

# Challenging the hierarchical categorization of luxury fashion brands

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## ABSTRACT

*The purpose of this study is to identify the characteristics through which consumers structure the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. The empirical data was generated through 12 personal interviews, which were elicited with free sorting tasks with brand cards depicting luxury fashion brands. The findings show that luxury fashion brands are categorized in more diverse ways than just by applying brand-related characteristics. Instead, the consumers determine and interpret these characteristics in relation to other brands and reflect them against their personal consumption experiences as well as the social context and time. Thus, the brands were not necessarily organized in hierarchical order (higher – lower degree of luxury). The study extends the understanding of the fragmented luxury fashion field, where previous research has emphasized the product perspective and neglected the consumers' interpretations of what constitutes luxury.*

**Keywords:** luxury brands, meanings, fashion brands, consumers

## 1 Introduction

Luxury brands once enjoyed superior status among privileged elite consumers (Kapferer & Bastien 2009). There were straightforward and clear boundaries between luxury and non-luxury products. Now, the concept of luxury has gained different meaning contents due to the changing and expanding markets. Luxury brands have established wider distribution networks, expanded to online shops and reduced prices by selling in outlet malls, thereby increasing their availability. In addition to expanding their distribution, some luxury brands are expanding horizontally and even vertically in order to reach the wider consumer society: Luxury diffusion brands are lower-priced and therefore represent an achievable “taste of luxury” for the middle class. One of the most important factors of luxury, the “rarity principle” highlighted by Phau and Prendergast (2000), has been buried under the so-called democratization of luxury, which has turned the rare into something commonplace.

Luxury brands are no longer an absolute and homogenous category, unlike in the 20<sup>th</sup> century; instead, the luxury market is fragmented, with intermediate levels. More specific terms have been coined to describe and define the different levels and richness of the luxury domain, such as *mass-tige*, *affordable luxury*, *new luxury* or *super premium*. The new terms further blur the boundaries of the concept of luxury, and make the concept of luxury even more confusing (e.g. Corbellini & Saviolo 2009). It is even argued that “luxury” is losing its luster now that it is being assimilated into the larger consumer society (Thomas 2007).

The fragmentation of luxury due to the introduction of brand extensions has been the subject of research, especially in the fashion industry (e.g. Amatulli & Guido 2011; Phau & Cheong 2009; Fernie, et al. 1997; Hanslin & Rindell 2014), where various brands have launched extensions targeted at new or casual buyers (Truong et al. 2009; Hennings et al. 2013). Efforts have been made to structure this fragmented field by creating hierarchically ranked descriptive classifications (e.g. Kapferer 2008; Silverstein & Fiske 2003; Truong

et al. 2009). Hierarchical classifications offer a brand- and product-driven tool to assist luxury companies to position themselves and segment the target market.

In addition to using brand- and product-driven categorizations, researchers have sought to capture the levels of luxury brands by measuring the degree of perceived luxury value (e.g. Choo et al. 2012; Wiedmann et al. 2007; Vigneron & Johnson 2004; Shukla & Purani 2012). Vigneron and Johnson (1999; 2004) incorporated the consumer perspective in their Brand Luxury Index scale (hereafter the BLI scale) in order to offer a tool through which brands can be organized into a hierarchical order based on the degree of luxury they represent. The BLI scale has been developed further and modified by various scholars, e.g. De Barnier et al. (2012), Christodoulides et al. (2009), Wiedmann et al. (2007), and Doss and Robinson (2013).

The scales build understanding about the evaluations of the degree of luxury in a specific brand; however, the scales neglect the characteristics consumers apply to determine what constitutes luxury and what characteristics arise to differentiate the brands (Carpenter et al. 1994; Punj & Moon 2002). The scales create hierarchical rankings to identify the highest luxury brand, and to point out the brands’ relative positioning in consumers’ minds. However, they can be criticized for their focus on one brand at a time. In real life, consumers do not evaluate brands one-by-one in isolation but in relation to other brands (e.g. Meyvis et al. 2012) and in their competitive context (Han 1998). Indeed, it is also argued that a singular evaluation might lead to too positive brand evaluation (e.g. Posavac et al. 2004). To elaborate the understanding further and to fill this research gap, this study seeks to *identify the connecting and disjunctive characteristics consumers apply when structuring the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers*. The aim is divided into two objectives. First, the empirical part seeks to analyze how consumers categorize luxury fashion brands. Second, the study examines how the

characteristics are interpreted when determining perceived luxuriousness of a brand.

Next, the present study reviews the literature on luxury brands and challenges the hierarchical categorizations by applying the consumer perspective. Then, the methodology and research context will be described. The findings section discusses diverse characteristics that consumers apply when categorizing luxury fashion brands, after which the ways these differentiating characteristics are interpreted will be discussed. The paper concludes with a discussion of the theoretical and managerial implications. The study brings forward novel viewpoints in regard to the luxury brand management literature. Firstly, the study highlights how luxury fashion brands are differentiated and the luxury is negotiated and reflected in the light of the consumption experience and social context. The luxury brand management literature emphasizes a product-centered way of classifying luxury; however, consumers may also consider and be influenced by personal experiences and social meanings in their definitions. This brings forward important managerial implications for luxury brand marketers.

## 2 Literature Review

An understanding of the identifiers of luxury branded products has to be generated in order to grasp the different categorizations of the luxury field. Thereafter, the ways in which luxury fashion brands have been categorized in previous literature will be discussed.

There is little agreement about how best to define and hence understand luxury, which has resulted in various definitions (e.g. Atwal & Williams 2009; Berthon et al. 2009; Fionda & Moore 2009). Luxury is associated with products, brands and services that share a set of unique characteristics, such as excellent quality, high price, exclusivity and rarity, history and heritage, aesthetics and superfluosity (Dubois et al. 2001; Vigneron & Johnson 2004; Kapferer & Bastien, 2009; Phau & Prendergast 2000).

### 2.1 Fragmented field of luxury brands

A luxury brand is positioned at the high end of the brand continuum (e.g. Vigneron & Johnson 2004; Turunen & Laaksonen 2011) or the top of the brand pyramid (e.g. Kapferer 2008). Even when the above-mentioned product characteristics are met, not all luxury brands are deemed to be equally prestigious (Vigneron & Johnson 2004); instead, various intermediate levels can be distinguished.

