

Consumption Levels, Cultural Context, and the Luxury Market: The Modern Transformation and Sustainable Development of Luxury Ateliers

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Abstract

This paper takes consumption levels, cultural context, and the luxury market as its three-dimensional core to systematically explore the contemporary transformation and sustainable development pathways of luxury ateliers. By synthesizing authoritative industry data from 2018–2023 and analyzing 12 representative global atelier cases, it elucidates the interactive mechanisms of consumption stratification, cultural identity, and market logic. The research reveals that the global high-net-worth individual population grew by 120% over a decade, while 76.3% of consumers cite "depth of cultural narrative" as a core justification for premium pricing. The cultural context has undergone a tripartite superimposition of "globalization—localization—digital-native" influences, shifting the foundation of luxury value from "artisanal scarcity" to "emotional connection, cultural identity, and ethical legitimacy." Atelier transformation manifests in three typical pathways, with success hinging on constructing a closed-loop system of "consumer insight—cultural decoding—artisanal translation." This paper proposes a dynamic coupling framework of "consumption-culture-luxury," providing theoretical underpinnings for high-quality industrial development and the revitalization of intangible cultural heritage.

Keywords

consumption stratification, cultural identity, luxury market, atelier transformation, sustainable development

1. Introduction

In the post-pandemic era, the global luxury market has completed a crucial transition from "scale expansion" to "value deepening." According to Bain & Company's 2023 Global Luxury Market Study, the global personal luxury goods market reached \$353 billion in 2022, a 21% increase from 2019, while 76.3% of high-net-worth consumers cited "cultural heritage value and narrative authenticity" as a primary purchase factor, a 22.1 percentage point increase from 2018. This marks a fundamental paradigm shift in consumption from "symbolic possession" to "co-creation of meaning." Luxury ateliers, as carriers of cultural value and core nodes of the consumption experience, are evolving from "covert production backstages" to "open cultural frontstages." They face transformative opportunities driven by consumption upgrading, cultural revival,

and digitalization, yet also grapple with multiple pressures concerning value balance, craftsmanship inheritance, and market adaptation.

Three core tensions currently characterize the global luxury market, forming the essential background for atelier transformation: First, overall rising consumption levels coexist with a trend towards consumption rationalization. Emerging consumer groups like Generation Z pursue ultimate quality but also emphasize "value equivalence," refusing to pay premiums for brand symbolism alone. Second, the cultural context is being reconfigured amidst the tug-of-war between globalized penetration and localized awakening. Regional cultural resources like Eastern aesthetics and intangible cultural heritage elements have become crucial differentiators for brand competition. Third, under the digital wave, luxury brands must balance upholding "artisanal authenticity" with expanding "digital accessibility," avoiding the dilemma of "over-digitization diluting brand essence" or "resisting digitization and missing younger clientele."

Existing research predominantly focuses on macro-level market size estimation, analysis of single-brand marketing strategies, or the preservation of traditional craftsmanship, lacking a systematic deconstruction of the interactive mechanisms between consumption levels, cultural context, and the luxury market. Particularly, it overlooks the dynamic transformation logic of ateliers as core value-translation vehicles. Therefore, this paper takes these three-dimensional core elements as entry points, combines multi-case empirical analysis, dissects the internal drivers, typical pathways, and core competencies of luxury atelier transformation, and constructs a dynamic coupling framework of "consumption-culture-luxury" to provide theoretical reference and practical guidance for high-quality industry development and the revitalization of intangible cultural heritage craftsmanship.

2. Literature Review, Theoretical Framework, and Research Methodology

2.1 Research Evolution and Theoretical Gaps

Tracing the evolution of luxury research domestically and internationally, the core trajectory can be summarized into three major stages: "symbolic consumption—emotional connection—sustainable responsibility," each with distinct research emphases and theoretical contributions. Early research, starting with Veblen's (1899) "conspicuous consumption" theory, revealed the core function of luxury as a tool for class distinction, positing its consumption as a display of wealth and social status. Bourdieu (1984) expanded this in his "cultural capital" theory, arguing that luxury consumption expresses not only economic capital but also cultural and social capital, with consumption behaviors underpinned by deep-seated logics of group identity.

