

The Identity of Luxury Brands

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Abstract: The prospect of high growth rates and high margins attracts numerous new players to the luxury market. This includes mass-market manufacturers aiming to upgrade their products and brands into the luxury segment, as well as a wave of new luxury ventures. These companies require knowledge about what actually constitutes a luxury brand and how to create one. The objective of this dissertation is to develop a concept of luxury brand identity, which can serve as a guideline for creating a luxury brand. The basic part of the concept concentrates on the functional component of the brand identity and, especially, on the definition of luxury brands, products, and consumers and another part concentrates on the emotional component, particularly on the personality of luxury brands.

Despite the growing interest in luxury marketing, there has been no adequate definition of luxury brands. Such a definition requires also defining luxury products, distinguishing similar concepts, and differentiating between major types of luxury products and brands. Besides the implementation of a consumer-oriented research approach, this study advances previous work by developing a structured conceptual framework based on detailed semantic and dimensional analyses. The operationalization of luxury brands relies on a study of 31 German millionaires. Major characteristics of a luxury brand include, among others, high price, quality, and also a strong symbolic meaning, which is covered by the emotional component and, to the greatest extent, by the luxury brand personality.

The concept of brand personality had not yet been applied to the luxury segment, although there is no other product category in which symbolic benefits are similarly relevant. The personality traits and dimensions were explored with a luxury segment-specific qualitative research approach using the Repertory Grid Method (RGM). The areas of application of RGM were extended to the development of category-specific brand personality concepts and the range of versions was extended with the collaborative RGM that allows respondents to build on the input of previous participants. The personality dimensions were tested using a quantitative study with more than 1,000 participants. The resulting concept of luxury brand personality includes a set of 52 personality traits and five major dimensions, such as modernity and understatement.

Zusammenfassung: Die Aussicht auf weiterhin hohes Wachstum reizt zahlreiche Unternehmen zum Einstieg in den Luxusmarkt. Dazu zählen neben Massenmarktherstellern, die ihre Produkte und Marken aufwerten wollen, auch eine Welle von Startup-Unternehmen. Voraussetzung für die durchaus herausfordernde Expansion ins Luxussegment ist allerdings ausreichend Fachwissen darüber, was eine Luxusmarke ausmacht und wie man eine Luxusmarke kreiert. Ziel dieser Dissertation ist die Entwicklung eines Konzepts der Markenidentität für Luxusmarken, das als Leitfaden für den Aufbau einer Luxusmarke dienen soll. Der grundlegende Teil der Arbeit konzentriert sich auf die eher funktionale Komponente der Markenidentität und besonders auf die Definition von Luxusmarken, -produkten und -konsumenten und ein weiterer Teil auf die eher emotionale Komponente und besonders auf die Persönlichkeit von Luxusmarken.

Trotz des steigenden Interesses am Luxus-Marketing existierte bisher keine adäquate Definition von Luxusmarken. Eine solche Definition bedingt auch die Definition von Luxusprodukten, die Abgrenzung ähnlicher Konzepte und die Differenzierung zwischen den wichtigsten Typen von Luxusmarken. Neben der Anwendung eines konsumentenorientierten Forschungsansatzes besteht der Fortschritt im Vergleich zu den vorhandenen Arbeiten vor allem in der Entwicklung eines strukturierten konzeptuellen Rahmens auf Basis einer detaillierten semantischen und dimensional Analyse. Die Operationalisierung von Luxusmarken basiert auf einer Studie von 31 deutschen Millionären. Wesentliche Eigenschaften von Luxusmarken sind zum Beispiel ihr hoher Preis, ihre hohe Qualität und auch ihre starke Symbolkraft, die von der emotionalen Komponente und insbesondere durch die Markenpersönlichkeit bestimmt wird.

Das Konzept der Markenpersönlichkeit wurde bisher noch nicht auf das Luxussegment übertragen, dabei gibt es keine andere Produktkategorie mit einer derart ausgeprägten Relevanz des symbolischen Nutzens. Die Persönlichkeitseigenschaften und -dimensionen wurden mit einem, dem Luxussegment angepassten, qualitativen Forschungsansatz unter Verwendung der Repertory Grid-Methode (RGM) exploriert. Damit wurden die Anwendungsgebiete der RGM auf die Entwicklung Segment-spezifischer Konzepte der Markenpersönlichkeit erweitert und die Bandbreite dieser Methodik um die kollaborative RGM ergänzt, die es Teilnehmern erlaubt, auf Beiträgen vorheriger Teilnehmer aufzubauen. Die Persönlichkeitsdimensionen wurden anhand einer quantitativen Studie mit über 1.000 Teilnehmern überprüft. Das Konzept der Persönlichkeit von Luxusmarken umfasst 52 Persönlichkeitseigenschaften und fünf wesentliche Dimensionen wie beispielweise Modernität und Understatement.

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ABS	anti-lock breaking system	99
LCS	luxury consumer survey	110
LPC	luxury product consumer	51
RGM	repertory grid method	200
R&D	research & development	94
VCP	value-cascade positioning	135
VPA	viral participant acquisition	110
WLBA	world luxury brand analysis	40

Part I.

Introduction

1. Enlightening Science

Lucullus is the prototype of a connoisseur, the hero of refined hedonism, who was famous in ancient Rome for his marvelous evening events and his love for beauty, delicacies and all sensual pleasures (Weeber 2003, p. 15). The refinement of goods to luxury products is above all driven by a desire for pure **sensory pleasure**; everything that stimulates the eyes, ears, nose, gums and the sense of touch will be objectified in luxury products in a perfect manner. Sombart (1922, p. 85) argues that “the desire of refinement and augmentation of these sensory simulative grounds in the end in our love life.” He believes that sensual pleasure and eroticism are basically the same. That is why “in all those places, where affluence is developing and where the love life is naturally enjoyed freely (and cheekily), also luxury will flourish.” For centuries, **love, passion and inspiration** have been the basic ingredients preserving the appeal of luxury products (Hellhammer 2007, p. 2). Today, the adverts of luxury brands such as Gucci, Missoni, and Moschino convey the haughty beauty, perfection and power of luxury that already fascinated Lucullus and in that way, these adverts captivate their observers’ minds, and make them watch and stare, and do not let them go. Even within the scientific community that usually employs an unemotional language, researchers relate luxury brands to “dream” (Dubois and Laurent 1995), “magic” (Catry 2003) “myth” (Berthon et al. 2009, p. 48) and describe them as having an “aura” (Vernier and Ghewy 2006, p. 4). Kapferer (1996, p. 253) recognized enthusiastically that “Like light, luxury is enlightening,” it “defines beauty” and “is art applied to functional items.” Such luxury items are exemplified, for instance, by noble Comtesse hand bags that are traditionally manufactured from horsehair made on over 100 year old mechanical weaving looms, which have a daily production output of only 2.5 meters. The development of the business with such “objets culturels” actually contributes to the preservation and evolution of a country’s **tradition and culture** (Bourdieu and de Saint-Martin 1976, p. 30 et seqq.; Grugel-Pannier 1995, p. 257). Just as in their wildest dreams, craftsmen and engineers are required and allowed to refine an automobile to be a luxury product by experimenting and fiddling until they achieve perfection and “the best possible car.” A radiator of a Rolls-Royce “shaped like the porticoes of Greek and Roman temples” is manufactured entirely by hand and eye, taking one man a whole day to create, and then requiring another five hours to polish (Independent 1992). However, many luxury manufacturers create excellent products by combining traditional techniques with modern

technology. Many innovative technologies such as ABS and the airbag are introduced in luxury products before they spread to mass-market products (Valtin 2004, p. 26). By their constant endeavors of topping the top-products of their categories, luxury brands are drivers of **innovation** (Esteve and Hieu-Dess 2005; König 2002, p. 122). While its appearance may change over time (Jäckel and Kochhan 2000, p. 89), these examples demonstrate that luxury retains its **fascination** to luxury connoisseurs, manufacturers – and (increasingly again) also to researchers.

