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LUXURY FOR THE MASSES

- but what happens to the brand?

Once upon a time luxury was the most beautiful wares imaginable that money could buy, created by extremely skilled artisans in small family-owned businesses for society's true elite. Luxury was not simply a product, but contained a history of tradition, superior quality and an extraordinary buying experience. But the luxury market has changed. Luxury goods are currently purchased by a mass group of consumers globally and luxury brands have increased their production capacities and extended their ranges to welcome this mass consumer base. The objective of this study is to explain what happens to the brand image of luxury brands when they introduce masstige products to the market. By the use of theory from luxury brand management, marketing theory in terms of brand extensions, and theories of fashion, and through a quantitative study, we have showed that brand image of a luxury brand will be diluted as a result of masstige.

Keywords: masstige, luxury consumption, brand extensions, reference groups.

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1. INTRODUCTION

For the majority of people, the world inhabited by the super rich is extremely distant from their daily lives, and yet, every year luxury brands spend millions on marketing trying to convince otherwise. Since the turn of the last century, when couturiers who made widely expensive dresses for a narrow market of wealthy women, luxury brands began to diversify into other market segments in order to boost their incomes. Chanel No 5 was created in 1921 and other luxury brands adopted the same perfume strategy; these pretty glass bottles were prisms through which everyday consumers could glimpse a life of luxury. Other accessories followed. In the 1950s, Dior had licenses for a range of affordable products: handbags, gloves, scarves, hats, lingerie, and even eyeglasses, all giving the wearer a little piece of the luxury universe (Thomas 2007).

At the beginning of the 21st century, when established luxury brands fell into the hands of giant corporations with profit-hungry shareholders, this courtship of the mass market accelerated and intensified. Sunglasses, scarves, sneakers, belts and billfolds: lower-priced items put luxury tantalizing within everybody's reach. Almost anyone could enter a luxury store and purchase a relatively affordable item (say a 200 euro monogrammed passport cover) and enter the dream world of luxury. The crystal-encrusted tentacles of luxury descended to caress the masses, and they grasped them (Danziger 2005).

This development changed the luxury industry. Whilst of course 'luxury' has changed little in an abstract sense, the world is now (mis)applied to all manner of products. The term 'masstige' has been coined to describe a place where 'mass' and 'prestige' meet, which is a development that has fundamentally changed the industry (Silverstein & Fiske 2008). Almost all luxury brands now have products that start at low price points, whether it is a pair of socks from Polo Ralph Lauren, a Tiffany key ring, or even a 1-series BMW. This is both to secure aspirations sales and to lead customers into high-ticket items (Okonkwo 2007).

Marketing luxury goods is a paradox. Managers want a certain level of diffusion for their brand in order to achieve success in the marketplace; yet, if their brand is over diffused, it loses its luxury character (Dubois & Paternault 1995). One of the biggest challenges facing a luxury brand today is therefore devising a strategy that can cope with the extremes of the modern luxury marketplace, with a product range that may extend from 20 euro socks to 20 000 euro couture pieces and which may be selling both to a Brooklyn secretary and to a Park Avenue Princess (Tungate 2008). This fundamental market change is the take off of our thesis.

1.1 Background

The History of Luxury

Since the dawn of humanity there has been luxury. There have been organized societies, leading groups and objects, symbols and lifestyles specific to these leading groups. Ancient Egypt was a highly hierarchical society with extremely sophisticated codes and rules for living. This splendour was expressed by all means available and spurred the invention of exclusive products such as perfume (Kapferer & Bastien 2009). Imperial Rome is a further example of an ancient society known for its indulgence and luxury, in terms of an excess of imported goods such as gold, ivory and spices for the elites (Dalby 2000). In fact, luxury has existed and exists in most cultures in which some people have superfluous wealth (Kapferer & Bastien 2009).

Originally, luxury was the visible result of a social stratification which everyone had to respect, since the social structure was thought to be created by a god. The luxuries of society were, hence, only reserved for a selected few. It was not until the Industrial Revolution in the 18th century that luxuries started to become affordable to a broader public. It generated lower production costs and brought a considerable rise in living standards. By consequence, an increasing number of individuals suddenly had the financial means to afford some luxuries. From the 20th century, the world of luxury gradually ceased to be a world apart. A growing slice of the population began to have access to it. This is partly related to economic progress, but also to the general democratization (Kapferer & Bastien 2009).

In a democratic society where different classes are no longer obliged to dress in a certain manner, luxury has taken a new role, that of social stratification. In today’s democratic society all people are considered equals and are free to use any of luxury’s components to define themselves socially as they wish. However, humankind still needs some form of social stratification to avoid social chaos, which has become the function of luxury today. According to their dreams and wishes and within their financial means, people can now use any symbols and hence recreate their strata (Kapferer & Bastien 2009).

New Luxury and Its Actors

It was during the reign of the Bourbons and the Bonapartes in France that luxury as we know it today was born. Many of today’s luxury brands, such as Louis Vuitton, Hermès and Cartier, were founded in the eighteenth and nineteenth centuries by skilled artisans in small family businesses. Demographic changes during the 1980s and 1990s such as later marriages, female executives and rising disposable income made financiers realise the potential of these small family businesses. They bought the luxury companies from elderly founders or their heirs, turned these houses into brands, and created giant conglomerates that housed a number of luxury brands under the same roof (Thomas 2007).

This change in investment and ownership structure has resulted in emphasis on return on investment and increase in shareholder value. To deliver profits and achieve profitability financiers and executives set their sights on a new target: the growing wealthy middle class with a higher disposable income than the middle class of the previous centuries. The result is that luxury goods are now available to an increased number of consumers, which is generally referred to as *the democratization of luxury* (Okonkwo 2007).

To realize this democratization, the brands were mercilessly hyped. The brand's historical legacy and the tradition of handcraftsmanship were communicated in expensive advertising campaigns to create a legitimate luxury image. Furthermore, designers were encouraged to stage extravagant fashion shows to make headlines and add to the luxury image. Another strategy was to dress celebrities in the brand's products, not only for special occasions such as the Oscars, but also for everyday life, so that a photographer would catch the celebrity wearing the product, hence adding to the luxury aura of the brand. Then fashionable lower-priced accessories that almost anyone could afford were introduced, making the products more accessible economically (Thomas 2007).

The democratization of luxury has generated a large global industry with sales of approximately 190 billion euros. The major sectors are ready-to-wear, accessories, perfume and cosmetics, jewellery and watches, spirits and champagne (Chevalier & Mazzalovo 2008). Fashion and leather goods account for the largest part of the industry, followed by perfumes and cosmetics (Tungate 2008).

In the luxury business, people generally speak of the 'Big Three' corporations: LVMH, Richemont and PPR Gucci. LVMH is the largest operator on the market and has nearly one-third of its business in the fashion and accessories division. The group has many brands including Louis Vuitton, Donna Karan, Fendi and Marc Jacobs in the fashion and accessories division and Krüg, Dom Pérignon, Moët and Chandon and Veuve Cliquot in the wines and spirits sector (Chevalier & Mazzalovo 2008). In 2009, its sales were 17.1 billion euros (Deeny 100420).

The Compagnie Financière Richemont is mainly active within the watches and jewellery sector with brands including Cartier, Van Cleef & Arpels, Montblanc and Piaget. The jewellery houses represent 30% of total sales that were 5.2 billion euros in 2009 (Business Report 100528).

PPR Gucci was created in 1999 by the purchase of a minority interest in Gucci and the purchase of the YSL beauty and fashion groups. Since then the group has purchased Bottega Veneta, Boucheron and Balenciaga among others. It has also developed the brands Stella McCartney and Alexander McQueen from scratch (Chevalier & Mazzalovo 2008). In 2009, sales of the group were 3.4 billion euros (PPR Group Press Release 100115).

The Luxury Pyramid

The luxury brand needs to be exclusive to maintain brand image, but growth is only possible by becoming less exclusive. The typical business model that enables luxury brands to cope with this dilemma is *the pyramid model* (Figure 1).

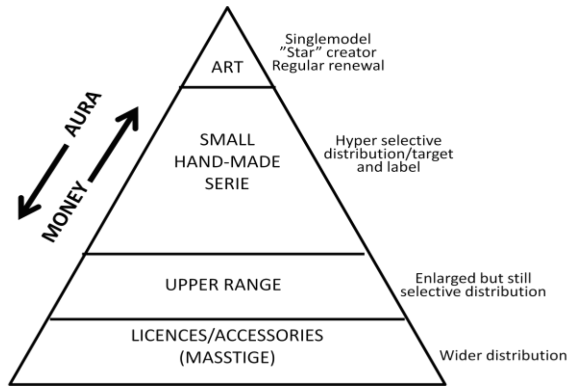

Figure 1: The pyramid business model (Kapferer & Bastien 2009:251)

The Art of Fashion - Haute Couture

The luxury fashion industry was established in the beginning of the 20th century by the French haute couture with its focus on art and aesthetics. As long as French couture was selling briskly, there was little incentive to industrialize the French clothing trade for the mass market (Agins 2000). But in 1966, Yves Saint Laurent introduced a lower-priced ready-to-wear line called Rive Gauche that targeted young people. The pre-made garments were available to buy directly in the shops in opposition to the tailor-made couture (Pagold 1999).

While prêt-à-porter has become increasingly commercial, the creators still wish to maintain a shred of credibility by highlighting the connection with haute couture as an art form. Haute couture is fashion's laboratory, encouraging experimentation and generating ideas that may, one day, change the way people dress; this link is present in the consumer's mind when they buy prêt-à-porter (Tungate 2008). This may explain Giorgio Armani's decision in 2005 to begin showing haute couture for the first time (Okonkwo 2007).

Haute couture can be considered a fantastic tool to demonstrate the prestige of a fashion house and its brand. Its impact on all the other lines, such as clothes, accessories, and cosmetics is enormous. The haute couture with its precious materials and handicraft is of course very costly, but the intention is not to cover the cost through haute couture sales. The main reason for the existence of haute couture is simply to enhance the luxury image of the brand, which should transfer to the brand's other products (Agins 2000).

Small Hand-Made Series and Upper Range

Armani is a classic example of strictly following the pyramid model in its apparel business. Its many complete lines have been clearly organized in descending order from Georgio Armani and Armani Collezione (small hand-made series) to Emporio Armani and Armani Jeans (upper range). These lines correspond to a certain level of price and target as well as the degree of exclusivity of the boutiques. However, unlike other houses, who started off with haute couture, Armani's summit – Armani Privé – did not appear until 2005, when Georgio Armani identified the void at the summit as a threat to his long-term business (Kapferer & Bastien 2009).

Licenses

Licensing is not a new or even recent phenomenon. As the French couturiers created prêt-a-porter collections for boutiques, they discovered that the easiest way to offset their mounting losses on couture was to sign up licenses, which provided reliable money and a lifeline for their business. The father of fashion licensing was Christian Dior, who in 1948 signed up with Prestige, a New York hosiery company, thereby allowing them to produce and sell Christian Dior nylon stockings. Dior saw licensing as a way to extend the luxury brand business to a wider audience without taking on the cost or management responsibilities. Dior rejected an initial offer of a flat licensing fee and held out for a revenue stream, a sliding royalty based on a percentage of sales, which became the industry standard for such contracts. By 1951, Dior had licenses for handbags, gloves, scarves, hats, lingerie, and even eyeglasses (Thomas 2007).

Soon licensing was the hottest business move in the luxury fashion business. Couturiers such as Yves Saint Laurent and Pierre Cardin licensed their names in exchange for royalty revenue streams. Gucci is another classic example of over-licensing; in the 1970s, the brand's distinctive interlocking double-G logo could be seen everywhere, on everything from key rings and T-shirts to bottles of whiskey. Because of family disputes, the enterprise had split into a number of separate fiefdoms, each managed by a Gucci family member. Licenses were signed without logical strategy and over the next decade the brand lost direction and prestige. By the late 1980s, more than twenty-two thousand products, from cigarette holders to scotch, carried the Gucci name (Thomas 2007).

Licensing was indeed an opiate that greatly enriched the French houses while handicapping them for the long run. By handing over their trademarks and nuances of mass production, international retailing, and marketing, the houses lost control of their valuable brand. The licensing boom saturated the world with designer merchandise that hardly lived up to its prestigious labels – polyester scarves and handbags stamped with brassy logos. The licensing bubble finally burst with the general exception of fragrances; since designer houses do not have the budget or expertise to create, manufacture, distribute and market perfumes it is still performed under license. With no more easy money from licensing, the couture houses were hard pressed to find a new way to achieve growth and finance the summit of the brand (Agins 2000).

Masstige

Masstige is best described as a hybrid of prestigious names at accessible prices and is the result of the democratization of luxury that enables growth of luxury brands. It also ensures profitability, since the margin by percentage and volume is made on these products (Kapferer & Bastien 2009). As a result, product portfolios of luxury brands have been modified; several products that were considered ‘exclusive’, ‘rare’ and ‘luxurious’ have been diffused to include lower-priced versions. Furthermore, luxury brands have extended their product ranges to include lower-priced items, such as cosmetics and accessories (Okonkwo 2007).