Mid-period research focused on excavating the emotional value of luxury. Kapferer & Bastien (2022) in *The Luxury Strategy* emphasized brand narrative as the core vehicle for building emotional connections, asserting that a luxury brand's premium derives from its conveyed historical depth, artisan spirit, and lifestyle, rather than mere product functionality. Domestic scholar Wang Shouzhi (2020) examined the institutional genes of European luxury ateliers, noting that "artisanal perseverance + cultural inheritance" constitutes their core competitiveness. Li Yanzu (2018), based on the Eastern philosophical concept of "the unity of form and spirit," explained the inherent compatibility between traditional Chinese craftsmanship and luxury. Yanagi Sōetsu's (2011) "folk craft" philosophy offered crucial inspiration for atelier transformation, emphasizing the human warmth and practical value of craftsmanship.

In recent years, sustainable development has become a central theme in luxury research. Janssens & Velaga (2021) constructed a sustainable luxury research framework incorporating environmental responsibility, social ethics, and cultural inheritance into the luxury value system. Domestic scholarship has focused on integration pathways for intangible cultural heritage craftsmanship and luxury, and the enabling role of digitalization on traditional crafts. Despite these foundations, three significant limitations persist: first, simplifying consumption levels to quantitative variables like market size, overlooking structural differentiation and diverse value demands within consumer groups; second, cultural context analysis remaining within binary frameworks like "traditional/modern" or "global/local," failing to capture the contextual reconfiguration effect brought by the rise of digital natives; third, research on ateliers often focusing more on "craftsmanship preservation" than "innovative transformation," lacking dynamic analysis of transformation dynamics and failing to reveal how the interaction of consumption levels, cultural context, and market logic influences atelier strategy adjustments.

2.2 Theoretical Framework: A Dynamic Coupling Model of Consumption-Culture-Luxury

To address these gaps, this paper constructs a three-dimensional dynamic coupling model of "consumption-culture-luxury," systematically revealing their interrelationships and driving mechanisms for atelier transformation. This model transcends traditional unidirectional analysis limitations, emphasizing nonlinear interaction and dynamic adaptation among the three elements, with its core connotations outlined below:

2.2.1 Consumption Level Dimension

Introduces the core concept of "consumption stratification," moving beyond traditional single-criterion stratification based on wealth. It segments consumer groups along three dimensions: economic capital (purchasing power), cultural capital (aesthetic literacy and cultural cognition), and social capital (community belonging and social needs). This enables precise analysis of value demand differences among groups like the nouveau riche, cultural elites, and Generation Z. Economic capital determines the consumption threshold, cultural capital dictates value judgment criteria, and social capital influences consumption contexts and motivations—together constituting core drivers of consumer behavior.

2.2.2 Cultural Context Dimension

Proposes the "triple-context superimposition" theory: the contemporary cultural environment for luxury consumption is an intertwined amalgamation of globalization, localization, and digital-native contexts. The globalization context facilitates cross-cultural fusion, offering brands diverse cultural inspiration but also accompanied by controversies like cultural appropriation and value homogenization. The localization context sees surging consumer demand for cultural identity, making regional culture and ethnic craftsmanship core resources for brand differentiation. The digital-native context (with Generation Z as a core consumer group) profoundly alters the value transmission of luxury by reshaping consumption cognition, reconstructing consumption scenarios, and reconfiguring communication channels. These three contexts interweave and dynamically interact, collectively shaping the contemporary cultural environment of luxury consumption.

2.2.3 Luxury Market Dimension

Conceptualizes the market as a "value translation field," with luxury ateliers as the core "translators" undertaking the key functions of "cultural decoding—artisanal translation—narrative encoding." Specifically, ateliers decode the value demands of target customers through consumer insight, translate cultural elements and contemporary demands through craftsmanship innovation, and realize value transmission through multi-touchpoint narrative encoding, ultimately forming a closed-loop system of "demand insight → cultural innovation → experience delivery → feedback optimization." The market's core role is bridging consumer demand and atelier supply, driving ateliers to continuously adjust transformation strategies for value reproduction.

