

WHITE PAPER — MARCH 2026

The Convergence Economy

When Culture Becomes Commerce

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Culture survives through transmission.

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INTRODUCTION

The question of who governs cultural meaning has always been contested, but the contestants have changed. For most of the twentieth century, the boundary between cultural institutions and commercial ones was maintained — however imperfectly — by a shared fiction: that cultural authority derived from independence, and independence from a non-commercial mandate. Museums did not sell. Auction houses did not curate. Brands did not commission permanent collections or acquire editorial media. The fiction was useful precisely because it was believed. It sustained public trust in cultural institutions and held commercial actors at a respectful distance from the symbolic register on which their own prestige ultimately depended.

That fiction has dissolved. Not gradually eroded, but structurally dismantled — by actors who did not set out to abolish the distinction between commerce and culture, but who pursued their own institutional interests with a coherence that produced its collapse as a consequence. The auction house that repositions as a luxury concierge did not intend to redefine what an auction house is. It needed to survive a structural contraction in its core market. The luxury conglomerate that builds foundations, acquires newspapers, and commissions architectural landmarks did not set out to replace the public museum. It needed to sustain brand desirability through commercial cycles that prices alone could no longer manage. The spirits company that corrects a historical injustice at Carnegie Hall did not intend to enter the business of cultural certification. It needed an authority its product category cannot generate on its own.

This paper calls that reorganisation the **convergence economy**. It is not a trend in marketing. It is a structural condition in which commercial actors no longer seek cultural association from the outside, but build, acquire, or borrow cultural

authority as operational infrastructure — as durable and as strategically necessary as any other capital asset.

Three sectors are examined where convergence is most advanced: auction houses, luxury conglomerates, and spirits companies. They share a common recognition — one that neither public institutions nor commercial actors have yet fully absorbed — that in premium markets, the capacity to govern cultural meaning has become more valuable than the capacity to produce it. What follows is not a verdict on that shift. It is an attempt to map its logic, measure its evidence, and name its costs.

EXECUTIVE SUMMARY

Three institutional transformations are underway simultaneously in premium markets — and they share a single underlying logic: the race to occupy cultural territory that cannot be purchased quickly, copied cheaply, or defended by price alone.

Cultural authority has become the primary competitive moat in premium markets, yet the institutions that build it and the institutions that monetise it are no longer the same. Three strategies converge around that ambition: defensive diversification, offensive empire-building, and contingent borrowing. Each carries a distinct form of risk.

The evidence of structural change is measurable. The global art market declined 12% in 2024 to an estimated \$57.5 billion. Fine art auction sales at the major houses fell 35% from their 2022 peak, while Sotheby's luxury revenue tripled its 2019 share to 39% of total sales. The Louvre hosted its first fashion exhibition in 231 years and drew over one million visitors. French private cultural patronage now approaches 25% of the state's cultural budget. The hierarchies separating fine art from luxury goods, cultural institutions from commercial enterprises, and brand-building from cultural production have not merely blurred — they have dissolved.

For public museums and cultural institutions, the convergence economy is not a trend to imitate but a new constraint: how to preserve curatorial independence, public accountability, and the capacity to host difficult questions when private cultural infrastructure becomes the default setting of premium life.

Terms of the Argument

Cultural capital is the accumulated symbolic recognition and prestige that makes an institution's gestures feel natural rather than strategic. **Cultural legitimacy** is the

accepted right to operate in a cultural register: the authority to curate, commission, certify, or interpret. **Cultural infrastructure** is the physical and institutional architecture that stabilises legitimacy over time. The **moat** is what results when these three compound over decades: durable competitive advantage that holds across commercial cycles and resists imitation because it cannot be accelerated.

I.