Handbags are examples of accessories that are often used as masstige products. Once costing as much as, if not more than, ready-to-wear, luxury handbags now come in a wide range of materials, from nylon to crocodile, and an abundant number of styles at prices as low as 300 euros. Since ‘everyone’ can afford a luxury handbag, these products are typical masstige products which the companies are using to make the brand accessible to the mass market (Thomas 2007).

Handbags are brilliant masstige products. They are visible on the body, which gives the wearer the chance to display the brand and publicly declare her status or her aspiration. Furthermore, they are the easiest luxury fashion item to sell because they do not require sizing or trying on. Also, they are not difficult to create and produce and the profit margin is astounding. For most luxury brands the profit is between ten and twelve times the cost to make the item. At Louis Vuitton, it is as much as thirteen times and the bags are never marked down. As a result, luxury companies with support from fashion magazines, have created the phenomenon of the handbag of the season, the must have around the world commonly referred to as the *it bag* of the season (Thomas 2007:168).

The Luxury Galaxy

Another way for luxury brands to achieve growth is by moving out of their original sphere and extending their reputation to other sectors (Kapferer & Bastien 2009). This is, however, not a new phenomenon; the first example of a fashion brand extending into an entirely new sector was as early as 1921, when Coco Chanel created its signature fragrance Chanel No.5 (Okonkwo 2007). In fact, the luxury market is made up of brands that have, for the most part, grown through moving out of their original sphere (Kapferer & Bastien 2009).

The most obvious examples of brands that have moved into new product categories are Armani and Ralph Lauren. They have diversified into a large number of product categories, creating a coherent branded environment, hence allowing the consumer to create a whole lifestyle based on the brand (Tungate 2008). This is referred to in the literature as *the galaxy model* (Figure 2).

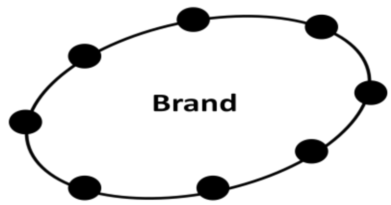

Figure 2 : Galaxy model (Kapferer & Bastien 2009:141)

In the Armani complex in Milan, visitors can stroll through the entire range of Armani, from suits to jeans, while pausing at a café, a bookshop, an exhibition space or the restaurant Nobu. The three-flooor Armani space is the perfect illustration of a familiar ingredient in luxury fashion: the brand extension. In this single store, customers can sample almost every declination of the Armani brand: Emporio Armani (upper range young fashion); Armani Casa (furniture), Armani Profumi (fragrances), Armani Dolce (chocolates), and even Armani Fiori (flowers) (Armani Web Page). Another example is Ralph Lauren who has put his name on apparel for men, women, and children, sheets, towels, furniture, cosmetics, china, crystal, and even designer paint and wallpaper (Agins 2000).

1.2 Problem Area

Once upon a time luxury was the most beautiful wares imaginable that money could buy, created by extremely skilled artisans in small family-owned businesses for society's true elite. Luxury was not simply a product, but contained a history of tradition, superior quality and an extraordinary buying experience (Thomas 2007). The luxury market has changed, however. Luxury goods are currently purchased by a mass group of consumers globally and luxury brands have increased their production capacities and extended their ranges to welcome this mass consumer base (Okonkwo 2007).

With such a fundamental market change there is need for academic research explaining what happens to brand image when traditional luxury attributes such as rarity, exclusivity, quality and price are no longer applicable to the luxury market. The price premium that consumers have been willing to pay for luxury products are based on the image of luxury as a representative of attributes such as superior quality and innovative but timeless design. With such a dependence on brand image, it is of great academic and managerial interest to research what happens to brand image when these attributes change. Can luxury brands maintain its image by hoping that the aura of the *real* luxury products at the summit of the pyramid will transfer to the masstige products or will luxury brand image be diluted?

Fundamental to understanding the effects of the masstige phenomenon is to understand the concept of luxury. If traditional attributes of luxury are representative of consumers' luxury brand image, departing from these attributes should have a negative effect on brand image. If modern luxury consumers, however, attach other meanings to the luxury concept, the effects on brand image might not be severe. This thesis therefore attempts to contribute with increased understanding of the luxury concept as well as research what effects the masstige phenomenon has on brand image.

1.3 Purpose

The purpose of our thesis is to explain what happens to brand image when luxury brands introduce masstige products that do not include the aspects that is traditionally referred to as constituents of luxury. In order to achieve this purpose, the partial purpose of our thesis is to identify what factors luxury consumers attach to the luxury concept.

1.4 Delimitations

Because of the limited scope of the thesis we have made certain delimitations. We have chosen to concentrate solely on apparel (clothes and accessories) and not bring other product classes into our research. The major reason is that apparel has the highest visibility and hence makes it ideal in the research of the masstige phenomenon, since the most commonly acknowledged motive for luxury consumption is symbolic as a way to signal status (Wiedmann et al 2007).

Furthermore, we have restricted ourselves to investigate the masstige phenomenon and not bring other examples of democratization of luxury into the thesis. Apart from masstige there have been several developments in the luxury market that have given rise to increased availability and access to luxury goods for the mass market. In vintage shops or in virtual marketplaces such as e-bay, consumers can buy worn luxury goods to a fraction of the original price. Also, companies such as rent-a-bag.com have profited on middle market consumers' desire to own a luxury handbag. Luxury brands themselves have also taken advantage of this desire by opening outlet shops where last season's clothes can be purchased at prices affordable for the masses (Okonkwo 2007).

Cultural aspects are another factor that we have chosen to leave out of the analysis. According to Hofstede (2001), cultural differences often cause differences in consumer behaviour within and across national borders. Kapferer and Bastien (2009) mention that Japanese luxury is a luxury of social integration and that rarity could destroy a brand's value, which should not be the case in Western countries were the culture is different. Hence, we expect consumers from very different cultures to react differently to the masstige phenomenon, but since the scope of the thesis is limited, we have chosen to leave cultural factors out of the analysis.

1.5 Definition of Terms

Luxury Brands

The origin of the word luxury is derived from the Latin word *luxus*, which means indulgence of the senses, regardless of cost (Nueno & Quelch 1998). The concept of luxury is, however, complex, as it is subjective and multidimensional (Wiedman et al 2007) and primarily built on consumer perceptions (Stegemann 2006). Hence, defining what constitutes a luxury brand becomes difficult.

Economists and marketing consultants generally define luxury brands as those whose price and quality ratios are the highest of the market (Stegemann 2006). This definition does, however, not take other factors than price into consideration, which is problematic, since certain premium mass consumption brands are today more expensive than the equivalent luxury product (Kapferer & Bastien 2009).

Luxury brands share certain functional characteristics such as delivering premium quality and having a heritage of craftsmanship (Nueno & Quelch 1998), but the main factor for distinguishing luxury from non-luxury products is that luxury goods enable consumers to satisfy psychological needs (Arghavan & Zaichkowsky 2000). The simple use or display of a particular product might bring esteem for the owner (Wiedmann et al 2007) as a result of limited production that ensures exclusivity (Nueno & Quelch 1998). Another example of the psychological aspect is luxury as an access to pleasure (Kapferer & Bastien 2009).

To take both the functional and the psychological benefits of the consumption of luxury into account we have chosen the definition of Vigneron & Johnson (1999) as *the highest level of prestigious brands encompassing several physical and psychological values* (1999:2). With this definition we exclude premium versions of mainstream brands, but include limited awareness brands that deliver a narrow product line for a niche market.

Masstige

One house may sell luxury products, upper range and mass products. When a company that sells luxury products start selling products for a mass market we identify it as masstige. As previously stated, masstige products can be defined as *products of luxury brands at accessible prices* (Kapferer & Bastien 2009).

The democratization of luxury capitalizes on the desire for the visible logo as a major element of social valorisation. The logo of the brand is present on the masstige products to a much higher extent than on the masterpieces to achieve instant recognisability. Furthermore, it is generally the accessories that exhibit the brand as masstige products (Kapferer & Bastien 2009). We have, however, chosen to leave those two elements out of our definition, because of the methodological difficulty of finding out what qualities were inherent in the consumer’s product, and focus solely on price.

1.6 Previous Research and Expected contribution

Previous research on the luxury market is limited. However, the research that has been performed has mainly been based on predictors and motives for luxury consumption. Early research is centred on purchasing power of consumers as a predictor of luxury consumption. In 1993, however, Dubois and Duquesne found that not only income, but also a positive attitude towards cultural change explains luxury consumption.

More recent research has been concerned with the symbolic aspect, such as conspicuous consumption, as a motive for luxury consumption (for example Eastman et al 1999, Amaldoss & Jain 2005 and Chaudhuri & Majumdar 2006). The basis of this research is all but recent, though, since the research generally is based on theories that previously have been used in studies of fashion, such as Veblen (1899), Barthes (1990[1967]; 2006) and Simmel (2008[1908]). The interpersonal motives have later been completed by personal motives, such as hedonism, in research by Vigneron and Johnson (1999) and Wiedmann et al (2007).

In the context of luxury, many authors such as Nueno and Quelch (1998), Chevalier and Mazzalovo (2008) and Kapferer and Bastien (2009), have proposed different frameworks to explain the concept. It is, however, necessary to test these factors to grasp the essence and importance of the different features of luxury.

Brand extensions have been widely researched; focus has, however, been on horizontal extensions (for example Aaker & Keller 1990, Aaker 1990 and Tauber 1988). When it comes to vertical extensions, research is more limited, but examples are Aaker (1997), Lei et al (2008), Randall et al (1998) and Kirmani et al (1999). Primarily, researchers have been concerned with the success of the extension (Randall et al 1998), whereas less attention has been directed towards the potential negative feedback effects on the parent brand that an extension can bring to the parent brand (Martinez & de Chernatony 2004).

Despite its wide occurrence, the research on downwards vertical extension is very limited. Stegemann (2006) has addressed the impact of brand extensions on the brand equity of luxury brands. In contrast, our thesis will focus on one specific type of brand extension, that of vertical extension down to masstige. And unlike Stegemann, we will research the effect only on image, not on brand equity as a whole. Furthermore, when luxury brands invite a new clientele, it is necessary to consider what the traditional buyers of luxury think about their nouveau co-consumers, since a negative response from the traditional luxury consumers can result in dilution of brand image (Kapferer & Bastien 2009). By using not only marketing theory on brand extensions but also theory on fashion and symbolic consumption, we will achieve a deeper understanding of the phenomenon.

The combination of luxury and mass market brands under the same corporate umbrella in the automobile market have been studied by Strach and Everett (2006), who found that consumer perceptions of luxury brands are influenced by the degree of commonality with the associated mass-market brands, which poses a threat of brand corrosion for the luxury brand. We will add to this research by studying a situation when the luxury brand and the mass-market brand are produced under the *same* brand, as well as research another industry to see if the threat of brand corrosion exists on a more general level than the automobile industry.

Since there is an obvious research hole in the literature, our thesis will contribute to research on an academic level. Furthermore, there is a general acceptance in the luxury industry of growth according to the pyramid model (Kapferer & Bastien 2009), without research on how the masstige level might affect the parent brand image. Hence, it is of great managerial interest to find the effects of masstige on the parent brand.

2. THEORETICAL FRAMEWORK

2.1 The Luxury Concept

Today, the luxury word is everywhere; we do not only speak of luxury anymore, but of ‘accessible luxury’, ‘new luxury’ etc. The word has become commonplace and progressively emptied of meaning. There is, however, literature that describes the different facets of luxury. A high price and quality are common associations, but price and quality on their own do not make something a luxury (Kapferer & Bastien 2009). The luxury construct is subjective and multidimensional and requires an integrative understanding (Nueno & Quelch 1998). The literature describes the following aspects as different facets of luxury.

High Quality

The luxury literature makes a clear distinction between luxury and premium. Premium brands desire to be chosen for their excellence and their price must be justifiable by its utility curve. Luxury brands, on the other hand, go beyond functionality and carry myths and give birth to dreams (Kapferer & Bastien 2009). According to Nueno and Quelch (1998), all the products in a line must consistently deliver high quality, from the most to the least expensive. However, in addition to quality, which you have a right to expect from a premium brand, you would want something extra from a luxury brand (Kapferer & Bastien 2009).

Design

There is an idea that the function of luxury is the aestheticization of society. Luxury does of course include a strong aesthetic aspect, hence its close connection with art. Today, any house that likes to think of itself as luxury has its own Modern Art foundation (Kapferer & Bastien 2009). Furthermore, being up-to-date and trend-setting are central to be considered luxury; the ability to time design shifts is seen as particularly important when dealing with a fashion-intensive category. Designs must also reflect the personality of its creator (Nueno & Quelch 1998).

High Price

The relationship between luxury and money is obvious, but price on its own does not make something a luxury. A product that is more expensive can often turn into a product that is too expensive, one that nobody wants, rather than a luxury product that people desire. Being expensive is not enough to be luxury, but it is a prerequisite. This is referred to as *the threshold effect:* below a certain price, the product is no longer considered a luxury product (Kapferer & Bastien 2009).