1.1. Practical Requirements for Research

Since the 1980s, the luxury market has grown at about ten percent per year, a much higher rate than the world economy, making the **luxury industry also a relevant economic factor** (McKinsey 2010, p. 1). Estimates of the size of the market for traditional luxury categories including fashion, jewelry and tableware range from about €150 billion to €200 billion in 2010 (Bain & Company and Altagamma 2011, p. 2; BCG 2010, p. 2; KPMG 2010, p. 15). Considering not only traditional luxury categories, but also cars and services such as hotels and travel, the global luxury market is estimated to approach €1 trillion (BCG 2010, p. 1). Bain & Company and Altagamma (2011, p. 15) forecasts the global luxury market to grow in the next few years by about five to six percent per year.

Although the luxury market has become more vulnerable to economic downswings since the “democratization of luxury” (Vernier and Ghewy 2006), its outstanding long-term growth perspectives are **backed up by solid societal trends**. There is an ever growing group of people that is both, willing and able to consume luxury products (Lasslop 2002, p. 330; Truong 2010, p. 654). Developed luxury markets benefit particularly from long-term **consumer trends** such as hedonism (Silverstein and Fiske 2003, p. 50) and people’s growing desire for distinction and representation especially in times of rising uncertainty (Enzensberger 1996, p. 111). However, the optimism within the luxury industry is grounded to a large extent on the ongoing **economic prosperity of Asian countries** such as China and India (PricewaterhouseCoopers 2011, p. 9). This is accompanied by forecasts which predict the Asian luxury market to grow by more than ten percent per year in the next few years (Bain & Company and Altagamma 2011, p. 15). Asian culture is characterized by high levels of collectivism, power distance and face-consciousness, which makes Asian consumers especially prone for luxury products (Lu 2008, p. 51 et seqq.;

Eng and Bogaert 2010, p. 59). This is demonstrated by the steep economic rise of Japan, which has become the world's biggest luxury market (BernsteinResearch 2010, p. 31). Only about 20 years ago, there was virtually no luxury market in China. The first Western luxury brands entered the Chinese market at the beginning of the 1990's. Gucci grew its presence from only six stores at the beginning of 2006 to 39 stores this year, which exemplifies the rapid expansion of many luxury brands in this country. Today, China has already surpassed the United States as the world's second biggest luxury market and is expected to become the world's largest luxury market by 2015 (McKinsey 2011, p. 7). According to a study by Deloitte (2011, p. 10), the **number of millionaires** in China and India will almost double by 2020 (and increase by 66% in Germany). Altogether, the number of millionaires worldwide will increase by 73%, from 38 million this year to 66 million by 2020. This demonstrates that the wealthy are developing from a minority to a significant market segment, which promises business opportunities not only for the existing luxury companies.

The growth of the market is linked to the **professionalization** of the luxury industry. For decades and sometimes even for centuries, luxury brands were family-run, product-centered businesses without any professional marketing. A turning point marked the merger of Louis Vuitton and Moët Hennessy to LVMH in 1987 and the entrance of Bernard Arnault into the company in 1988 (Csaba 2008, p. 18), who directed LVMH to become the ultimate leader in the luxury market today with a portfolio of more than 60 luxury brands and valued €57 billion, which exceeds, with the exception of Siemens, the worth of any German company. As the potential of the luxury segment was recognized by increasing numbers of market participants, new investors and capital moved into the luxury segment and therewith brought with them a more professional management mindset, which was reflected in the establishment of the LVMH chair at ESSEC business school in Paris in 1991 (Stegemann et al. 2007, p. 1). Many smaller luxury manufacturers were acquired by large mass-market companies and incorporated as their luxury divisions, and others became part of often market-listed conglomerates specializing in luxury, including also Gucci, PPR and Richemont. Unlike in the old days of family-run businesses, the new investors and their share holders put a constant pressure on luxury companies for improved earnings and profits (Ramaswamy et al. 2003, p. 6), but on the other hand, allow them to raise capital to invest in their design, marketing and expansion into other countries and consumer segments which in turn also propels the growth of the luxury industry (Nueono and Quelch

1998, p. 62).

In Germany, luxury was regarded with much more skepticism only a decade ago (Ebert 1998, p. 9). At this time, it seemed that there were actually no luxury brands in Germany at all, only either premium brands or traditional artisans. However, a lot **has changed in Germany, especially in the past five years**. Luxury is becoming ever more accepted (Führer 2008, p. 188; KPMG 2009, p. 6; Wirtschaftswoche 2010) and **the country is on its way to developing into a major supplier of luxury products** (see also Magazin-Manager 2005). In 2007, a German investor set up Labelux, a new luxury conglomerate following the example of LVMH (FTD 2011a). Consulting companies are establishing competence centers for the luxury segment and new luxury-specialized consulting companies are emerging. Various universities have followed TU Berlin in offering courses in luxury marketing and in addition, a German luxury business conference was launched this year. Just some weeks ago, a German association of luxury brands was set-up modeled on the French Comité Colbert and the British Walpole (FTD 2011b). Many German brands are reconsidering their identities and increasingly conceive themselves as luxury brands such as Montblanc and Leica, which were recently honored with their admission into the prestigious circle of the Comité Colbert (FAZ 2011, p. 20). Because many of its companies have a long tradition of craftsmanship and a strong commitment to quality leadership, Germany has a reservoir of **high-potential premium brands** that may develop into luxury brands in the future. High growth rates and the prospect of high margins have attracted numerous new players into the luxury market (Meffert and Lasslop 2003, p. 2). This includes mass-market manufactures aiming to upgrade their products and brands into the luxury segment, as well as a **wave of new luxury ventures** worldwide and in Germany such as Klemann shoes in Hamburg, Schumacher fashion in Mannheim, and Julisis cosmetics and Welter Wandunikate in Berlin (see also Heine 2011; Focus 2009, p. 42; Reich 2005, p. 3).

A **prerequisite** of brands seeking to enter the luxury segment or to strengthen their luxury image is **expertise in luxury marketing**. First of all, they require knowledge about **what actually constitutes a luxury brand and how to create one**. Many companies in Germany succeed in achieving quality leadership, but still struggle to move-up their brands from the premium into the luxury segment. A key characteristic of luxury products and brands is their specific symbolic meaning, which marks the major difference between the premium and luxury segment (Kapferer and Bastien 2009b, p. 316). Moreover, emotional benefits become ever more essential

for brand differentiation (Kapferer 2008, p. 173) because an increasing number of “fellow-shoppers” are engaging in symbolic consumption and may choose a product mainly due to the congruity between their personality and the symbolic personality of the product (Vigneron and Johnson 1999, p. 434; see also Trommsdorff and Heine 2008a, p. 1672). Many German brands in particular seem to be stuck in their hard-headed world of engineering and need guidance in enhancing their products and brands with **luxury-specific symbolic meaning**.

1.2. Scientific Objectives

As a result of the recent professionalization of the luxury industry (see also Mortelmans 2005, p. 498), luxury marketing is still a new area of research that slowly started in the 1990’s (Stegemann et al. 2007, p. 1; Vigneron and Johnson 1999, p. 1) most notably with the work by Allèrès (1990), Berry (1994) and Dubois and Duquesne (1993). It has become more dynamic since the beginning of this century, and especially in the past five years (Truong et al. 2008, p. 190; Wiedmann et al. 2009, p. 625). However, the practical demand described above is still not satisfied. In this context, the luxury segment is also fascinating from a scientific perspective because it still provides possibilities for relatively **fundamental research within its niche**. This dissertation combines the practical requirements described above with the following two major research avenues:

1. Definition and Categorization of Luxury Brands

Posing the question “What is luxury?” often sparks heated discussions. As luxury is a relative term, it seems to refer to **almost anything or nothing** depending on whom you ask. In addition, luxury has today become an inflationary used and worn out label for almost anything (Berry 1994, p. 3; Vickers and Renand 2003, p. 460) and the boundaries to the premium segment and new emerging luxury-like categories are increasingly becoming ambiguous (Silverstein and Fiske 2003, p. 50; Truong et al. 2009, p. 376). These confusions are reflected in the management literature. Although a variety of definitions already exist for luxury products and brands, including the most popular concepts by Dubois et al. (2001) and Vickers and Renand (2003), the discussion about the definition of luxury is still going on. For the past 20 years there has been, above all, a consensus in business literature that there is actually **no consensus about the definition of luxury products and brands** and that the existing concepts remain rather “blurry”

(Kapferer 2001, p. 319; Vigneron and Johnson 2004, p. 485 and Yeoman and McMahon-Beattie 2006, p. 321).¹ This ongoing discussion, together with the inconsistencies and impracticability of the existing definitions, is rooted in some major misunderstandings due to a missing conceptual base (see part II, section 1.2.2.2). However, a clear definition of the objects of investigation is necessary in order for the research results to be clear and comparable (see also Friedrichs 1973, p. 73), and would therefore provide a **basis for further research** in luxury brand management and consumer behavior. Therefore, one of the **major objectives of this dissertation is to develop a comprehensive concept of luxury brands** based on a solid conceptual framework. As luxury brands are obviously characterized by selling luxury products, they are usually defined by product-related characteristics (Meffert and Lasslop 2003, p. 6; Büttner et al. 2006, p. 12; Valtin 2004, p. 30). Therefore, the concept requires not only defining both luxury products and brands, but also distinguishing similar concepts and differentiating between major types of luxury products and brands. In that way, it should create a better understanding of what actually constitutes luxury products and brands.