The Auction House is Dead; The Luxury Concierge is Born

The most visible proof of convergence stands at 945 Madison Avenue. In November 2025, Sotheby's opened its global headquarters in the Marcel Breuer building — the former Whitney Museum — renovated by Herzog & de Meuron. Visitors entering the landmarked brutalist tower encounter not Picassos but Hermès Birkins, Patek Philippe watches, and rare jewellery displayed in vitrines at the entrance. The inauguration sale made the institutional statement explicit: Gustav Klimt's *Portrait of Elisabeth Lederer* sold for \$236.4 million on November 18, 2025, becoming the most expensive modern artwork ever auctioned — while Birkins occupied the lobby below. That simultaneity is not a contradiction. It is an institutional programme.

The Numbers Tell a Structural, Not Cyclical, Story

The global art market declined 12% in 2024 to an estimated \$57.5 billion — the steepest single-year fall since the 2008 financial crisis. Fine art auction sales peaked at \$10.8 billion in 2022 and fell to \$7.04 billion in 2025. Within that contraction, the houses moved with striking decisiveness. Sotheby's luxury categories reached \$2.7 billion in 2025, up 22% year-over-year, with private luxury sales surging 350%. Christie's luxury sales hit \$795 million, representing 22% of first-half revenue. Thirty-eight percent of Christie's new buyers made their first purchase in a luxury category, not fine art. The customer acquisition pipeline has inverted: luxury is the gateway, art is the upsell.

Sotheby's International Realty reported \$157 billion in global sales volume in 2024. RM Sotheby's surpassed \$1 billion in car sales. Sotheby's Financial Services completed a \$900 million securitisation in January 2026, the first in the industry to

include collectible car-backed notes alongside art loans. When a billionaire can buy a Rothko, a penthouse, a diamond, and a vintage Ferrari from the same institution, the auction house stops being a marketplace and starts functioning like a cultural private bank: a steward not only of objects, but of identities.

Sotheby's largest market debut in 281 years — the Abu Dhabi Collectors' Week in December 2025, \$133.4 million in sales — did not require a single artwork. That is no longer an experiment; it is a new institutional definition.

The risk is equally clear. The more successfully Sotheby's becomes a luxury concierge, the harder it becomes to defend the fiction that art still sits at the centre. Former CEO Tad Smith framed it bluntly: if capital, talent, and narrative shift toward luxury as primary, the house is not being remodelled — it is being rebuilt. The tension between this position and its opposite defines the decade ahead.

II.

Luxury Conglomerates as the New Medici

While auction houses move toward luxury reactively, luxury conglomerates move toward culture offensively. LVMH and Kering have spent three decades building private cultural infrastructure that rivals and in specific respects surpasses the public institutions it was ostensibly designed to complement. The critical shift is not that commerce seeks culture, but that commerce now builds cultural operating systems of its own.

LVMH: The Conglomerate-Museum Complex

The Fondation Louis Vuitton, designed by Frank Gehry at roughly €780 million, has attracted over seven million visitors since its 2014 opening. Its 2023–2024 Mark Rothko retrospective drew 852,168 visitors in 149 days. *The Art Newspaper* noted what is rarely stated directly: it is hard to imagine a public institution being able to front those costs these days. In balance-sheet terms, these foundations function like a cultural central bank: accumulating symbolic reserves that can be deployed when confidence in the commercial currency wavers.

Bernard Arnault's ambitions extend beyond exhibition space. In 2024–2025, LVMH acquired *Paris Match* for €120 million, *L'Opinion*, *L'Agefi*, and raised its stakes in *Challenges*, *Sciences & Avenir*, and *La Recherche* to 100%. Combined with *Les Echos*, *Le Parisien*, and Radio Classique, LVMH now controls a significant share of France's media landscape. Jean-Paul Claverie articulated the logic as early as 1991: LVMH is just a name — with art, we are building our image. Thirty-five years and roughly €1.5 billion in cultural investment later, the image has become infrastructure.

Kering: Cultural Resilience Under Commercial Pressure

The Pinault Collection — the Palazzo Grassi, Punta della Dogana in Venice, and the Bourse de Commerce in Paris, renovated by Tadao Ando for approximately €194 million — encompasses roughly 10,000 works by 350 artists and mounts up to fifteen exhibitions annually. Pinault also owns Christie's outright: the family collects, exhibits, and sells.