Lineage

According to Kapferer and Bastien (2009), there can be no luxury brand without roots. History gives depth, heritage and continuity to a brand; the most dynamic brands have, among other things, a true, authentic, historical element. History provides the brand with a non-commercial aspect, enables mythologization and is the source of a brand's social idealization.

History and tradition do not mean imprisonment in the past, but provides the brand with a dose of heritage and inherited values that can generate timelessness, which is a highly desirable element in luxury. Lineage and being placed in the context of tradition are important, but history and tradition only have value through relevance today. One of the most significant paradoxes of luxury is actually that it must maintain both timelessness and trendiness at the same time (Kapferer & Bastien 2009).

Handicraft

Some part of a luxury object should be handmade, which is what makes it stand out from factory-produced series (Kapferer & Bastien 2009). This handiwork shows attention to detail and adds a strong impression of uniqueness and preciousness (Nueno & Quelch 1998). Furthermore, it adds human content, which gives soul to the object (Kapferer & Bastien 2009).

Rarity

Rarity is a central component of luxury. Real luxury speaks of rarity when it comes to ingredients, know-how, the brand and its values. The extreme example is the *single piece* for the ultra-rich, such as haute couture dresses and paintings of the great masters (Kapferer & Bastien 2009).

Exclusivity

The facet of exclusivity is the consequence of rarity; it is necessary for a luxury brand to create some sort of inaccessibility to achieve desire. Being the only person to own an object means that others are excluded (Kapferer & Bastien 2009). Limited production and distribution are ways for a brand to ensure exclusivity, which ideally leads to a customer waiting list (Nueno & Quelch 1998).

Hypothesis 1: *Luxury is a multidimensional construct that will be influenced by the following variables*

- *a) perceived level of quality*
- *b) perceived level of design*
- *c) perceived level of price*
- *d) actual price*
- *e) perceived level of lineage*
- *f) perceived level of handmade content*
- *g) perceived level of rarity*
- *h) perceived level of exclusivity*

2.2 Brand Extensions

The Branding Concept

In the marketing literature, the brand is often described as a firm's key asset (Aaker 1990). Farquhar (1989) describes a brand as a name, symbol or design that enhances the value of a product beyond its functional purpose. Hence, the brand provides benefits to consumers by differentiating products so that processing and retrieval of information is facilitated (Stegemann 2006). This information creates knowledge structures in the minds of consumers, which are the basis of the value of a brand (Keller 1993). The knowledge consists of associations on the part of the brand's consumers, which permits the brand to earn greater volume or greater margins than it would without the brand name. Hence, the brand is a possible source to important competitive advantage (Stegemann 2006).

Brand Equity

Brand equity is one important aspect of the branding concept that has been the subject of a large number of studies (Pitta & Katsanis 1995). Its definition is often debated (Biel 1992), but common definitions include the added value that a brand endows a product (Farquhar 1989), the differential effect of brand knowledge on consumer response to the marketing of a brand (Keller 1993) and the additional cash flow achieved by associating a brand with a product (Biel 1992).

According to Keller (1993), brand equity occurs when the consumer is familiar with the brand and holds some strong, favourable and unique brand associations. Hence, brand equity is driven by brand awareness and brand image; high levels of brand awareness and a positive brand image have implications for a brand's pricing, distribution and promotion activities (Keller 1993) and result in a premium that a consumer is willing to pay for a branded product compared to an identical unbranded version (Biel 1992).

Brand Image

Keller (1993) defines brand image as *the perceptions about a brand as reflected by the brand associations held in consumer memory* (1993:8). These associations consist of attributes, benefits and overall attitudes (Keller & Aaker 1992). Brand attitudes are important because they often form the basis for consumer behavior (Keller 1993).

Brand image is not static, but is influenced by the decisions that the company takes about the brand. Previous research has mainly concentrated on how extensions affect the equity of the brand, measured in terms of the price premium that consumers are willing to pay for the branded product. There is a gap in the literature regarding the effect of brand extensions on brand image, which is why this is particularly relevant to research (Martinez & de Chernatony 2004).

Brand Extensions

Brand extensions have been an increasingly common way to leverage the brand equity associated with well-known and well-respected brands (Roedder John et al 1998; Milberg et al 1997). By capitalizing on a company's most valuable assets – its brands – brand extensions are obvious growth strategies (Keller & Aaker 1992; Boush & Loken 1991; Tauber 1988) that can be extremely profitable (Aaker 1990). By leveraging the brand equity of successful brands, companies can reap a second dividend from their investment in advertising, research and product development for these brands (Pitta & Katsanis 1995).

Primarily, researchers have been concerned with the success of the extension (Randall et al 1998), whereas less attention has been directed towards the potential negative feedback effects on the parent brand that an extension can result in (Martinez & de Chernatony 2004). According to Keller (1993), extensions may potentially harm the core brand image if they weaken existing associations in some way. A change of brand image will occur if consumers perceive a lack of fit between the extension and the parent brand (Pitta & Katsanis 1995). The extension might create new associations in consumers' minds that dilute beliefs and feelings that consumers hold about the parent brand (Martinez & Chernatony 2004). This dilution effect may appear even if the extension is successful, since negative associations might be created that adversely affect the brand image (Pitta & Katsanis 1995).

Categorization theory has generally been used to predict how different levels of similarity and consistency affect potential negative feedback effects to the parent brand (Milberg et al 1997). Two models are suggested to explain the effect of brand extensions on family brand beliefs: the *bookkeeping* and the *subtyping* models (Gürhan-Canli & Maheswaran 1998; Loken & Roedder John 1993). The bookkeeping model suggests that each piece of new information leads to an incremental modification of the consumer's brand associations, regardless of the typicality of the extension (Gürhan-Canli & Maheswaran 1998). According to this model, inconsistent attribute information will lead to dilution of the parent brand (Loken & Roedder John 1993). The sub-typing model, on the other hand, proposes that atypical instances are considered exceptions and categorized as subtypes, and hence separate sets of associations will take place for each subtype (Gürhan-Canli & Maheswaran 1998).

Different circumstances affect if consumers use the bookkeeping or sub-typing model when in the evaluation of the brand extension and the parent brand (Loken & Roedder John 1993). Gürhan-Canli and Maheswaran (1998) found that differences in motivation are likely to determine whether the bookkeeping or subtyping model will be supported. With high motivation, consumers are likely to take the effort and process information piecemeal, predicted by the bookkeeping model. Luxury brand products can be assumed to be purchased with high motivation, which implies support for the bookkeeping model. Masstige products give the consumer inconsistent attribute information, since they do not represent the luxury brand's typical price and quality points. According to the bookkeeping model, this should generate dilution of the parent brand.

Vertical extensions

Brand extensions can be *horizontal,* which means that an existing brand name is applied to a new product in either a related product or class or in a category that is entirely new to the firm (Keller 2002). *Vertical* extensions, on the other hand, involve introducing a brand extension in the same product category as the core brand, but at a different price point and quality levels. (Chen & Liu 2004) There has been quite a lot of research on horizontal extensions, whereas research on vertical extensions is more limited (Keller 2002).

The rational of vertical extensions is to leverage the brand equity in new market segments, by either moving upwards or downwards from the parent brand (Lei et al 2008). Companies often wish to exploit the equity of premium brands in lower-priced parts of the market, where there is generally more product volume (Randall et al 1998).

Direct extensions

A direct extension involves using the exact parent brand name for an extension (Kirmani et al 1999). When a brand uses a direct extension, other customers are given the prestige of the parent brand at more affordable prices (Kirmani et al 1999), which potentially bothers the core audience (Pitta & Katsanis 1995). Hence, the use of a direct brand extension strategy for a luxury brand may lead to dilution of the brand image among the existing customer base (Park et al 2003).

Hypothesis 2: *True luxury consumers and luxury consumers will evaluate the parent brand more negatively than will masstige consumers after a direct downward extension.*

Sub-branding

Research considers vertical brand extensions a risky strategy, since inherent brand equity in large part is built on image. Consequently, stretching the brand to different markets may lead to brand image dilution. (Aaker 1997) To avoid negative feedback effects the use of a sub-brand is recommended (Aaker 1997; Kirmani et al 1999; Michel & Salha 2005). In contrast to a direct extension, a sub-branding strategy combines the parent brand name with an individual brand name to form a new, composite name (Kirmani et al 1999). Aaker (1997) considers the role of the sub-brand to help managers differentiate the offerings from parent brands while using the parent's brand equity to influence consumers. By using a sub-brand, the parent brand can keep its prestige image, despite a downwards vertical extension, since this strategy creates distance between the new product offerings and the parent brand (Aaker 1997). Kirmani et al (1999) researched vertical brand extensions in a prestige brand context and found that a sub-brand extension protects the parent brand from dilution to a higher extent than a direct extension strategy.

Hypothesis 3a: *The parent brand will be evaluated more negatively by true luxury consumers and luxury consumers after a downward extension if it uses direct extension strategy than if it uses a sub-brand.*

Hypothesis 3b: *True luxury consumers and luxury consumers will evaluate the parent brand more negatively than will masstige consumers after a sub-brand downward extension.*

Co-branding

Co-branding is an alternative to leveraging brands through brand and line extensions. It is defined as combining two or more well-known brands into a single product and has the potential to achieve synergy that capitalizes on the unique strength of each contributing brand (Leuthesser et al 2003).

Park et al (2003) performed research on how brand complementarity affected the co-branded product. They found that 'Godiva cake mix by Slim-Fast' and 'Slim-Fast cake mix by Godiva' were evaluated as possessing the desirable attributes (low in calories and rich chocolate taste) of *both* brands. In accordance with these results we assume that when a luxury brand co-brands with a mass brand, the co-branded product can be perceived as possessing the prestige of the luxury brand at the price of the mass brand. Since the concepts of 'luxury' and 'value' can be seen as complementary, brand image dilution effects should decrease. Furthermore, a co-branding strategy creates even more distance to the core brand compared to the sub-branding strategy, which should reduce dilution effects to a higher extent compared to direct and sub-branding extension strategies (Aaker 1990).

Hypothesis 4a: *The parent brand will be evaluated more negatively by true luxury consumers and luxury consumers after a downward extension if it uses a direct extension strategy than if it uses a co-branding strategy with a mass brand.*

Hypothesis 4b: *The parent brand will be evaluated more negatively by true luxury consumers and luxury consumers after a downward extension if it uses a sub-brand extension strategy than if it uses a co-branding strategy with a mass brand.*

Hypothesis 4c: *True luxury consumers and luxury consumers will evaluate the parent brand more negatively than will masstige consumers after a co-branded downward extension.*

2.3 The Luxury Consumer

2.3.1 Personal and Interpersonal Factors

Marketing theory often suggests different personal and interpersonal motives for different types of consumer behaviour. In the context of luxury consumption, interpersonal factors such as snob, Veblenian and bandwagon motives have tended to dominate past research on luxury consumption. It is, however, not sufficient to explain luxury consumption based on socially oriented consumers' motives only (Wiedmann et al 2007). Therefore, this framework has recently started to include personal aspects such as hedonist and perfectionist motives to explain luxury consumer behaviour (Vigneron & Johnson 1999).

The Veblenian Consumer

The most commonly referred to motive for luxury consumption, both in literature and as strategic principle for luxury brand management, is the importance of buying to impress others. According to theory, consumers' purchase behavior is highly affected by an internal drive to create a favorable social image (Wiedmann et al 2007). Veblen emphasized the importance of this phenomenon of consumer behaviour over a century ago in "The Theory of the Leisure Class" (1899), in which the phrase *conspicuous consumption* was coined, meaning spending lavishly on expensive but essentially wasteful goods and services as evidence of wealth, which major role was to confer prestige on its owner.

Veblen's early theory on symbolic consumption has been followed by Barthes, who used his work of linguistics and semiology to form a theory of fashion in the 1960s. In "The Language of Fashion" (2006), Barthes showed how signs easily can be translated into words. According to Barthes' framework, apparel works as a symbol system to communicate one's image in an interpersonal network system (Kawamura 2006). In order for consumption to serve symbolically it must be visible to others, though (Solomon & Englis 1995). Through public consumption and demonstration of ownership of different brands, information about the owner's social status is transferred (Nueno & Quelch 1998).

The role of consumption as a way to signal social status has increased as a result of modern societies in which class distinctions are unclear or flux (Kapferer & Bastien 2009). Existing research demonstrates, however, that this *Veblenian* behavior varies between different people depending on their susceptibility to interpersonal influence (Wiedmann et al 2007). Since Veblenian luxury consumers' primary objective is to impress others, and masstige leads to the spread of luxury, we hypothesize the following:

Hypothesis 5: *Veblenian consumers are more negative to vertical downward extensions compared to non-Veblenian consumers.*

The Snob Consumer

Snobbery as a motive for luxury consumption is both a personal and interpersonal factor. There is obviously a personal and emotional desire when consuming prestige brands. However, snobbery is clearly influenced by other individuals' behavior (Vigneron & Johnson 1999).