2. Symbolic Meaning & Luxury Brand Personality

Following the changes in market conditions and consumer preferences described above, the focus of brand differentiation is shifting increasingly to **symbolic benefits** (Kapferer 2008, p. 173). These trends go along with an **increased interest in the brand personality** concept as it offers a systematic approach to creating symbolic benefits (Esch 2010, p. 79). Surprisingly, there was still no brand personality concept specifically for luxury brands and only a small amount of literature about the symbolic meaning of these brands. Some authors concentrate on some particular symbolic characteristics including Dubois et al. (2005, p. 123), Esteve and Hieu-Dess (2005), Kisabaka (2001, p. 192 et sqq.) and Ourahmoune and Nyeck (2008). In most of the literature, the symbolism of luxury is only mentioned parenthetically in descriptions about luxury brand characteristics, e.g. by Lipovetsky and Roux (2003, p. 51 et seq.), Mutscheller (1992, p. 65) and Valtin (2004, p. 26).² Nevertheless, the **luxury category appears to be espe-**

¹see also Büttner et al. (see also 2006, p. 10); Christodoulides et al. (2009, p. 397); De Barnier et al. (2006, p. 5); Kapferer (1996, p. 76); Kapferer (1998, p. 44); Korneli (2007, p. 3); Reich (2005, p. 33) and Valtin (2004, p. 15).

²see also Vickers and Renand (see also 2003, p. 469), Vernier and Ghewy (2006, p. 4) and Vigneron and Johnson (2004, p. 494).

cially suitable for a brand personality framework. First of all, there is no other product category with a similar relevance of symbolic benefits, which often even exceed their functional benefits (Vernier and Ghewy 2006, p. 4). In addition, the symbolism of luxury brands refers to a large extent to human personality traits (Vigneron and Johnson 2004, p. 490). Consequently, the other major **objective of this dissertation** is to develop the first concept of brand personality especially for luxury brands, which requires one to identify the universe of luxury brand personality traits and their major dimensions.

These two major areas of research reflect in particular the major concerns from German companies aiming to expand into the luxury segment and are considered to correspond with the two major components of the luxury brand identity (see chapter 3).

1.3. Structure of Thesis

This cumulative dissertation consists of six individual papers and is further categorized as follows:

Part I provides an introduction. After the two major areas of research are described, the basic epistemological philosophy and research methodology are outlined in the subsequent section. Thereafter, the brand identity is introduced as the framework of this dissertation and the papers are classified into this framework (section 3). Following this, there is an overview about the papers and their major objectives and results as well as their methodological and practical contributions (section 4) and finally a short description about how research problems were identified in practice and how the results were disseminated (section 5).

Parts II and III present the papers. Part II covers the papers concentrating on the functional component of the luxury brand identity and the definition and categorization of luxury products and brands. Part III comprises the papers concentrating on the emotional component of the luxury brand identity, particularly on the luxury brand personality.

Part IV concludes with an overview about future research opportunities.

2. Epistemological Philosophy & Research Methodology

By taking up a position on the theory of science, a researcher determines his or her basic methodological approach of acquiring knowledge. Large parts of research work within the area of business management studies comply with the notion of **Critical Rationalism** (Kornmeier 2007, p. 40). This philosophy was originally tailored to natural science and postulates that empirical knowledge is initiated by hypotheses deduced from pre-existing theories (see Popper 1945, p. 219). Popper (1959, p. 10) suggests that a theory has to be falsifiable and that “so long as the theory withstands detailed and severe tests and is not superseded by another theory in the course of scientific progress, we may say that it has ‘proved its mettle’ or that it is ‘corroborated’ by past experience.” Accordingly, he sees research as a process of trial and error, which will never reach the truth, but allows for theories to be improved and at least come closer to truth. Critical Rationalism concentrates especially on the context of justification and the methodology of testing theory-based hypotheses on reality (Kornmeier 2007, p. 39). Therefore, Kubicek (1977, p. 6 et seqq.) refers to the falsification strategy as a “testing strategy of empirical research” and believes that its focus on testing requirements and methods could obstruct the extension of the existing knowledge base. In addition, it is not always possible to falsify theories, because not all relevant influential factors can be controlled when the hypotheses are tested (Kubicek 1975, p. 49). Many researchers also criticize the increasing alienation of theory and social reality (Lamnek 1995, p. 112; Mruck and Mey 2007), which corresponds to the phenomenon ascribed by Kubicek (1977, p. 10) as the “‘ignorance problem,” i.e. the difficulty of generating meaningful hypotheses without good prior knowledge about the object of research. Despite the growth of publications in recent years, luxury brand management is still a relatively new and underexplored area of research, which is also demonstrated by the confusion surrounding the terminology of luxury (as already described in chapter 1). Therefore, the approach of strictly following the mainly deductive approach of Critical Rationalism is considered to be too restrictive for this paper, because the acquisition of knowledge within the area of luxury brand management can barely draw on only nomological hypotheses (Kubicek 1975, p. 8; see also Fuelbier 2004, p. 268 et seq.).

The context of discovery of this paper originates from problems that were identified in practice, which corresponds to Kubicek (1977, p. 12), who sees the level of understanding of business reality as a benchmark for scientific progress in managerial research. Accordingly, Ulrich (1981, p. 7) claims that the starting point of managerial research should lay in **practical management problems**. The starting point for this paper was the lack of clarity regarding what a luxury brand is and how a luxury brand is created. On the other hand, practice-oriented research does not mean having to consult specific companies on individual day-to-day business cases, but should produce more general middle-range recommendations for solving management problems in practice (Frank 2003, p. 10 et seq.). The foundation of research work in practice also corresponds with a focus on its context of application and constant efforts to spread the research results within the scientific and business community as well as to the general public (see chapter 5).

Kubicek (1977, p. 11) argues that the ignorance problem can be solved by exploring (new) knowledge from the empirical field. According to his argumentation (p. 12 et seqq.), the present paper follows a (mainly inductive) **empirical-qualitative exploration strategy** (also “construction strategy of empirical research” or “enlightened constructive empiricism;” see also Grochla 1978). This research approach was considered for a long time as non-scientific and contradictory to Popper’s “falsification strategy” (Meidl 2009, p. 111 et seqq.). However, this way of thinking is changing and the inductive-qualitative approach is increasingly gaining proponents especially in the area of application-oriented social science such as business management (Kornmeier 2007, p. 38 et seq.; Eberhard 1999, p. 34). The explorative research strategy is considered an iterative process of learning, which relies on a constant interaction between questioning reality, collecting data and critical reflection on the resulting picture of reality (Kubicek 1977, p. 15; Lamnek 1995, p. 103). In contrast to traditional research, the test of hypotheses is substituted with theory-based questions on reality (Ulrich 1984, p. 173 et seqq.). The theoretical processing of the resulting practical knowledge allows the researcher to improve on the comprehension of problems and rather unexplored areas of research as well as helping to discover further research questions (or hypotheses; Kubicek 1977, p. 14; see also Becker 1993, p. 111 et seqq.). This approach corresponds with not only the empirical but especially the factual-analytical research strategy (Grochla 1978, p. 67 et seq.), which aims to identify relevant factors, to structure complex research areas, to build conceptual frameworks and to generate recommendations for

action, i.e. to achieve high levels of informativeness and usability for decision making in practice. The factual-analytical strategy relies on consideration and analysis of literature and (pre-existing) empirical studies. Overall, the explorative research approach is not opposed to Critical Rationalism, but must also be differentiated from (naïve) Inductivism because it also builds on existing theory and does not aim at generating “true“ statements about reality, but on extending and deepening prior-knowledge and on developing further research questions (Kubicek 1975, p. 14).

