellence, adhering to the highest ethical, social and environmental standards.

A central part of LVMH's strategy is its well-known philanthropy, touching every area from internal corporate life to environmental and cultural issues. As early as 2002, the group began monitoring its CO2 emissions. The following year, it joined the United Nations Global Compact. In 2009, the first LVMH Code of Conduct was published, a document that clearly outlines the group's ethics, integrity and responsibility, which underpin all decisions.

In terms of the environment, for example, in 2020, LVMH launched LIFE 360 (LVMH Initiatives for the Environment), an action plan based on quantified objectives for 2023, 2026 and 2030. The plan is based on four strategic pillars: creative circularity, biodiversity, climate and traceability and transparency. Since 2023, the LIFE 360 program has been complemented by a water strategy tailored to the group's activities and an action plan to support suppliers. A

reporting system developed by the group's 75 Maisons monitors progress in achieving these objectives and articulates LVMH's responses to the CSRD (Corporate Sustainability Reporting).
By 2023, the following results were achieved:

- 97% of the Maisons introduced new circular services;
- 280,000 meters of recycled fabric were used;
- 7,942 metric tons of virgin plastic were used for packaging;
- 43% of materials used in glass and plastic packaging were recycled.

LVMH aims to eliminate packaging containing virgin fossil-derived plastic by 2026 and to enhance the ecodesign process by 2030 (LVMH, 2024).

Art and culture

Corporate philanthropy supporting art and culture has been a cornerstone of the LVMH group since its foundation, representing a driving force for its development and, consequently, bringing significant benefits to the brand. This so-called philanthropy, which is actually strategy, reflects the values of professionalism, excellence and creativity of the Maisons, contributing to artistic, cultural and social enrichment.
Art is a source of inspiration for the creation of LVMH products and contributes to the renowned reputation of luxury worldwide. The group plays a crucial role in initiatives supporting art and culture, with the primary goal of sharing a passion for creativity with a wide audience. LVMH's corporate philanthropy manifests in various sectors, both in France and abroad: through the restoration of historical monuments, the acquisition of works to enrich museum collections, the support of major national exhibitions and commissions for contemporary artists. Above all, this is achieved through the work of the Louis Vuitton Foundation, established in 2006 and open to the public since 2014.
LVMH has developed a philanthropic program that embraces the promotion and sharing of culture, the revisitation and enrichment of historical heritage and the

support of contemporary creation. "*For over thirty years, LVMH has been committed to supporting the world of culture and making it increasingly accessible to the general public. Every year, the group's philanthropic initiatives bring together talented artists, intellectuals and scientists in France and worldwide*" (Claverie, 2024).

In practice, many strategic artistic initiatives have been implemented by LVMH through its brands to pursue philanthropy. Below are some notable ones, listed in chronological order:

- La Nuit Blanche: LVMH has supported this event since its first edition in the early 2000s, allowing numerous contemporary artists to perform in iconic Paris locations. Notably, the 2023 edition explored the theme of the Seine, merging sport and art (LVMH, 2024);
- LVMH Young Fashion Designers Prize: since 2013, LVMH has supported young fashion talent through this prize, offering scholarships and mentorship programs (LVMH, 2024);
- Creation of the Espace Louis Vuitton in Venice: inaugurated in 2013, this cultural space is dedicated to contemporary art, fostering dialogue between modern works and Venice's artistic heritage. Overall, the group's activity in the Venetian lagoon is noteworthy, particularly in a veiled competition with the Kering group, also known for its Pinault Foundation, which occupies spaces in Palazzo Grassi and Punta della Dogana (LVMH, 2024);
- Partnership with the Fondazione Musei Civici di Venezia: also in the lagoon and since 2013, Louis Vuitton collaborates with the MUVE Foundation to restore artworks, promoting an interesting dialogue between contemporary creations and historical masterpieces (LVMH, 2024);
- Birth of the Louis Vuitton Foundation: opened in 2014 and designed by Frank Gehry, this space aims to support contemporary artistic creation and make it accessible to everyone. The Fondation Louis Vuitton hosts temporary exhibitions of modern and contemporary art, cultural events

and performances. The Open Space program invites young artists to create works specifically for the Fondation, while the Auditorium offers a variety of musical and artistic events. Through guided tours and workshops, the Fondation aims to provide an enriching and innovative experience (LVMH, 2024);

- Establishment of the Institut des Métiers d'Excellence: also established in 2014 to transmit artisanal savoir-faire to new generations. Moreover, every year, LVMH Métiers d'Art selects an artist for a residency at one of its production sites (LVMH, 2024);
- Thanks to LVMH's support, the painting *Partie de Bateau* by Gustave Caillebotte, dating back to 1877 and designated a national treasure in France, is now part of the Musée d'Orsay collection and will be exhibited in major French cities in 2024 to celebrate the 150th anniversary of the Impressionist movement. The Musée d'Orsay's Impressionist collection, which already includes other important works thanks to past donations, is further enriched. LVMH had previously supported the museum, financing exhibitions such as the 2012 show on Impressionism and fashion. In concrete terms, the holding company funded the acquisition of the artwork in question with €43 million, amid criticism from taxpayers. Critics argue that, given the tax deductions granted to companies supporting art, the donation was made "at the expense" of their wallets and that, in practice, Arnault played the role of a great philanthropist at the expense of French citizens (LVMH, 2024).

Each of these initiatives may seem like a disinterested act driven solely by love for others, but the benefits for the brand are tangible and concrete. This is evident when considering what might happen to the group if it suddenly ceased its philanthropic efforts and, more generally, removed art from the core of its business model.
If LVMH decided to abandon its strategy focused on corporate philanthropy, the consequences would be as follows:

- Loss of Reputation: LVMH is known not only for its luxury products but also for its commitment to art and culture. Abandoning these initiatives could damage the public perception of the brand, diminishing its appeal among consumers who value social responsibility and philanthropy;
- Decrease in Attractiveness for Clients: many luxury clients who are also art enthusiasts appreciate LVMH’s association with art and culture. This connection enhances the brand's sense of exclusivity and refinement. Removing this element could erode some of this appeal;
- Harm to Stakeholder Relationships: LVMH’s philanthropic initiatives, particularly those related to art, have helped build strong relationships with artists, museums and cultural institutions. Dropping these projects could weaken these relationships and reduce opportunities for collaboration and partnerships;
- Reduced Community Impact: philanthropic and cultural activities often benefit local and global communities. Abandoning these projects could negatively affect the brand’s perception among communities, diminishing local and global support;
- Difficulty Differentiating from Competitors: art and philanthropy help LVMH distinguish itself from competitors. Without these elements, the brand might find itself in a less distinctive position in the luxury market, losing part of its competitive edge and facing increased direct competition based solely on product and price;
- Short-Term Cost Reduction but Long-Term Sales Decline: in the short term, discontinuing philanthropic initiatives might reduce operational costs, as these activities often require significant investments. However, in the long term, the loss of reputation and appeal could lead to decreased sales. Luxury customers tend to prefer brands that represent high values and are associated with noble causes;
- Loss of Long-Term Value: artistic and philanthropic initiatives often create long-term value not only for the brand’s reputation but also for the entire luxury ecosystem. Abandoning these initiatives could undermine the long-term sustainability of the business.

In summary, abandoning a strategy centered on philanthropy and art would offer the short-term benefit of reducing costs but could have significant negative consequences on reputation, stakeholder relationships, brand attractiveness and long-term sales. These elements are crucial for LVMH to maintain its competitive advantage and remain a leader in the luxury sector. Therefore, it is essential to move beyond the rhetoric of benevolent corporate philanthropy and start recognizing art as a powerful business tool. The infantilization of art would become a distant memory and art-based business strategies would be evaluated with the seriousness they deserve, becoming a subject of study and an integral part of the business model.

3.3 Kering and its "caring" side

Following the analysis of LVMH's history, numbers, strategy and its implications, we proceed with the second case study: the Kering group. Again, we will first explore its history and figures before analyzing its strategy. Will art prove to be more than a mere altruistic act in this case as well? If so, what are the similarities and differences compared to the previously described case?

History

François Pinault founded Établissements Pinault in Rennes, Brittany, in 1963, initially specializing in timber trade. With support from his family and a bank, Pinault was able to establish and rapidly grow the company. The business quickly expanded, acquiring various enterprises in the timber sector while also diversifying into other areas. In 1988, the company was listed on the Paris Stock Exchange, marking a significant milestone in its growth and a turning point in its corporate future.

Since when founded, in 1963, Kering has evolved from a timber trading company into a global luxury leader, maintaining a consistent commitment to sustainability, innovation and cultural heritage. Kering's history is marked by a series of strategic acquisitions and a visionary approach that has allowed the group to grow and thrive in the competitive luxury market. Today, Kering continues to symbolize creativity, authenticity and boldness, built on a solid foundation of values and tradition.

