

Authenticity Generates Uniqueness, Trust, and Loyalty

by Gabriella Lojaco*^{*}

Brand reputation is now an essential value for any entrepreneurial activity; it is crucial for companies not to merely list a series of ‘good intentions’ but to embody those values themselves. The connotations of a luxury brand revolve around intangible yet deeply-rooted concepts that are inherently linked to that specific brand. The idea of authenticity represents, above all others, the distinguishing characteristic and identity of a brand.

A brand is authentic when different stakeholders (employees, shareholders, customers, suppliers, etc.) feel that there is an alignment between declared values and objectives and concrete actions, inside the company and on the market. A strong, differentiated company culture contributes to a strong, differentiated brand, driven by the same purpose and values (Yohn, 2017).

The brand is therefore perceived as genuine, transparent, and honest. If this perception of consistency is maintained over time, trust is generated which also results in customer and employee loyalty.

Sometimes, in the search for this alignment, brands find themselves choosing what to focus attention on in the immediate future, whether on the internal organization or the market. When Marco Bizzarri joined Gucci in 2015, he defined a precise and articulated value statement: “At Gucci, we have a few, very simple key values that are at the heart of our organization: the empowerment of innovation and risk taking, a sense of responsibility and respect, an appreciation for diversity and inclusion, excellence in execution, and last but not least, cultivating joy and happiness in the way we work.” The first concrete actions to align with these values were aimed at making sales associates, industry experts, and customers perceive these values. A creative director was appointed, Alessandro Michele, who speaks the language of the new generations and fully represents the concept of inclusiveness and risk taking; a creative figure who respects

the codes of the Maison, studies them, recovers them, and makes them evolve in a modern way, ensuring a perfect balance between tradition and innovation. The shops and customer centers were renovated to convey these values to the market, skillfully transformed into products, communication, and service. Then followed a series of internal mechanisms aimed at aligning the organization as well, promoting collaboration between functions and business areas and corporate entrepreneurship (Castellucci F., Cillo P., Lojaco G., Rubera G., 2021).

Several authors have tried to conceptualize the factors that generate authenticity (Fisher-Buttinger, 2008; Burmann and Schallehn 2008, 2010), highlighting two fundamental dimensions:

- «Brand Consistency», i.e. the alignment of values, strategy, and vision with the elements of the brand architecture (products, communication, etc.);
- brand congruency, i.e. the internal alignment between corporate values and the organization and the priority assigned to values with respect to short-term market trends as a guide in the decision-making process.

At SDA Bocconi, we have developed a solid methodology to help brands verify over time whether they are perceived as authentic by their various stakeholders, primarily retail managers and clients. Constantly evaluating compliance with this alignment between values and actions is essential for companies to implement appropriate corrective actions.

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Brand values are recognized as the main source of uniqueness and are based on origins and history. Tradition is therefore also a factor of authenticity if certain quality standards and processes in the brand history are proven to be valid (Beverland 2006, Beverland and Luxton 2005). In the world of luxury above all, it is important to see authenticity also as an alignment between heritage, present and future, stylistic coherence, commitment to pursuing certain quality standards, connection with the territory, production methods, and “recalibration” of purely commercial objectives with respect to other kinds of goals.

A survey that we conducted in our master classes at Bocconi University and SDA Bocconi School of Management revealed that among the brands that are seen today as most authentic in so-called «Soft Luxury» (in terms of respect for the past and presence on the market) is Bottega Veneta. In the winter of 2023, we tried to identify the reasons by interviewing the CEO, Bartolomeo Rongone.

The company’s managers have made these principles their own and carry them forward with pride; just as the staff in the retail store passionately transmits the core values of the brand to the customer. It may even happen that you are guided through your in-store choices by Rongone himself, who often wants to be on the front line in interacting with customers and providing a fascinating storytelling.

THE FOUNDING PRINCIPLES THAT BOTTEGA VENETA WANTS TO PRESERVE

«When it comes to Bottega Veneta, we as a brand want to prioritize *value over volume* and our priority is to remain authentic» (Rongone). This corporate philosophy that influences every single business decision is articulated in three guiding values, protected and valued every day, since the foundation of the brand: celebrating individuality, labor et ingenium, timelessness.

Celebrating individuality

Bottega was founded in Vicenza in the 1960s, a vibrant period for Italian artistic culture and manufacturing production, the result of energetic collective efforts. Many products coming from that period of time are exhibited at the MOMA in New York today. It was in that historic moment that two enlightened people decide to pursue not a career path but a dream: to cre-

ate an object that perfectly follows a woman’s body and goes with her everywhere, travels with her in all places. «That’s the reason why our creative director, Matthieu Blazy, always says we are a bag company and coined the slogan *craft in motion*, we go where people are».