The explorative research strategy of this paper corresponds to the Grounded Theory by Glaser and Strauss 1967, which has become increasingly important over the past few years (Szabo 2009, p. 109). It is used to generate object-related and substantive or formal middle-range theories, which are based on social reality (Glaser and Strauss 1967, p. 32). A central point of reference for Grounded Theory includes the perspective of **symbolic interactionism** (see Blumer 1986), which, in turn, is grounded on the interpretive paradigm of social research (Keller 2010, p. 73; Struebing 2008, p. 11 and 38; see also Denzin 1989a). This symbolic interactionism suggests that a person’s reality emerges in their interaction with elements of the social and material environment. People act toward things depending on the meanings that these things have for them and they derive these meanings from their social interaction with others, i.e. meaning is seen as social product. The use of meanings by people involves an interpretative process in which meanings are employed and modified as instruments for the guidance and formation of their actions (Blumer 1986, p. 2 et seqq.). Just as they combine letters to words and messages, people use objects to communicate with others; the context and the combination of objects defines their meaning. Within this approach, brands are also considered as carriers of symbolic meaning (Reinelt and Fauconnier 2005, p. 41) and luxury brands are even characterized by an especially high level of symbolic meaning (Allérès 2003a, p. 48; Berthon et al. 2009, p. 45), which explains a large part of the motives of luxury consumption (Vigneron and Johnson 1999, p. 4 et seqq.). Luxury products and brands are used to demonstrate the consumers’ personality and values (Belk 1988, p. 139 et seqq; Richins 1994, p. 509; Solomon 1983, p. 322 et seqq.) in order to satisfy the need for uniqueness and to communicate their own identity (Holt 1995, p. 2; McCracken 1986, p. 71 et seqq.). The meaning of luxury brands and other objects arises from social interaction processes, which allow people to learn how to classify objects and how (they are expected) to behave with reference to those objects (Stryker 1980, p. 54). This

means that social interaction only just makes objects becoming effective for people's behavior (Mikl-Horke 2010, p. 263). Accordingly, consumer behavior is not determined by an "objective" situation, but to a large extent by individual psychological processes and environmental factors (Sanders 1987, p. 71). Such subjective views and experiences, especially those of luxury product consumers, are major objects of research in this paper. As they are highly complex and still underexplored, they cannot be revealed and understood adequately by mere quantitative research (Cooper-Martin 1994, p. 43).

Grounded Theory does not focus on verifying existing theories, but, utilizes an open-minded view and with an inductive approach in an almost reverse order compared to traditional research, concentrating on exploring concepts and hypotheses that are relevant for the area of study, and on "discovering novelty" and developing new theories (Glaser and Strauss 1967, p. 2 & 40).

Glaser and Strauss (1967, p. 29 et seq.) claim that "generating theory carries the same benefit as testing theory; plus an additional one. Verifying a logico-deductive theory generally leaves us with at best a reformulated hypothesis or two and an unconfirmed set of speculations; and, at worst, a theory that does not seem to fit or work [...]. Whether or not there is a previous speculative theory, discovery gives us a theory that 'fits or works' in a substantive or formal area [...], since the theory has been derived from the data, not deduced from logical assumptions."

Based on a general research question, the researcher derives further research questions from the data (Szabo 2009, p. 112), develops categorizations of the empirical objects and adapts them further during an iterative process of data collection, analysis and theory construction (Struëbing 2008, p. 29 et seqq.), which corresponds to a perpetual alternation between acting (data collection) and reflection (data analysis and theory construction; Mruck and Mey 2007, p. 13). This alternating or even simultaneous process ends with an adequate concept. These "[...] general relations are often discovered in vivo; that is, the field worker literally sees them occur" (Glaser and Strauss 1967, p. 40). At this point, the collection and analysis of additional data does not contribute any further insights about a specific category so that the categorization is (temporarily) finished (Pidgeon and Henwood 2009, p. 639; Strauss and Corbin 1996, p. 7 et seqq.). Accordingly, the results of the paper, the categorization of luxury products and brands and the dimensions of luxury brand personality, are also seen as (only) temporally finished "ever-developing entities" and will be constantly up-dated (Glaser and Strauss 1967, p. 32). As required by Grounded Theory, the empirical database for this paper is obtained from multiple

data sources and analyzed with a combination of different methodologies (as well as triangulation; Denzin 1989b, p. 236 et seqq.; see also Grochla 1978, p. 68).

3. Classification of the Papers into the Brand Identity Framework

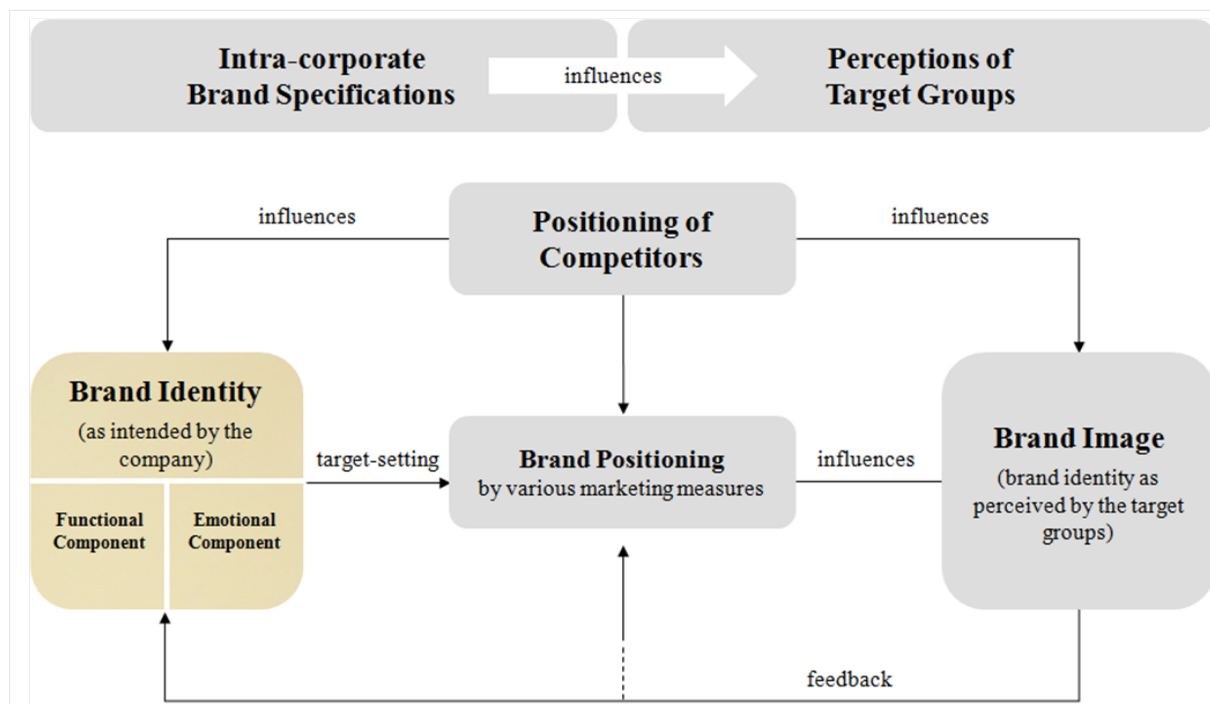
This chapter introduces the brand identity as a framework of this dissertation and classifies the papers into this framework.

The modern understanding of a brand is **consumer and identity oriented** (Meffert and Burmann 2002, p. 35 et seqq.). Accordingly, brands are regarded as images in the minds of consumers and other target groups (Esch 2010, p. 22), which are designed by companies to identify their products (Kotler et al. 2009, p. 425). Dependent on human identity, brands are also ascribed as having an identity (Kapferer 2008, p. 172). The **brand identity** comprises all brand associations that are intended by the company (Aaker 1996, p. 68). It corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the external target groups (Baumgarth 2007, p. 27). As shown in figure 3.1, the brand image constitutes the anti-pole of the brand identity, corresponds with the public perception of a brand and is the result of brand positioning by various marketing measures and other consumer experiences with a brand (Esch 2010, p. 90 et seq.; Kotler et al. 2009, p. 426).