These intermediate levels and brand extensions have been the subject of research, particularly in the fashion field (e.g. Amatulli & Guido 2011; Phau & Cheong 2009; Fernie et al. 1997; Hanslin & Rindell 2014; Hennings et al. 2013). A variety of brand extensions and product category expansions have led to greater fragmentation in the luxury brand domain, and hence a great deal of confusion has arisen in the luxury brand literature as well with regard to what constitutes luxury and on what grounds the luxury is defined.

Existing literature divides luxury brands in a hierarchical order, but both the number of levels and the criteria of categorization vary. The diversity of categorizations has been gathered to figure 1 in order to build a structured understanding about previous literature. Product availability, which relates to the scarcity of the branded product, and price are attributes commonly applied to distinguish the levels of luxury (e.g. Kapferer 2008; De Barnier et al. 2012; Corbellini & Saviolo 2009; Vigneron & Johnson 2004). Age of the brand, design and aesthetics connected to accessibility are essential dividers in Silverstein and Fiske's (2003) and Truong's et al. (2009) categorizations.

The classifications in the existing literature are illustrated in figure 1. First, product attributes such as price and quality have been considered to play a key role in categorizations that are arranged in a hierarchical order. Lower-level classifications, such as premium and upmarket products, refer to expensive variants of commodity goods (e.g. Kapferer 2008; Vigneron & Johnson 2004). The main difference between premium and luxury is price; among luxury goods, the price is not related to performance, but to scarcity, brand and storytelling, whereas premium goods are priced based

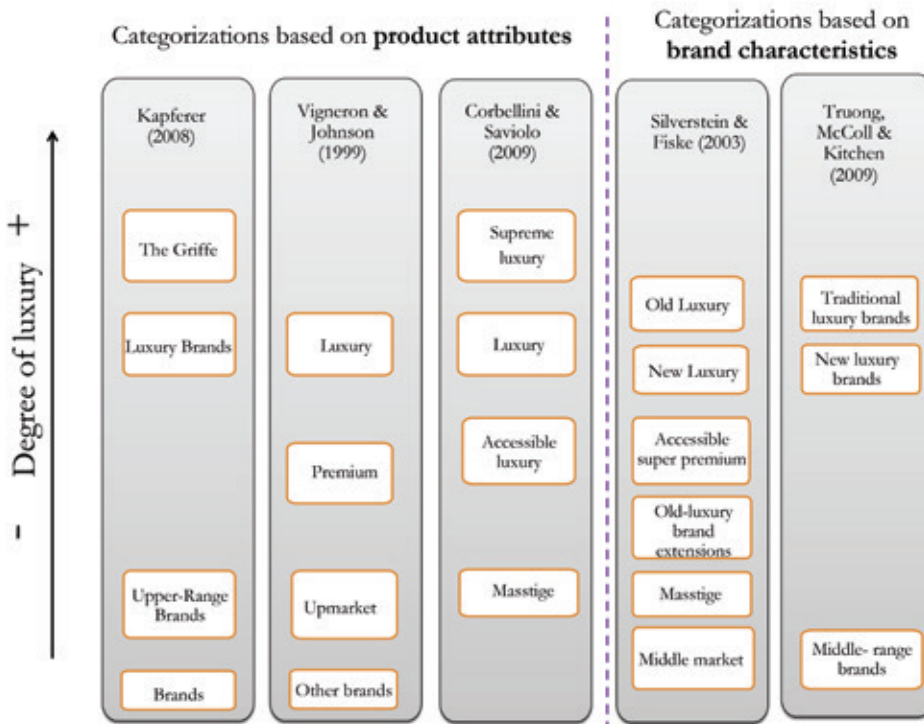


Figure 1. Different degrees of luxury based on previous literature

on functionality and quality. (Kapferer & Bastien 2009.) Kapferer (2008 pp. 98) places the *griffe* – a unique luxurious item engraved the creator’s signature – at the top of the pyramid; he describes a *griffe* as pure creation and art, and differentiates it from luxury brands, which are handmade goods available for larger audiences. The division emphasizes the product-centered way of categorizing brands. In the same vein, Vigneron and Johnson (1999) suggest that three levels of prestige can be pointed out: luxury, upmarket and premium brands. Luxury lies at the extreme end of the prestige category, where high price is used as an indicator of prestige and quality.

High price is also related to the accessibility of a luxury branded product, which is highlighted in Corbellini and Saviolo’s (2009) categorization. A luxury brand needs to sustain a high level of aware-

ness and tightly controlled distribution in order to maintain and enhance exclusivity (e.g. Dubois & Paternault 1995; Mason 1981; Phau & Prendergast 2000). The accessibility of the branded product can be adjusted through different means: price and affordability, distribution choices, special editions and controlled production runs (Fionda & Moore 2009; De Barnier et al. 2012).

Second, categorizations based on brand characteristics emphasize the similarity in brand level. For example, Truong et al. (2009) divide the categories based on the aesthetics and perceived style of the design that the brand in question represents, by sorting out the traditional and new luxury brands. Luxury diffusion brands, such as old-luxury brand extensions and masstige brands that are more readily available due to pricing and distribution decisions represent a taste of luxury

offered to a wider range of people. A luxury diffusion brand is defined as a step-down line extension of a high-end luxury brand. Vertical expansion of luxury brands may diminish the prestige and social status associated with the existing brand (Kim & Lavac 1996), since diffusion brands represent lower-priced and slightly poorer quality products. Silverstein and Fiske (2003) apply a fine-grained division when categorizing luxury fashion brands: they divide old and new luxury brands, but also take brand extensions into account. The degree of luxury varies both between different brands and within the same brand due to its extensions.

The categorizations presented above are parallel and not exclusive. As noted above, previous brand management literature suggests that luxury brands should be seen as the high end of the continuum or the top of the hierarchical classification. To that end, the classifications address the characteristics through which the level of luxuriousness is determined. However, this raises the question: Are consumers price- and quality-aware evaluators who emphasize product attributes and brand characteristics in their evaluations, as previous literature suggests?