In 1989 Pinault S.A. acquired a 20% stake in CFAO, a French distribution company with operations in France but active in industrial product sales across Africa since 1845. The following year, CFAO merged with Pinault S.A., with François Pinault leading the group.

In the 1990s the group continued expanding through a series of strategic acquisitions: in 1991 it acquired Conforama, a French furniture distributor; in 1992 it acquired Printemps, a Parisian department store that also owned 54% of La Redoute, a French mail-order company; and in 1994 it acquired Fnac, a bookstore and electronics retailer. To reflect this new identity and diversified activities, the group changed its name to Pinault-Printemps-Redoute (PPR) in 1994.

The year 1999 marked a turning point for PPR. After a covert cold war with LVMH, PPR formally acquired a 42% stake in the Gucci group, the Florentine brand founded by Guccio Gucci in 1921 and a symbol of Italian style worldwide, for $3 billion. This was followed by the acquisition of 100% of the Yves Saint Laurent brand, a symbol of timeless elegance founded by the designer in Paris in 1961. In 2000, PPR acquired the French high jewelry house Boucheron and in 2001, it acquired the Italian leather goods brand Bottega Veneta, founded in Vicenza in 1966 and the Spanish fashion house Balenciaga, active since 1919. In the same year, PPR signed partnership agreements with former Givenchy designer Alexander McQueen and Stella McCartney.

With these prestigious maisons, PPR began to progressively divest its retail activities and, at the same time, established itself among the top luxury giants, becoming a rival and competitor to Arnault. In 2003, Pinault Bois et Matériaux, the group's parent company, was acquired by the British group Wolseley and François Pinault passed the leadership of Artémis, the family holding company controlling PPR, to his son François-Henri Pinault. In 2004, PPR acquired nearly all the remaining shares of the Gucci group, reaching a 99.4% ownership of the Florentine luxury company.

In 2005, François-Henri Pinault became CEO of the group and PPR officially changed its name to PPR. Under his leadership, the company continued to divest its retail activities: Le Printemps (2006), Conforama (2011), CFAO and Fnac (2012) and finally La Redoute (2013).

Simultaneously, PPR continued its acquisitions in the luxury sector, now the focus of the Breton entrepreneur, incorporating the Sowind group (owner of the Swiss high jewelry brand Girard-Perregaux) and the Italian haute couture brand Brioni in 2011. In 2012, it acquired the Chinese jewelry brand Qeelin, in 2013 the Italian group Pomellato (including the DoDo brand), the British brand Christopher Kane and the luxury watch brand Ulysse Nardin.

PPR also entered the sportswear sector with the acquisition of Puma in 2007, Cobra Golf in 2010 and Volcom in 2011.

In 2013, the group’s name was changed again to the actual one: Kering. Combining the meaning of the English word "caring" with the Breton word "*kêr*," meaning "home." The new name reflects the group's evolution into a global luxury leader that remains committed to care and attention in its production and offerings.

In 2014, Kering established Kering Eyewear, specializing in eyewear production for twelve of the group’s brands. In 2018, Kering Eyewear signed a strategic partnership with Richemont for the production and distribution of Cartier eyewear collections, with Richemont acquiring a minority stake in Kering Eyewear.

In 2018, Kering also divested Volcom and reduced its stake in Puma, retaining a 15.7% share.

A few years later, in 2023, Kering announced the creation of Kering Beauté, a division aimed at developing internal and cross-functional expertise in beauty for brands such as Bottega Veneta, Balenciaga, Alexander McQueen, Pomellato and Qeelin. In June of the same year, Kering acquired the high-perfume house Creed and subsequently announced the acquisition of a 30%

stake in the Roman fashion house Valentino, founded in 1959 by designer Valentino Garavani, with an option to acquire the entire capital by 2028.

Datas

Kering holds a diversified portfolio of 14 global luxury brands, with revenues amounting to €9 billion, a net income of €878 million, 46.444 employees and 1.771 boutiques across Western Europe, North America, Japan and emerging markets. Currently, despite a challenging period for the luxury sector, Kering has shown signs of financial recovery, maintaining market competence and overcoming various challenges, such as the general crisis in the Asian market and the impact of frequent changes in creative directors, which risk ruining brand identities and diminishing overall appreciation, particularly among loyal customers (Kering, 2024).

An example of this fact could be the effects of the switch from Pierpaolo Piccioli to Alessandro Michele at Valentino, or the potential failure of Sabato De Sarno's work for Gucci, which recorded a 21% decline in the first quarter of 2024 (D’Ascenzo, 2024).

In the first half of the year, the company reported revenues of approximately €10.13 billion, showing a slight increase compared to the previous year. However, Kering experienced volatility, with a 20% decline in stock value from January to July 2024, reflecting global luxury market uncertainties and investor concerns.

The performance of the individual maisons within the group has been mixed: while Gucci continued to suffer with a 7% drop in sales, Bottega Veneta and Saint Laurent saw increases of 4% and 8%, respectively. Additionally, the acquisition of high-end real estate and strategic investments in new product lines have supported the diversification of the company's portfolio (Kering, 2024).

Despite the challenges and significant blows from the general luxury market crisis, Kering continues to invest in strategic acquisitions and innovation. The group still maintains a strong capacity to meet its short-term obligations.

However, the 20% drop in share price in the first seven months of 2024 reflects market volatility and investor concerns about the group's future performance.

Business model

Kering is committed to nurturing and growing its 14 brands, in line with the concept behind the group's name and maintaining the creative identity of each brand. Innovation and creativity, support for talent, pursuit of cutting-edge developments and respect for tradition have always been core to the group's operations, with a strong emphasis on sustainability and ethics. Other key elements of the business model include global presence, continuous expansion of the product portfolio and vertical integration of operations.
The pillars of Kering's business model are:

- Luxury Brand Portfolio: Kering owns and manages a diversified portfolio of world-renowned luxury brands, including Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen and others. Each brand retains a strong individual identity and creative autonomy;
- Innovation and Creativity: Kering promotes innovation and creativity across its brands by investing in talented designers and creative teams. This approach aims to maintain the attractiveness and relevance of the brands in the luxury market;
- Sustainability: the group is committed to integrating sustainable practices throughout its value chain, from production to distribution. Kering has set ambitious goals to reduce environmental impact and improve social conditions in its operations and supply chain;
- Direct Retail and Online Sales: Kering has developed a robust network of owned retail stores and also manages e-commerce channels. This allows the group to better control the customer experience and profit margins;
- Global Expansion: Kering has a global presence with a strong focus on emerging markets, particularly in Asia, which represents a significant portion of luxury goods sales;

- Vertical Integration: Kering vertically integrates some of its operations, from production to retail, to ensure product quality and authenticity, improve efficiency and protect intellectual property;
- Strategic Acquisitions: the group continues to evaluate and pursue strategic acquisitions to strengthen its brand portfolio and enhance its presence in the luxury sector.

These elements together form Kering's business model, focused on sustainable growth, creative excellence and innovation, with the goal of maintaining a leadership position in the global luxury market.
Find below the Art-based Business model canvas for Kering, which is quite similar in characteristics to that of LVMH.

KEY PARTNERS

- PROVIDERS
- FASHION COMMUNITY
- MEDIA
- MOVIE STARS
- CELEBRITIES
- INFLUENCERS
- CONTENT CREATORS
- DESIGNERS
- ARTISTS
- MUSEUMS AND ART INSTITUTIONS
- ART EVENTS PLANNERS
- ART DEALERS AND BROKERS
- ACTION HOUSES
- CULTURAL INSTITUTIONS
- DISTRIBUTORS
- ENVIRONMENTAL ORGANIZATIONS

KEY ACTIVITIES

- PRODUCTION
- DISTRIBUTION
- SALES
- NETWORKING
- STORES OPERATIONS
- DIGITAL MARKETING
- CUSTOMER SUPPORT
- MANUFACTURING
- DESIGN
- ART BASED ACTIVITIES

KEY RESOURCES

- HIGH TRADITIONAL ARTISAN
- CONTEMPORARY GLAMOUR
- INNOVATIVE PROCESSES
- LICENSING AGREEMENTS
- DIGITAL MARKETING STRATEGIES
- PRESENCE
- NETWORK OF DISTRIBUTORS
- STRONG WORKFORCE
- SPONSORSHIPS
- CREATIVITY
- HUMAN RESOURCES
- RESOURCES FOR PRODUCING ARTISTIC OUTPUTS
- STABLE FINANCIAL CAPITAL

VALUE PROPOSITIONS

- PRODUCTION OF EXQUISITELY CRAFTED LUXURY GOODS
- CRAFTSMANSHIP
- QUALITY
- ATTENTION TO DETAILS
- PRESTIGIOUS BRANDS
- VANGUARD GOODS
- SUSTAINABILITY