The elements of brand identity can be roughly divided into **two main components**. The first component covers the physical-functional, mainly product-related associations while the other component includes the abstract and emotional brand associations (Esch 2010, p. 90 et seq.; see also Aaker 1996, p. 79).

The **physical-functional component** of the luxury brand identity can be further distinguished into the sub-components Brand Attributes and Brand Benefits (Esch 2010, p. 91 et seqq.). Brand Attributes cover the functional characteristics of a brand's products, for example, the double-stitched seam or the big logo of a Louis Vuitton bag. The Brand Attributes lead to functional and psychosocial Brand Benefits such as the longevity of a Louis Vuitton bag also because of its double-stitched seam or the possibility to demonstrate status because of its prominent logo.

Figure 3.1.: The Status of Brand Identity in Brand Management



Source: according to Esch 2010, p. 91.

One part of the papers of this dissertation concentrates on the **functional component** of the luxury brand identity and on uncovering the constitutive luxury Brand Attributes (what is meant by “constitutive” is explained in part II, section 1.2.2). Results suggest that these characteristics include, for instance, price, quality, and aesthetics (see figure 3.2). Deepening the understanding of these characteristics helps in developing some guidance for trading-up mass-market goods and to **create luxury products and brands** (see especially paper 1.1). Luxury brands are highly associated with their core products (Kapferer 2008, p. 193) and are generally also defined by consumers’ associations to their product characteristics (e.g. by Meffert and Lasslop 2003, p. 6; Büttner et al. 2006, p. 12; Valtin 2004, p. 30). The **definition and categorization of luxury products and brands** is therefore considered to be part of the functional component of the luxury brand identity and one of the core themes of this dissertation (see especially paper 1.2).

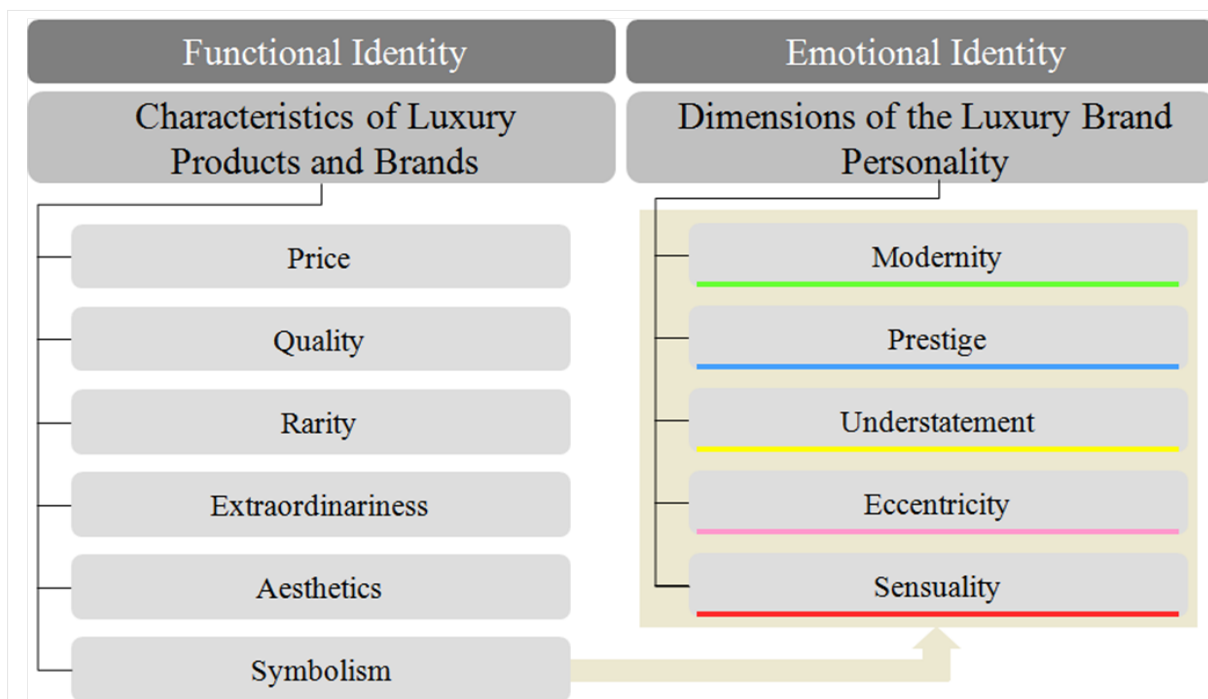
Each luxury brand aims at evoking associations about the constitutive characteristics within their target group to at least some degree. Therefore, these characteristics could be referred to as the “code of luxury” that any luxury brand has to comply with (see also Kapferer and Bastien 2009b, p. 314). However, a brand only qualifies as a luxury brand if it actually succeeds in

3. Classification of the Papers into the Brand Identity Framework

evoking luxury-specific associations in the minds of its target groups. As illustrated in figure 3.1, it has to transfer its intended brand identity into the minds of its target consumers without it being distorted by other external influences, such as the marketing measures of competitors. Meeting this challenge requires great expertise in adequate **marketing techniques**. As many luxury brands are true masters in influencing consumer perceptions, Catry (2003, p. 10) refers to them appropriately enough as the “great pretenders.” Because of their high relevance, paper 1.2 also gives an overview about the major marketing-mix strategies that allow influencing consumer perceptions about the major luxury characteristics (see part II, section 1.4.2).

The predominantly conceptual research of papers 1.1 and 1.2 was complemented with a paper about the **definition and identification of luxury product consumers**. The conceptual work presented in paper 2 was both, a byproduct and a prerequisite, especially for the large-scale survey of luxury insiders (the data base of paper 6).

Figure 3.2.: The Luxury Brand Identity



Source: own figure summarizing the research results.

The **emotional component** of the luxury brand identity can be further distinguished into Brand Tonality and Brand Symbols. Brand Tonality covers the non-functional characteristics of a brand and corresponds largely with the brand personality because non-functional associations

of luxury brands refer to a large extent to human personality traits (Vigneron and Johnson 2004, p. 490). The personality of Louis Vuitton, for example, might be seen as elegant, glamorous and traditional. Brand Symbols can be described as mental images of a brand covering visual, acoustic, olfactory, gustatory and haptic perceptions. They represent and help to convey the emotional and also functional associations intended by a brand. For instance, Louis Vuitton also uses its Monogram Canvas pattern to convey an elegant style (Esch 2010, p. 91 et seqq.).

The other papers of this dissertation concentrate on the **emotional component** of the luxury brand identity and especially on developing the first concept of brand personality, especially for luxury brands. The first of these papers analyses the values and purchasing motives of luxury consumers, adopts the value cycle by Schwartz (2006, p. 3) for brand positioning and therewith provides some insights into the symbolic meaning of luxury brands and a basis for the analysis of luxury brand personality dimensions (paper 3).

According to Aaker (1997, p. 347) the **brand personality** refers “to the set of human characteristics associated with a brand.” She developed the most established theoretical framework of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality traits. While the framework claims general applicability across product categories, the dimensions might not be very descriptive for other cultures or specific categories (Austin et al. 2003, p. 81). Therefore, other studies followed in recent years, which have usually replicated Aaker’s procedure in order to develop specific concepts for other cultures (e.g. for Germany by Hieronimus 2003 and Mäder 2005) and particular categories (e.g. for clothing by Kim 2000b, for personal computers by Villegas et al. 2000 and for restaurants by Sigauw et al. 1999). Although high levels of symbolic meaning are an essential feature of luxury brands (Mortelmans 2005, p. 505), the concept of brand personality was not yet applied to the luxury segment. Therefore, another paper in this dissertation explores the major dimensions of luxury brand personality (paper 4), the subsequent paper investigates the universe of luxury brand personality traits (paper 5) and the last paper (paper 6) adapts and further develops the initial personality dimensions by factor-analyzing the luxury brand personality traits with reference to Aaker (1997), but adapted to the specific requirements of luxury brands.

Figure 3.2 gives an overview about the **resulting identity of luxury brands**, which consists of six constitutive characteristics of luxury products and brands and five major dimensions of

luxury brand personality. This figure also illustrates the close connection between the functional and the emotional components of the luxury brand identity: According to the functional component, luxury products and brands are characterized with a high degree of non-functional symbolic meanings, which are covered by the emotional component and to the biggest part by the luxury brand personality.