There are two aspects of snobbery; the first is involved with the importance of being the first to adopt the product, whereas the second concerns the rejection of a particular product, when it is seen to be consumed by the general mass of people (Vigneron & Johnson 1999). Whatever form the snobbery takes, however, it relates to what Wiedmann et al (2007) describe as uniqueness value; the perceived rareness of a limited product enhances the consumer's desire for the brand. As rarity decreases with masstige products, the following hypothesis is derived:

Hypothesis 6a: *Snob consumers are more negative to vertical downward extensions compared to non-snob consumers.*

The importance of uniqueness value is not the same for all consumer groups, though. According to Kapferer & Bastien (2009), the elites value uniqueness to a much higher extent than the masses.

Hypothesis 6b: *True luxury consumers and luxury consumers are snobs to a higher extent than masstige consumers.*

The Bandwagon Consumer

The best known theory of fashion and clothing behavior is Simmel's theory of fashion from the beginning of the 20th century, known as the trickledown theory. According to this theory, fashion changes as a process of imitation of social elites by the masses. Simmel's model of fashion was centered on the idea that fashion was first adopted by the upper class and, later, by the middle and lower classes. Lower-status groups sought to acquire status by adopting the clothing of higher-status groups and set in motion a process of social contagion whereby styles were adopted by groups at successively inferior status levels. By the time a particular fashion reached the working class, the upper class had adopted newer styles, since the previous style had lost its appeal in the process of popularization. The highest-status groups sought once again to differentiate themselves from their inferiors by adopting new fashions (Crane 2000).

Under these conditions, emulation or imitation is increasingly significant and meaningful as a strategy by means of which people lower in a given social hierarchy attempt to realize their aspirations toward higher status, modifying their behavior, their dress and the kind of dress they purchase. Emulation in turn stimulates the desire to retain differentials, which often becomes based upon access to knowledge about goods and their prestige connotations (Crane 2000).

Liebenstein (1950) called what mostly has an impact on the lower-end brand extension, bandwagon consumption. Bandwagon consumption may be conceptualized as the antecedent of the snob effect. Even though snobs and bandwagon followers buy luxury products for apparently opposite reasons, their basic motivation is actually the same; whether through differentiation or group affiliation, they want to enhance their self-concept (Dubois & Duquesne 1993). However, we can only project ourselves to others if they understand the symbols we use in similar ways**.** Therefore brand images allow visible products to communicate the same symbolism to 'senders' and 'receivers' (or 'wearers' and 'observers') (Evans 1989).

From Liebenstein's concept of bandwagon consumption and Simmel's trickledown theory, we propose the following hypotheses:

Hypothesis 7a: *Bandwagon consumers are less negative to vertical downward extensions compared to non-bandwagon consumers.*

Hypothesis 7b: *True luxury consumers and luxury consumers are bandwagon consumers to a lower extent than masstige consumers.*

The Hedonist Consumer

In addition to the interpersonal factors discussed above, luxury should be an access to pleasure and as such have a strong personal and hedonic component (Kapferer & Bastien 2009). According to Lipovetsky (2008), there are now signs that the era of postmodernity has been replaced by an era of *hypermodernity,* characterized by hyperconsumption and the hypermodern individual. Hyperconsumption can be described as consumption for own personal pleasure rather than enhancement of social status. The hypermodern individual is oriented towards pleasure and hedonism and consumes first and foremost for own pleasure.

Vigneron and Johnson (1999) describe the hedonist consumer as one that is not susceptible to interpersonal influence but consumes luxury with an emotional motive. Increasingly, emotional responses concerning sensory pleasure, aesthetics and excitement are given by consumers as motives for luxury consumption (Dubois & Laurent 1994). The hedonist consumer consumes luxury brands to arouse feelings and affective states, received from personal rewards and fulfillment (Wiedmann et al 2007). Seeing the brand producing masstige products, which by definition has a low level of hedonistic content, should reflect badly on the brand in the eyes of the hedonic consumer.

Hypothesis 8a: *Hedonist consumers are more negative to vertical downward extensions compared to non-hedonist consumers.*

The visible logo is important for the masstige consumer, since it adds social value and raises the individual from a condition of anonymity among the crowds. For the luxury and true luxury consumers, however, a luxury object must be a true object of luxury, including a strong hedonistic component (Kapferer & Bastien 2009).

***Hypothesis 8b**: True luxury consumers and luxury consumers are hedonists to a higher extent than masstige consumers.*

The Perfectionist Consumer

One reason why consumers buy luxury brands is because of the superior quality reflected by the brand name (Wiedmann et al 2007). Luxury brands are expected to show evidence of greater quality than other brands (Kapferer & Bastien 2009), since they historically have been handmade to a larger extent, which is considered superior in comparison to mass-produced products (Wiedmann et al 2007). Hence, consumers associate luxury products with a higher brand quality, which makes them perceive value from it. Since masstige products are mass-produced items of low quality we propose:

***Hypothesis 9a:** Perfectionist consumers are more negative to vertical downward extensions compared to non-perfectionist consumers.*

As stated above, luxury and true luxury consumers want true luxury objects, not only when it comes to hedonic pleasure, but when it comes to quality and aesthetics (Kapferer & Bastien 2009).

***Hypothesis 9b:** True luxury consumers and luxury consumers are perfectionists to a higher extent than masstige consumers.*

2.3.2 Reference groups

Luxury brand consumption is not only personally oriented or socially oriented in the sense of impressing others. Consumers' product choices are often motivated by their desire to identify with or to avoid particular idealized lifestyles; brands may in those cases serve as symbolic markers of group membership. Therefore, the consumption of luxury goods involves purchasing a product that represents value to both the individual and the reference group (Wiedmann et al 2007).

Simmel was one of the first and most well known philosopher to form a theory of class participation and class distinction through the act of imitation. Simmel pointed out that, in addition to imitation, demarcation constitutes an important factor in apparel consumption since the act of imitation arises out of the desire for class distinction. Fashion unites those of a one social class and segregates them from others. The elite initiates a style and, when the mass imitates it in an effort to obliterate the external distinction of class, it abandons it for a new mode. Because once the style has 'trickled down' to the lower classes, it can no longer serve to differentiate the elite who have to move to adopt another style (Kawamura 2006).

Based upon Simmel's work, Solomon and Englis (1995) presented in their article "To Be and Not to Be: Lifestyle Imagery, Reference Groups and the Clustering of America", their research about the desire to emulate or to avoid reference groups. The different groups were labeled: aspiration group, occupied group, avoidance group and irrelevant group. To conduct the research they sifted data clusters to create four groups, or more precisely, four lifestyles, representative of undergraduate society. They were: Young Suburbia, Money and Brains, Smalltown Downtown, and Middle America. Solomon and Englis gathered images of objects from four product categories (automobiles, magazines/newspapers, toiletries, and alcoholic beverages) that fit into each group. The respondents were asked to put the various images together into coherent groups; they were also to state their current proximity to, or desire to be part of, each group in the future. Next, they were asked to sort the cards into four piles, or categories, defined as: 'These people are very similar to how I would like to be' (aspirational group). 'These people are very similar to haw I currently see myself' (occupied group). 'These people are very similar to how I would *not* like to be' (avoidance group). 'These people have no meaning for me; I don't feel strongly about wanting to be like or not wanting to be like them' (irrelevant group).

What the authors found was not just that people consume to belong to certain groups, but more importantly what they *do not* consume in order state avoidance. For instance, the respondents were not ashamed of smoking, but of smoking the wrong brand (Solomon & Englis 1995). When luxury brands start to sell more accessible products, they invite a new clientele; should this clientele be an avoidance group of the more traditional customers, the new customer group might scare the traditional customers off.

Hypothesis 10: *True luxury consumers and luxury consumers will have a more negative attitude towards carrying the same brand as non-traditional luxury consumers compared to carrying the same brand as traditional luxury consumers.*

3. METHODOLOGY

3.1 Choice of Subject and Study design

The masstige strategy to invite a broader market for increased profits and growth has resulted in more accessible luxury that not only serves as introductory products but as moneymaking items. To reach clarity if this strategy is profitable not only in the short run but also in the long run with its potential damage to brand image, we have conducted our research based on visible clothing items such as shoes, coats, jackets and accessories, that can be purchased in order to communicate to others to achieve status, or for internal values such as hedonism.

To achieve the purpose of the thesis, theories from different fields have been used. Theory from areas such as luxury brand management, brand extensions and fashion have been used as complementary perspectives to research the phenomenon in depth. Our intention is to contribute with increased understanding of the area in question.

3.2 Study Approach

Since the objective of the thesis is to achieve a general conclusion of the masstige strategy and examine whether it will dilute luxury brand image, a *quantitative* study was found to be the most appropriate. A quantitative approach simplifies establishing the reliability of the thesis and clarifies the analysis. A quantitative study of the consumers of luxury provides insights into their inner life, what drives them, motivates them, and moves them in the marketplace. Furthermore, as we have chosen to base the research on theory from adjacent areas of study and testing these using a large sample of respondents, the study called for a conclusive research design (Malhotra & Birks 2007).

There are two study approaches when conducting research, namely *deductive* and *inductive* methods. Following the deductive method, the researcher starts by formulating hypotheses from the existing theories in the research area. The hypotheses are then tested against empirical data and conclusions are subsequently drawn. An inductive research approach starts with empirical data and theory is then derived from the collected data. The empirical data is the starting point and leads to the formulation of theories. There is also a third research method that contains features of both the inductive and deductive methods, the abductive method. The abductive method is the process of altering between a theoretical and empirical standpoint, and the researcher takes part of existing theories in the empirical data collection process (Alvesson & Sköldberg 2008). In cases where the theory has been given, for example the area of brand extensions, the research has been conducted in a deductive manner. In other areas, where access to theory has been more difficult to find, we have used the inductive approach. Our approach can thus best be described as abductive. We believe that this approach has given structure to our work while at the same time allowing for creativity, hence resulting in deeper understanding of the effects of the masstige strategy.

3.3 Construct of Survey

The quantitative study was conducted with a questionnaire consisting of multiple questions covering different areas of theory as well as more explorative questions (see appendix 1). In the initial question of the survey respondents were asked to choose the clothing garment or accessory purchased in the last two years that they perceived as most luxurious. The questions were asked in the form of question batteries to secure reliability, in a 1 to 7 interval scale allowing for respondents to take a neutral stand. We also chose to give the respondent the option of choosing a *do not know* response on several questions.

The survey was constructed based on theory from the literature and our own reasoning with advice from our tutor Magnus Söderlund. Since we wanted to discover what meaning consumers attach to the luxury concept we decided to let the respondent choose a product they perceived as luxurious and answer questions about that specific product. The first questions of the survey were therefore basic questions about the product they had chosen.

Subsequently, we asked the respondent to what extent to what extent he/she thought that the product had certain qualities such as quality, design, lineage etc. These questions were based on theory from Kapferer and Bastien (2009) and Nueno and Quelch (1998). Since we wanted to connect these qualities to the respondent’s luxury perception, the questions were followed by a three question battery on how luxurious the respondent perceived the product. The battery was based on the three questions that are normally used for asking customer satisfaction related questions.

Since our thesis is about vertical brand extensions in terms of masstige, we asked the respondent about how he/she would feel about the brand should it perform different types of vertical extensions. We chose this kind of hypothetical questions over an experiment design since we did not want to influence the respondent’s attitude by choosing a specific brand, which we would have been forced to do in an experiment. Furthermore, by letting the respondent choose their own brand we were able to ask questions from real clients of a brand, which we perceived as valuable since they can be assumed to be more emotionally involved with the brand.

Furthermore, we chose to ask the respondent about his/her attitude towards co-branding with H&M in comparison to KappAhl despite the fact that H&M has performed this type of marketing activity whereas KappAhl has not. Even though respondents might be more positive towards co-branding with H&M because of that instead of some brand related attitude, we perceived that the risk of wear-out of the concept of co-branding with H&M might have an influence in the opposite direction.

By asking questions about what clients had bought previously from the brand we wanted to research how clients become true luxury consumers, which are the consumers that ought to be most interesting for a brand – do they start off as masstige consumers? Unfortunately, respondents found it very difficult to remember what they had bought from the chosen brand previously, which made it impossible for us to use the data.

The questions concerning reference groups we constructed ourselves in cooperation with our tutor, since the theory in this area is very limited. We could not use the same groups as Solomon & Englis (1995), since these are not adapted to the Swedish market. The groups and their attributes were constructed based on a focus group and a pre-test survey (see below). To achieve deeper understanding of the avoidance phenomenon we choose to ask questions related to the respondent's attitude to the person on different levels of interaction. All responses below four were classified as avoidance, whereas the four response was classified as neutral.

Concerning the personal and interpersonal factors related to luxury consumption, the majority of the questions are taken from Bearden and Netemeyer (1999). We also developed some questions with support from Vigneron and Johnson (1999) and Wiedmann et al (2007). In order to avoid the respondent from understanding what questions concerned each personal factor, we chose to mix them up.

In a questionnaire people have a tendency to exaggerate some features in order to present themselves in a desirable way (Söderlund 2005). To prevent the responses from being influenced by social desirability we chose to ask some questions in an indirect manner and also, assurance of anonymity was crucial.