CUSTOMER RELATIONSHIP

- REPUTATION
- TRUST
- HIGH FASHION
- CRAFTSMANSHIP
- GLOBAL CONSCIOUSNESS
- IN-STORE EXPERIENCE
- ONLINE SHOPPING EXPERIENCE
- STORYTELLING
- CLOSE RELATIONSHIP
- ONGOING COMMUNICATION
- ASSISTANCE AND SUPPORT FOR THE CUSTUMERS
- CUSTOMER RETENTION
- SENSE OF BEING PART OF AN ERUDITE NICHE
- SENSE OF LUXURY AND RICHNESS
- SENSE OF BEING PART OF THE ART COMMUNITY
- SENSE OF SCARCITY

CHANNELS

- DIGITAL AND PHYSICAL RETAIL STORES
- FRANCHISEES AND UPSCALE DEPARTMENT STORES
- WEBSITES
- SOCIAL MEDIA CHANNELS
- WORD-OF-MOUTH MARKETING
- FASHION SHOWS
- EVENTS (ALSO THE ART ONES)
- NEWSLETTER
- PERSONAL INVITATIONS
- PRESS RELEASE
- CORPORATE SALES

CUSTOMER SEGMENTS

- FEMALES
- MALES
- GENDERLESS
- MODELS
- CELEBRITIES
- ARTSY PEOPLE
- CULTURED PEOPLE
- LUXURY ITEMS BUYERS
- COLLECTORS
- ART AND DESIGN ENTHUSIASTIC
- GLOBAL CUSTOMERS
- CORPORATE CUSTOMERS
- MIDDLE INCOME PEOPLE

COST STRUCTURE

- BRANDING
- SPONSORSHIPS
- MARKETING
- COLLABORATIONS
- COST OF DESIGN AND PRODUCTION
- MANUFACTURING
- RAW MATERIAL COSTS
- STORES
- OFFICES
- SALARITIES
- TAXES
- SUSTAINABILITY COSTS

REVENUE STREAMS

- PRODUCT AND SERVICES SALES
- LICENSING
- FINANCIAL INVESTMENTS

12. Source: Kering Art-based Business model canvas, created by the author (2024)

Vision and mission

Creativity, audacity, diversity and sustainability form the core of Kering's success for its maisons. The vision is to create a luxury world that respects the environment and people, valuing diversity and promoting ethical practices across all levels of the value chain. Kering's maisons produce high-quality outputs through innovative and sustainable processes, aiming to contribute to a better future for coming generations.

The group's mission is to promote sustainable and responsible luxury by leveraging innovation and excellence in service of sustainability. The goal is for the luxury industry, as envisioned by Kering, to become a benchmark for the entire sector. Kering also believes in talent, with the motto "*Empowering Imagination*" reflecting the belief that designers are primarily artists. This emphasizes the importance of creative direction, encourages innovation, trains new talent and sets ambitious goals to improve social and environmental standards in the industry. All brands within Kering share these common beliefs and culture.

Moreover, Kering shows strong care and attention towards its employees, providing them with opportunities to grow and develop their potential. Hyperconnectivity, personal expression, use of individual capabilities, desire to make a difference and an insatiable thirst for innovation are fundamental to Kering's values.

Corporate strategy and ethics

Kering's strategy is based on a diversified portfolio of prestigious and highly desirable brands, catering to both high-spending customers and occasional luxury buyers. As previously discussed, each brand maintains significant creative autonomy, preserving its unique and innovative identity. Kering's strategy emphasizes innovation and creativity, supporting design teams to ensure brands remain at the forefront of the market and retain their identity, despite potential confusion caused by frequent changes in creative directors.

Kering's economic strategy focuses on global expansion, in particular on emerging markets and vertical integration.

Regarding ethics and sustainability, Kering has always integrated sustainable practices into its value chain, with ambitious goals to reduce environmental impact and improve social conditions. The group has implemented significant measures, such as the discontinuation of animal fur use from Fall 2022 collections and strict standards for animal welfare in other animal-derived materials. Additionally, the Kering Foundation, established in 2008, is dedicated to combating violence against women by supporting NGOs, training programs and awareness campaigns.

Ethics and integrity are central to Kering’s business conduct. The group's Code of Ethics, available in 14 languages, outlines principles guiding employees' daily actions, emphasizing respect for human rights, fundamental freedoms and environmental protection. Kering has also established an ethical reporting system allowing employees and external partners to report violations or suspected breaches of the Code.

Specifically, Kering supports and upholds human rights in the workplace, especially concerning women. With a long-standing commitment to gender equality, Kering regards diversity, equity and support for female talent as central to its corporate culture and initiatives. In 2010, the group launched an internal program to accelerate this priority, becoming one of the first signatories of the Women's Empowerment Principles, drafted by UN Women and the UN Global Compact. These principles promote women's presence and advancement in companies and society.

As of now, Kering boasts a female representation of 55% in top management, 58% on the board of directors and 33% in the executive committee, making it the company with the highest female presence among CAC 40 firms (Kering, 2024).

Noteworthy is Gucci’s pre-pandemic activity: in 2018, the brand announced a multi-year partnership with I Was A Sari, a social enterprise helping disadvantaged Indian women become skilled artisans and achieve economic independence through embroidery and sari upcycling. In March 2021, Gucci and I Was A Sari launched Now I Can, a new embroidery training program available for free on Udemy (Kering, 2024).

In 2019, Kering and its Italian maisons conducted a study on the role of women in Italy's luxury industry supply chains, in collaboration with the National Chamber of Fashion and three specialized associations (BSR, Wise Growth and Valore D). The study identified four key areas: working conditions and economic opportunities, leadership and career advancement, maternity and

workplace behavior and harassment. In 2020, the project continued with training sessions for some of the group's suppliers (Kering, 2024).
For environmental sustainability, Kering has developed a strategy based on three pillars:

- Care: reducing environmental impact and preserving natural resources through innovative tools, new practices and strict standards (Kering, 2024);
- Collaborate: promoting equality and diversity, working with stakeholders to ensure high economic, environmental, ethical and social performance (Kering, 2024);
- Create: imagining innovative and alternative solutions, influencing the luxury sector and sharing knowledge based on an open-source model (Kering, 2024).

In 2017, Kering presented its sustainability strategy with the goal of reducing its environmental footprint by 40% by 2025. The 2023 progress report highlighted several achievements:

- 40% reduction in the group's environmental impact already achieved by 2021, four years ahead of schedule;
- 52% reduction in Scope 3 greenhouse gas emissions between 2015 and 2022;
- 71% reduction in Scope 1 and 2 greenhouse gas emissions between 2015 and 2022;
- 100% of procurement from renewable energy sources;
- 95% traceability of key raw materials;
- Collaboration with 225 startups since 2016.

Kering has also developed an innovative tool, the environmental profit and loss account, which measures CO2 emissions, water consumption, water and air pollution, land use and waste production across the entire supply chain,

quantifying the monetary value of environmental impact. This tool helps make informed decisions, improve processes and sourcing and select more suitable technologies. Kering has chosen to share this methodology with other companies to promote sustainability in the industry (Kering, 2023).
These efforts are recognized globally through several significant awards:

- Global 100: Kering is among the top 100 companies in sustainable development, ranked first in the "Textiles, Apparel and Luxury Goods" sector for six consecutive years;
- Dow Jones Sustainability Index: for the tenth consecutive year, Kering is included in both the DJSI World and Europe, identifying the top performers in sustainability among 2,500 large companies;
- Carbon Disclosure Project (CDP): Kering received an A rating for climate risk management, being the only luxury group on the "A List" for two consecutive years.

Art and culture

Kering is deeply committed to the preservation and enhancement of cultural heritage. Key initiatives include the restoration of major cultural sites, such as Palazzo Grassi and Punta della Dogana in Venice. Through the Gucci brand, they have funded the restoration of the Rupe Tarpea in Rome and the recovery of the Boboli Gardens in Florence. Additionally, their partnership with the Cannes Film Festival and the Women in Motion award highlight their commitment to recognizing the contributions of women in the film industry (Kering, 2024).
Significant contributions include the restoration of Palazzo Grassi and Punta della Dogana, both inaugurated in 2006 and 2009, respectively. These contemporary art museums house the Pinault Collection. François Pinault, one of the world's foremost art collectors, shares his extraordinary collection, which includes about ten thousand works accumulated over more than fifty years. These museums host a continuous series of temporary exhibitions, both solo

and group shows, reflecting Pinault's personal view on contemporary art (Kering, 2024).

Since 2013, the Teatrino di Palazzo Grassi has offered a dynamic cultural event program and in 2021, the Bourse de Commerce was inaugurated in Paris, further expanding the Pinault Collection's presence in France, where it remains in competition with LVMH.

François Pinault actively engages with artists and curators, exploring new territories in contemporary art production. Since 2012, he has allowed the creation of site-specific works. Palazzo Grassi and Punta della Dogana have hosted over thirty original and innovative temporary exhibitions, spanning painting, installations, sculpture, video art, photography and performance (Kering, 2024).