One of the two founders, Renzo Zengiaro, was creating products in his Atelier on a daily basis, coming up with new shapes and new occasions of use. The other one, Michele Taddei, had a more commercial attitude and he was taking these bags to potential client boutiques by car through Italy and France.

Taddei can be considered a real pioneer of modern retail and competitor analysis. Before entering each target store, he spent time understanding the layout of the windows, watching the people entering and observing how much was left in the store. When he entered, waiting to speak with the owner of the shop, he began to make a careful examination of all the products and their prices. He immediately realized that

his bags had a higher value and could therefore fetch a higher price than their competitors, positioning the bag as the most expensive in the store.

This now authoritative brand in the world of luxury was not born from the creativity of a single couturier but from the passion, skill, and personality of various people: a «collective mindset».

In 1972, Bottega Veneta opened its first store in New York, even before having direct stores in Italy. Taddei’s ex-wife, Laura Braggion, moved to New York, come into contact with the American jet set, and became Andy Warhol’s PA. Bottega Veneta broke boundaries and opened up to contamination with art. It was then from the conversations between Renzo Zengiaro and Peter Rodgers (a successful creative in the world of communication) that the intrinsic content of the brand took shape, which wants to celebrate different people: «we contribute to the success of being different, we do not look for alignment. Our clients are perfect as they are, without a logo stamped on» (Rongone). «When your own initials are enough» was born, which remains the main reference in identifying the Bottega Veneta client.

Labor et Ingenium

The original emblem of the brand is two hands shaking, with the motto Labor et Ingenium: «Taking the translation of Made in Italy literally is reductive.





Think of Canova and Michelangelo, an artistic story that influences our way of thinking today and operating, i.e. dreaming of a form and immediately moving on to sculpture starting from a square block of marble» (Rongone). The two founders, Taddei and Zengiaro, have always seen these two elements as inseparable: craftsmanship, the creation of a product, cannot take place without a creative effort, and vice versa. And without dreams and creativity, desires, new answers to existing questions, or even new needs cannot be generated. This is why in recent years, Bottega Veneta has developed an even more marked cultural approach: «We genuinely and constantly support the cultural world» (Rongone).

Cabat and Tosca, two iconic models by Bottega Veneta, are a perfect example of this principle. Before becoming extraordinary artifacts, the craftsman is faced with only 130 linear meters of 7 mm leather strips. They work 3-3.5 days on the weave, using only finger pressure. There are no additional elements, just different pressure to create the angles and make the knots. That is why no bag is identical to another. This requires skills available to a few craftsmen, of whom there are currently 75 in the Bottega. Creativity remains at the center, from the design idea to its realization. And this is the story of our country.

Intrecciato is a form of art, it's like a blank sheet on which to make different processes, techniques, sizes, and colors. Leather is the raw material from which it starts to design and build the product. The contribution of the human being is crucial, just as the sense of belonging and team spirit are fundamental.

Timelessness

«We truly believe that true luxury is strictly connected to time that transforms objects into icons. Icons are generated by the passage of time, and when you touch those icons you have a sensorial experience. Depend-

ing on the complexity of the bag, artisans may need a few hours or a few days. *We count days not hours*. Bottega is projected towards the future, time gives value to objects».

HOW TO ALIGN EXTERNALLY: COLLABORATIONS AND LIFETIME WARRANTY PROGRAM

In recent years, we have witnessed an explosion of collaborations between luxury brands and between brands and artists, although not always with clear objectives. «Being authentic also means selecting partners with whom you share the same line of thought. This was the case of the splendid marriage between Matthieu's creative approach and Gaetano Pesce's design. It happened naturally that one day Matthieu met Gaetano Pesce and created a specific environment for a fashion show in September 2022 for the Spring/Summer 2023 season. They started talking about the subject of the show, i.e. the difference between doing something genuine and celebrating individuality. He created chairs with a particular-colored resin, each one different from the other. The day before the show, he came to visit the location and he wrote on the floor a sentence that went viral in all media: This is a tribute to diversity. He wanted to specify that we all are different. That environment with floor and chairs generated this exclusivity and extraordinary emotion shared in the room» (Rongone).