3.4 Pre-studies

In order to ensure a credible outcome of the study two pre-studies have been conducted to (1) sift cluster to make six social groups/lifestyles, representatives of the Swedish undergraduate society and (2) to pre-test the survey questions.

3.4.1 Classification of Reference Groups

Based on Simmel's (2008 [1908]) and, Solomon and Englis' (1995) theories of fashion as a language and reference groups respectively, configurations of diverse lifestyles and modes representing different social groups current in the Swedish society were defined and tested by a pre-study with valid results.

We started off with a focus group consisting of five luxury consumers of both sexes in different ages and asked them about different luxury consumer types and what attributes best describe them. We chose a relatively small focus group, since we perceived the likelihood of honest responses as larger in a more intimate setting. Subsequently, 60 questionnaires with described clothing items were distributed and the respondents were asked to match the clothing item with a social group/lifestyle. This resulted in six different social groups/lifestyles namely, Classic, Russian, Brat, Suburbanite, Trendy and Downtown.

The *Classic* type represents a proper and casual look steaming from a British heritage with a colour scale ecru to navy blue. *Russian* is a more vulgar style accentuated with *bling bling*, with intention to show off in expensive garments and materials. The *Brat* represents a more casual and sporty style with visible logos. The *Trendy* is a bohemian chic look, with creative mixing of expensive luxury brands and items of unknown brands and mass brands to achieve an individual style. *Downtown* is the epitome of no style, just generic clothes. Lastly, the *Suburbanite* is a tacky style with screaming logos that are often counterfeit, since *it doesn't show anyway*.

3.4.2 Pre-test Survey

To ensure comprehension of the survey a pre-survey was distributed allowing fifteen respondents to answer the questionnaire and comment on the questions they had difficulties understanding. The final survey is the result of a survey fully comprehended by the respondents.

3.5 Sample of respondents

218 respondents answered the survey, which was distributed in the area Östermalm in Stockholm at coffee shops and restaurants were the respondents were able to sit down and had the time to answer the questionnaire. The venues were strategically chosen since we wanted luxury consumers to fill in the survey to achieve the purpose of our thesis. In this area with the reputation of high luxury consumption, we perceived the probability of running into these consumers as higher. Furthermore, Dubois and Paternault (1995) found that income was an important predictor of luxury consumption and by choosing the area in Stockholm with highest disposable income per capita (Öjemar 100223) we increased the likelihood of receiving responses from luxury consumers. However, if the respondent chose a brand that

did not match the criteria for being a luxury brand, the respondent was removed from our sample. The number of valid respondents reached 204.

The sample of luxury consumers were subsequently divided into three groups equal in size based on the price of the respondent's chosen item. We used this method to divide the consumers into the groups *masstige consumers, luxury consumers and true luxury consumers* (see appendix 2). Since the literature lacks concrete information about what price is considered 'accessible' and at what price point a luxury product becomes a 'true' luxury product, we simply let this be determined by the sample. In order to take the product category into consideration, we created three groups of same size based on price out of every product category before finally adding the least expensive thirds, the most expensive thirds etc into three different groups. This was done since prices tend to vary a lot between different product categories.

3.6 Analytical tool

The analysis of the gathered data has been conducted using the software PASW, including comparing means through independent sample t-tests, paired independent t-tests and one-way ANOVA. Throughout our hypothesis testing, results have been accepted at a 5% significance level, recommended by Malhotra and Birks (2007). Furthermore, when questions of the survey have been indexed, these questions have been tested for an adequate level of correlation using Cronbach's Alpha (>0,7). For Cronbach's Alpha, we have used a minimum of three questions, recommended by Söderlund (2005), and a maximum of five questions.

Furthermore, when testing hypotheses using linear regression, autocorrelation, multicollinearity and heteroscedasticity have been tested by using Durbin-Watson (close to 2), Condition Index (<20) and Spearman's Correlation Coefficient (p>0,05; small and negative correlation). The standardized coefficient has been used when independent variables are different in scales, whereas the unstandardized coefficient has been used when the scale is the same for the different independent variables. Moreover, we have used adjusted R^2 when more than one variable has been used and R^2 when only one variable has been used.

3.7 Research Quality

To secure the research quality in order to establish credible results two criteria are essential, namely *validity* and *reliability*. Reliability is the discrepancy found between the observed and the real value due to random errors in measurement (Söderlund 2005). The purpose of assessing reliability is to assure that later potential studies on the same subject with the same procedures would provide the same findings and conclusions. The study conducted for this thesis uses recognized measurements from the marketing research such as multiple questions measurements to ensure high reliability.

Validity is to what extent the results correspond to reality (Söderlund 2005). In order to reach a high validity, the study should be designed in such a way that the attempted phenomenon of study is the one aspect that is actually being studied. Internal validity concerns how well the study is free from influence not included in the study, which has been addressed by ensuring anonymity. We also performed a pre-test survey in order to assure that the interpretation of questions was what we intended. The external validity refers to the possibility of drawing general conclusions from the findings. We have achieved high external validity by the use of a large sample of respondents as well as letting respondents choose any brand they wish, which avoids brand specific conclusions.

4. ANALYSIS AND RESULTS

4.1 The Luxury Concept

In order to study the potential dimensions that influence the luxury concept, we performed a linear regression with dependent variable indexed as *luxury* (Cronbach's Alpha=0,804>0,7) and independent variables *quality, design, high price, actual price, lineage, handicraft, rarity and exclusivity.* In the questionnaire, respondents answered a three question battery related to how luxurious they perceived their purchased item to be, using the 1-7 interval scale. That same interval scale was used to determine to what extent the consumer perceived mentioned characteristics being inherent in their chosen product. We had included an open question about the *actual price* in the survey, which we chose to integrate in the regression, since we expected differences in importance between actual price and perceived price to be an interesting finding itself. It was not possible to do so for any of the other factors since there would have been no objective way to determine the *actual quality* etc of the products purchased by the respondents.

Hypothesis 1 aims to explain the different facets of luxury to reach a higher understanding of the concept. According to the hypothesis, to be considered luxury the perceived level of quality, design, price, lineage, handmade content, rarity and exclusivity must be high.

Tabel 1 Luxury determinants. Regression for H1 a-h

Hypothesis Variable	Standardized Beta	Significance	Support for the hypothesis: Yes or No
a) perceived level of quality	-	-	No
b) perceived level of design	-	-	No
c) perceived level of price	-	-	No
d) actual price	0.220	0.000	Yes
e) perceived level of lineage	-	-	No
f) perceived level of handmade content	0.240	0.000	Yes
g) perceived level of rarity	0.186	0.001	Yes
h) perceived level of exclusivity	0.366	0.000	Yes

Adjusted R^2=0,433
Durbin-Watson=1,947
Condition Index=26,024
Spearman's Correlation Coefficient=-0,012; p=0,865

The results indicate that perceived level of handmade content, rarity and exclusivity as well as actual price are factors that contribute to the luxury concept, hence we find only partial support for hypothesis 1. An adjusted R^2 of 0,433 is fairly high, which shows that the factors that are used to explain luxury in the literature explain the concept fairly well, but shows that there are also other variables that explain consumers' perception of luxury that are not yet researched.

Interestingly, we found support for actual high price as an explanatory factor for the luxury concept, whereas there was no support for the perception of high price. Moreover, there was no significant correlation between the factors. One possible reason for this according to the theory of introductory products is that consumers generally enter a product class by buying a lower-priced introductory product. Hence, consumers that have bought more expensive products are likely to have bought a larger number of luxury products in total, be more familiar with the price level, and hence do not evaluate it as high as they otherwise would have.

The purpose of our thesis is not only to explain what factors describe the luxury concept, but to research whether masstige products result in dilution of luxury brands. Interestingly, perceived level of exclusivity reaches the highest beta value (ß=0,366), followed by perceived level of handmade content (ß=0,240), actual price (ß=0,220) and perceived level of rarity (ß=0,186). Since high price and handmade content are perceived as important explanatory factors for the luxury concept and masstige products by definition are mass-produced products at accessible prices, masstige products should lead to dilution of the brand. Furthermore, we found that exclusivity and rarity were important factors to explain the luxury concept. Since masstige products are available to many and are quite the opposite of exclusivity and rarity, these factors suggest that masstige products should lead to dilution of the brand.

The business model of luxury groups today is to sell mass produced products that are labeled by a luxury brand. Instead of actual rarity, rarity is *simulated* through extensive marketing communications and effective public relations. The challenge is to create the impression of rarity, without actual physical rarity (Kapferer & Bastien 2009). However, with globalization and increased spread of information through information technology we believe it will be increasingly difficult to simulate these factors. Making these variables physically present in their products should be necessary for luxury brands in order to avoid brand dilution and continue being considered a luxury brand.

4.2 Brand Extensions

Direct extensions

Hypothesis 2 addresses whether different kinds of luxury consumers will respond differently to a direct downward extension strategy. This comparison between the three different groups was tested by performing a one-way ANOVA. The results we found indicated that there are differences in these groups in evaluation of a direct extension strategy at significance level 5%.

True luxury consumers were found to evaluate the parent brand more negatively after a downward extension than masstige consumers (p=0,000). Moreover, luxury consumers were found to evaluate the direct extension more negatively than masstige consumers (p=0,048).

The results give support for hypothesis 2 and imply that different levels of luxury consumers have different levels of acceptance for the direct extension strategy, which so clearly capitalizes on the equity of the parent brand. Since a direct extension creates no distance between the extension and the parent brand, those consumers that have bought the more expensive products from the brand franchise would oppose to a brand strategy that connects them with consumers that buy the masstige product.

We should also note in this context that the negative feedback effects of a direct extension should be highest for brands that sell products for a higher level clientele, since these true luxury consumers express most opposition towards direct extensions.

Tabel 2. Direct Extensions. One-way ANOVA for H2

Consumer Group	Direct Extension Mean Value	Significance when compared to Masstige Group	Support for the hypothesis: Yes or No
True luxury consumers	2.74	0.000	Yes
Luxury consumers	3.15	0.048	Yes
Masstige consumers	3.75	-	-

Sub-branding

Theory suggests different ways, such as sub-branding, to protect the brand from dilution effects. According to hypothesis 3a, dilution effects of the parent brand should be lower if the parent uses the sub-branding strategy, instead of a direct extension strategy, for its downward extensions. By using a sub-brand, there is distance between the parent brand and the extension. The sub-brand is considered a protecting shield for the parent brand and hence dilution effects are reduced (Aaker 1990).

We tested the hypothesis using a paired independent t-test and found significant support for the hypothesis. True luxury consumers were significantly more negative towards a direct extension compared to a sub-brand extension (p=0,000). This was also true for luxury consumers (p=0,001).

Tabel 3.1 Extension Strategy. Paired Samples T Test for H3 a

Consumer Group	Extension Strategy	Mean Value	Significance	Support for the hypothesis: Yes or No
True luxury consumers	Direct extension	2.74	0.000	Yes
	Sub-brand	3.78		
Luxury consumers	Direct extension	3.15	0.000	Yes
	Sub-brand	4.23		

Hypothesis 3b suggests that there are differences between consumer groups as to how the parent brand is perceived after a sub-brand extension; true luxury consumers and luxury consumers would evaluate it more negatively after a sub-brand extension than would masstige consumers.

The hypothesis was tested using a one-way ANOVA, according to which the hypothesis found partial support. As expected, true luxury consumers evaluated the brand after a sub-brand extension more negatively than masstige consumers (p=0,029). However, luxury consumers were not found to evaluate the sub-brand extension more negatively than masstige consumers (p=0,777).

Tabel 3.2 Sub-branding. One-way ANOVA for H3 b

Consumer Group	Sub-brand Mean Value	Significance compared to Masstige Group	Support for the hypothesis: Yes or No
True luxury consumers	3.78	0.029	Yes
Luxury consumers	4.23	0.777	No
Masstige consumers	4.39	-	-

Co-branding

To research how luxury consumers evaluate co-branded extensions, we asked them about their attitude towards the parent brand after an extension with two different mass brands. At first, we formulated a co-branding question without specifying any specific mass brand for our survey test audience. However, respondents associated directly with H&M or they were not familiar with the marketing term *co-branding,* which is why we chose to name two different mass brands as basis for co-operation.

The fast-fashion chain H&M has achieved great success by cooperating with famous luxury fashion designers (H&M Web Page); however, it is of great interest to research what attitude luxury consumers hold towards co-branding with H&M or if the success is within the masses who have been able to get a piece of the luxury brand at an affordable price. We also chose the mass fashion chain KappAhl, which is generally perceived as inferior in terms of fashion and design, to investigate potential differences.

According to hypothesis 4a, true luxury consumers and luxury consumers would evaluate the parent brand more negatively after a direct extension than after a co-brand extension, since co-branding increases the distance between the parent brand and the extension. We found no support for this hypothesis, since the evaluation of the parent brand after the extension was not significantly higher for H&M compared to the direct extension alternative. Furthermore, the evaluation of the parent brand was lower if extended via co-branding with KappAhl than via direct extension.