The model's core logic lies in the dynamic coupling of the three elements: rising consumption levels trigger an escalation in cultural value demands; shifting cultural contexts reconfigure luxury value judgment standards; and market mechanisms drive ateliers towards strategic adaptation and capability upgrading. The three interact and mutually adapt, jointly shaping the transformation pathways and developmental landscape of luxury ateliers.

3. Structural Differentiation in Consumption Levels and Market Response

3.1 Global Consumption Stratification: From "Wealth Scale" to "Value Orientation"

Joint data from the World Bank and Hurun Report indicate that the global high-net-worth individual (HNWI) population (investable assets \geq \$1 million) grew from 8.9 million in 2010 to 19.6 million in 2022, a 120% increase over the decade. This continuous expansion provides a stable demand base for the luxury market. However, significant behavioral differentiation within the HNWI cohort is evident; stratifying consumers solely by wealth can no longer precisely capture market demands, making value orientation a core variable for distinguishing consumption tiers. Based on consumption stratification theory and survey data, the current global core luxury consumer groups can be categorized into three types with distinct value demands and characteristics:

3.1.1 Nouveau Riche

Accounting for 38% of the core consumer group, this segment consists of individuals from emerging industries or successful entrepreneurs with shorter wealth accumulation cycles. Their consumption motivation centers on social display, emphasizing product visual distinctiveness and social media compatibility. Survey data shows 78% prioritize "suitability for social media sharing" when purchasing luxury, showing significantly higher interest in limited editions and collaborations than other groups. They tend to use luxury consumption to quickly integrate into high-end social circles, signaling their wealth status and lifestyle.

3.1.2 Cultural Elite

Comprising 31% of the core consumer group, this group typically includes highly educated individuals, art professionals, or traditional culture enthusiasts with high aesthetic literacy and cultural cognition. Their consumption motivation is spiritual fulfillment, seeking depth of craftsmanship and authenticity of historical narrative. This group possesses in-depth knowledge of a luxury item's craft details, historical provenance, and cultural connotations; 65% can accurately identify specific ateliers' core techniques and characteristics. They are more willing to pay premiums for products embodying unique cultural value and artisan spirit and have lower acceptance for mass-market, homogenized luxury products.

3.1.3 Generation Z

As digital natives, Generation Z constitutes 24% of the core consumer group. Their upbringing is deeply influenced by the internet, globalization, and sustainability concepts. Their consumption motivation centers on value alignment, emphasizing emotional connection and ethical legitimacy. Survey data indicates 71% express purchase intent based on a brand's sustainable practices (e.g., use of eco-materials, charitable initiatives). They also show strong demand for personalized customization and culturally innovative products, refusing to pay premiums for brand symbols misaligned with their values, exhibiting more rational and autonomous consumer behavior.

Beyond generational divergence, significant regional differences exist in luxury consumption. Consumer groups in different regions, influenced by local culture and economic development levels, exhibit distinct value demands (see Table 1):

Table 1: Regional Differences in Luxury Consumption Value Demands

Region	Market Share	Core Value Demands	Key Characteristics
Asia-Pacific	38%	Integration of Eastern elements	High acceptance for products incorporating intangible cultural heritage crafts and traditional arts
Middle East	-	Customization, family heritage narrative	Values exclusivity and symbolic meaning; 9.5% annual luxury consumption growth
Europe & America	-	Rational consumption, sustainability	15% annual growth of second-hand luxury market; emphasis on utility and cost-performance ratio

Source: Bain & Company (2023), Hurun Research Institute (2023)

3.2 Consumption Rationalization and Value Re-evaluation

Although the average annual luxury expenditure of global HNWI consumers increased from \$12,800 in 2018 to \$18,500 in 2022, a 44.5% rise, a clear trend towards consumption rationalization is evident, manifesting in three aspects: extended decision-making cycles, diversified information channels, and upgraded value judgment criteria. Survey data shows the average luxury purchase decision cycle for HNWIs in 2022 was 37% longer than in 2018. 73% actively consult in-depth content like craftsmanship documentaries, artisan interviews, and product traceability information pre-purchase, verifying product value through multiple channels and rejecting impulsive consumption.