## 2.2 Perceived degree of luxury of a brand

Since a luxury branded product is more than a set of physical attributes, not all rare, expensive and handmade designer products are regarded as luxury goods, in spite of their high quality. Thus, product attributes are seldom sufficient to deliver and hold luxury on their own. (Berthon et al. 2009.) Symbolic aspects are an integral part of brands, reaching beyond the tangible object. Symbolic facets capture the fundamental value and desirability of luxury brands (Dubois et al. 2001); in order to reach desirable status, the social context of the product assumes considerable importance in creating symbolic meanings, because the signals need to be recognized by others (see Berthon et al. 2009; Ligas & Cotte 1999; Vickers & Renand 2003). Since luxury brands contain symbolic meanings and status value, they might play a significant role in social and cultural stratification; the luxury brand creates distance by

vertically separating luxury consumers from the masses and connecting the luxury consumer to the desired group. (Kapferer & Bastien 2009.)

In that vein, it has addressed that not all luxury brands are equally prestigious. Instead of relying solely to the categorizations that emerge from product- and brand-related characteristics, researchers have sought to capture luxury by accounting for intangible aspects when measuring the perceived luxuriousness of a brand (e.g. Vigneron & Johnson 2004; Wiedmann et al. 2007; 2009; Shukla & Purani 2012; Choo et al. 2012; Tynan et al. 2010; De Barnier et al. 2012). In order to make sense of the perceived degree of luxury to address a brand's relative positioning in a consumer's mind, Vigneron and Johnson (2004) developed a Brand Luxury Index scale to distinguish high-luxury brands from those that are low on luxury. The BLI scale seeks to measure the dimensions from which the degree of brand luxury will be dictated by the interaction of personal-oriented (hedonism and perceived extended self) and non-personal-oriented (conspicuousness, uniqueness and quality) dimensions. Taking the BLI scale further, De Barnier et al. (2012) derive the division of inaccessible luxury – intermediate luxury – accessible luxury by testing three scales (i.e. Vigneron & Johnson's 1999, Kapferer's 1998 and Dubois et al.'s 2001), suggesting that Vigneron and Johnson's scale is the most complete, encompassing different aspects of luxury to determine the perceived degree of luxury of a single brand. However, the scale cannot identify the differentiating and/or connecting characteristics by which consumers navigate and make sense of the fragmented field of luxury fashion brands, because it evaluates the luxuriousness of one brand at a time, without comparing it to other brands. One-at-a-time evaluation can be regarded as a limitation, as it might lead to too positive brand evaluation (e.g. Posavac et al. 2004), which is why brands should be studied in relation to their competitive context (Han 1998) and to other brands (Carpenter et al. 1994; Punj & Moon 2002).

In this sense it is reasonable to ask how consumers categorize the fragmented field of luxury

fashion brands and how these characteristics become meaningful for consumers. This study uncovers these questions by asking consumers to perform a free sorting task of brand cards during personal interviews. Next, the methodological choices will be described in greater detail.

### 3 Methodology

The interest in this study is on the “consumers of luxury brands” instead of “luxury consumers”. “Luxury consumers” are a relatively small group of wealthy people with an exclusive lifestyle and consumption preferences (Wiedmann et al. 2009). “Consumers of luxury brands”, instead, represent consumers from diverse income levels who are regarded as a suitable target group engaging in diverse consumption, ranging from mass-market fashion to high luxury fashion. In order to obtain relevant and rich empirical data, the informants were chosen purposively and found by means of “snowball” sampling. It is reasonable to choose a target group that has access to and an interest in such brands, and therefore the informants were chosen based on the criteria that they possess luxury branded products or products they regard as luxuries. All of them were interested in fashion apparel and accessories, representing various levels of involvement with fashion and luxury. A total of 12 individual interviews were conducted in Finland. The sample of 12 interviews is small, but as the criteria and themes through which the informants discussed the degree of luxury of fashion brands started to repeat itself, the 12 interviews were considered to be sufficient for the purposes of this study. The informants were Finnish women between the ages of 23 and 39, with a mean age of 29 years. Given that all the informants are women, our study represents a female voice; the fashion field is more extensive and rich in nuance, particularly in women’s fashion. Future work should be extended to male consumers to understand their perceptions and evaluations.

At the beginning of the interviews, a free sorting task was applied as an elicitation method to

get a picture of the ways that informants categorize luxury brands. Elicitation materials, such as free sorting tasks, are considered to be fruitful means of evoking meanings that subjects might not otherwise come up with (Moisander & Valtonen 2006: 79–83). Informants were given 14 brand cards featuring the logos of various brands (see figure 2), and asked to go through the cards and eliminate unknown brands. Then, the informants were asked to categorize the brands into different groups, with similar brands in each group. Consumers categorize products so that they can identify and evaluate product-related information (Cohen & Basu 1987). After the task, the informants were asked to describe the reasons why they divided the brands in the way that they had. Further questions were asked with a view to uncovering the associations and meanings behind the categories and perceived characteristics. The sorting task and why-questions were adopted from the laddering technique (Gutman 1982; Reynolds & Gutman 1988) in order to uncover what kinds of meanings and consequences consumers attach to differentiating characteristics when making sense of the luxury fashion field. However, the brand cards and why-questions were used as elicitation methods to spark discussion and to guide the informant to discuss the topic of the interview, instead of aiming to build means-end chains (Peter & Olson 2005).

The brands selected for the free sorting task represented the fashion field, and particularly the category of apparel and accessories that are regarded as *personal luxury goods* (BCG market research 2014). The brands were chosen to exemplify the different degrees of luxury discussed in the literature review (see figure 1). Generally, studies examining brand extensions concentrate only on the relationship between the parent brand and diffusion brand (e.g. Phau & Cheong 2009; Kim et al. 2001; Bhat & Reddy 2001; Hanslin & Rindell 2014). However, consumers encounter a variety of different brands when evaluating and navigating in daily life (not only parent brands and brand extensions), and thus 14 brands were chosen to represent the different types of fashion brands

ranging from luxury to mass-fashion – such as premium brands, luxury brand extensions, and traditional luxury brands. Because the brand cards were applied to elicit and motivate the discussion, the fashion brands featured on the cards were purposefully chosen to contrast and represent different price levels and styles, ranging from *Lanvin for H&M*, which represents the “taste of luxury” with a luxury designer collection, to *Louis Vuitton*, which has a long tradition.