4. Overview about the Papers

This chapter draws an overview of the papers of this dissertation and their major objectives and results as well as their methodological and practical contributions (see also figures 4.1 and 4.2).

Figure 4.1.: Overview about the Papers

Papers about the Functional Component: Definition and Categorization of Luxury Products and Brands	
Paper 1.1	Heine, K., Phan, M. (2011) Trading-Up Mass-Market Goods to Luxury Products. <i>Australasian Marketing Journal</i> , Vol. 19, Issue 2, pp. 108-114.
Paper 1.2	Heine, K. (2011) The Concept of Luxury Brands. <i>Luxury Brand Management</i> , No. 1, ISSN: 2193-1208, Technische Universität Berlin, www.conceptofluxurybrands.com . Prior Publications: <ul style="list-style-type: none"> • Heine, K., Kübrich, K., Phan, M., (2910) The Definition of Luxury Products by their constitutive Characteristics. Presented at the <i>KAMS Fall Conference</i>, Seoul, 27 November. • Heine, K., Luxury & Sustainability (2010) Implications of a Consumer-oriented Concept of Luxury Brands. Presented at the <i>ITU-TUB Joint Conference</i>, Istanbul, 10-12 November. • Heine, K. (2010) A Theory-based and Consumer-oriented Concept of Luxury Brands. Presented at the <i>In Pursuit of Luxury Conference</i>, London, 18 June.
Paper 2	Heine, K. (2010) Identification and Motivation of Participants for Luxury Consumer Surveys by Viral Participant Acquisition. <i>The Electronic Journal of Business Research Methods</i> , Vol. 8, Issue 1, pp. 132-145. Prior Publication: Heine, K. (2010) Identification and Motivation of Participants for Luxury Consumer Surveys. Proceedings of the 9th <i>European Conference on Research Methodology for Business and Management Studies</i> , Madrid, 24-25 June, pp. 183-193.
Papers about the Emotional Component: Luxury Brand Personality	
Paper 3	Heine, K., Trommsdorff, V. (2010) Practicable Value-Cascade Positioning of Luxury Fashion Brands. Proceedings of the 9th <i>Int. Marketing Trends Conference</i> , Venice, 21-23 January.
Paper 4	Heine, K. (2009) Using Personal and Online Repertory Grid Methods for the Development of a Luxury Brand Personality. <i>The Electronic Journal of Business Research Methods</i> , Vol. 7, Issue 1, pp. 25-38 Prior Publications: <ul style="list-style-type: none"> • Heine, K., Repschläger, J. (2009) Neue Möglichkeiten für altbewährte Methoden im Web X.0: Entwicklung eines Collaborative Repertory Grid-Tools zur Analyse der Luxusmarkenpersönlichkeit. Presented at the <i>Forschungstagung Marketing</i>, ESCP Europe Campus Berlin, 12 September. • Heine, K. (2009) Using Personal and Online Repertory Grid Methods for the Development of a Luxury Brand Personality. Proceedings of the 8th <i>European Conference on Research Methodology for Business and Management Studies</i>, Valetta, Malta, 22-23 June, pp. 160-170.

4. Overview about the Papers

Paper 5	<p>Heine, K. (2010) The Personality of Luxury Fashion Brands. <i>Journal of Global Fashion Marketing</i>, Vol. 1, Issue 3, pp. 154-163.</p> <p>Prior Publications:</p> <ul style="list-style-type: none"> • Heine, K., Trommsdorff, V. (2010) The Universe of Luxury Brand Personality Traits. Presented at the <i>Global Marketing Conference</i>, Tokyo, 9-12 September. • Heine, K. (2010) The Luxury Brand Personality Traits. Proceedings of the 6th <i>Thought Leaders International Conference in Brand Management</i>, Lugano, 18-20 April.
Paper 6	<p>Heine, K., Trommsdorff, V. (2010) Dimensions of the Luxury Brand Personality. Proceedings of the <i>Global Marketing Conference</i>, Tokyo, 9-12 September, pp. 453-465.</p>

Figure 4.2.: Overview about the Surveys

1	<ul style="list-style-type: none"> • Survey of 31 German millionaires; face-to-face interviews primarily about the functional and emotional characteristics of luxury products and brands. • In contrast to previous studies that employ samples of students or other easy-to-reach segments, this study relies on actual (heavy) luxury consumers. • It is the first study about the luxury consumer behavior of German millionaires. • Empirical base for papers 1.1/1.2, 3, 4 and 5.
2	<ul style="list-style-type: none"> • Large-scale survey of luxury insiders with n = 1,175; online questionnaire (luxury brand awareness and affection; evaluation of luxury brands on about 50 personality traits; human values). • Empirical base for papers 2 and 6.
3	<ul style="list-style-type: none"> • Large-scale survey of luxury and non-luxury consumers with n = 2,021; online questionnaire (luxury consumption; luxury brand awareness and affection; purchasing motives; human values). • Empirical base for paper 3.
4	<ul style="list-style-type: none"> • Survey with 52 students; online questionnaire (evaluation of luxury brand adverts in order to test collaborative RGM on a specially programmed web application). • Empirical base for paper 4.
5	<ul style="list-style-type: none"> • Survey of 20 young professionals; face-to-face interviews in accordance with survey 1 • Empirical base for paper 5.
6	<ul style="list-style-type: none"> • Survey of 63 luxury insiders; face-to-face interviews (discussion of luxury brand adverts in order to test and adapt the initial set of luxury brand personality traits). • Empirical base for paper 5.

Part I: Definition and Categorization of Luxury Brands

Paper 1.1: Trading-Up Mass-Market Goods to Luxury Products

Paper 1.2: The Concept of Luxury Brands

These papers rely on a couple of prior publications, which represent several stages of development of the definitions and categorization of luxury products and brands over several years

(see figure 4.1). The article “Trading-Up Mass-Market Goods to Luxury Products” was published in the Australasian Marketing Journal together with Prof. Dr. Michel Phan, who works at EMLYON Business School Asian Campus in Shanghai and is regarded as one of the leading researchers in luxury brand management. At the time of our cooperation, he was head of the LVMH chair at ESSEC business school in Paris. This journal article was intensively revised and developed further into the (temporally finished) working paper “The Concept of Luxury Brands.”

Problem	<ul style="list-style-type: none"> • Despite the growing interest in luxury marketing, there was no adequate definition of luxury products and brands.
Major Objectives	<ul style="list-style-type: none"> • Development of definitions and categorizations of luxury products and brands based on a solid conceptual framework. The definitions of “luxury products” and “luxury brands” should allow one to decide as best as possible for any products and brands if they are part of what is meant by these terms.
Results	<ul style="list-style-type: none"> • The scope of luxury within the field of management studies was constrained step-by-step starting from a basic definition of luxury. • The types of luxury relativity were differentiated and used to propose a general perspective from which luxury should be defined with regard to the requirements within the field of luxury brand management. • Differentiation of the understandings of luxury by area of research into the managerial, the philosophical-sociological and the micro-economic understandings. The managerial understanding of luxury was further constrained by differentiating the major luxury market segments. • There are some major improvements to the existing definitions of luxury products and brands: First of all, they are defined consistently by the same criteria, i.e. product characteristics, and are not mixed up with their consequences such as purchasing motives or with preferences, attitudes or even marketing measures. Besides that, the paper differentiates between concrete and abstract characteristics and extends the standard definitions with a sub-set of characteristics for product quality. • Overview about major types of luxury products and brands and about similar concepts such as premium and masstige products and brands.
Empirical Base	<ul style="list-style-type: none"> • Survey of 31 German millionaires (= survey number 1; in contrast to previous studies that employ samples of students or other easy-to-reach segments, this study relies on actual (heavy) luxury consumers; the first study about luxury consumer behavior of German millionaires).
Methodological Contributions	<ul style="list-style-type: none"> • In contrast to previous work, the paper combines a consumer-oriented research approach with a structured conceptual framework including detailed semantic and dimensional analyses. • While prior studies build only on open interviews, the study relies on multiple research methodologies, such as the RGM, which has never been used before for the analyses of luxury product characteristics despite its advantages. • A clear definition of the objects of investigation is necessary in order for the research results to be clear and comparable and to therefore provide a basis for further research in luxury brand management and consumer behavior.
Practical Contributions	<ul style="list-style-type: none"> • Guidance for the creation of luxury brands (see part II, chapter 1.5: “Handbook for the Creation of Luxury Products and Brands”).