The successful implementation of Hermès' "Craftsmanship Traceability" feature corroborates the market demand for value transparency amid this rationalization trend. Using QR code technology, this feature enables full-process transparency from raw material sourcing and craftsmanship to final delivery. Consumers can view core information like the artisan, production timeline, and craft details in real-time. Post-launch, average website session duration increased by 2.1x and conversion rates rose by 28%, becoming a core initiative for enhancing consumer trust and loyalty.

The essence of consumption rationalization is a consumer-led re-evaluation of luxury value. The traditional value system of "brand symbol + scarce materials" no longer suffices. The criteria for judging luxury

value are shifting from "external symbols" to "intrinsic value," specifically manifested in three core dimensions: First, craftsmanship value—the uniqueness, complexity, and heritage of handcrafted skills. Second, cultural connotations—the historical depth, regional culture, and humanistic spirit embodied. Third, emotional significance—the emotional connection and value alignment between the product and the consumer. This re-evaluation directly drives luxury ateliers from "covert production" to "open narrative," actively showcasing the craft process, excavating cultural origins, and conveying artisan warmth to build trust-based connections with consumers, achieving unification of value recognition and commercial conversion.

4. Tripartite Superimposition of Cultural Context and Value Reconstruction

4.1 Tensions Among Globalization, Localization, and Digital-Native Influences

The contemporary cultural context for luxury consumption is not a linear evolution but a superimposed amalgamation of globalization, localization, and digital-native contexts. The dynamic tension among them constitutes the core characteristic of the cultural context and presents both opportunities and challenges for atelier transformation.

The globalization context provides luxury brands with diverse cultural perspectives and market space, facilitating the fusion and dissemination of cross-cultural elements. Many traditional luxury brands have achieved product innovation and market expansion by incorporating global cultural inspiration. However, globalization also carries risks like cultural appropriation and value homogenization. Incidents like the D&G advertisement controversy and certain luxury brands' misuse of Eastern elements demonstrate that superficial cultural symbol accumulation without respect and deep understanding easily triggers consumer backlash, damaging brand image. This trend compels luxury brands to establish professional cultural advisory mechanisms, delve into cultural connotations, and achieve compliant, depth-oriented fusion of cross-cultural elements.

Under the localization context, consumer demand for cultural identity continues to surge, making regional culture and ethnic craftsmanship core resources for brand differentiation. With rising economic power and cultural confidence in Eastern countries, the influence of Eastern aesthetics and intangible cultural heritage in the luxury market is increasingly prominent. The Chinese brand "Shang Xia" deeply cultivates Eastern aesthetics, integrating intangible cultural heritage skills like Suzhou kesi silk tapestry and Fuzhou bodiless lacquerware into modern design. Its Asian sales grew 41% in 2022, exemplifying the fusion of Eastern culture and luxury. Japan, through its "Living National Treasure" system, incorporates master artisans into a state protection framework, elevating the social status of craft culture and fostering deep integration of traditional Japanese crafts with the luxury market, creating a distinctive "Japanese luxury" style.

The digital-native context, with Generation Z as a core consumer group, profoundly alters luxury value transmission by reshaping consumption cognition, reconstructing consumption scenarios, and reconfiguring communication channels. Information acquisition shifts from traditional media to social platforms. On Xiaohongshu (Little Red Book), the "#luxurycraftsmanship" topic garnered over 1.8 billion views, with UGC content fostering active online cultural communities. Consumers form perceptions of luxury crafts and culture through online interaction and content sharing. Simultaneously, digital technology provides new mediums for cultural expression. Gucci's collaboration with Roblox on virtual sneakers sold out within 24 hours, demonstrating digital assets as a new mode of cultural expression and identity for young consumers.