The sorting task with brand cards sparked rich discussion and yielded multiple insights. The logos shown on the brand cards inspired the informants to narrate their own personal experiences and memories concerning specific brands. The brands that did not number among the brands that the informant possessed at present usually invoked associations with typical consumers of that specific brand or memories of a time when the informant used that particular brand. Inspired by their favorite brands displayed on the cards, some informants even got carried away, mentioning and describing other brands that they valued highly.

The interviews lasted from 45 minutes to 1½ hours, and all were recorded and transcribed; the interview transcripts amounted to a total of 103 pages. Analysis involved close reading of the

transcripts, including identifying the central and meaningful criteria that the informant applied when making sense of the fragmented field of luxury fashion brands. The interview data was analyzed by means of qualitative content analysis (Belk et al. 2013). The first step was to uncover the categorizations applied in each interview when combining and assigning luxury fashion brands into groups. The criteria for making the categorizations were coded. Descriptive labels helped with the organization of the information contained in each interview. At this point, the analysis was inductive and the interpretations and perceptions were considered to reflect the emic accounts of the data. (See Spiggle 1994.) Following the coding stage, the differentiating and connecting criteria behind the categorizations were combined into larger characteristics, which were interpreted on the basis of the theoretical discussion and in relation to the existing research on luxury brands. These elaborations represent the *etic* meanings – the abstraction of categories. (Thompson and Haytko 1997: 20.) Finally, the elaborated characteristics were re-examined in the light of the interviews in order to pinpoint the interpretations through which informants make sense of the characteristics they associate with luxury brands.



Figure 2. The fashion brands chosen for the brand cards to elicit the discussion

## 4 Findings

The aim of this study is twofold: to identify the connecting and disjunctive characteristics consumers apply when structuring the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. First, the categorizations that emerged from the analysis will be identified in order to make sense of how consumers classify the field of luxury fashion brands. After that the uncovered characteristics will be elaborated further to build up an understanding of how these connecting and distinguishing characteristics of a luxury brand become meaningful for consumers, and thereby determine the perceived luxury of a brand.

The brand-related characteristics uncovered by the categorization task provided an understanding about the connective and distinctive criteria through which consumers make sense of the fashion field. Informants pointed out brand-related characteristics, such as country of origin, similarity in aesthetics and design, perceived conspicuousness, age of the brand, type of the brand and stylistic consistency. These brand-related characteristics differentiating the fashion brands were perceived as “neutral” per se; these characteristics become meaningful, and therefore also generated the interpretation of perceived luxuriousness of a brand, through considerations based on personal consumption experiences and/or by judging the perceived social character of the brand. Particularly the interpretations created through personal consumption experiences bring novel viewpoints and contents to existing literature concerning the determination of the perceived luxuriousness of a brand.

Next, the key characteristics behind categorizations will be discussed in more detail, after which the article will further elaborate on how consumers derive meaning from their interpretations of characteristics attached to luxury brands.

### 4.1 Categorizations based on brand characteristics

The elicitation task using brand cards revealed an evident “top-of mind” way to classify the luxury fashion brands: All the informants began the categorization task by organizing the brands by perceived price. They grouped the brands in virtually the same manner by adapting and evaluating product attributes and arranging them in hierarchical order (i.e. more expensive brands – less expensive brands). When the informants were asked to describe the divided groups in more detail, they began to puzzle over the grouping assignment, while switching brands back and forth between the groups.

After the price-related categorization, the luxury fashion brands were categorized from a brand-centered perspective, addressing other connecting characteristics such as country-of-origin, long history and tradition of the brand, perceived conspicuousness, and connective stylistic consistency of the brands. The brand-related characteristics and categorizations are illustrated in figure 3.

A notable feature of the brand characteristic-based categorizations is that they did not necessarily end up being structured hierarchically, unlike in the case of top-of-mind categorizations led by perceived price and quality levels. Instead, the brand characteristics were perceived as differentiating features, but not as better or worse compared to each other.

Similarity between the brand identities and the perceived age of the brand was used as a criterion for categorizations: Without exception, the informants placed the brands with a long historical tradition into one group, and the fresher and younger brands into another group.

“These [*Chanel, Louis Vuitton, Prada*] are old and iconic brands. They are even older than me!” (female 39 years)



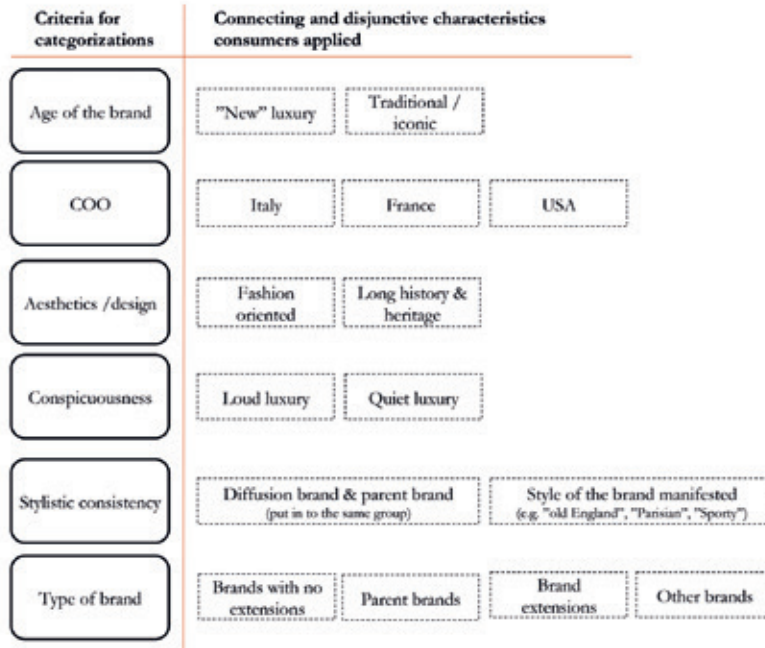


Figure 3. Six criteria guided the categorizations based on brand characteristics.

The discussions about the age of the brands shifted afterwards also to their country of origin: Italy and France represented the traditional and iconic heritage, whereas so-called “new luxury” was seen to build on stories and to be of US origin.