The European Heritage Days are also significant for Kering. Since 2016, the group has opened the doors of its offices at 40, rue de Sèvres in Paris, a historic site previously housing the Laennec Hospital until 2000. During these days, the public can explore the architectural, cultural and artistic heritage of the group through unique exhibitions from the Pinault Collection and archive creations by Cristóbal Balenciaga.

In Florence, in 2021, after the pandemic, Kering and the Municipality of Florence announced support for the renovation of the lighting system in the Cortile del Michelozzo at Palazzo Vecchio, designed in 1453 and later embellished by Giorgio Vasari. This intervention is part of the *Rinasce Firenze* plan, which aimed at promoting the socio-economic revival of the city right after the pandemic years (Kering, 2024).

Kering’s initiatives go beyond mere financial support, reflecting a deep connection with the cities and communities in which it operates. Through the restoration of major cultural sites and support for artistic initiatives, Kering demonstrates a concrete commitment to promoting culture and artistic heritage, showing how economic success can be harmoniously combined with social responsibility and cultural enhancement.

However, similar to the question posed for LVMH, one might wonder if these philanthropic initiatives are purely altruistic or if there are other interests involved. If Kering were to abandon its philanthropic activities in the arts, the negative repercussions could be significant, mirroring those faced by Arnault's group.

Kering's philanthropic initiatives, such as the restoration of important cultural sites and the promotion of artistic events, help to reinforce the group's image as a patron of the arts and culture. Abandoning these activities could diminish the cultural prestige of Kering, negatively affecting the perception of the brand among luxury consumers who value cultural and philanthropic commitment.

Philanthropic initiatives are a key aspect of Kering's corporate social responsibility (CSR). Discontinuing such projects could give the impression that the company is less committed to positively contributing to society, with repercussions on the corporate reputation and relationships with influential figures in the art and culture world, as well as with other companies engaged in cultural philanthropy. Therefore, abandoning these initiatives could reduce networking and collaboration opportunities.

Art makes brands more attractive to luxury consumers. Without large-scale artistic and cultural initiatives, brands might lose some of their unique appeal, potentially reducing their ability to attract high-profile clients and, above all, losing the battle against other brands operating in the same sector. Differentiation is crucial and cultural initiatives can provide a competitive edge. So, if Kering were to abandon these activities, it could become more challenging to stand out from competitors who continue to invest in cultural philanthropy. In this scenario, it would be a lost battle between Pinault and Arnault: if one were to abandon philanthropic initiatives for the arts and forgo "charity," the other would become the absolute leader in the luxury market.

Kering, however, has built a strong identity around values such as sustainability, ethics and social commitment, possibly even more consistently than LVMH, whose strategy and numbers are quite different and also focus on other areas. Philanthropic initiatives for the arts are an integral part of Kering. Abandoning them could be perceived as inconsistent with the company’s stated values, damaging consumer and stakeholder trust.

In summary, abandoning philanthropic initiatives for the arts could have negative consequences for Kering, both in terms of reputation and competitiveness in the luxury market. As already highlighted for the competitor LVMH, there could be short-term financial savings, but the long-term benefits derived from cultural engagement and social responsibility could far outweigh the costs, maintaining the relevance and attractiveness of the group's brands.

3.4 OTB: brave enough to break the rules

The OTB group is the most recently founded and thus the last to be analyzed in this context. We will describe its business history, data and figures, business model, vision and mission, strategy and relationship with the arts. While LVMH and Kering have shown a series of similarities and share part of their growth trajectory due to similar timelines and strong competition linking them, the OTB case diverges significantly and differs from its competitors in many respects.

History

Renzo Rosso founded the Diesel brand in 1978 and took full control in 1985, transforming it into a global icon through collaboration with a team of international designers. The expansion of the OTB group, founded by him in 2002, has consolidated a series of strategic acquisitions that have strengthened its position in the fashion and luxury sector.

In 2000, the entrepreneur from Breganze acquired Staff International, an iconic "Made in Italy" company that manages research, development, production and logistics for brands like Maison Margiela, Marni, Jil Sander and Diesel's footwear, bags and small leather goods. Staff International also holds exclusive global licensing agreements with international brands, including Dsquared², active since 1995 in Toronto. Two years later, in 2002, Renzo Rosso founded the OTB group, a holding company for Diesel and future fashion brand acquisitions. In the same year, Rosso became the majority shareholder of Maison Margiela, a brand founded in 1988 and highly avant-garde, which he fully acquired by 2006. In the same year, Rosso established the OTB Foundation, a non-profit organization of the group. Again, just two years later, in 2008, the group acquired a majority stake in Viktor&Rolf, a brand founded in Amsterdam in 1993. In 2011, the group established Brave Kid, a company specializing in the development, production and distribution of children's clothing and accessories. Brave Kid produces items for brands such as Diesel, MM6 Maison Margiela, Marni, Dsquared², N21 and MYAR. In 2013, Marni, an Italian maison founded in 1994, joined the group's product portfolio. Two years later, full control of Marni was achieved. In 2018, Rosso decided to expand into a different sector by investing in football and acquiring majority shares in the L.R. Vicenza football club. In 2019, the Breganze group incorporated the young Los Angeles brand Amiri, founded only ten years prior and in 2021, Jil Sander, active since 1968 when it was founded in Hamburg. That same year, Rosso founded Brave Virtual Xperience, a new center of excellence for developing content, products and experiences in the Metaverse. Additionally, the entrepreneur joined the AURA Blockchain Consortium as a founding member in 2021. The year 2022 began with the promotion of the creation of the Re.Crea Consortium together with the National Chamber of Italian Fashion and ended with the adherence to The Fashion Pact. Finally, in 2024, the majority of the high-end footwear brand Stephen was acquired, a supplier for luxury footwear houses.

Despite the group's relatively young age compared to the previously discussed competitors, it already holds significant and highly trending brands in the luxury market.

Datas

OTB, a rising star in the luxury world, despite being relatively new, has already proven to be a worthy rival to the groups previously described, which have been active in the same market for many more years. To date, Renzo Rosso's company boasts a diversified portfolio of 7 high-fashion brands among the most sought after in the market. With a turnover of 1.9 billion euros in 2023, 201 million euros invested and a net financial position of 60 million euros. Furthermore, OTB has a physical presence in 100 countries, with 610 mono-brand boutiques, 300 franchises and 7 production facilities. The year 2023, in particular, has been one of significant growth, confirming and consolidating the group's positioning in all major markets and distribution channels. The fiscal year, in addition to the substantial turnover, ended with a 33.8% growth in direct channels and an increasingly strong presence in Asia and Japan, which currently drive the group's growth (OTB, 2024).

OTB brands, more specifically, have recorded excellent performance: Diesel (+13.1%), Jil Sander (+17.3%) and Maison Margiela (+23%). Marni continues its global positioning journey, Viktor&Rolf celebrated its thirtieth anniversary as a haute couture icon, Staff International remains a highly strategic asset of the group and Brave Kid announced a new 5-year licensing agreement with the brand MAX&Co.

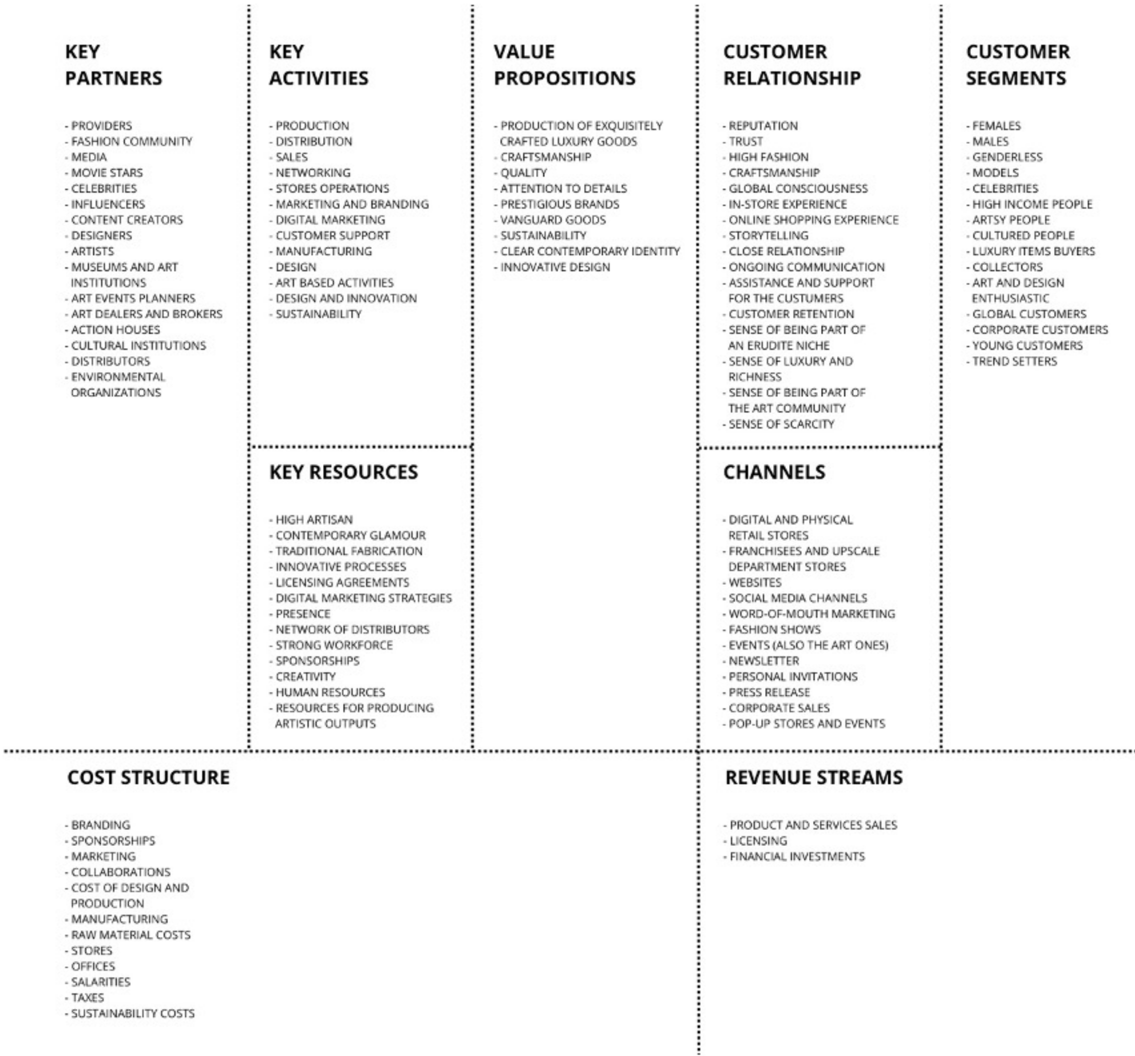
OTB group has managed to maintain a solid financial position in 2023, with a good balance between profitability and debt management, while continuing to make its way in the challenging luxury market.