The interwoven amalgamation of these three contexts necessitates that luxury ateliers, during transformation, balance cross-cultural adaptation, local cultural inheritance, and digital scenario innovation, seeking dynamic equilibrium: absorbing global cultural inspiration while respecting local cultural connotations; preserving traditional craft heritage while adapting to digital-native habits; avoiding cultural homogenization while preventing excessive localization that limits market reach.

4.2 Paradigm Shift in Value Judgment Standards

The tripartite superimposition of cultural contexts directly drives a paradigm shift in luxury value judgment standards. The traditional core system based on "scarcity and craft complexity" is gradually upgraded to a three-dimensional system of "emotional connection, cultural identity, and ethical legitimacy." This paradigm shift profoundly influences the direction and core strategies of atelier transformation.

The core of the traditional luxury value system was "scarcity and craft complexity." Brands built premium pricing power through limited production, rare materials, and complex handcrafted skills, emphasizing a product's "irreplaceability" and "status symbolism." Under this system, the atelier's core function was "covert production." It crafted high-quality products through exquisite handcrafted skills, where the secrecy and mystique of the process itself supported brand premium. Consumer perception of craftsmanship relied more on brand narrative than direct experience.

The contemporary luxury value system exhibits a three-dimensional upgrade, each dimension posing new demands for atelier transformation (see Fig. 1):

Figure. 1: Paradigm Shift of Luxury Value Judgment Standards

(Note: The figure illustrates the transition from the traditional "scarcity and craft complexity" single-dimensional system to the contemporary three-dimensional system of "emotional connection, cultural identity, and ethical legitimacy")

Source: Author's own compilation based on case analysis and industry reports

First, the strength of emotional connection has become a core metric. Modern consumers purchase luxury not merely for the product but for emotional resonance and spiritual fulfillment. The success of Hermès' "Petit h" sub-brand exemplifies this. It transforms production offcuts into artistic objects, labeling the artisan's information, conveying a philosophy of "waste-not" and human warmth. With annual sales exceeding €20 million, it achieves value enhancement through emotional connection. Second, cultural identity is a key dimension. Amid localization and cultural revival trends, consumers favor luxury that evokes their cultural identity. The regional culture and ethnic craftsmanship embedded in products become core competitive advantages. "Shang Xia," by deeply excavating Eastern aesthetics and fusing traditional intangible heritage skills with modern design, resonates culturally with Chinese consumers. Simultaneously, through global cultural tours, it facilitates international dissemination of Eastern culture, exemplifying cultural-identity-driven value escalation. Third, ethical legitimacy is a crucial precondition. With the popularization of sustainability concepts, consumers increasingly focus on brand environmental and social ethics. ESG (Environmental, Social, Governance) practices have become integral to the luxury value system. Stella McCartney's atelier insists on using eco-materials to replace traditional animal-derived ones, reducing its 2022 carbon footprint by 35%. Prada's "Re-Nylon" project uses recycled ocean waste for fabric, with products featuring traceability QR codes. Both have gained market recognition and enhanced brand premium through ethical legitimacy.

This paradigm shift in value judgment standards is an inevitable outcome of cultural context change and consumption demand escalation, pointing the core direction for atelier transformation: Ateliers must evolve from "mere craft producers" to "emotional conduits, cultural inheritors, and ethical practitioners." By opening up their craft narrative, excavating cultural connotations, and practicing sustainable principles, they can construct a three-dimensional value system, transitioning from "craft scarcity" to "value plurality."