The similarity in aesthetics and design among the brands was applied as a criterion for classifications: Classic and traditional brands were distinguished from relatively new brands representing experimental design. These findings are partly parallel to Truong et al. (2009), who set traditional luxury brands, new luxury brands and middle-range brands apart.

“... such as *Chloé* and *Marc Jacobs* [...] like trendy people who follow fashion and seek to be always à la mode.” (female 39 years)

“Hilfiger and Ralph Lauren have a quite similar ‘old England’ theme that they are telling. So although RL is a lot more expensive, I consider these brands to be very similar.” (female 25 years)

“These older brands are like symbols. For example, everyone knows Chanel Flap Bag 2.55, whereas the collections of Dolce&Gabbana are maybe not that identifiable.” (female 28 years)

A long history was also associated with the perception of authenticity (Beverland 2005; 2006) – an authentic brand keeps itself alive by being sincerely what it is, instead of changing and catering to consumers’ wants. “*In my opinion, true luxury brands play by their own rules, they create the desire*” (female 35 years). Therefore, traditional luxury brands were seen as pioneers, because these brands seek to lead the way in the fashion market. Authenticity and tradition combined with design yielded categorizations based on the perceived conspicuousness of the brands: the informants generated classifications based on the brand’s character as “loud luxury” with visible logos or as more “discreet luxury”.

Some interviews ended by considering the connective and distinctive factors between lux-

ury and fashion brands. Ultimately, it was evident that fashion and luxury had a contradictory relationship, as Kapferer and Bastien (2009) have discussed as well. Informants divided the brands into luxury and fashion groups to illustrate the difference of social character that the brands represented. Brands in the fashion category were considered to be connected to this specific time and in some way to the masses, whereas brands in the luxury category had a more iconic and timeless status. If the fashion category represented belonging to the masses, the luxury category meant standing out from the masses.

“These brands [*Chloé*, *See by Chloé*, *Marc Jacobs*, *Marc by Marc Jacobs*] are very similar because they are so fashion-oriented. They live with the fashion cycle and have many new collections in a year, and not that many iconic designs like these that remain unchanged for years [referring to the group with *MiuMiu*, *Prada*, *Louis Vuitton* and *Chanel*]. Of course these traditional brands have to be innovative as well, but their fashion collections are not the most important thing, it is just the by-product.” (female 26 years)

The traditional luxury brands were easily distinguished from all other brands because of their iconic standing and long tradition. But because of brand extensions and diffusion brands, the brands positioned in between the luxury and fashion categories generated confusion.

Categories driven by perceived stylistic consistency guide the discussion to the relationship between brand extensions and parent brands: previous research concerning vertical brand extensions set apart the parent and diffusion brands based on differences in price, quality and targeted consumers (e.g. Kim et al. 2001; Magnoni & Roux 2012). In addition, the research concerning brand extensions is often focused on pointing out the differences between parent brands and extensions (e.g. Reddy et al. 2009; Kim et al. 2001; Hennigs et al. 2013; Aaker & Keller 1990). In brand literature,

it is emphasized how *brand identity* has been the connective factor between the parent brand and its extensions. Therefore it was noteworthy that the informants categorized the parent brands and their extensions into the same group based on the perceived similarity: this tells a story about successful coherence at the brand level.

“Well, somehow I would like to put these [*Dolce&Gabbana*, *D&G*, *Chloé*, *See by Chloé*, *Marc Jacobs*, *Marc by Marc Jacobs*] into the same group, because they are all relatively new brands and they are designing quite bold and fresh collections.” (female 29 years)

On the other hand, some of the categorizations were based on the perceived type of the brands, which is a parallel perspective in brand literature (e.g. Aaker & Keller 1990; Hennigs et al. 2013; Truong et al. 2009) where the brand character, e.g. parent or sister brands, was regarded as the determining feature. Besides categorizing parent brands into one group and brand extensions into another group, the informants also distinguished brands with no extensions as a separate group.

All in all, six main criteria – age of the brand, COO, aesthetics and design, conspicuousness, stylistic consistency, the type of the brand – through which consumers make sense of and categorize the heterogeneous field of luxury fashion brands can be pointed out. By discussing the similarity in product and brand characteristics, consumers started to reflect on their own consumption experiences as well as the perceived brands’ social character and status in society, which led to the interpretations of the perceived luxuriousness of the brands.

#### 4.2 Interpreting the perceived luxuriousness of a brand

The categorization task guided the discussion to diverse ways of determining the luxury of a brand. The most obvious way that all of the informants

applied was structuring the 14 luxury fashion brands based on extrinsic product attributes, such as price and perceived quality. This is the learned and economic-centered approach that is also suggested by the previous literature (e.g. Kapferer 2008; De Barnier et al. 2012; Corbellini & Saviolo 2009; Silverstein & Fiske 2003; Truong et al. 2009).

However, as highlighted in the literature review, single product attributes – such as high price or good quality – do not generate experiences of exclusivity and extravagance on their own (see Berthon et al. 2009). This became evident in the interviews as well; besides the price-related issues, informants also combined social and personal meanings when interpreting and defining the boundaries of luxury in the fashion field.

#### 4.2.1 Object-related interpretations

First of all, informants applied a product-centered approach when interpreting the perceived luxuriousness of fashion brands. Informants emphasized concrete product attributes, such as perceived price level and quality. These product-related considerations of luxury are parallel particularly with Dubois et al. (2001) who identify the key identifiers associated with luxury branded products. Informants created a hierarchical order of fashion brands, assigning the same brands to the highest and lowest groups. However, classifications varied in the middle groups.

“Well these [*Louis Vuitton, Prada, Chanel*] are the most expensive and exclusive. Then I see that these [*MiuMiu, Marc Jacobs, Marc by Marc Jacobs, Chloé, See by Chloé*] are quite similar in terms of quality and price level. Oh, I put these [*Marc by Marc Jacobs, See by Chloé*] on their own, because they are cheaper than these. And then I think that these [*Tommy Hilfiger, Guess, Ralph Lauren*] are not exclusive at all. More or less everyone can afford them.” (female 25 years)

“These [*Dolce&Gabbana, Marc Jacobs, Chloé*] are like big-sister brands, with more

expensive price tags, and these [*D&G, See by Chloé, Marc by Marc Jacobs*] are like little sisters.” (female 29 years)

The brands that were perceived to be similar in terms of price level were put in the same group. Without exception, informants organized the groups into hierarchical order from more expensive to lower priced brands. The perceived price level was seen as contingent on the brand’s position as “parent brand” or “brand extensions”, which is parallel with various studies related to brand extensions (e.g. Silverstein & Fiske 2003; Kim et al. 2001; Magnoni & Roux 2012).