Business model

The business model of OTB group is based on a multi-brand strategy in the luxury and fashion sector, featuring a range of iconic, contemporary and innovative brands. OTB combines innovation with tradition, encourages creativity and is strongly committed to sustainability, ethics and social responsibility. The group pursues vertical integration, aiming to control the entire production chain, from design to distribution, ensuring product quality, functionality, consistency and appeal. Additionally, OTB invests boldly and foresightedly in new technologies, with a particular focus on new digital sales channels. These channels are seen as the best way to provide an excellent user experience, especially given the young clientele of the group's brands. The group's goal is also to expand its global presence, with a focus on emerging markets and regions like Asia and the Middle East.

The global presence of OTB, including its headquarters, brand offices, production sites and distribution subsidiaries, is extensive and varied, spanning over 100 countries through both direct and indirect channels. This broad global footprint is strategically important as it allows the group to establish strong ties with the locations where it operates, bolstered by philanthropic activities to be discussed later.

Just like for the other two cases, find below the OTB Art-based Business model canvas.



13. Source: OTB Art-based Business model canvas, created by the author (2024)

Vision and mission

OTB group aims to continuously expand the global presence of its brands while preserving their identity and working to surpass conventional fashion and style standards by offering a diverse range of brands to an international audience. The company is driven by values such as courage, respect, excellence and innovation, embodying the bold and innovative vision of its founder and president Renzo Rosso, who revolutionized the fashion world through ionnovation and creativity.

The group is dedicated to supporting the growth of its projects, ensuring that brands and companies acquire and implement the necessary skills, tools and services for their development through responsible practices. Creativity is at the core of the group's operations, which seeks and promotes original and daring talents, providing them with the opportunity to fully realize their potential. OTB aims to attract and recruit the best global talent, bold individuals focused on creating a positive work environment characterized by integrity, honesty, transparency and trust.

Inclusion and the appreciation of diversity are essential values: including individuals with diverse cultures and backgrounds is not only right but also provides a unique competitive advantage. OTB aims to build a culture that highlights diversity, promotes equity and inclusion and supports the implementation of policies aligned with these goals, adopting a transparent remuneration system designed to provide a competitive pay structure and encourage staff to give their best, without any discrimination.

The group is committed to long-term investments in creating a technologically advanced yet sustainable business. Significant importance is given to relationships with educational institutions and initiatives to promote the creativity of designers and talents all around the world. For instance, OTB manages activities and projects for talent training and development, such as the OTB IT Academy for IT specialists and the *Scuola dei Mestieri*, aimed at training a new generation of experts in Made-in-Italy luxury.

In summary, OTB’s approach is attentive, bold and alternative, challenging the conventions of a sector already shaped by major luxury patrons. The projects are innovative, unconventional and future-oriented, with the mission to surpass the established norms of the industry, redefining the concepts of fashion and style.

Corporate strategy and ethics

OTB's strategy includes several key points, which directly result from the previously mentioned vision, mission and objectives:

- Brand Identity and Creativity: the creativity and unique identity of each brand are central to OTB's strategy. The group is known for supporting its brands in creating strong and distinctive identities that reflect values of innovation and originality;
- Flexibility and Adaptability: OTB adopts a flexible operational model that allows individual brands to operate independently while benefiting from the group's synergies. This model enables each brand to quickly adapt to market changes and effectively respond to consumer needs;
- Support for Emerging Talent: OTB is committed to supporting young talents in the fashion world, both through collaborations and initiatives like the OTB Foundation, which promotes social and development projects in various fields, including fashion;
- Sustainability and Social Responsibility: OTB is dedicated to promoting sustainable and responsible fashion by investing in innovative technologies and production practices that minimize environmental impact. The group is also active in social responsibility projects through its foundation, supporting initiatives in areas such as social inclusion, education and sustainable development.

From an economic perspective, OTB's strategy focuses on:

- Diversification of Brand Portfolio: OTB owns a range of brands covering different market segments, from contemporary fashion to accessible luxury. This diversification allows the group to mitigate risks related to dependency on a single brand or market segment and capitalize on growth opportunities in various areas;

- Strategic Acquisitions: OTB has made several strategic acquisitions over the years, adding brands like Jil Sander and Amiri to its portfolio. These acquisitions aim to strengthen the group’s position in the luxury sector and expand its global presence;
- Strong Retail and Omnichannel Presence: OTB has invested significantly in enhancing its retail network and developing an omnichannel strategy that integrates physical and digital channels to provide a seamless shopping experience for consumers;
- Innovation and Sustainability: innovation is central to OTB’s strategy, both in terms of product and processes. The group has implemented significant sustainability initiatives to reduce the environmental impact of its operations and promote more responsible fashion;
- Focus on International Growth: OTB is strongly oriented towards international expansion, with particular attention to emerging markets. This strategy includes opening new stores, expanding e-commerce platforms and adapting products and marketing strategies to local specifics.

Sustainability is at the core of the entire project and differentiates OTB from the previously analyzed groups. It is a fundamental element for OTB, with the goal of contributing to a more responsible fashion system. "*Be Responsible. Be Brave.*" is the ethical strategy that guides the group in pursuing continuous improvement in environmental, social and governance aspects. This is achieved not only through environmental care but also through a significant focus on gender equality, equal opportunities and healthy relationships with suppliers and distributors. OTB aims to eliminate hazardous chemicals from its processes by 2030 and achieve carbon neutrality before 2050. Regarding gender equality, in 2023, gender distribution is equitable, with women holding 54% of managerial positions and 67% in the professional category. Overall, the gender balance is of 64% Women and 36% Men (OTB, 2024).

The company ensures equal opportunities for all employees, including those with disabilities and balances innovation with experience. The distribution by length of service is as follows: 66% of employees joined the group in the past 5 years, while over 20% have been with OTB for more than 10 years. The general distribution is:

- 1%: Over 31 years;
- 5%: 21 to 30 years;
- 15%: 11 to 20 years;
- 13%: 6 to 10 years;
- 66%: Less than 5 years.

OTB adheres to a global Code of Ethics guiding its business activities and its relationships with stakeholders. This code sets out general principles, standards of conduct and rules for implementation and monitoring. It promotes workplace safety, protects employee rights, prohibits child and forced labor, harassment and discrimination and mandates compliance with environmental regulations and animal protection, in line with international laws.
OTB's conduct is based on internationally recognized social and environmental standards, such as the eight Fundamental Conventions of the International Labour Organization and the Universal Declaration of Human Rights. Essential principles include regular employment, freedom of association, occupational health and safety, environmental protection and animal welfare (OTB, 2024).

Art and culture

Renzo Rosso, through OTB, has promoted various philanthropic initiatives. Between them, there is the restoration of the Rialto Bridge in Venice, an iconic structure which never endured major structural interventions before this project, started in 2014 and concluded in 2021. The restoration was financed through the charitable OTB Foundation, active since 2006, which operates according to the group's commitment to philanthropy by addressing environmental and social issues.