The commercial context makes the investment more, not less, significant. Kering's revenue fell 25% from €19.57 billion in 2023 to €14.68 billion in 2025. Gucci revenue declined approximately 40% over two years. Yet through the commercial collapse and the leadership transition, the Bourse de Commerce continued its exhibition programme without interruption. The cultural infrastructure functions as designed: a shock absorber that preserves brand desirability when quarterly results deteriorate.

Cultural capital, unlike commercial capital, does not follow market cycles. That is its strategic value — and the reason Kering's foundations are not a luxury the group can afford to abandon; they are a necessity it cannot afford to lose.

Combined spending on the Fondation Louis Vuitton, the Fondation Cartier (€230 million, Jean Nouvel, opened facing the Louvre in October 2025), and the Bourse de Commerce exceeds €1.2 billion in Paris alone. French corporate cultural patronage reached €1.1 billion in 2024 — nearly 25% of the state's cultural budget. Private capital has not merely entered the cultural sphere; in several key dimensions, it now governs it.

III.

Spirits and the Anxiety of the Borrowed Voice

The spirits industry's cultural strategy operates through a different logic. Luxury conglomerates own cultural infrastructure; auction houses are repositioning within it. Spirits companies borrow cultural capital they do not intrinsically possess. They do not accumulate it; they rent it by the campaign. Borrowed authority, unlike built authority, is contingent on the ongoing credibility of the transaction.

The Alaíde Costa Campaign: When a Brand Earns the Right to Speak

The Johnnie Walker "Errata at 88" campaign centred on Alaíde Costa, a foundational Bossa Nova singer marginalised — for reasons of race and gender — at the genre's historic 1962 Carnegie Hall concert. Working with AlmapBBDO and *Folha de São Paulo*, Johnnie Walker published a formal correction 70 years after the fact, then brought the 88-year-old singer back to Carnegie Hall for the performance she had been denied. Google searches for Alaíde Costa rose 747%. The campaign won the Entertainment Lions for Music Grand Prix at Cannes Lions 2024 — Johnnie Walker's first Grand Prix at the festival.

The brand did not sell whisky. It corrected a historical injustice, restored a biography, and created a cultural event. A borrowed voice is only credible while it remains genuinely subordinate to what it amplifies — and that distinction must be actively maintained in every subsequent campaign, not assumed to carry forward.

The Structural Paradox: Slow Time versus Fast Time

The Johnnie Walker Vault, launched beneath Edinburgh's Princes Street in 2025, offers Couture Expressions at \$20,000 each — Baccarat crystal decanters

commissioned with Balmain's Olivier Rousteing. Meanwhile, the global RTD market reached \$20.3 billion in 2025, with spirit-based RTDs growing at 20% annually. The Ketel One espresso martini in a can does not elevate a cultural moment; it lubricates one.

Couture editions attempt to mimic the slow time of cultural capital — the decades of accumulated gesture, relationship, and institutional presence that constitute genuine authority. RTDs obey the fast time of FMCG: immediate, disposable, volume-driven. This is why the spirits cultural strategy must remain permanently on — not to build authority, but to continuously offset a ceiling that institutional ownership would never require defending.

IV.

The Experience Economy: Shared Conditions, Divergent Pressures

The three transformations described above share a structural condition: the shift from an object economy to an experience economy, now validated at scale. Cultural authority becomes monetisable at scale not when it is stored in collections or certified in catalogues, but when it is staged as a live encounter — an evening sale, a foundation opening, a festival sponsorship, a collectors' week timed to a Grand Prix. The experience economy is, in this sense, the delivery mechanism of the convergence economy.

Bain & Company's 2025 Luxury Study recorded a structural divergence: luxury experiences rose approximately 3% in 2025, while experience-based goods — fine art, luxury cars, yachts — declined approximately 5%. Personal luxury goods contracted to €358 billion, down approximately 2%. The luxury consumer base shrank from 400 million in 2022 to approximately 340 million in 2025. The top 0.1% of luxury consumers generate 37% of total market value, while 35% of aspirational consumers reduced or stopped luxury purchases entirely.