The discussion of the price and quality that the categories represented evolved further: A high price was seen as a promise of excellent quality, which made the informants think of such branded products as investments. However, if the product fails, the brand might lose its credibility and status.

“High quality is a good excuse to pay an astronomical price for a luxury branded product. The product is an investment that lasts for years.” (female 30 years)

“[...] High price is not always related to good quality. For example, my Chloé bag disappointed me not once but TWICE! I complained about the first faulty bag and they gave me another one that had defects as well [...] I have lost my trust in that brand.” (female 28 years)

A brand that is positioned as having a “high degree of luxury” in consumers’ minds might drop greatly if the branded product does not meet expectations. Consumers’ own consumption experiences have more importance in their determinations of what the perceived price level can deliver.

It was noteworthy that a hierarchical order based on product attributes – such as price and perceived quality – was a kind of “learned” and top-of-mind way of organizing the field of luxury fashion brands.

#### 4.2.2 Interpretations reflected through personal consumption experience

The discussions shifted quickly from object-related definitions to consumers' own consumption experiences. The brand characteristics became meaningful through interpretations and personal reflections of purchasing situations as well as the actual consumption and use of the brands. Inspired by consumption cycle (Arnould & Thompson 2005), the figure 4 illustrates the interpretations through which the brand characteristics become meaningful for consumers.

“No product in itself is a luxury for me. I mean, it’s important for the product to be flawless, but the service and the feeling of privileged service is an exclusive memory I carry every time I use the handbag [...] that’s why I couldn’t ever go to an outlet store if I want to buy something that I regard as luxurious.” (female 20 years)

The informants categorized the luxury brands by considering the exclusiveness and perceived accessibility of each brand from their personal perspective: The expensiveness of the branded product was reflected back to their own wealth and income level by dividing luxuriousness into *everyday luxury*, *luxury* and the *dream*. “*Everyday luxury*” related to easily achievable brands that were regarded as being slightly above average, but

which gave a special touch of luxury to ordinary life. “Ok, and these brands are similar... for me at least. I use these brands at work, but still I feel like I have something special on me [...] and I think they are like classic design at a quite reasonable price” (female 26 years). “Luxury” was described as follows: “It is accessible if I spend all my monthly earnings on one bag” (female 25 years) or “I could afford it if I don’t pay rent” (female 29 years). The highest level of luxury, “the dream”, was just “something I cannot afford, at least not now” (female 28 years). The dream referred to inaccessibility, something so rare, exclusive and limited that it almost does not exist. The dream was seen as a moving target, since when the consumer achieves it, it loses its luster and dream value. “I value it more if it is more expensive, since in that case I have to work hard to get it or save money in order to buy it” (female 30 years). This division is in line with the findings of De Barnier et al. (2012), who distinguish between inaccessible, intermediate and accessible luxury, but unlike previous literature, this study emphasizes the informant’s own economic situation as the basis of interpretation.

The availability of the branded product prompted the informants to discuss topics such as bargain hunting and second-hand shopping. If the product is too easily available, it loses value and authenticity. Second-hand shopping was regarded as something that requires an effort, which creates an experience in itself. “Vintage shops, sec-

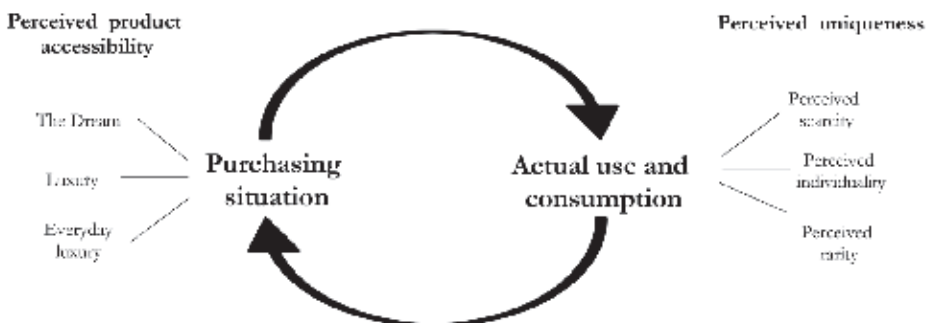


Figure 4. Consumption experiences refer to both purchasing experiences and actual use of the branded product

ond-hand shops and flea markets are treasure troves. When you discover one piece of a kind, you really feel like you're finding a treasure! Plus, you always know there is a story behind the bag – at least you can imagine one” (female 39 years). Interestingly, informants also referred to “stories” that they attached to the product, which increased the perceived value and exclusivity of the product. However, these stories are different to the brands’ own story or history. The discussion around luxury second-hand shopping is partially in contradiction with exclusive purchasing situations and the details in the store environment; that said, personal experience could be acquired through treasure hunting and rare finds. Besides the rarity of a second-hand find, the active role of the consumer in the creation of a luxury experience is highlighted also in the research of Tynan et al. (2010), who address the co-creation of luxury value.

In addition, a connection to perceived uniqueness can be pinpointed from determinations based on consumption experiences. Perceived uniqueness is regarded as a central characteristic of a luxury brand (see e.g. Vigneron & Johnson 2004; Wiedmann et al. 2007). Vigneron and Johnson (1999; 2004) suggest that the uniqueness dimension is built on non-personal perceptions and is in that way related to the exclusivity of the brand. However, perceived uniqueness gained multiple meanings in the informants’ discussions; the uniqueness dimension could be divided into *perceived scarcity*, *perceived individuality* and *perceived rarity*. “Perceived scarcity” was a subject of discussion when the categorizations related mostly to distribution, the buying situation and the details in the store environment:

“These [D&G, Tommy Hilfiger, Guess, Ralph Lauren] are brands that are usually sold in department stores or multibrand stores. [...] Brands like these [Prada, Chanel, Louis Vuitton] are sold in their own stores and are more inaccessible and isolated – that’s why I also expect extraordinary service.” (female 25 years)

Instead, *perceived individuality* was seen as a means of differentiating oneself from the masses and manifesting one’s own style.