Paper 2: Identification and Motivation of Participants for Luxury Consumer Surveys
by Viral Participant Acquisition

This paper was initially presented at the 9th European Conference on Research Methodology for Business and Management Studies in Madrid. As one out of nine papers, it was selected from 72 conference papers for publication in The Electronic Journal of Business Research Methods. Based also on the feedback from the conference, the original paper was revised and extended for publication in the journal.

Problem	<ul style="list-style-type: none">• As a consequence of the confusion surrounding the luxury terminology, there is also an ongoing discussion in the literature as to what constitutes a luxury consumer and how luxury consumers can be distinguished from non-luxury consumers and ultimately, how to identify them for empirical studies.• What is more, this particular target group is notoriously hard to access and difficult to persuade to participate in any survey.• Despite these problems, no paper could be found, which addressed either the identification or motivation of respondents for luxury consumer surveys (LCS).• Because of these reasons, many researchers hesitate to target luxury consumers and a large part of the existing literature on luxury consumer behavior relies on paid surveys and student samples. However, it is questionable whether moderately paid surveys can really attract wealthy heirs or busy managers or if students can imagine themselves in the role of experienced luxury consumers.
Major Objectives	<ul style="list-style-type: none">• Categorization, conceptualizing and discussion of strategies for the identification and motivation of participants for LCS.
Results	<ul style="list-style-type: none">• Categorization and discussion of research objectives and target groups of LCS and of strategies for the identification of participants for LCS.• Adaptation of the luxury consumption scale and development of the luxury affection scale for the identification of participants for LCS.• Overview of common methods for participant motivation and discussion of their suitability for LCS, which suggests thinking about some non-monetary incentives that could convince luxury consumers to participate in a survey out of their own interest. As this idea coincides with the notion of viral marketing, it seems promising to introduce and to test the concept of Viral Participant Acquisition (VPA).• Presentation of a case study detailing the implementation of VPA on a recent LCS and conclusion with the lessons learned.
Empirical Base	<ul style="list-style-type: none">• Online survey of 120 luxury insiders (= sub-segment of survey number 2).
Methodological Contributions	<ul style="list-style-type: none">• The paper assists researchers in the field of luxury marketing in identifying adequate target groups according to their research objectives, to employ appropriate strategies for the motivation of participants and therewith it could help with improving the quality of their samples.
Practical Contributions	<ul style="list-style-type: none">• Results can be used also for professional market research.

Part II: The Luxury Brand Personality

Paper 3: Practicable Value-Cascade Positioning of Luxury Fashion Brands

This paper analyses the values and purchasing motives of luxury consumers (which still refers to the functional component of the brand identity), adopts the value cycle developed by Schwartz (2006, p. 3) for brand positioning and therewith provides some insight into the symbolic meaning of luxury brands and acts as a basis for the analysis of luxury brand personality dimensions (the relationships between values and brand personality dimensions are discussed in paper 4, see part II, section 4.3.5).

Problem	<ul style="list-style-type: none"> • The construct of human values refers to people's wants and goals in life, influencing their behavior including their brand preferences. Analyzing the values of luxury consumers therefore promises to better understand their purchasing motives and lifestyles. In addition, the symbolism of luxury brands refers to a large extent to human values. • Despite their relevance and potential to generate a competitive advantage, no literature could be found containing a comprehensive analysis of values of luxury consumers or that would make use of this construct for luxury brand management.
Major Objectives	<ul style="list-style-type: none"> • Combing both, analyzing the values of luxury consumers and developing a value-based positioning strategy particularly for luxury (fashion) brands.
Results	<ul style="list-style-type: none"> • Comparison of values between luxury and non-luxury consumers and analysis of relationships between preferences for values and motives of luxury consumption. • Identification of value-based luxury consumer segments. • Introduction of the idea of Value-Cascade Positioning (VCP): The purpose of VCP is to rigorously turn the focus from the brand to the consumer: While positioning maps generally portray the perceptions of consumers about a brand, VCP maps depict what consumers with preferences for a certain brand actually want – as compared to consumers with preferences for competitor brands. • The simplest version of VCP considers only values and brand preferences. It is based on the fact that (luxury) brands represent certain values and attract consumers with similar values – and may repel consumers with opposing values. VCP can also be extended by integrating other constructs of consumer behavior intervening in the values-preferences-relationship, such as attitudes and motives, for example.
Empirical Base	<ul style="list-style-type: none"> • The concept of VCP is demonstrated and tested for the case of luxury fashion brands with the data from two recent luxury consumer surveys. • Large-scale survey of luxury and non-luxury consumers with n = 2,021 (= survey 3) • Survey of 31 German millionaires (= survey number 1)
Methodological Contributions	<ul style="list-style-type: none"> • The paper demonstrates that the common approach of identifying luxury consumers only by their consumption would not be appropriate for the analysis of their values; it is essential to also consider peoples' attitudes towards luxury consumption. • Extending the application area of the value cycle developed by Schwartz to brand positioning.
Practical Contributions	<ul style="list-style-type: none"> • Based on some examples of value-based positioning of luxury brands such as Louis Vuitton and Paul Smith, the paper gives practicable instructions for the application of VCP and concludes that VCP can complement common positioning with valuable consumer insights that may inspire brand management and help to create competitive advantages.

The following papers concentrate on developing a concept of brand personality especially for luxury brands, which requires identifying the universe of luxury brand personality and their major dimensions.

Paper 4: Using Personal and Online Repertory Grid Methods for the Development of a Luxury Brand Personality

The paper was initially presented at the 8th European Conference on Research Methodology for Business and Management Studies on Malta. As one out of eleven papers, it was selected from all 45 conference papers for publication in The Electronic Journal of Business Research Methods. This paper is also based on the feedback from the conference: it has been revised from its original form and extended for publication in the journal.

Major Objectives	<ul style="list-style-type: none">• The aim of this paper is to develop and implement an appropriate methodology for developing a luxury brand personality and to explore the major dimensions of the luxury brand personality.
Results	<ul style="list-style-type: none">• Five distinct personality dimensions including modernity, eccentricity, opulence, elitism, and strength.• Further insights about these personality dimensions also illustrated with tag clouds.
Empirical Base	<ul style="list-style-type: none">• Survey of 31 German millionaires (= survey number 1).• Online survey with 52 students (= survey number 4).
Methodological Contributions	<ul style="list-style-type: none">• In contrast to the common quantitative approach, the article proposes a qualitative methodology including the RGM.• Therewith, the paper extends the areas of application of RGM to the development of category-specific brand personality concepts and demonstrates its suitability for that purpose.• Furthermore, it explores the capabilities of Web 2.0 for extending the range of versions with the collaborative RGM that allows respondents to build on the input of previous participants; its practicability is demonstrated with a complementary online survey on a specially programmed web application.
Practical Contributions	<ul style="list-style-type: none">• The five dimensions help marketers to analyze the symbolic meaning of luxury brands and to create a personality for their own brand.

Paper 5: The Personality of Luxury Fashion Brands

Major Objectives	<ul style="list-style-type: none">• Uncovering the entire universe of personality traits that luxury brands represent in the eyes of their consumers.
Results	<ul style="list-style-type: none">• Comprehensive overview of luxury brand personality traits categorized by the five major personality dimensions, which provides a basis for subsequent quantitative analyses of the personality dimensions.
Empirical Base	<ul style="list-style-type: none">• Survey of 31 German millionaires and 20 young professionals; in-depth interviews about their associations with luxury brands according to the RGM, which led to a set of about 50 personality traits (= surveys number 1 and 5)• Survey of 63 luxury insiders; face-to-face interviews in order to test and adapt the initial set of personality traits (= survey number 6)

Methodological Contributions	<ul style="list-style-type: none"> • The research approach specifically for the investigation of luxury brand personality traits builds on a consumer-oriented qualitative approach using RGM, which is constrained by selection criteria, but flexible enough to consider the ambiguous and contextual aspects of brand personality. • A major modification to the common research approach is that each trait has to consist of three adjectives. While a single adjective can be very ambiguous, groups of similar words are more precise as people can rely on their overlapping meaning. The interviews with luxury consumers from a previous study established some evidence that these triad combinations are more appropriate for drawing a clear and meaningful picture of a personality facet.
Practical Contributions	<ul style="list-style-type: none"> • The catalogue of personality traits demonstrates the available personality facets of a luxury brand to marketers and therewith assists them in analyzing the symbolic meaning of luxury brands and in creating a personality for their own brand.