Millennials and Gen Z account for 46% of new bidders at the major auction houses. They do not only want to own what is valuable; they want to be present at the moment of its creation, validation, or exchange. The auction house staging a Collectors' Week around a Formula 1 Grand Prix is not simply selling objects. It is selling membership in a cultural world.

V.

The Collapse of Cultural Hierarchies

The Louvre's 2025 "Louvre Couture: Art and Fashion" — the museum's first major fashion exhibition in 231 years, drawing 1.059 million visitors across 9,000 square metres of the Richelieu Wing and becoming the second most visited exhibition in the museum's history — represents not a marketing partnership but an institutional concession: fashion has earned its place in the art-historical canon. Museums are no longer only places of preservation and interpretation; they are increasingly sites of certification within a wider prestige economy.

The Metropolitan Museum's 2025 Costume Institute exhibition was sponsored by Louis Vuitton. The V&A's 2026 programme includes "Schiaparelli: Fashion Becomes Art." The Grand Palais hosted "Virgil Abloh: The Codes" from September 30 to October 9, 2025; MoMA holds Abloh works in its permanent collection. At June 2025 New York auctions, \$65 million in design sales represented a 64% jump from the prior year. These are not sponsorships with cultural adjacency. They are the primary sites where contemporary art is encountered by the global public.

Contemporary luxury conglomerates have inverted Bourdieu's mechanism: they do not merely aspire to cultural capital; they produce the conditions under which cultural legitimacy is circulated, displayed, and normalised. LVMH holds permanent collections, operates foundations, commissions artists, and sponsors the Costume Institute. It is increasingly difficult to distinguish where the private cultural sector ends and the public institutional sector begins.

From Cultural Capital to Cultural Operating Systems

The current phase no longer treats cultural capital as a static asset held by classes or institutions; it behaves more like an operating system. Luxury groups are not only accumulating symbolic power — they are writing the protocols through which culture is produced, distributed, and monetised. In the convergence economy, misrecognition becomes a design variable: institutions engineer ambiguity between curatorship and commerce, philanthropy and sponsorship, canon formation and content strategy. LVMH and Kering are not cultural patrons in the twentieth-century sense. They are infrastructure providers for cultural meaning itself.

VI.

Three Forms of Cultural Capital

Not all cultural capital is structured the same way, and understanding the difference between its forms is the key to reading the risks each actor carries. Built capital rests on assets and programmes an institution owns and stewards over time. Borrowed capital rests on associations and narratives temporarily accessed through campaigns, sponsorships, and activations. Brokered capital rests on the ability to match cultural assets with capital and audiences at scale — the specific position auction houses occupy, converting one form into the other.

Each form compounds — and unravels — according to different clocks. Built capital is the slowest to construct and the most durable when challenged: a foundation that has existed for three decades cannot be undone by a bad commercial quarter. Borrowed capital is the quickest to deploy and the most fragile: a single campaign that misreads its cultural moment can reverse years of accumulated positioning. Brokered capital is the most contingent of all — it depends not only on the institution's own credibility but on the perceived legitimacy of the cultural assets it handles.

THREE FORMS OF CULTURAL CAPITAL

Built capital. Owned, stewarded, long-duration. Foundations, permanent collections, architectural commissions, multi-decade artist programmes. Compounds slowly, resists commercial disruption. *Examples: Fondation Louis Vuitton, Pinault Collection, Rolex Mentor programme.*

Borrowed capital. Accessed, contingent, campaign-driven. Activations, sponsorships, cultural adjacency. Deploys quickly, unravels quickly. Requires continuous ethical maintenance. *Examples: Johnnie Walker 'Errata at 88', Ketel One at Sundance, Johnnie Walker Vault.*

Brokered capital. Intermediary, convertible, platform-dependent. The institutional capacity to match cultural assets with capital and audiences at scale. Credibility depends on the perceived quality of what is brokered. *Examples: Sotheby's, Christie's, the Abu Dhabi Collectors' Week model.*

VII.