At the ceremony attended by Minister of Cultural Heritage and Tourism, Dario Franceschini, OTB was recognized for its financial support of the Rialto Bridge restoration. This project focused on conservation, halting deterioration without invasive measures, to return the bridge to its original appearance while preserving its integrity.

When the City of Venice announced in 2012 the need for a private donor for the Rialto Bridge restoration, OTB stepped forward to give back to the community. The decision to exclusively sponsor the restoration reflects Renzo Rosso's civic and social commitment, recognition of the bridge's historical and artistic value and the desire to restore its original beauty.

OTB was acknowledged by Sole 24 Ore as one of the best examples of Italian companies investing in art, strengthening their identity by associating with unique and global symbols of Italian culture (Magnani, 2016).

Rosso took the opportunity to visibly promote his brands Diesel and Marni's 20th anniversary exhibition Becoming Marni by Brazilian artist Vèio, which took place in 2015 in San Gregorio Abbey but was still connected with the 56th Venice Biennial. This show figures as another example for demonstrating the interest Renzo Rosso has towards art, but also the way he is not afraid to mix art, philanthropy, marketing and brand interests. He used art as a powerful unveiled tool and took all of the criticisms about that, responding in kind and recalling, along with Ugo Soragni, former Superintendent of Veneto who oversaw the project, how it is necessary today for private entities to step in to support the artistic heritage, compensating for the shortcomings of the Public and, therefore, ensuring some return for the huge sums invested. In this case, this amounted to 5 million euros (Bottazzo, 2015).

Those criticisms are the consequence of Renzo Rosso creating a direct association between his brands and projects and the bridge's restoration, placing huge advertising billboard right on the top of it and, since he was the one paying for it, using it as a huge and extremely famous marketing *medium*.

14. Source: Marni’s exhibition billboard, italianostravenezia.com (2015)

Although his philanthropic motives are genuine, he utilized this opportunity for marketing and brand image, demonstrating that philanthropy and brand growth can coexist.

For OTB, support for artistic heritage is not central to the business model and the company would not suffer significant losses if it ceased such investments. The focus remains primarily on ethical, social and environmental issues. Nevertheless, OTB's approach to philanthropy, particularly through high-profile projects like the Rialto Bridge restoration, stands out in its transparency compared to LVMH and Kering.

3.5 Cases discussion

From the analysis conducted, it emerges that one of the three questioned groups has a distinctive operation and a somewhat unique approach to art. LVMH and Kering could not, at present, do without their connection to art and the cultural sector, as previously explained, due to the significant losses and setbacks these groups would face. OTB, on the other hand, has not (or at least

not yet) developed as necessary and interconnected a relationship with the artistic sector and continues to promote philanthropic projects in the most canonical and general sense of the term, focusing, for now, on socio-environmental themes rather than cultural ones. Nevertheless, OTB demonstrates a transparency that is not typical of LVMH and Kering. During the restoration of the Rialto Bridge, as mentioned and as shown in the accompanying images, the bridge was completely covered by a giant Diesel brand advertisement, leaving little room for imagination and making it impossible to question who the generous philanthropist was. The bridge was revived thanks to OTB, its Foundation and its founder.
To sum up, the analysis of LVMH, Kering and OTB reveals various similarities and differences in their business models and strategies, especially regarding their approach to art and cultural heritage. The key insights include:

- Target Market: all three groups cater to luxury consumers with high-end brands. LVMH has diversified into sectors beyond fashion, including wine and food. Kering focuses primarily on luxury fashion, while OTB emphasizes contemporary luxury, trends and younger consumers;
- Revenue Streams: LVMH's revenues are more varied due to its broader portfolio, while Kering and OTB focus more narrowly on fashion and luxury accessories;
- Cost Structure: LVMH invests heavily in advertising and marketing due to its diverse brand portfolio, whereas Kering and OTB allocate more resources to production;
- Distribution Channels: LVMH favors monobrand boutiques, while Kering and OTB use department stores and online sales to reach a younger, more dynamic clientele;
- Value Promotion: all three groups highlight the exclusivity and prestige of their products. LVMH emphasizes tradition and craftsmanship, Kering focuses on sustainable production and OTB integrates ethics and sustainability into its core vision;

- Philanthropy and Art: LVMH and Kering's Foundations focus on contemporary art, while OTB's philanthropic efforts are more environmental and social oriented.

CONCLUSION

Johanna Bath, *Sky*, oil on canvas, 2023

To conclude, we return to the central question: does it make sense to speak of philanthropy, of "giving," as the motive and ultimate goal of a non-profit project?

And, more importantly, is it healthy for companies to mask genuine investments behind the moral veil of philanthropy, thereby depriving art of its strategic power and failing to acknowledge its true value?
As it has been demonstrated throughout this work, there is clear and ample evidence that making non-profit investments in the arts sector benefits companies and provides advantages that extend beyond mere economic gain. As noted from the outset, these advantages primarily involve indirect returns related to the company's external environment, such as enhanced brand image, expansion of the target audience, and competitive positioning. Likewise, the internal corporate environment can also benefit through tax advantages, investment in human capital or through collaboration with artists, who often bring innovative and unconventional working methods to the company.
Thus, we arrive at the conclusion that groups operating in the luxury sector, particularly in luxury fashion, can support cultural heritage in their own distinctive ways, integrating art into their business models and strategic choices, as it better fit company's needs, but always in a considered manner, never randomly, and, above all, never for purely philanthropic reasons. This way, there would be no veiling, no pretense: support for the art world would become a strategic and marketing tool, with companies fully recognizing the resulting benefits in terms of brand image and beyond. Without excessive embellishments, philanthropy gives way to the concept of Art-based interventions, and art becomes an integral part of the company's Business model canvas.
This *modus operandi* could be adopted by any brand, whether within the luxury sector or beyond. Any company can integrate artistic activities and cultural heritage interventions into its strategic portfolio, varying the timeline and intensity in accordance with its business type, as has been detailed throughout this paper.
To briefly revisit the case studies: LVMH and Kering have been active in the art sector for years, but they do so in a somewhat opaque manner, continuing to

perpetuate the now outdated rhetoric of "giving without expecting anything in return," a mindset that feels increasingly anachronistic, particularly in a society where nothing is truly done without some form of compensation or expectation. OTB, in contrast, pursues a bolder and more transparent approach. True corporate philanthropy, addressing primarily social and environmental issues, remains just that, philanthropy, and is promoted solely as a defining characteristic of the group. However, philanthropy directed toward art transforms into strategy and Art-based interventions, where the resulting projects also serve as evident and overt advertising opportunities.

Selfless philanthropy can and should give way to a greater corporate awareness, especially within the luxury sector, but also beyond, through the implementation of cultural projects. There needs to be greater recognition of the strategic power of art, integrating it into the business model and attributing to it the same importance as other strategic components, such as stakeholder relations, marketing strategy, sales, or procurement channels. This is especially true when considering the benefits that art brings to companies that incorporate it into their Business model canvas, and the harm that would result from companies neglecting art or abruptly abandoning artistic projects that support and promote culture.

Investment brings returns, and when this occurs in the philanthropic realm, the principle remains the same: it is not wrong, particularly in the current socio-economic context, to invest in ways that benefit both society and the company.

The goal is to establish a clear, safe, and transparent *modus operandi*, a model that brands and corporations can follow to integrate art into their business models, no longer infantilizing it but instead giving it the recognition and importance it deserves.

BIBLIOGRAPHY

Aluffi, G., *Da Gucci a Vuitton: perche i brand del lusso puntano sull'arte*, La Repubblica, Storie Issue (13th October 2023)

Amit, R.; Zott, C. (2010), *Business Model Design: An Activity System Perspective*. In: Long Range Planning, Volume 43, Issues 2-3 (pages 216-226)

Anzivino, A.; Sepe, G. (2020), *Guccification: redefining luxury through art: The Gucci revolution*. In: Turrini, A.; Massi, M. (2020), The Artification of Luxury Fashion Brands: Synergies, Contaminations, and Hybridizations, Palgrave Pivot

Arribas-Ibar, M.; Nylund, P.A.; Brem, A. (2022), *Circular business models in the luxury fashion industry: Toward an ecosystemic dominant design?*. In: Current Opinion in Green and Sustainable Chemistry, Volume 37

Baden-Fuller, C.; Morgan, M. S. (2010), *Business Models as Models*. In: Long Range Planning, Volume 43, Issues 2-3 (pages 156-171)

Barolini, A., *Artwashing: se il mecenatismo nasconde il marketing*, Valori (25th January 2022)

Bastien, V., Kapferer, J. (2012), *The Luxury Strategy: Break the Rules of Marketing to Build Luxury Brands*, Kogan Page Ltd, Edition 2nd

Beghelli, C., *Fendi e Roma, il mecenatismo rafforza it legame con la città*, Il Sole 24 Ore, Economia Issue (28th February 2020)

Bizioli, G., *Le "misure premidi" tributarie introdotte con it d.I. 24 agosto 2021, n. 118**, Dirittodellacrisi (27th January 2022)