We conclude that *which* mass brand the luxury brand chooses to co-brand with is of great importance, since the KappAhl alternative is perceived as worse for the brand than performing a direct extension. However, co-branding with H&M shows a tendency of acting as a protective shield, since it is evaluated higher, however not *significantly* higher. Noteworthy in this context is that H&M has co-branded with a large number of luxury brands (H&M Web Page), which might have generated some sort of wear-out effect. A less exposed brand in this context might reflect a more positive attitude towards the parent brand, given that the wear-out concerns H&M as a brand and not the mass brand and luxury brand collaboration as phenomenon.

Tabel 4.1 Extension Strategy. Paired Independent T-tests for H4 a

Consumer Group	Extension Strategy	Mean Value	Significance	Support for the hypothesis: Yes or No
True Luxury Consumers	Direct extension	2.74	0.148	No
	Co-brand H&M	3.03		
Luxury Consumers	Direct extension	3.15	0.070	No
	Co-brand H&M	3.63		

Consumer Group	Extension Strategy	Mean Value	Significance	Support
True luxury consumers	Direct extension	2.74	0.000	No
	Co-brand KappAhl	1.48		
Luxury consumers	Direct extension	3.15	0.000	No
	Co-brand KappAhl	1.87		

Hypothesis 4b addresses the evaluation of the parent brand after co-branding with a mass-brand compared to extending via a sub-brand. According to theory, a co-branding strategy should decrease dilution effects on the parent brand compared to a sub-branding strategy, because of the co-branded extension's increased distance from the core brand. This hypothesis was not supported. Instead, the reverse was supported; dilution effects are smaller with a sub-branding strategy than with a co-branding strategy with either H&M or KappAhl. One possible explanation is that co-branding not only distances the extension from the core brand, but it also brings another brand's brand image into the picture. With a sub-branding strategy less distance is created between the parent brand and the extension, but the brand avoids to let the image of another brand influence the own brand.

Tabel 4.2 Extension Strategy. Paired Independent T-tests for H4 b

Consumer Group	Extension Strategy	Mean Value	Significance	Support for the hypothesis: Yes or No
True Luxury Consumers	Sub-brand	3.78	0.002	No
	Co-brand H&M	3.03		
Luxury Consumers	Sub-brand	4.23	0.002	No
	Co-brand H&M	3.63		

Consumer Group	Extension Strategy	Mean Value	Significance	Support
True luxury consumers	Sub-brand	3.78	0.000	No
	Co-brand KappAhl	1.48		
Luxury consumers	Sub-brand	4.23	0.000	No
	Co-brand KappAhl	1.87		

According to hypothesis 4c, true luxury and luxury consumers should be more negative towards the parent brand after a co-branded extension compared to masstige consumers. We found support for this hypothesis, since true luxury and luxury consumers' attitude after a potential extension was lower compared to that of masstige consumers for both brands. Hence, true luxury and luxury consumers are generally more negative towards downwards extensions compared to masstige consumers.

Tabel 4.3.1 Co-Branding H&M. One-way ANOVA for H4 c

Consumer Group	Co-Branding H&M Mean Value	Significance compared to Masstige Group	Support for the hypothesis: Yes or No
True luxury consumers	3.03	0.000	Yes
Luxury consumers	3.63	0.013	Yes
Masstige consumers	4.48	-	-

Tabel 4.3.2 Co-Branding KappAhl. One-way ANOVA for H4 c

Consumer Group	Co-Branding KappAhl Mean Value	Significance compared to Masstige Group	Support for the hypothesis: Yes or No
True luxury consumers	1.48	0.000	Yes
Luxury consumers	1.87	0.022	Yes
Masstige consumers	2.42	-	-

4.3 The Luxury Consumer

4.3.1 Personal and Interpersonal Factors

In order to study whether different personal and interpersonal factors influences the consumer's attitude to masstige we formulated statements such as 'I prefer buying items from the most popular brand', 'I like to try and buy new products' 'I always buy the best quality' and 'What a product makes me feel is very important' (Bearden & Netemeyer 1999) that reflected the different qualities and let consumer agree or disagree on a scale 1-7. We asked five questions for each factor; they were all mixed up and the statements were not 'labeled' so that consumers could understand what personal or interpersonal quality that was measured. After collecting the data we calculated Cronbach's Alpha for each set of five questions. Since it was >0,7 for all factors we indexed them and achieved one Veblenian, one snob, one bandwagon, one hedonist and one perfectionist index. Furthermore, we defined a

Veblenian consumer as a consumer with an index>4 as Veblenian, whereas a consumer with an index<4 was classified as non-Veblenian. This made it possible for the same consumer to belong to several personality groups, which we believe is appropriate to achieve a deeper understanding, since consumers can be assumed to have several personality facets.

In order to test the hypotheses we calculated the means on the different types of downward extensions for the group with an index lower than 4 for a given personality trait and for the group with an index higher than 4 for the same personality trait. We then performed independent t-tests to find out whether potential differences between the group were significant or not. We also performed paired t-tests, where we compared the means for the different indices between the masstige, luxury and true luxury consumer groups.

The Veblenian Consumer

Hypothesis 5 predicts that a Veblenian consumer is more negative to masstige than a non-Veblenian consumer, since a Veblenian consumer is interested in the symbolic meaning of a luxury product, and increasing access for a mass customer base means changing the meaning of the symbol.

Tabel 5. Downward Extension, Veblenist. One-way ANOVA for H5

Downward Extension	Consumer Group	Extension Mean	Significance	Support for the hypothesis: Yes or No
Direct extension	Veblenist Non-veblenian	3.18 3.16	0.730	No
Sub-brand	Veblenist Non-veblenian	3.99 4.33	0.945	No
Co-brand H&M	Veblenist Non-veblenian	3.64 3.68	0.346	No
Co-brand KappAhl	Veblenist Non-veblenian	1.93 1.77	0.735	No

Findings show no significant differences between Veblenists and non-Veblenian consumers, hence Veblenian consumers are surprisingly not more negative to masstige. Since both groups are eqully negative to masstige, our interpretation is that conspicuousness is inherent in all type of luxury consumption, independent of the level of luxury consumption.

The Snob Consumer

According to hypothesis 6a, snob consumers should be more negative to masstige than non-snob consumers. Masstige is concerned with increasing access to luxury products, which is the opposite of rarity, which snobs value.

Tabel 6.1 Downward Extension, Snob. One-way ANOVA for H6 a

Downward Extension	Consumer Group	Extension Mean	Significance	Support for the hypothesis: Yes or No
Direct extension	Snob Non-snob	3.18 3.14	0.896	No
Sub-brand	Snob Non-snob	4.12 4.14	0.936	No
Co-brand H&M	Snob Non-snob	3.47 4.34	0.006	Yes
Co-brand KappAhl	Snob Non-snob	1.79 2.17	0.089	No

Our findings give slight support to the hypothesis, since non-snobs rate co-branding with H&M at mean 4,34, whereas snobs' attitude towards it is only 3,47. Hence, snobs are more negative to co-branding with H&M (p=0,006). The comparison between the groups' attitudes towards co-branding with KappAhl was also *close to* significant. This makes us conclude that it is likely that snobs do not mind extensions as long as they are totally controlled by the brand within the brand franchise. On the other hand, if the luxury brand chooses to associate with the mass brands the snobs apparently react. Hence, snobs seem to be particularly sensitive towards becoming associated with mass brands.

Furthermore, true luxury consumers and luxury consumers are hypothesized to be snobs to a higher extent than masstige consumers. On the snob index, masstige consumers rated themselves significantly lower than true luxury consumers and luxury consumers, hence giving support to hypothesis 6b.

Tabel 6.2 Consumer Group, Snob. One-way ANOVA for H6 b

Consumer Group	Mean snob_ix	Significance	Support for the hypothesis: Yes or No
True luxury consumers Masstige consumers	5.04 4.49	0.012	Yes
Luxury consumers Masstige consumers	5.08 4.49	0.009	Yes

The Bandwagon Consumer

Since the bandwagon personality is considered the opposite of snobbism, we hypothesize that bandwagon consumers are less negative to masstige compared to non-bandwagon consumers. We found partial support for our hypothesis, since it was supported for the two co-branding situations, but neither for the direct extension strategy or the sub-brand; bandwagon consumers rated the parent brand after the co-branding significantly higher than non-bandwagon consumer. Since bandwagon consumers adhere to group affiliation and do not wish to deviate from the norm, it is logical that we find the hypothesis support for the co-branding alternatives; the luxury brand should be spread to a much higher extent if it sells downwards extensions with a mass-brand than if it sells them on its own, both because of price and distribution factors.

Tabel 7.1 Downward Extension, Bandwagon. One-way ANOVA for H7 a

Downward Extension	Consumer Group	Extension Mean	Significance	Support for the hypothesis: Yes or No
Direct extension	Bandwagon Non-bandwagon	3.50 3.09	0.089	No
Sub-brand	Bandwagon Non-bandwagon	4.32 4.06	0.247	No
Co-brand H&M	Bandwagon Non-bandwagon	4.27 3.48	0.006	Yes
Co-brand KappAhl	Bandwagon Non-bandwagon	2.27 1.76	0.010	Yes

Moreover, according to the trickledown theory, the bandwagon personality trait should exist to a lower extent among true luxury and luxury consumers, which was formulated in hypothesis 7b. True luxury consumers ranked themselves significantly lower on the bandwagon index, whereas no significant difference was found between luxury consumers and masstige consumers. This gives only partial support to the hypothesis.

Tabel 7.2 Consumer Group, Bandwagon. One-way ANOVA for H7 b

Consumer Group	Mean bandwagon_ix	Significance	Support for the hypothesis: Yes or No
True luxury consumers Masstige consumers	2.73 3.46	0.001	Yes
Luxury consumers Masstige consumers	3.08 3.46	0.151	No

The Hedonic and the Perfectionist Consumer

Hypotheses 8a and 9a aims to find whether the personal factors of hedonism and perfectionism affects the attitude towards masstige. According to theory, hedonist and perfectionist consumers are interested in the sensory pleasure of luxury, rather than the symbolic interpersonal aspect. Hence, we hypothesize that they should be less negative towards masstige as compared to consumers that consumers that have low means on the indexes that measure the personal aspect of luxury.

Results show that hedonic consumers rate the parent brand after an extension via co-branding with KappAhl lower compared to non-hedonic consumers, which gives slight support to hypothesis 8a. Moreover, the difference between the hedonic and non-hedonic consumer is *close to* significant regarding the potential co-branding situation. We interpret this as the differences can be found in those circumstances where it is more difficult for the luxury brand to control the hedonic content of the product as well as the buying experience.

Furthermore, we found partial support for H9a, according to which perfectionist consumers should evaluate the parent brand more negatively after a downwards extension compared to non-perfectionist. Perfectionist are very sensitive concerning quality issues. The low quality reputation of mass brands might explain the significance of the H&M alternative. Surprisingly, however, we did not find any support for differences between the groups concerning the KappAhl question. Why the direct responses supported the hypothesis might be explained by the risk of purchasing an item of inferior quality if the masstige product and the luxury product are branded similarly.

Tabel 8.1. Downward Extension, Hedonic. One-way ANOVA for H8 a

Downward Extension	Consumer Group	Extension Mean	Significance	Support for the hypothesis: Yes or No
Direct extension	Hedonic Non-hedonic	3.08 3.47	0.108	No
Sub-brand	Hedonic Non-hedonic	4.17 3.80	0.106	No
Co-brand H&M	Hedonic Non-hedonic	3.55 4.07	0.070	No
Co-brand KappAhl	Hedonic Non-hedonic	1,77 2.32	0.006	Yes

Tabel 8.2. Downward Extension, Perfectionist. One-way ANOVA for H9 a

Downward Extension	Consumer Group	Extension Mean	Significance	Support for the hypothesis: Yes or No
Direct extension	Perfectionist Non-perfectionist	3.07 3.63	0.026	Yes
Sub-brand	Perfectionist Non-perfectionist	4.08 4.25	0.475	No
Co-brand H&M	Perfectionist Non-perfectionist	3.45 4.52	0.000	Yes
Co-brand KappAhl	Perfectionist Non-perfectionist	1.86 1.93	0.718	No

Regarding the personal motives for luxury consumption, theory suggests that true luxury and luxury consumers want to consume true luxury objects that make appeal to hedonism and perfectionism. Therefore, hypothesis 8b and 9b predict that these consumers should be hedonists and perfectionists to a higher extent than masstige consumers, which is supported.

Tabel 9.1. Consumer Group, Hedonic. One-way ANOVA for H8 b

Consumer Group	Hedonism_ix Mean	Significance	Support for the hypothesis: Yes or No
True luxury consumers Masstige consumers	5.37 3.91	0.000	Yes
Luxury consumers Masstige consumers	4.73 3.91	0.000	Yes

Tabel 9.2 Consumer Group, Perfectionist. One-way ANOVA for H9 b

Consumer Group	Perfectionism_ix Mean	Significance	Support for the hypothesis: Yes or No
True luxury consumers Masstige consumers	4.91 4.36	0.020	Yes
Luxury consumers Masstige consumers	5.02 4.36	0.004	Yes

Our most interesting finding regarding personal and interpersonal factors is that our hypotheses are almost unanimously supported when it comes to the personality of true luxury and luxury consumers. Theory predicts that compared to masstige consumers, true luxury and luxury consumers should be snobs, hedonists and perfectionists to a higher extent, which we found total support for. Furthermore, theory predicts that the bandwagon effect should be lower for true luxury and luxury consumers, which, however, only was partially supported.