Cultural Authority as a Competitive Moat

Where the Moat Holds: Bottega Veneta and Jacquemus

Bottega Veneta under Daniel Lee is the definitive case study. Within eighteen months Lee achieved four British Fashion Awards in a single evening, reimaged the house's intrecciato weave, and deleted all social media accounts — a gesture of anti-visibility that paradoxically generated maximum cultural presence. Revenue reached nearly €1.2 billion. Bottega used cultural fluency to unlock dormant authority latent in its heritage. The fluency was the differentiator; the authority was pre-existing.

Jacquemus demonstrates that cultural legitimacy can be constructed from scratch with sufficient narrative coherence. Revenue grew from €11.8 million in 2018 to approximately €280 million by 2023 — a 24-fold expansion in five years. Simon Porte Jacquemus staged shows in lavender fields generating \$28 million in earned media value, pioneered surrealist CGI campaigns, and positioned the brand as a lifestyle ideology rather than a product catalogue.

Where the Moat Fails — and What Recovery Confirms: Burberry

Burberry attempted to import a form of cultural authority its own heritage could not sustain. Its market capitalisation fell from approximately £10 billion to £4.17 billion; the stock dropped out of the FTSE 100 in September 2024, ending a fifteen-year run. Professor Daniel Langer identified the failure directly: being from Britain or London does not define the role of the brand in the lives of clients. The "Burberry Forward" turnaround returned the brand explicitly to outerwear and scarves — the categories where Burberry possesses undeniable legitimacy. The result was a 70–95% share

price rally over twelve months, and Burberry re-entered the FTSE 100 in September 2025. The rule is not that cultural moats are fragile. It is that they cannot be transplanted.

The Long-Duration Asset: Institutional Programmes

The most durable form of cultural moat is built through institutional programmes that compound over decades. Ruinart's Carte Blanche artist residency, operating since 2008, has accumulated over 100 works by 36 artists. Audemars Piguet has commissioned more than 20 international artists since 2012. The Rolex Mentor and Protégé Arts Initiative has paired 63 mentors with 63 emerging artists from 41 countries since 2002. These programmes turn years, not euros, into the rarest input: a memory structure in the minds of artists, curators, and audiences that can no longer be reverse engineered.

The cultural moat is, at its deepest, a time moat. And time is the one resource that money cannot fully replace.

VIII.

The Geography of Cultural Authority

The convergence documented in this paper has a spatial dimension that is rarely made explicit. It is a geographic reorganisation: a consolidation of legitimate cultural production into a small number of global nodes that are simultaneously centres of luxury commerce, sovereign wealth, and art market activity. Paris. London. Dubai. Abu Dhabi. Miami. New York. The convergence economy is also, and not incidentally, a map.

This geography is not neutral. Sotheby's largest market debut in its history was designed for and underwritten by Abu Dhabi sovereign capital. The Fondation Cartier faces the Louvre. The Bourse de Commerce anchors a Pinault ecosystem that runs from Venice to Paris to Christie's salerooms worldwide. The network, taken as a whole, determines which cultural claims are considered legitimate and which are considered peripheral.

The question is not whether Abu Dhabi or Miami belong in the map of contemporary cultural authority. They do. The question is who draws the map, who funds the cartographers, and what disappears when the only institutions capable of mounting a Rothko retrospective are also the institutions that sell the watches.

Public institutions lose the game the moment they compete on spectacle alone; their durable advantage lies in independence, historical complexity, and the right to maintain forms of judgment that are not reducible to brand alignment. Five tests constitute the minimum governance framework for any public institution navigating

partnership with private capital: the funding test, the narrative test, the curatorial veto test, the disclosure test, and the time-horizon test.

The opportunity for public museums is not to become leaner brands, but to become slower and more explicitly reflective. Slowness, doubt, and contradiction are not traits to be optimised away. They are the last remaining luxuries that cannot be packaged, franchised, or sold by the bottle.