Blair, S., Chernev, A., *Doing well by doing good: the benevolent halo of Corporate Social Responsability*, Journal of Consumer Research, Volume 41, Issue 6 (1st April 2015)

Bortoluzzi Dubach E., *Arte e Filantropia come Attitudini dello Spirito*, Ticinowelcome, Fondazioni e Filantropia Section (28th December 2023)

Brotto, L., Busacca, B., Zachary, E. (2018), *The value of art in marketing: an emotion-based model of how artworks in ads improve product evaluations*, Journal of Business Research

Caldiera, M.; Drago, O. (2018), *The New Patrons of Art: Luxury Fashion Companies*, MSc in Social Sciences in Management of Creative Business processes, Department Business management, Copenhagen Business School

Candido, M. E., *Lusso e arte: tra passione e business*. Artsail (9th March 2022)

Capozucca, E., *Kering, ricavi in calo a 9 miliardi nel primo semestre 2024. Pesa Gucci (-20%)*, Corriere della Sera, Imprese, Lusso Section (24th July 2024)

Casadesus-Masanell, R.; Ricart, J. E. (2010), *From Strategy to Business Models and onto Tactics*. In: Long Range Planning, Volume 43, Issues 2-3 (pages 195-215)

Casadesus-Masanell, R.; Ricart, J. E. (2011), *How to Design a Winning Business Model*, Harvard Business Review, January-February Issue

Castello, S.; Swierczynska, U. (2021), *Fitantropia 2.0, istruzioni per l'uso: dalle buone intenzioni ai grandi risultati*, Franco Angeli

Cedrola, E., Masè, S. (2019), *Artification Processes for Major Luxury Brands: Art-Based Mangement for Branding Purposes*, Editore Gamma Conference, Mosca

Chernev, A., Blair, S. (2015), *Doing Well by Doing Good: The Benevolent Halo of Corporate Social Responsibility, Journal of Consumer Research*, January Issue

Conti, R., *Quando la boutique diventa un museo, illegame sempre più solido tra arte, moda e negozio*, BAZAR, Lyfestyle Section, Art Issue (10th November 2023)

Costanzo, C., *Il fenomeno delle arts based initiatives: un importante strumento di marketing per le imprese che operano nel settore del lusso*. Tesi di laurea in Gestione del prodotto e della marca, Luiss Guido Carli University (a.a. 2021/2022)

Cunaccia, C., *Fendi regala "l'albero di bronzo" a Roma*, Il Giornale, Politica Issue (27th January 2017)

Cuny, C., Pirelli, M., Fornerino, M., De Marles, A. (2020), *Experiential art infusion effect on a service's brand: the role of emotions*. In: Journal of Marketing Management, Volume 36, Issues 11-12

D'Acquisto, G., *Fondazione Prada, pensiero libero*, GQ Magazine, Cultura Issue (8th March 2022)

D'Arpizio, C., De Montgolfier, J., Levato, F., Steiner, A. (2024), *Long Live Luxury: Converge to Expand through Turbulence*, Bain & Company

D'Ascenzo, M., *Kering, ricavi in calo dell'1% a 4,504 miliardi di euro*, Il Sole 24 Ore, Lusso Section (23rd April 2024)

Daly, S., (2012), *Philanthropy as an Essentially Contested Concept*. In: VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations, Springer, Volume 23, n. 3 (pages 535-557)

DaSilva, C. M.; Truman, P. (2014), *Business Model: What It Is and What It Is Not*, Long Range Planning, Volume 47, Issue 6 (pages 379-389)

De Micco, L., *Arnault contestato: dona al D'Orsay a spese dei contribuenti*, Il Giornale dell'Arte, Argomenti Issue (6th March 2023)

Di Drusco, F., *Che cos'è il mecenatismo oggi?*, L'Officiel, Art Issue, Italy (7th August 2019)

Esposito, M., Goyal, S., Kapoor, A., Sergi, B. S. (2017), *Understanding business model - literature review of concept and trends*, International Journal of Competitiveness, January Issue

Estes, Z., Brotto, L., Busacca. B. (2018), *The value of art in marketing: an emotion-based model of how artworks in ads improve product evaluations*, Journal of Business Research, Volume 85 (pages 396-405)

Falsaperla, A., *I colori di Bottega Veneta conquistano la Grande Muraglia Cinese*, Exibart, Moda Issue (14th January 2022)

Ferretti, I., *Arte contemporanea e moda: 5 fondazioni delle grandi Maison*, Travel on Art (11th November 2018)

Frau, S., *Riflessi d'arte: l'Espace Louis Vuitton e le novità a Venezia*, L'Officiel, Art Issue (29th April 2022)

Fredet, J., *Arnault e Pinault: I due Roi Soleil, Il Giornale dell'Arte*, Imprese Issue (15th January 2020)

Gainsforth, S., *Come i brand del lusso si prendono le città*, L'Essenziale (2th September 2022)

Gallici, F. (2016), *Neuromarketing*, EGEA

Gerlis, M. (2020), *Art as an Investement? A Survey of Comparative Assets*, Apollo Magazine

Giacosa, E. (2014), *The Family Business Model in the Luxury Fashion Context*. In: Innovation in Luxury Fashion Family Business. Palgrave Pivot (pages 6-48)

Giampaglia, L., *Il lusso si veste di arte: un prestige based model alla base dell'Art Infusion effect*. Tesi di laurea in Marketing Plan and Marketstrat Simulation, Luiss Guido Carli University (a.a. 2019/2020) (pages 46-49)

Giaume, G., *E' comparso un enorme schermo di Bottega Veneta sulla Grande Muraglia cinese*, Artibrune, Moda issue (12th January 2022)

Golizia, D. (2016), *Fashion business model: Strategie e modelli delle aziende di moda*, Franco Angeli, Milano (pages 15-95)

Gron, S.; Armano, B., *La Fondazione d'arte. Mission, attori e spazi innovativi nel sistema dell'arte contemporanea*. Saggio di ricerca, Politecnico di Torino, Facoltà di Architettura (a.a. 2018/2019)

Grumo, M., *Le fondazioni imprenditoriali e corporate: moltiplicatori del valore d'impresa*, Il Sole 24 Ore, Management Issue (8th October 2020)

Gupta, M.; Joshi, R. M. (2022), *Art infusion phenomenon: a systemic literature review*. In: Journal of Product & Brand Management.

Hagtvedt, H., Patrick, V. M., *Art Infusion: The Influence of Visual Art on the Perception and Evaluation of Consumer Products*, Journal of Marketing Research, Volume 45, Issue 3 (1st June 2008)

Jones, J., *Artwashing: the new watchword for anti-gentrification protesters*. In: The Guardian, Culture Issue (18th July 2016)

Lazzari, S., *Altagamma Consensus 2024, le stime dei consumi mondiali dei beni personali di lusso nel 2024*, Altagamma: creatività e cultura italiana, Edition 15th (14th November 2023)

Lewis, M. (2020), *The New New Thing: A Silicon Valley Story*, Norton & Co Inc

Maccaferri, A., *Donare fa bene anche all'azienda*, Il Sole 24 ore, Economia Issue (27th September 2017)

Maddalena, R., *Renzo Rosso per il Ponte di rialto e tutti i mecenati della moda scesi in campo per salvare i monumenti italiani*, Forbes, Leader Issue (16th August 2021)

Magretta, J. (2002), *Why Business Models Matter*, Harvard Business Review, Finance and Investing Section

Marsala, H., *Torna a casa Fendi! La mitica maison m restaura con 2,5 milioni la Fontana di Trevi. Anche stavolta un accordo pubblico-privato in assenza di bando. Un nuovo caso Della Valle?*, Artibrune (28th January 2013)

Martorella, R. (1996), *Art and Business: An International Perspective on Sponsorship*, Editore Praeger Pub Text, Praga

Masè, S.; Cedrola, E.; Cohen-Cheminet, G. (2015), *Le aziende del lusso a sostegno dell'arte: una visione strategica della relazione arte e impresa*, University of Macerata and Sorbonne University

Massi, M.; Turrini, A. (2021), *The Artification of Luxury Fashion Brands: Synergies, Contaminations, and Hybridizations*, Palgrave Pivot

Mauri, I., *La Biennale di Venezia, arte e moda s'incontrano: da Valentino a Prada, che succede in Laguna*, Il Fatto Quotidiano, Stile Issue (2nd May 2022)

Mazzotta, S., *Le fondazioni culturali delle corporate del lusso. Collezioni d'arte aziendali, mecenatismo e sponsorizzazione*, ZoneModa Journal, Vol. 8 n.1 (24th July 2018)

Michelini, A., *Bottega Veneta sostiene l'arte*, BE UNNATURAL (7th May 2021)

Minio, F., *Le fondazioni come strumento di gestione dei beni culturali*, Collezione da Tiffany, Arte Diritto e Fisco Issue (29th October 2020)

Miretti, M., *Gucci, Alessandro Michele e il ruolo del mecenatismo culturale*, Exibart, Moda Issue (26th January 2021)