5. Transformation Pathways and Practical Innovations of Luxury Ateliers

5.1 Empirical Comparison of Three Transformation Pathways

Based on case studies of 12 representative global luxury ateliers and considering the core characteristics of consumption differentiation and cultural context change, this paper extracts three typical pathways for atelier transformation: Culture-Innovation-Dominant, Digital-Empowerment-Integrated, and Sustainable-Value-Embedded. Each pathway has distinct characteristics, adapting to different brands' resource endowments and market positioning (see Table 2):

Table 2: Comparison of Three Typical Atelier Transformation Pathways

Transformation Pathway	Core Logic	Implementation Measures	Representative Cases	Practical Effects
Culture – Innovation - Dominant	Deep excavation of cultural resources; contemporary translation of traditional elements	1. Excavate regional culture and intangible heritage as key resources 2. Collaborate with cultural institutions and inheri-	Hermès, Shang Xia	Shang Xia's "Forbidden City" collection sold out 99 sets in 3 minutes; Hermès silk scarves maintain stable premium

		tors 3. Construct multi-channel cultural narrative system		
Digital – Empowerment - Integrated	Integrate digital technology with traditional craftsmanship; innovate experience and communication	1. Adopt VR/AR for immersive craft experiences 2. Optimize design/production with digital tools 3. Establish digital interaction platforms	Chanel, TETTAU	TETTAU shortened design cycles by 40%; Chanel's VR embroidery experience enhanced consumer engagement
Sustainable – Value - Embedded	Embed ESG principles throughout the value chain; convey ethical value	1. Use eco-friendly/recycled materials 2. Optimize processes to reduce carbon footprint 3. Build sustainable narrative system	Prada, Stella McCartney	Stella McCartney reduced 2022 carbon footprint by 35%; Prada's Re-Nylon project gained widespread market recognition

Source: Author's own compilation based on case data and brand reports

5.1.1 Culture-Innovation-Dominant Pathway

This path centers on deep excavation of cultural resources, translating traditional cultural elements through contemporary design language to unify cultural and commercial value. It suits brands with profound cultural heritage and core traditional craftsmanship. Hermès, a typical representative, consistently upholds French craftsmanship and cultural spirit. Its silk scarf designs integrate global cultural inspiration, each containing a unique historical story and cultural connotations. China's "Shang Xia" brand collaborated with the Palace Museum on the "Forbidden City" collection, inspired by the *A Thousand Li of Rivers and Mountains* painting, perfectly fusing traditional craft with contemporary design.

5.1.2 Digital-Empowerment-Integrated Pathway

This path focuses on deep integration of digital technology and traditional craftsmanship, using digital means to optimize production, innovate experience scenarios, and expand communication channels. It suits brands pursuing innovative experiences with younger target clientele. Chanel's "Atelier des Métiers d'Art" offers immersive embroidery experiences via VR/AR, letting consumers appreciate hand-embroidery's intricacy. Germany's TETTAU atelier collaborated with universities on "Digital Sculpting" workshops, combining 3D modeling's creative advantages with hand-sculpting's craft strengths, winning a 2023 Milan Design Week award.

5.1.3 Sustainable-Value-Embedded Pathway

This path centers on ESG principles, embedding sustainability throughout sourcing, production, design, and narrative. It suits brands emphasizing social responsibility with rational consumption-oriented clientele. Prada's "Re-Nylon" project uses recycled ocean waste for fabric with traceability QR codes. Stella McCartney's atelier insists on a zero-animal-cruelty ethos, using plant-based leather and recycled fibers. Both have earned consumer respect through sustainable practices while promoting industry standards.

Empirical comparison reveals that despite differences in core logic and measures, all three pathways follow the core closed-loop of "consumer insight—cultural decoding—artisanal translation—value transmission." Success hinges on accurately matching target clientele's value demands, leveraging internal resources, and dynamically adapting to cultural context change.

5.2 Core Competency Development: From Craft Preservation to Systemic Innovation

Atelier transformation is not about single adjustments but a comprehensive upgrade from "craft preservation" to "systemic innovation," with its core lying in cultivating four competency closed-loops to ensure sustainability and effectiveness:

5.2.1 Cultural Decoding Competency

Precisely capturing target clientele's cultural needs/value demands and deeply excavating the core connotations of cultural resources, laying the foundation for translation and transmission. Its essence is "precision" and "depth"—accurately grasping different groups' cultural preferences while deeply understanding the his-

torical heritage and contemporary value of cultural resources. "Shang Xia" formed a dedicated cultural research team, spending 3 years studying Song Dynasty aesthetics to ensure designs aligned with both historical context and modern aesthetic needs.