“Of course fashion has an influence on me and my choices. These brands (*See by Chloé*, *Marc by Marc Jacobs*) are in my opinion closely influenced by fashion and trends. And that’s one reason why I do not prefer them ... I feel like they are too highly visible everywhere because of fashion trends. For me, it is more important to be myself, not just like everyone else. And the clothes need to suit my overall style, sit well on me and somehow affect me. Uumh. It’s hard to explain.” (female 35 years)

In this sense, “being individual” was parallel to personal-oriented perceptions of the extended self (Vigneron & Johnson 1999; 2004), which pinpoints that luxury brands provide a way for consumers to enhance their self-concept by distinguishing themselves in relation to relevant others, and by integrating the symbolic meanings into their identity (Holt 1995).

*Perceived rarity* in turn was related to the situations in which the brands were actually used and consumed. For example, the informants divided the brands into a group of brands that are more or less in daily use and brands that are used only on special occasions:

”These [*Prada* and *Chanel*] are the brands I use only when having some kind of celebration [...]. But these [referring to a group with *MiuMiu*, *Louis Vuitton*, *Marc by Marc Jacobs*, *See by Chloé*] are more for daily use. I couldn’t think about using my Louis Vuitton at an evening party. It is just too casual.” (female 34 years)

#### 4.2.3 Judging the perceived social character of the brand

The third theme through which informants reflected the characteristics when creating their inter-

pretations was the social character of the brand. Social context and context of consumption played an important role in interpretations: Besides discussing the perceived uniqueness of a brand, informants discussed its perceived conspicuousness (e.g. Veblen 1973; Phau & Prendergast 2000; Truong et al. 2008) when classifying the brands. Yet, the findings addressing perceived uniqueness contained more personal-oriented meanings compared to perceived conspicuousness, in which the social aspect was strongly emphasized.

The perceived conspicuousness of the brands was a criterion in categorizations (presented in figure 3) that highlighted social manifestations. Informants distinguished between loudly (high visibility) branded and quietly branded products. In such cases, they even assigned brands representing different price categories – *Guess*, *D&G* and *Louis Vuitton* – to the same group: “*Vuitton has lost its exclusivity since everyone has it. You want to stand out from the masses positively, but Louis Vuitton is mass market nowadays. LV sold its soul too cheap – it is now too accessible*” (female 25 years). When a luxury brand becomes too available, its perceived uniqueness (Vigneron & Johnson 2004) and potential for social stratification (Kapferer & Bastien 2009) may be lost. Hence, it is not the individual alone who defines and decides what brands are regarded as luxury; it is also a reflection of the social context and society.

When considering the perceived luxuriousness of the brand, the informants stated that the larger the logo on the branded product, the less luxuri-

ous it is. “*If you have to show off the specific brand so loudly – ‘Oh, look how much money I’ve spent!’ – you are buying expensive products for the wrong reasons*” (female 23 years). To this end, the price of the product also gained importance as a status communicator. Informants talked about high price as a way to position oneself higher in the hierarchy.

“Last summer I realized that if a bag is not expensive enough, I just cannot value it that highly. I think it’s a somewhat disturbing thought, but I have to confess that the price tag has a huge influence on me and my valuation.” (female 28 years)

The branded products need to be publicly consumed, and others need to be aware of the brands and prices, so that the price would receive conspicuous meanings (e.g. Phau & Prendergast 2000; Truong et al. 2008).

The social character of the brand was present when informants interpreted the brand characteristics in terms of their own lives. The temporal aspects were highlighted when the brands were categorized and then organized into chronological order based on the informants’ own consumption preferences of luxury brands: *not-using* (past), *my brands* (present), *the dream brands* (future). When classifying the brands in this way (illustrated in figure 5), informants referred to and described the symbolic content and social context that the brands were linked to.

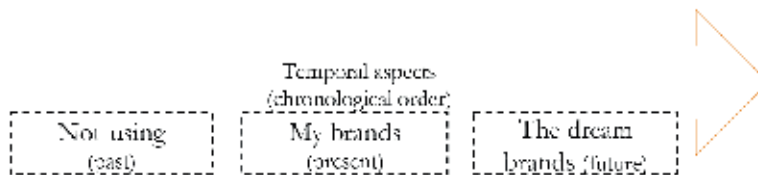


Figure 5. Temporal aspects are reflected against consumers’ own life and social context.

“When I was like 14, Guess was my absolute favorite. I actually have no idea what I saw in that brand back then! Nowadays I wouldn’t use that brand at any price in public!” (female 26 years)

“These brands are like straight from my wardrobe, they are my favorites. Classic, simple and reliable.” (female 29 years)

“These [See by Chloé, Marc Jacobs, Marc by Marc Jacobs] are like fashion bloggers, and these [Louis Vuitton, Chanel, Prada] are for successful business ladies ... And me, then, I maybe see myself here” (female 28 years)

“Luxury is my daydream. Having something to strive for keeps me active and motivated.” (female 29 years)

Accordingly, luxury needs to be continuously re-defined and reflected against the social context and situation, because preferences and understandings change over time both at the individual and social/collective levels. What is regarded as luxury now may not be luxurious in a different context, at a different time and for different people.

### To sum up

It was noteworthy that the informants first determined the brands based on perceived product attributes, and applied different criteria for categorizations afterwards. Categorizations based on similarity in brand characteristics offered a tool that consumers applied when making sense of differentiating (and connecting) criteria between luxury fashion brands. For example, the age of the brand, stylistic consistency and country of origin brought about a way of structuring the fragmented field of luxury fashion brands, but the informants did not directly rank the brands in terms of higher or lower degree of perceived luxury. Instead, *the luxury of a brand was interpreted in relation to time, consumption situation and the social context of consumption*. For example, the group of iconic brands was perceived to be even

more valuable (a higher degree of luxury) when purchased as second-hand. Although the product characteristics (such as price) may be ranked at lower levels than luxury goods should have, the personal experience gained through treasure hunting might raise the perceived luxuriousness.