Mondino, L., *L'irrazionale tentazione di favorire i brand che mostrano attenzione ai problemi della società*, Centro Studi di Comunicazione Strategica (22th April 2021)

Montanari, T., *Fendi sfila al Colosseo e promette restauri per 2,5 milioni. Ma l'affare è tutto suo*, Il Fatto Quotidiano, Cultura Issue (6th July 2019)

Moschen, M. M., *Neuromarketing a supporto del fundraising: campagne lasciti a confronto*. Tesi di laurea in Economia Aziendale, Scuola Universitaria Professionale della Svizzera Italiana (a.a. 2017/2018) (pages 6-16)

Motta, F., *Alda Fendi: "La moda mercifica l'arte, è vero, ma non facciamo di ogni erba un fascio*", Il Sole 24 Ore, Arte Issue (13th June 2013)

Muret, D., *Renzo Rosso: ufficiale la sponsorizzazione per il Ponte di Rialto*, Fashion Network, Nomine Issue (7th May 2013)

Ndiaye, M., *Intervista a Maria Teresa Venturini Fendi al Festival di Spoleto*, Artuu (20th July 2022)

Nedibi, B., *Lo storytelling dell'arte nella ridefinizione del brand: il caso di Gucci.* Tesi di laurea in Arte, Valorizzazione e Mercato, IULM University (a.a. 2019/2020)

Olatubosun, P.; Charles, E.; Omoyele, T. (2021), *Rethinking luxury brands and sustainable fashion business models in a risk society*. In: Journal of Design, Business & Society, Volume 7, In Pursuit of Luxury Issue (pages 49-81)

Osterwalder, A., Pigneur, Y., Tucci, C. (2005), *Claryfying Business Models: Origins, Present and Future of the Concept.* Communications of the Association for Information Systems, Volume 16, pp-pp

Ovans, A. (2015), *What is a Business Model?*, Harvard Business Publishing

Panzarin, F., *Dalla nascita dell'art philantropy allo sviluppo del mercato dell'art wealth management*, Il Giornale delle Fondazioni (14th December 2016)

Payton, R. L.; Moody, M. P. (2008), *Understanding Philantropy: Its Meaning and Mission*, Indiana University Press

Qualizza, G. (2010), *Estetiche della vita quotidiana: nuovi scenari del lusso*, In Tigor: Rivista di scienze della comunicazione, July-December Issue

Raspa, G., *Corporate art collection: un ponte fra arte e impresa*, Il Sole 24 ore, Arteconomy24 Section (8th November 2013)

Rufli, L. (2017), *Arts Based Interventions (ABI's) in Businesses and the Role of their Intermediaries. Avoiding possible Tensions in ABI's. A practice-based research that reflects on the creation of a toolkit for facilitators of ABI's*, University of Manchester, School of Arts, Languages and Cultures

Runfola, A.; Milanesi, M.; Guercini, S. (2022), *The International Dimension of the Luxury Fashion Business Models*. In: Internationalization of Luxury Fashion Firms. Palgrave Advances in Luxury. Palgrave Macmillan, Cham (pages 71-104)

Rusconi, G., *Sperimentazione, testing, leadership: il business model post pandemia*, Il sole 24 ore, sezione Management, Gestione Aziendale Issue (16th December 2021)

Salamone, L., *Bottega Veneta assumerà 50 studenti l'anno prossimo*, NSS Magazine, Fashion Issue (17th October 2023)

Santagata, W. (2012), *Donazioni individuali per il patrimonio culturale: una scelta residuale, un'enfasi mal posta,* Ufficio Studi

Scarale, T., *Festa (in barca) per il Musée d'Orsay: paga Vuitton*, WeWealth (30th January 2023)

Schiuma, G. (2011), *The Value of Arts for Business*, Cambridge University

Schiuma, G.; Carlucci, D. (2015), *Assessing the business impact of Arts-Based Initiatives*. In: Artistic Interventions in Organizations, Rutledge, Chapter 4

Sconci, L., *Scelte di investimento nel mercato dell'arte*. Tesi di laurea in International Marketing, Luiss Guido Carli University (a.a. 2012/2013) (pages 99-109)

Spini, F., *Pinault, Arnault e l'Oréal: tra i big dell'economia, la sfida della solidarietà*, La Stampa, Esteri Issue (17th April 2019)

Stabile, S.; Frigo, M., *Quando il marchio salva l'arte: la sponsorizzazione*, We Wealth, Articoli Issue (16th June 2021)

Sullivannon, P., *Firms Learn That as They Help Charities, They Also Help Their Brands*, The New York Times, Giving Issue (6th November 2017)

Tanni, V., *Le relazioni tra arte e lusso. Intervista con Federica Carlotto*, Artibrune, Arti Visive Issue (6th December 2018)

Tatasciore, M., *Digital Marketing: Arte, valore aggiunto dei brand nel settore dei beni di tusso. Il caso Gucci*. Tesi di laurea in Marketing, Luiss Guido Carli University (a.a. 2016/2017) (pages 26-36)

Tatasciore, M., *Digital Marketing: Arte, valore aggiunto dei brand nel settore dei beni di lusso. It caso Gucci*. Tesi di laurea in Marketing, Luiss Guido Carli University (a.a. 2016/2017) (pages 44-60)

Teece, D. J. (2010), *Business Models, Business Strategy and Innovation*. In: Long Range Planning, Volume 43, Issues 2-3 (pages 172-194)

Tosi Pamphili, C., *Fendi, il Colosseo Quadrato e le polemiche*, Artibrune (31th October 2015)

Valentino, P. A. (2012), *Fiscalità e mecenatismo culturale*, Ufficio Studi

Vigneri, A., *Diesel firma il Ponte di Rialto*, Camera Nazionale della Moda Italiana (5th October 2013)

Vona, S., *Moda e mecenatismo: è un bene che i brand di tusso finanzino il nostro patrimonio cutturale?*, Generazione Magazine (23th September 2020)

Wehner, K. *Art-Washing: Can art change the world?Thoughts on the MET exhibition "The Medici: Portraits & Politics 1512-1570" and an interview with Peter Kennard" from 2021*. In: King Kong, Issue 12 (Autumn 2021)

Zak, P. J. (2012), *The Moral Molecule: The Source of Love and Prosperity*, Random House

Zamagni, S. (2005), *Dalla Filantropia d'Impresa all'Imprenditorialità sociale*

Zanon, M., *Lo scontro tra Arnault e Pinault si sposta sui musei*, Il Foglio (11th December 2017)

Zaretti, M., *The Artification of Luxury: How Art Can Affect Perceived Durability and Purchase Intention of Luxury Products*. Tesi di laurea in Management, Luiss Guido Carli University (a.a. 2018/2019)

Zhao, S., *Luxury Labels Slash Prices 50% to Lure Wary Chinese Shoppers*, Bloomberg, Pursuits Section, Shopping Issue (13th June 2024)

Zuccala, L., *Il mercato dell'arte, prove di previsioni*, ArtsLife (1st January 2024)

SITOGRAPHY

filantropia nell'Enciclopedia Treccani - Treccani - Treccani

Mecenatismo - Enciclopedia - Treccani

LVMH, leader mondiale dei prodotti di alta qualità

Lvmh Moet Hennessy Louis Vuitton Net Income (TTM) Analysis | YCharts

Fondation Louis Vuitton

Kering: gruppo francese di lusso | Kering

https://www.kering.com/api/download-file/?path=KERING_First_half_report_2024_24_07_2024_ecc00e9bf3.pdf

https://it.marketscreener.com/quotazioni/azione/KERING-437275/azienda/

https://www.pinaultcollection.com/palazzograssi/it/la-pinault-collection-venezia

Palazzo Grassi - Punta della Dogana | Palazzo Grassi - Punta della Dogana - Collection Pinault

Il Gruppo OTB – Only The Brave – OTB Group

https://assets.ctfassets.net/0p3ks596b6ik/2ylOTIpOkibm3cidgpuQnb/3df2f571786b47d636134aadb70de920/IT_2023_-_OTB_Bilancio_Finanziario.pdf

HOMEPAGE - OTB Foundation

https://altagamma.it/en/studi-e-ricerche/

The Global Market — The Art Basel & UBS Art Market Report 2024 By Arts Economics

FASHION TRANSPARENCY INDEX 2023 : Fashion Revolution

Solomeo, Hamlet of Cashmere and Harmony | Brunello Cucinelli

Solomeo, il borgo del Cashmere e dell'Armonia | Brunello Cucinelli

Codice dei beni culturali e del paesaggio

https://www.bain.com/it/insights/Focus-arte-moda-e-lusso--intervista-a-Claudia-DArpizio-e-Federica-Levato/

What is a Corporate Art Collection? A 2024 Guide by Leading Art Experts

https://www.ilsole24ore.com/radiocor/nRC_08.02.2024_08.18_16210162

Becoming Marni | Vogue Italia