Another interesting finding is that personality types seem to be proper explanatory factors for differences in attitudes towards co-branding with a mass-brand. This might be explained by, while making downwards extensions in their own name, the luxury company still controls production and distribution, which should be important for hedonists and perfectionists who value the personal pleasure of luxury consumption. When co-branding with a mass brand, the hedonist and perfectionist consumer might believe that the two brands are involved with what Strach & Everett refer to as “platform sharing” (2006:115) in the car industry; if the same “components” are used for the luxury and the mass brand, the personal pleasure would most likely be reduced. For consumers interested in the interpersonal aspect of luxury consumption, such as snobs, we suspect that their loyalty towards the luxury segment is larger than the loyalty to a specific brand. Since it is more obvious that the brand enters the mass product segment when co-branding with a mass-brand, than when making a direct or a sub-brand extension, it is logical that the brand is diluted in the eyes of snobs.

4.3.2 Reference Groups

Based on Simmel’s (2008[1908]) and, Solomon and Englis’ (1995) theories on reference groups, configurations of different lifestyles and modes representing different social groups current in the Swedish luxury market were defined. We performed small focus group of luxury consumers of both sexes in different ages, who came up with six different consumer groups present on the Swedish luxury scene, consisting of three more traditional luxury consumer groups (Classic, Trendy and Brat) and three non-traditional consumer groups that have more recently appeared in the luxury landscape (Russian, Downtown and Suburbanite).

The different groups were the following:

- *The Classic*, representing a proper and casual look steaming from a British heritage, often in colour scale ecru to navy blue
- *The Russian*, a more vulgar style accentuated with 'bling bling', dresses to show off and preferably in expensive materials
- *The Brat*, representing a more casual and sporty style in favour of logos indicating status, it is important that you look like you have the money
- *The Trendy,* a bohemian look, with relaxed and loose fit that gives the impression that you work with something creative
- *The Downtown* is the epitome of no style, just generic clothes
- *The Suburbanite*, a tacky style with screaming logos, does not hesitate to wear counterfeit garments

In the survey, we chose not to mention whether a consumer was Trendy, Brat, Suburbanite etc, since we perceived these labels to influence the respondent negatively for our purpose. We only mentioned the different attributes of the intended consumer group. These attributes were, after our focus group, tested quantitatively in a pre-survey performed in the computer lab, consisting of 30 respondents who had to match a consumer type with the different attributes proposed.

In the survey, we formulated five questions, asking the respondent about his/her general attitude towards a person with certain attributes, his/her attitude towards different levels of interactions with the person and how the respondent would feel if the person showed up in the same brand as him/her. For the different personality types we then performed a Cronbach's Alpha and since all resulted in a Cronbach's Alpha>0,7 we created one index for each luxury consumer type.

To test our hypothesis, we performed paired independent t-tests for each combination of consumer groups. Since potential avoidance groups of luxury and true luxury consumers, we excluded the masstige consumers from the test. We found unanimous support for our hypothesis (see table below), since all traditional luxury consumer groups were rated significantly higher compared to the non-traditional consumer groups. Furthermore, all non-traditional consumer groups were rated lower than the neutral 4, whereas all traditional consumer groups were rated higher than the neutral 4. Therefore, we class the non-traditional consumer groups as avoidance groups for luxury consumers, and hence, by inviting the non-traditional consumer groups into the brand franchise, the brand risks losing its current customer base and exposes the brand to the risk of dilution.

Tabel 8. Reference Group. Paired Samples T-test for H10

Reference Group	Mean	Significance	Support for the hypothesis: Yes or No
Classic Russian	4.93 3.74	0.000	Yes
Classic Downtown	4.93 3.14	0.000	Yes
Classic Suburbanite	4.93 3.21	0.000	Yes
Trendy Russian	5.53 3.74	0.000	Yes
Trendy Downtown	5.53 3.14	0.000	Yes
Trendy Suburbanite	5.53 3.21	0.000	Yes
Brat Russian	4.82 3.74	0.001	Yes
Brat Downtown	4.82 3.14	0.000	Yes
Brat Suburbanite	4.82 3.21	0.000	Yes

5. CONCLUSION & DISCUSSION

5.1 Conclusion

The results in the analysis demonstrate that there is a high risk for brand dilution when a luxury brand chooses to start selling products at more accessible prices for a larger market. We started off with the intention to explain what factors are perceived as different facets of the luxury concept and found that actual price, perceived handmade content, perceived level of rarity and perceived level of exclusivity were important to explain the luxury concept. Masstige products have, by definition, low levels of these qualities, which, moreover, become increasingly difficult to simulate. Hence, theory from luxury brand management indicates that bringing masstige products to the market involves high risks of dilution for a luxury brand.

When investigating the attitudes of true luxury and luxury consumers compared to masstige consumers we found that true luxury consumers were more negative towards downwards extensions in all three suggested masstige cases. Regarding luxury consumers, they were more negative in two cases of three. Thus, there is obviously a negative attitude towards bringing masstige products to the market from the regular customer base.

We made interesting findings regarding both the sub-branding and co-branding marketing strategies. True luxury and luxury consumers evaluated the sub-brand alternative higher than both the direct extension strategy and co-branding. Furthermore, true luxury and luxury consumers were snobs, hedonists and perfectionists to a higher extent than masstige consumers, but these personality types were not more negative towards the sub-brand strategy compared to consumers who scored low on these factors. Hence, the sub-brand seems to act as a protective shield for the brand, and is the alternative that we would recommend, should a brand decide to do a downwards vertical extension.

Regarding co-branding, the increased distance that this strategy creates to the mother brand does not seem to protect the brand; the attitude towards the sub-branding strategy is higher than both co-branding with H&M and co-branding with KappAhl for both luxury and true luxury consumers. The same is true for direct extensions in the KappAhl case. Hence, increased distance to the core brand means reduced dilution effect only up to a certain point; after the point where the distance to the core brand makes the parent brand lose control over the extension, it seems as if dilution effects increase. In our specific research there is also the image of another brand to take into consideration.

Furthermore, the theory regarding reference groups was useful for our purpose. We found that true luxury and luxury consumers have certain avoidance towards non-traditional luxury consumers that are let into the brand franchise when bringing masstige products to the market. The unwillingness for the traditional customer base to be associated with these consumers is a factor that a luxury brand must take into account in its branding strategy. Luxury brand management stresses the importance of protecting clients from non-clients and the big from the small (Kapferer & Bastien 2009). However, it is not only in the environment controlled by the brand that the luxury client risks running into the masstige client; due to the visible nature of apparel the luxury consumer is exposed to and will recognize the masstige client at anytime.

The purpose of our thesis was to explain what happens to the brand image of luxury brands when they introduce masstige products to the market. By the use of theory from luxury brand management, marketing theory in terms of brand extensions, and theories of fashion we have showed that brand image of a luxury brand will be diluted as a result of masstige.

5.2 Critique

Since respondents were asked the questions of the survey anonymously, we believe that respondents' responses were honest. However, a general problem with surveys is that it is impossible to ask behaviour-related questions regarding the future (Söderlund 2005); instead we have asked questions about attitudes and intentions assuming that these factors will influence behaviour.

An alternative method to studying the phenomenon would have been to make two surveys for the same sample, one distributed before a certain brand's masstige activity and one after to see how attitude and behaviour has changed. The problems with such an approach, however, would have been the difficulty to isolate the sales of masstige products from other activities performed by the brand; hence, internal validity would have been reduced. Furthermore, the feasibility of such a research design would have been difficult since it would have required market information not accessible to the general public.

Another point that has to be made in this context is that the questions in the survey were asked on a hypothetical level; even if respondents can be familiar with what they think their reaction would be to a specific happening on the marketplace, it is not certain that they would actually react as predicted. Had we chosen to perform an experiment instead, this critique could have been avoided. However, since an experiment design would have obliged us to concentrate on specific luxury brands, it would have been impossible to separate the brand-specific attitude of the respondent from our research.

A further shortcoming of the thesis is that even if respondents answered questions honestly, it might have been difficult for them to actually remember factors from a purchase made sometime during the last two years, which is what we asked them to do. However, since we asked about the respondent's most luxurious purchase during the last two years, we suggest that such a purchase must have made an impression and is consequently easier to remember in detail.

5.3 Implications

According to theory, luxury brand consumers and non-luxury brand consumers are different (Strach & Everett 2006). With our findings in this thesis we can also add that different levels of luxury consumers are different. True luxury and luxury consumers are more negative to different types of masstige. Furthermore, their personality is different; true luxury and luxury consumers are snobs, hedonists and perfectionists to a higher extent, whereas masstige consumers are bandwagon consumers to a higher extent than true luxury consumers. This finding indicates has important marketing implications, since these differences in values and motivation definitely affect consumer behaviour.

Our research also puts emphasis on the importance for managers to know their brand and consider their positioning. What consumer group are they targeting and what motivates it? Whether a brand's customer base consists of mainly hedonists or Veblenists will have important implications for marketing strategy. Furthermore, what level of consumers are they targeting? Is the brand a luxury brand or a mass-premium brand?

Another finding reveals the importance of the co-customer as a part of the product. Söderlund (2001) discusses that for example night clubs is an example of such a product. After our findings concerning reference groups we stress that in the purchase and consumption of a luxury product, the co-consumer constitutes a part of the experience. We have showed that traditional consumers of luxury do not bother luxury consumers, whereas the non-traditional types certainly do; inviting new consumer groups is a tempting strategy, but appealing to one certain customer group can make others reject the brand. What becomes problematic for a brand, however, is that this does not only relate to the purchase experience but also the consumption of a specific product or seeing somebody else consuming the product, which are factors that the brand cannot control in any other sense than avoiding to produce and sell products that are too accessible.

A further implication of our research is that managers must create a distance between the luxury and the masstige product, which is supported by an appropriate branding strategy. The use of sub-brands is clearly the optimal distance, since the attitude towards this extension strategy is more positive compared to the direct extension, whereas the attitude towards the co-branding with a mass brand is seen as more negative in comparison. This clearly highlights the importance of staying in control of the luxury brand, which improves possibilities to manage the client's every meeting with the brand. We suspect that this point also is relevant concerning distribution issues.

5.4 Further Research

Little research has been done in the area of luxury brand image management, especially when it comes to vertical brand extensions. The pyramid model has long been accepted as the only way to achieve some sort of volume in an otherwise exclusive business, and hence it is surprising that the topic has not been covered to a larger extent on an academic level. Furthermore, with the luxury industry being such an *image intense* business spending enormous amounts of money every year on marketing communications, more research on the management of its image is definitely called for.

To understand what drives consumer behaviour in the luxury industry, we must first of all understand what factors contribute to the concept in consumers' heads. The traditional facets of luxury are well-known; by testing these factors we have come closer to understanding the importance of certain factors, but with an adjusted R2 of 0,433 it is clear that there are still other factors left to research.

Furthermore, the democratization of luxury is a fundamental market change that needs further research. In our thesis, we have limited ourselves to masstige, but there are other aspects of this concept that have not been researched. For example, designer outlets, vintage shops and end-season sales are commonplace marketing strategies that make luxury goods more accessible but their effect on brand image is not yet researched. Moreover, there is a convergence of genres inasmuch as non-luxury brands are strongly inspired by and adapt luxury marketing strategies.

Due to the limited scope of our thesis, we have not touched upon the cultural aspect of luxury consumption. Strach and Everett's (2006) research on the U.S automobile market supports our conclusions regarding luxury brand dilution when going into areas that are no longer luxury. Hence, we argue that our results can be generalized for luxury consumption on the European and North American markets. However, research from emerging markets such as Asia with a more integrative interpretation of luxury (Kapferer & Bastien 2009) might give different results.

5.5 Final Discussion

The most commonly used business model in the luxury industry is the pyramid model with its exclusive summit and its mass consumer base at the bottom. Furthermore, a large number of textbooks in luxury brand management discuss the tradeoff between exclusive brand image and fast growth and profits. However, this has not been tested before.

In our thesis, we have tested what factors luxury consumers associate with the luxury concept. Furthermore, we have tested whether attitudes and intentions change as a result of the masstige strategy and found that masstige does dilute brand image. Since Strach and Everett (2006) made similar findings in their research on another category of public consumption goods, we believe there are general conclusions to be drawn from our study; other studies on luxury products that are publically consumed should support our conclusions. However, as already stated, there are cultural limits, since these findings have been made in Western societies with a more individualistic interpretation of the luxury concept.

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Appendix 1: The Questionnaire

Hej!

Tack för att du vill vara med i den här undersökningen!
Undersökningen är en bidragande del till vår magisteruppsats på Handelshögskolan i Stockholm. Dina svar kommer att behandlas anonymt och kommer inte att användas i annat syfte än till att driva forskningen framåt.