As anticipated, Bottega Veneta treasures value over time and has decided to create a product that lasts forever, in order to be present in each moment of our life. To show its commitment to timelessness and secure it, Bottega has recently released the «Certificate of Craft», i.e. a lifetime warranty program. When buying a bag, the customer receives a card which, in addition to certifying the product's authenticity, gives the right, without expiration, to be able to bring the bag back to the shop in the case of damage so that it can be sent back to production and repaired. This repair could even involve the dismantling of the structure and its complete reconstruction, with a necessary lengthening of the return times. In the meantime, the customer can have a courtesy bag.

HOW TO ALIGN INTERNALLY: ACADEMIA AND MANAGEMENT TRAINING

Bottega's artisans are selected on the basis of their passion and skills. However, there is no guarantee that everyone is ready to create a perfect «braid». For this reason, Bottega Veneta has created an *Alta Scuola di Pelletteria* (internally also called the Academia) which bears the name of one of the cardinal principles of the brand: *Labor et ingenium*.

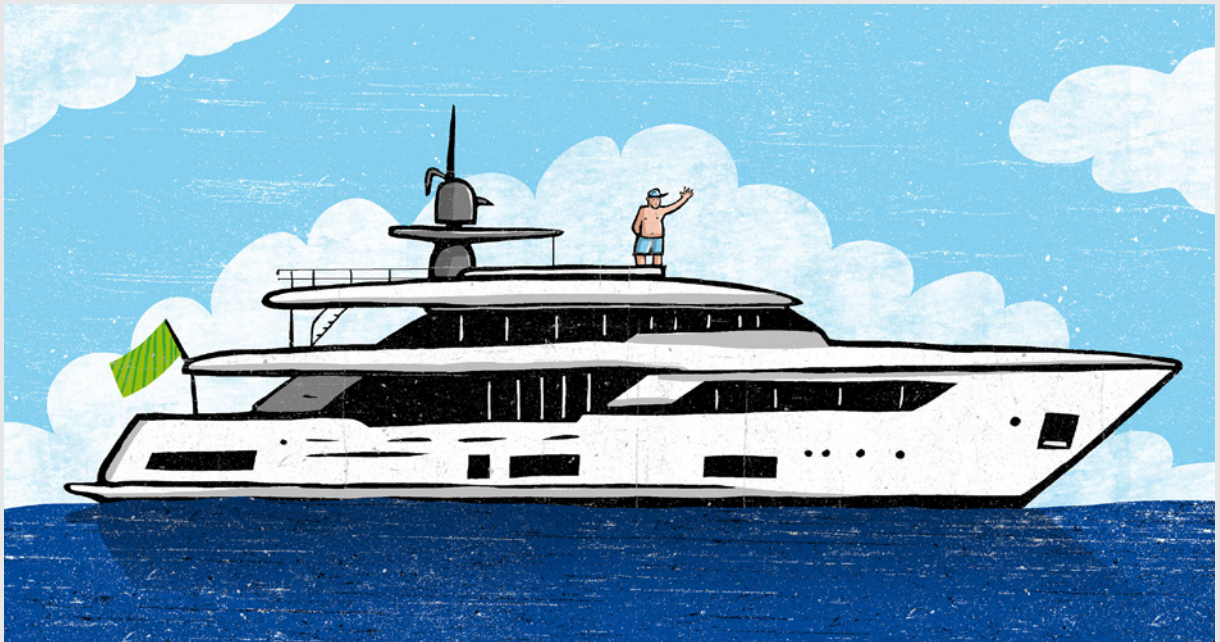
How then to bring this creative and productive philosophy into the shops and transfer it to customers? Passion and commitment are not enough:

«Delivery of our brand values and uniqueness requires people that share the sentiment, who have received the important information but are also able to communicate it in a personal way. We strongly believe in internal training, even in an unconventional way, and personally I spend a lot of time in the shops not only to meet customers, but also to share with sales associates what the important messages are to make our customers dream, as the founders of this company did» (Rongone).

FINAL REMARKS

The world of luxury offers food for thought and inspiration to many other markets. Most brands

were founded many years ago with an identity shaped around key values that have been respected and enhanced over time with great commitment and investments. Changes at the top of the company and in the creative direction, which could destabilize a company, can be guided by a pivotal cornerstone that ensures resilience, even in the natural evolution of the business. The risk a company runs is that of enunciating values that the company has not made its own, just to follow the fashion of the moment, without translating these values into concrete actions. This is a powerful boomerang that exposes companies to major reputational damage that is difficult to fix. The example of Bottega Veneta demonstrates how strong anchoring to the values promoted by the founders and their expression in tangible projects has generated perfect alignment between brand, organization, and market.



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