Besides personal experiences, the social context of consumption influenced the interpretations of luxury. For example, the informants stated that when they were younger a certain group of brands represented a high degree of luxury; nowadays these brands felt nostalgic, but were no longer perceived to be that luxurious. This is also related to categorizations based on the conspicuousness (loud/quiet) of the brand, where the specific context of consumption was highlighted, along with what it was perceived to manifest. The social context is in constant change and therefore the brands also need to be interpreted and determined all over again. If a luxury brand is perceived to be too accessible and available to many, it may lose its luxury status (e.g. Veblen 1973; Silverstein & Fiske 2003; De Barnier et al. 2012).

Based on these findings, it can be suggested that luxury comes into existence when interpreted in relation to other brands and consumption experiences as well as reflected against the social context. These findings parallel the understanding of luxury as constituting an interaction of an individual, a branded product and the social context (see Berthon et al. 2009; Vickers & Renand 2003). Managerial and solely product-centered ways of positioning luxury fashion brands into hierarchical order judged by price and quality or accessibility are too straightforward and there is thus a call to understand this issue from a consumer perspective.

## 5 Discussion

The aim of this paper was to identify the characteristics through which consumers categorize the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. On the basis

of the empirical findings, six main brand-related criteria behind the categorizations can be highlighted, which are reflected on and interpreted against three themes – *object-related characteristics, personal consumption experiences and the perceived social character of the brand* – through which the perceived luxuriousness of fashion brands is determined. In previous brand management literature, the field of luxury brands has been categorized mainly by emphasizing product and brand characteristics as a basis for categorizing luxury brands. However, this study suggests that consumers interpret and determine the luxury of a brand in more diverse and fruitful ways. Product and brand characteristics play an important role in categorizations, but the interpretations are expanded to also reflect personal consumption experiences and social contexts.

One of the empirical conclusions is that consumers tend to determine the luxuriousness of brands in relation to other brands. The categorization task revealed that consumers differentiate and classify brands in relation to others, but do not necessarily organize the brands in hierarchical order (higher – lower degree of luxury). For example, perceived similarity in brand identity (e.g. iconic and classic brands in one group and fashion-oriented brands in another group) guides consumers to classify brands in different groups, but the differentiating characteristics become meaningful only when determined and reflected in the consumption context by the individual in question. Instead, concrete product attributes such as price and quality lead to hierarchically organized categories. In addition, hierarchical categorizations are made by reflecting on personal experiences of the purchasing situation or perceived details in the store environment.

The main theoretical conclusion of this study contributes to existing research about the determination of the perceived luxury of brands. The study provided a structured understanding about the categorizations suggested in previous literature, based on what the understanding about consumers' evaluation and determination of luxuriousness of a brand was elaborated. Besides

classifying the luxury brands from a product perspective, the BLI scale has aimed to measure the perceived luxuriousness of a brand through its non-personal- and personal-oriented dimensions (Vigneron & Johnson 1999; 2004; Wiedmann et al. 2007). To complement these discussions, the current study has shown how the luxuriousness of brands has been extended to also comprise social premises (apart from personal and non-personal dimensions). Perceived conspicuousness and perceived uniqueness included fruitful content, and represent more social and personal-oriented contents contrary to Vigneron and Johnson's (2004) findings, which were positioned in a non-personal dimension. However, based on this study, conspicuousness was reflected and emerged through the reference group and had a social character: the brands determined and interpreted in relation to the social and temporal context were classified but not necessarily put in hierarchical order.

In addition, the personal-oriented dimension of the extended self (Vigneron & Johnson 2004) should be tied to the temporal context: In different times, different people regard different brands as luxury. Consumers divide brands to reflect their own economical standing and in relation to the temporal context – *everyday luxury, luxury and the dream*. These findings are in line with perceived accessibility (e.g. De Barnier et al. 2012), which also requires a social context in order to exist. Some brands may have been perceived to be more luxurious a few years back, but are nowadays seen as more common – this may also represent the rapid change of trends and the fashion cycle. Thus, consumers emphasize the social and temporal contexts when categorizing and determining the luxuriousness of a brand.

### Limitations and future research

The findings from this study are not without limitations. This study has limitations based on the empirical data: the sample size is small, the data is collected from Finland and all the informants are women. Therefore, the findings are not generalizable to other countries and consumer segments. In addition, as the subject of research



was limited only to the fashion field, the findings might only be applicable for drawing conclusions regarding the fashion field, not luxury brands in general. However, these limitations can be turned into opportunities for future research: additional research could be extended to male consumers and fields other than fashion brands. In addition, future research could be approached quantitatively by verifying the explorative findings of this study, such as by comparing the perceptions and criteria of evaluating the degree of luxury in different countries.

### Managerial implication

The current study challenges the product-centered and managerial way of categorizing the heterogeneous field of luxury brands by presenting a versatile view of how consumers structure and determine luxury. Acknowledging this complexity offers implications that could be incorporated into strategic decisions regarding brand management.

By being aware of the diverse ways in which the characteristics attached to luxury are interpreted, managers can gain valuable understanding: the current study has shown that consumers may not necessarily perceive and determine luxury brands in hierarchical order. This was particularly the case

when step-down brand extensions and parent brands were categorized and perceived to carry shared meanings. In this, I highlight that the attribute – price – often regarded as being the key factor in determining the level of luxury, is not necessarily the main criterion for some consumers when evaluating the degree of luxury; they assign greater value to the personal experience and perceived uniqueness when considering the luxuriousness of the brand.

In addition, it is critical to understand how consumers determine and interpret luxuriousness of a brand. For instance, the brand image of a luxury brand – as enhanced by its marketing communications – is often internationally consistent. On the basis of the findings, I suggest that luxury brand marketers should be aware of the variation in consumer interpretations and use more tailored ways of approaching consumers. The way consumers define the luxury of a brand is more complex than the brand management literature suggests. Consumers negotiate and reflect on their own experiences and the social character of a brand in a specific context instead of blindly accepting the classifications offered by the brand marketers. What is regarded as luxury at the time reflects the social context and temporal dimension where consumers navigate.

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