Det är viktigt att du svarar på *alla* frågor! Om du känner dig osäker på något, fråga oss gärna! Enkäten tar c:a 8 minuter att besvara.
Tack på förhand!

Följande frågor berör *endast* kläder, skor, väskor och accessoarer (ej äkta smycken eller klockor)

Tänk på *ett* av de dyraste klädsplaggen/väska/skor/accessoar du har köpt de *senaste två åren* som du tycker är *väldigt lyxigt*. Vilken produktkategori tillhör det? (Kryssa i enbart en)

Skor	☐	Rock/kappa	☐	Kjol/byxor	☐
Väska	☐	Jacka	☐	Skjorta/blus	☐
Bijouteri	☐	Kostym	☐	Klänning	☐
Solglasögon	☐	Kavaj	☐	Tröja/topp	☐

Annat nämligen…………………………..

Nu kommer några frågor om det plagget/väskan/skorna/accessoaren du angivit ovan

För hur många månader sedan köpte du det? (max 24 månader)**………………………månader**

Från vilket märke är det?…………………………………………………

Ungefär vad kostade det?..

Hur köpte du det? (välj bara en)

Ordinarie pris	☐
Realisation	☐
Secondhand-pris	☐
Outlet-pris	☐

Annat nämligen ....

I vilken utsträckning anser du att plagget kan beskrivas med följande egenskaper? (Ringa in hur väl du tycker att det överensstämmer)

	Ingen betydelse					Mycket stor betydelse
Kvalité	1	2	3	4	5	6	7
Design	1	2	3	4	5	6	7
Exklusivitet	1	2	3	4	5	6	7
Hantverk	1	2	3	4	5	6	7
Högt pris	1	2	3	4	5	6	7
Sällsynthet	1	2	3	4	5	6	7
Anrik historia	1	2	3	4	5	6	7

Totalt sett hur lyxigt tycker du att plagget/väskan/skorna/accessoaren är? (Ringa in hur väl du tycker att det överensstämmer)

Inte alls lyxig 1 2 3 4 5 6 7 Väldigt lyxig

Till vilken grad möter plagget/väskan/skorna/accessoaren dina förväntningar gällande grad av lyx? (Ringa in hur väl du tycker att det överensstämmer)

Inte alls 1 2 3 4 5 6 7 Helt och hållet

Föreställ dig ett plagg/väska//skor/accessoar som är väldig lyxigt i alla avseenden, hur nära eller långt ifrån från finner du ditt plagg/väska//skor/accessoar? (Ringa in hur väl du tycker att det överensstämmer

Väldigt långt ifrån 1 2 3 4 5 6 7 Kan inte bli närmare

Vad är ditt helhetsintryck om plagget/väskan/skorna/accessoaren? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om

Nu vill vi att du tänker på <u>varumärket</u> på produkten du valde

Om ditt valda varumärke säljer/skulle sälja liknande produkter med något sämre kvalitet till ett något lägre pris för att öka försäljningen med *<u>exakt samma varumärke</u>*, vad tycker du då om varumärket? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Låg kvalité	1	2	3	4	5	6	7	Hög kvalité
Inte exklusivt	1	2	3	4	5	6	7	Exklusivt
Inte prisvärt	1	2	3	4	5	6	7	Prisvärt
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Om ditt valda varumärke säljer/skulle sälja liknande produkter med lite sämre kvalitet till ett något lägre pris för att öka försäljningen med *<u>ett annat varumärke som ändå visar tillhörighet med det ursprungliga varumärket</u>*, vad tycker du då om varumärket? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Låg kvalité	1	2	3	4	5	6	7	Hög kvalité
Inte exklusivt	1	2	3	4	5	6	7	Exklusivt
Inte prisvärt	1	2	3	4	5	6	7	Prisvärt
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Om ditt valda varumärke har sålt/skulle sälja produkter i samarbete med H&M, vad tycker du då om varumärket? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Låg kvalité	1	2	3	4	5	6	7	Hög kvalité
Inte exklusivt	1	2	3	4	5	6	7	Exklusivt
Inte prisvärt	1	2	3	4	5	6	7	Prisvärt
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Om ditt valda varumärke skulle sälja produkter i samarbete med KappAhl, vad tycker du då om varumärket? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Låg kvalité	1	2	3	4	5	6	7	Hög kvalité
Inte exklusivt	1	2	3	4	5	6	7	Exklusivt
Inte prisvärt	1	2	3	4	5	6	7	Prisvärt
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Nu vill vi att du även tänker på <u>andra produkter</u> som du köpt från samma varumärke

Har du köpt fler produkter från samma varumärke? Om *nej*, hoppa över den här sidan.

Om *ja*, hur många produkter har du totalt köpt? ....st

Lista i kronologisk ordning de produkter du har köpt från varumärket.

	<u>Första saken</u>	**<u>Andra saken</u>**	**<u>Tredje saken</u>**
	………………..	………………..	………………..
Ungefär vad kostade det?	………………..	………………..	………………..
Hur köpte du det? (välj bara en)			
Ordinarie pris	☐	☐	☐
Realisation	☐	☐	☐
Second hand-pris	☐	☐	☐
Outlet-pris	☐	☐	☐
Annat nämligen	………………..	………………..	………………..

	<u>Fjärde saken</u>	**<u>Femte saken</u>**	**<u>Sjätte saken</u>**
	………………..	………………..	………………..
Ungefär vad kostade det?	………………..	………………..	………………..
Hur köpte du det? (välj bara en)			
Ordinarie pris	☐	☐	☐
Realisation	☐	☐	☐
Second hand-pris	☐	☐	☐
Outlet-pris	☐	☐	☐
Annat nämligen	………………..	………………..	………………..

Nu vill vi att du tänker på andra personer som också konsumerar kläder

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Loafers från Tods	Loafers från Tods
Jacka från Barbour	Kavaj från Busnel
Cashmere halsduk	Väska från Mulberry

Vad tycker du om den här personen baserat på kläderna i garderoben?

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Hur skulle det kännas om någon med dessa kläder hade på sig något från ditt ovan valda varumärke (som du angav på första sidan)? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Sneakers från Puma	Stövletter från Din Sko
Jacka från Brothers	Jacka från Sisters
Halsduk från Dressmann	Väska från Wedins

Vad tycker du om den här personen baserat på kläderna i garderoben?

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Hur skulle det kännas om någon med dessa kläder hade på sig något från ditt ovan valda varumärke (som du angav på första sidan)? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Sneakers från Adidas	"UGGs" från Din Sko
Jacka från Canada Goose	Jacka från Canada Goose
Halsduk från Kangol	Monogramväska kopia av Louis Vuitton

Vad tycker du om den här personen baserat på kläderna i garderoben? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Hur skulle det kännas om någon med dessa kläder hade på sig något från ditt ovan valda varumärke (som du angav på första sidan)? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Sneakers från Paul Smith	Stövlar från Acne
Jacka från Whyred	Jacka från Anna Holtblad
Halsduk från Acne	Väska från Marc Jacobs

Vad tycker du om den här personen baserat på kläderna i garderoben? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

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Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Loafers från Gucci med monogram	Pumps från Dolce & Gabbana med logo
Kavaj från Gucci	Yvig rävpäls
Halsduk från Dolce & Gabbana med monogram	Väska från Versace i guld med monogram

Vad tycker du om den här personen baserat på kläderna i garderoben? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Hur skulle det kännas om någon med dessa kläder hade på sig något från ditt ovan valda varumärke (som du angav på första sidan)? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Utgå från att du är singel när du svarar på följande frågor och ta ställning till mannens kläder om du attraheras av män och kvinnans kläder om du attraheras av kvinnor.

Föreställ dig att du öppnar en mans/kvinnas garderob, i den hänger följande:

Man	***Kvinna***
Piké från Ralph Lauren	Jacka från Moncler
Sneakers från Gucci	UGGs
Halsduk från Louis Vuitton med monogram	Väska från Balenciaga

Vad tycker du om den här personen baserat på kläderna i garderoben? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Negativt	1	2	3	4	5	6	7	Positivt
Tycker inte om	1	2	3	4	5	6	7	Tycker mycket om
Inte attraktiv	1	2	3	4	5	6	7	Attraktiv

Skulle du vilja prata med denna person i tio minuter? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja gå på date med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Skulle du vilja ha ett förhållande med denna person? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Ta nu ställning till mannens kläder om du är man och kvinnans kläder om du är kvinna.

Skulle du vilja ha på dig dessa kläder? (Ringa in hur väl du tycker att det överensstämmer)

Aldrig i livet	1	2	3	4	5	6	7	Väldigt gärna

Hur skulle det kännas om någon med dessa kläder hade på sig något från ditt ovan valda varumärke (som du angav på första sidan)? (Ringa in hur väl du tycker att det överensstämmer)

Dåligt	1	2	3	4	5	6	7	Bra
Tråkigt	1	2	3	4	5	6	7	Spännande
Negativt	1	2	3	4	5	6	7	Positivt

Nu vill vi att du svarar på några frågor om dig själv

Ungefär hur stor del av din inkomst lägger du på kläder/skor/accessoarer?………………%

Markera hur väl följande påståenden stämmer in på dig

	Instämmer inte alls						Instämmer helt	vet ej
Jag dras till unika objekt	1	2	3	4	5	6	7	( )
Det är mer sannolikt att jag köper en produkt om den finns i liten upplaga	1	2	3	4	5	6	7	( )
Vad en produkt får mig att känna är viktigare än något annat	1	2	3	4	5	6		( )
Det är viktigt att andra gillar de varumärken jag köper	1	2	3	4	5	6	7	( )
Jag konsumerar bara lyxprodukter av emotionella skäl	1	2	3	4	5	6	7	( )
Hög kvalité är viktigt för mig	1	2	3	4	5	6	7	( )
Att använda vissa varumärken får mig att känna välbehag	1	2	3	4	5	6	7	( )
Jag köper sällan det senaste modet innan jag är säker på mina vänner gillar det	1	2	3	4	5	6	7	( )
Det är viktigt för mig hur andra uppfattar mig	1	2	3	4	5	6	7	( )
Jag brukar vara först när det gäller nya trender	1	2	3	4	5	6	7	( )
Jag gillar att ha saker som andra inte har	1	2	3	4	5	6	7	( )
En dyrare produkt är en bättre produkt	1	2	3	4	5	6	7	( )
Om jag köper något dyrt är det viktigt att det *syns*	1	2	3	4	5	6	7	( )
Pris är en indikator på status	1	2	3	4	5	6	7	( )
Jag dömer andra baserat på vad de har på sig	1	2	3	4	5	6	7	( )
Om en produkt blir för vanlig slutar jag använda den	1	2	3	4	5	6	7	( )
Jag föredrar lyxmärken som bara ett fåtal känner till	1	2	3	4	5	6	7	( )
Varumärken speglar vem man är	1	2	3	4	5	6	7	( )
Jag försöker alltid att köpa det bästa	1	2	3	4	5	6	7	( )
Om jag ser upp till någon försöker jag köpa samma varumärken som honom/henne	1	2	3	4	5	6	7	( )
Jag skulle aldrig köpa något av dålig kvalitet	1	2	3	4	5	6	7	( )
Det är viktigt för mig att smälta in i sociala sammanhang	1	2	3	4	5	6	7	( )
Genom användning av märkesvaror imponerar jag på andra	1	2	3	4	5	6	7	( )
Jag lägger ner mycket tid och energi för att hitta de bästa produkterna	1	2	3	4	5	6	7	( )
Jag dricker gärna ett dyrt vin ensam hemma	1	2	3	4	5	6	7	( )
Jag håller mig uppdaterad på mode genom att titta på vad andra har på sig	1	2	3	4	5	6	7	( )
Det är viktigt för mig att passa in i gruppen	1	2	3	4	5	6	7	( )
Jag tror att andra dömer mig som person utifrån de varumärken jag bär	1	2	3	4	5	6	7	( )
Jag brukar konsultera någon annan innan jag köper något	1	2	3	4	5	6	7	( )
Njutning är det främsta skälet till att jag konsumerar dyra produkter	1	2	3	4	5	6	7	( )
Jag köper oftast det mest säljande varumärket	1	2	3	4	5	6	7	( )
Det är viktigt för mig att ha de finaste sakerna	1	2	3	4	5	6	7	( )

Hur gammal är du? ....år

Jag är:

Man ☐

Kvinna ☐

Vad har du för månadsinkomst?..

Uppskattningsvis hur mycket köper du kläder/skor/väskor/ accessoarer för varje månad? ....

Stort tack för din medverkan!

Appendix 2: Sample of Respondents

	Masstige Consumers n=68	**Luxury Consumers** n=68	**True Luxury Consumers** n=68	**Total Sample Luxury Consumers** n=204
Perceived Level of Luxury Mean	4.79	5.18	6.23	5.48
Price on Luxury Item Bought, Mean	4’693 SEK	6’490 SEK	11’724 SEK	8’006 SEK

Scale 1-7 (neg.-pos.)