IX.

Conclusion: The Uncomfortable Implication

What this paper has traced is not a marketing phenomenon but a structural reorganisation of the institutions through which cultural meaning is produced, validated, and distributed. Capital has entered the cultural sphere at a scale previously reserved for states. Private foundations now underwrite exhibitions that public institutions cannot afford. Auction houses now credentialise categories that once belonged to specialised dealers. Spirits companies now correct historical injustices that investigative journalism had not surfaced. These are not incursions. They are evidence that the architecture of cultural authority is being rebuilt — not by design but by the accumulated weight of institutional decisions, each of which appeared rational in isolation.

Each strategy carries a distinct form of risk. Auction houses carry the brokered risk: the cultural legitimacy that makes the concierge credible depends on the primacy of art, which erodes as art becomes one category among many. Luxury conglomerates carry the built risk: the moment manufactured legitimacy is seen to be manufactured, the misrecognition that sustains its symbolic power collapses. Spirits companies carry the borrowed risk: contingent, campaign-by-campaign, permanently exposed to the contradiction between the slow time of cultural authority and the fast time of their commercial model.

Capital can now buy almost every cultural format; what it cannot yet buy is the right to conclude the story. From visibility to governance: that is the shift in what constitutes true scarcity.

Cultural infrastructure is not a discretionary expense; it is a balance-sheet asset that compounds over decades. Category authenticity is non-negotiable: authority cannot be imported from adjacent categories without the heritage that makes it credible. Governance is part of the cultural moat itself: clear rules about who controls meaning — curators, boards, sponsors — are among the most durable competitive differentiators available.

THE THREE COSTS OF CONVERGENCE

Confusion. When almost everything becomes "cultural" — fashion shows, cocktail activations, retrospective exhibitions, art-fair installations — the hierarchy of cultural gestures blurs. It becomes impossible to distinguish signal from noise when budgets tighten.

Dependence. Public institutions increasingly rely on private infrastructure and sponsorship to realise major projects. Every co-production involves a negotiation about whose story is being told — and silence in that negotiation is not neutrality.

Exclusion. Convergence concentrates symbolic capital in a small number of global nodes. Regional museums, artist-run spaces, and community archives outside the premium network lose narrative surface area even as they produce the work later appropriated by the centre.

*True scarcity is no longer visibility. It is the capacity to say no
— and to explain why.*

Sylvain Lévy

Co-founder, DSLcollection & Aika — March 2026

DISCLAIMER

Authorship and Method

This white paper was researched, argued, and edited by Sylvain Lévy (Co-founder, DSLcollection and Aika) with analytical and structural support from generative AI tools. All editorial judgments, interpretive framings, and conclusions are the author's own. The paper reflects firsthand knowledge accumulated over four decades of collecting, institutional engagement, and market observation, and should be read as a practitioner's analytical essay rather than an academic study.

Data and Sources

Quantitative data cited in this paper derives from publicly available market reports, press releases, and institutional announcements, including the Art Basel & UBS Art Market Report 2026, Bain & Company Luxury Study 2025, and Sotheby's, Christie's, and LVMH investor communications. All figures are presented as reported at time of writing and may be subject to revision. The author has not independently audited any of the cited statistics.

Vocabulary and Framework

Key terms — convergence economy, cultural capital, cultural infrastructure, built/borrowed/brokered capital, the moat — are used consistently and with specific definitions as established in the Executive Summary. Readers familiar with Bourdieu's sociology of cultural capital will recognise points of departure and deliberate adaptation; this paper applies and extends, rather than reproduces, that framework for a contemporary commercial context.

Positional Limits

The author writes from the position of a private collector and cultural advisor with direct exposure to the auction market, institutional philanthropy, and luxury brand strategy. This positioning confers analytical access and carries its own blind spots. No positions, financial interests, or advisory relationships with any of the companies or institutions named in this paper have influenced its arguments. The paper contains no investment advice and should not be read as such.

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Sylvain Lévy · DSLcollection · March 2026

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