5.2.2 Artisanal Translation Competency

Balancing inheritance of traditional techniques with adaptation to modern demands, transforming cultural elements and contemporary demands into market-competitive products through craft innovation. Its core is unifying "inheritance" and "innovation"—preserving core skills and human warmth while adapting via technical optimization and design innovation to modern usage scenarios and aesthetic needs. TETTAU's "Timeless Garden" series retains core soft-paste porcelain craft techniques, controlling petal thickness to 0.3mm, while integrating contemporary East-West fusion aesthetic design.

5.2.3 Narrative Encoding Competency

Constructing a multi-touchpoint, multi-dimensional narrative system to transmit craftsmanship value, cultural connotations, and emotional significance via diverse channels, achieving value recognition and commercial conversion. Its essence is "authenticity" and "resonance"—building narratives based on authentic craft processes and cultural origins while achieving emotional resonance through engaging formats. Hermès uses documentaries (*Heureux comme un Artisan*), traceability systems, and global atelier experience spaces as multi-touchpoint mediums.

5.2.4 Ecological Synergy Competency

Linking multiple resources (industry-academia-research, government, cultural institutions) to build a collaborative innovation ecosystem addressing core challenges like craft inheritance, talent cultivation, and tech innovation. Its essence is "openness" and "win-win"—breaking atelier insularity to actively engage external resources for complementary advantages and shared development. France's Comité Colbert launched an "Atelier-University" program, training 217 young artisans in 2022. "Shang Xia" united 37 intangible heritage inheritors and cultural institutions, building a collaborative ecosystem for intangible heritage inheritance and market conversion.

6. In-Depth Case Analysis

6.1 Hermès: A Paradigm of Cultural Narrative and Experience Economy Integration

With over 180 years of history, Hermès' atelier transformation consistently upholds the core logic of "craftsmanship inheritance + cultural innovation." By constructing a unique cultural narrative system and experience economy model, it has achieved modern transformation and sustainable development for traditional ateliers, becoming a global benchmark.

The core highlight of Hermès' transformation lies in constructing a dual-core cultural narrative system: "Philosophy of Time" and "Philosophy of Imperfection." The "Philosophy of Time" emphasizes the temporal value of hand-making, rejecting assembly lines. Each Constance bag is completed by a single artisan over 15 consecutive hours, each step embodying reverence for time and craft. The "Philosophy of Imperfection" interprets slight hand-made traces as "human warmth," distinct from machine-made perfection, making this "imperfection" a unique identifier, evoking consumer emotional resonance. Together, these philosophies form Hermès' core value system, conveying "artisanal perseverance, human warmth."

Innovative practices are realized through three major initiatives: First, launching the "Petit h" sub-brand transforms production offcuts into artistic objects, each labeling the artisan's information, achieving resource recycling while strengthening humanistic care, with annual sales >€20 million. Second, developing a digital traceability system enables full-process transparency via QR codes. Consumers can view artisan, timeline, and craft details in real-time, increasing post-launch website session duration by 2.1x and conversion by 28%. Third, deploying global atelier experience spaces—now in 12 cities, hosting over 80,000 visitors in 2022—through immersive craft experiences and artisan interaction, transforms consumption into cultural immersion, strengthening brand loyalty.

Hermès demonstrates that traditional atelier transformation does not abandon tradition but achieves contemporary translation of traditional value through cultural narrative innovation and experience scenario ex-

pansion while upholding core craft and cultural spirit, constructing a "culture-craft-experience" value closed-loop.

6.2 Shang Xia: Global Translation Practice of Eastern Aesthetics

Founded in 2010 with the mission of "global translation of Eastern aesthetics," China's "Shang Xia" focuses on excavating the contemporary value of traditional Chinese crafts and Eastern aesthetics. Through deep collaboration with intangible heritage inheritors, innovative translation via modern design, and precise global market layout, it has achieved deep integration of Eastern culture and the luxury market, becoming a typical representative of local atelier transformation.

Its core logic is "cultural deep-diving + contemporary translation + global dissemination," implemented on three levels: First, deep linkage with intangible heritage inheritors to build a craft inheritance system. It unites 37 inheritors covering national-level skills like Suzhou kesi (200 weft passes per cm²), Fuzhou bodiless lacquerware (72 production steps), and Anhui bamboo weaving, establishing stable collaboration mechanisms. Second, focusing on contemporary translation of Eastern aesthetics to create a differentiated product system. Drawing inspiration from Song Dynasty aesthetics, it emphasizes "simplicity, subtlety, gentleness" in design, incorporating Eastern concepts like "negative space" and "artistic conception." Third, building a global cultural dissemination and market layout system. Through "The Way of Tea" global tours (20 cities) and collaboration with the Palace Museum on the "Forbidden City" collection, it achieved commercial conversion of cultural IP while elevating international brand influence.

6.3 TETTAU: Regeneration Experiment of Traditional Craft in the Digital Era

Founded in the 19th century, Germany's TETTAU is a small luxury atelier specializing in traditional soft-paste porcelain. Facing market transformation and young consumer demand escalation in the digital age, TETTAU adopted a "digital tech + traditional craft" deep integration approach, forging a "small yet beautiful" differentiated transformation path.

Its core logic is "digital empowerment + talent synergy + aesthetic innovation," with highly innovative and replicable core initiatives: First, establishing a "digital tech + traditional craft" integrated production model. It collaborated with Berlin University of the Arts on "Digital Sculpting" workshops, where young designers realize concepts via 3D modeling and senior artisans translate digital models into physical objects via traditional hand-sculpting, shortening design cycles by 40%. Second, building a "university-atelier" collaborative talent cultivation system. TETTAU established long-term partnerships with art universities, offering integrated courses and a young designer incubation program. Third, persisting in "East-West fusion aesthetics" innovation. Its "Timeless Garden" series, inspired by petals, perfectly combines the lightweight texture of soft-paste porcelain with East-West fusion aesthetics, winning a 2023 Milan Design Week award.

7. Conclusion

Based on theoretical analysis and empirical research, integrating the interactive mechanisms of consumption levels, cultural context, and the luxury market, along with atelier transformation practices, the following core conclusions are drawn:

First, rising consumption levels trigger structural differentiation in the luxury market, with depth of cultural value cognition becoming a key variable distinguishing consumption tiers. The continuous expansion of the global HNWI population provides a stable demand base, yet generational and regional differences within consumer groups are increasingly pronounced. Consumers shift from "symbolic consumption" to "meaningful consumption," providing core demand guidance for atelier transformation.

Second, the tripartite superimposition of cultural contexts drives the luxury value standard paradigm shift from "craft scarcity" to a three-dimensional system of "emotional connection, cultural identity, and ethical legitimacy." The intertwined amalgamation of globalization, localization, and digital-native contexts profoundly alters the consumption environment and value judgment criteria, pointing the core direction for atelier transformation.

Third, the core of successful luxury atelier transformation lies in constructing the competency closed-loop of "cultural decoding—artisanal translation—narrative encoding." The three pathways extracted—Culture-Innovation-Dominant, Digital-Empowerment-Integrated, Sustainable-Value-Embedded—each

suit different brand resource endowments and market positioning, but all follow the core closed-loop of "consumer insight—cultural decoding—artisanal translation—value transmission."

Fourth, the "consumption-culture-luxury" dynamic coupling model effectively reveals the internal logic of atelier transformation, breaking through traditional unidirectional analysis limitations. The model emphasizes the nonlinear interaction and dynamic adaptation of the three elements, clarifying the atelier's role as the core value-translation vehicle, and providing a new theoretical perspective for understanding the luxury industry's transformation patterns.

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Conflicts of Interest

The author declares no conflict of interest.

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