Paper 6: Dimensions of the Luxury Brand Personality

Major Objectives	<ul style="list-style-type: none"> • Analyzing the dimensions of luxury brand personality with a quantitative approach with reference to Aaker, who developed the most recognized theoretical framework of brand personality dimensions.
Results	<ul style="list-style-type: none"> • Adaptation of the five major personality dimensions; results indicate that consumers perceive luxury brands to have the following five personality dimensions: modernity, prestige, sensuality, understatement, and eccentricity.
Empirical Base	<ul style="list-style-type: none"> • Large-scale survey of luxury insiders with n = 1,175; online questionnaire (luxury brand awareness and affection; evaluation of luxury brands on about 50 personality traits; human values; = survey number 2).
Methodological Contributions	<ul style="list-style-type: none"> • The approach of Aaker was adapted to the specific requirements of the luxury category. • In contrast to the standard approach and according to the growing consumer-orientation in marketing research, the traits and stimuli originate directly from the consumers. • In addition, the set of stimuli was open for recommendations from survey participants and was extended with ideal brands, which appeared to be suitable for the analysis of the luxury brand personality and could also be employed for the analysis of category-specific brand personalities beyond the luxury segment. • Aaker averaged the evaluations of each brand on each personality trait across subjects. However, this approach is only suitable if there is a common understanding of the target group about the personality of a brand. As there is a much higher diversity of brand perceptions in the luxury segment, each individual brand evaluation was considered as an object, which led to a two-dimensional objects (2,208 brand evaluations) / variables (52 personality traits) data matrix. • In contrast to the approach of Aaker, the data was factor-analyzed using principal components analysis and an oblique rotation instead of a varimax rotation as the underlying dimensions are expected to be not independent from each other.
Practical Contributions	<ul style="list-style-type: none"> • The results of the last three papers provide marketers an overview about the universe of luxury brand personality traits and their major dimensions and therewith a framework for the comparison of the personalities of different luxury brands and for the development a luxury brand personality.

5. Dissemination of Research Results

As described in chapter 2, the context of discovery concentrates on problems that were identified in practice, which also corresponds to a focus on the context of application and constant efforts to spread the research results within the scientific and business community as well as to the general public. This chapter will give a short overview about how research problems were identified in practice and how research results were disseminated.

Figure 5.1.: Overview about Professional Publications

Professional Publications on Conferences

- Phan, M., Thomas, R., Heine, K. (2011) Luxury Brand Revitalization through Social Media, Presented at the *KAMS Fall Conference*, 19 November, Seoul.
- Heine, K. (2011) Das deutsche Luxus-Wunder, Presented at the *Luxury Business Day*, Munich, 15 April.
- Phan, M., Heine, K., Thomas, R. (2010) Impact of Social Media on Luxury Fashion Brand Perceptions and Purchase Intentions. Presented at the *Global Fashion Marketing Colloquium*, 28-29 November, Seoul.
- Heine, K. (2009) Is Berlin Luxury the Future Luxury? Presented at the *International Herald Tribune Techno Luxury Conference*, Berlin, 16-18 November.
- Heine, K. (2009) The Impact of the Luxury Brand Identity on Packaging Design. Presented at the *LuxePack Conference*, Monaco, 20-22 October.
- Heine, K., Waldschmidt, V. (2009) Onlinebasierte Anwendung der Repertory Grid-Methode am Beispiel der Luxusproduktbranche. Presented at the symposium *Den ‚homo digitalis‘ verstehen – Qualitative Forschung im Internet*, organised by the Berufsverband Deutscher Markt- und Sozialforscher e.V., Frankfurt a.M., 21 April.

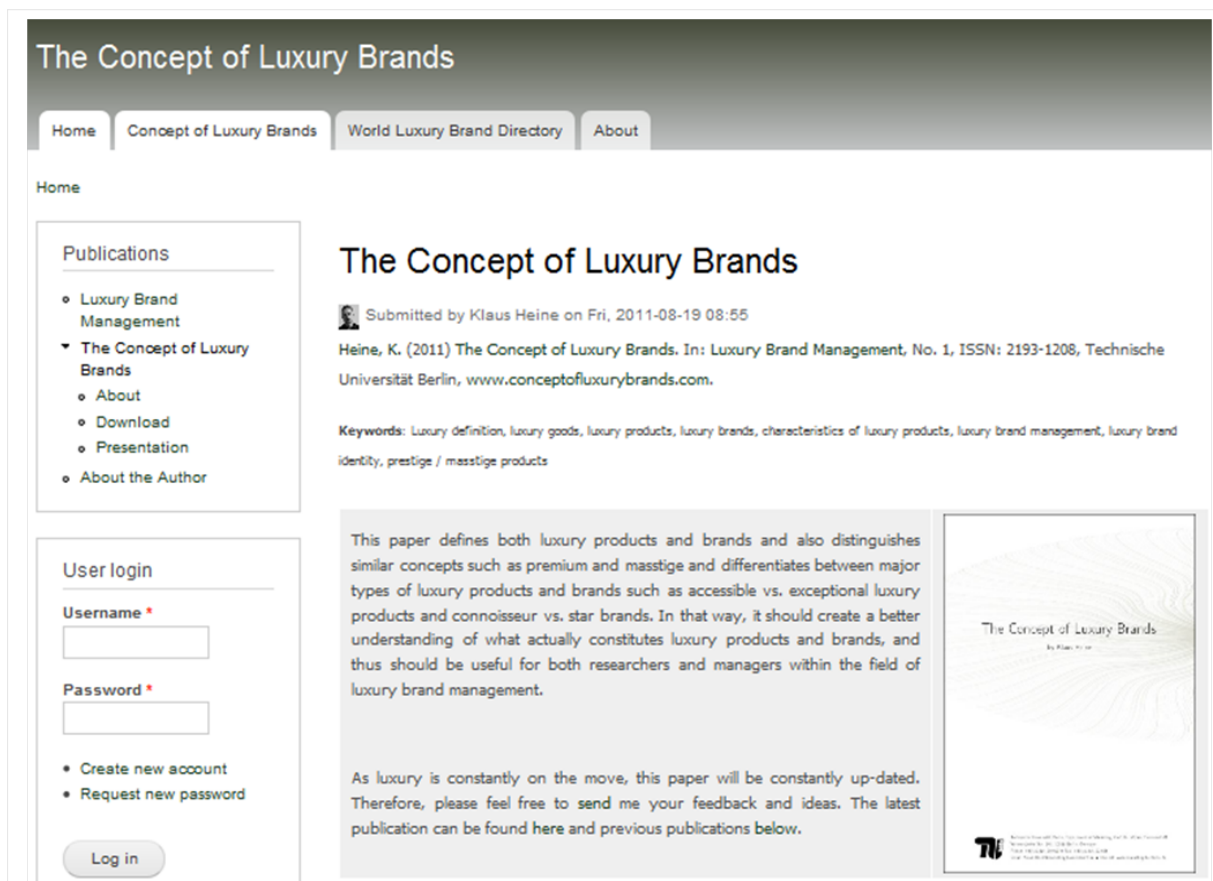
Professional Publications in Journals

- Phan, M., Thomas, R., Heine, K. (2011) Social Media and Luxury Brand Management: The Case of Burberry. *Journal of Global Fashion Marketing*, Vol. 2, Issue 4, in publication.
- Heine, K., Kemnitz, P. (2009) Luxus-Shopper verstehen – Marktforschung anpassen. *China Contact*, Issue 7, pp. 13-15.
- Trommsdorff, V., Heine, K. (2008) Das Marketing von Luxusprodukten. *WISU – Das Wirtschaftsstudium*, Vol. 37, Issue 12, pp. 1669-1674.
- Trommsdorff, V., Heine, K. (2008) Beliebt ist, was beliebt ist. *China Contact*, Issue 11, pp. 40-41.

Conducting **project seminars at TU Berlin** in cooperation with leading luxury brands helped in creating a feeling for practical concerns and problems. The first course about luxury marketing at a German university started in October 2006 which has, to this day, been followed by eight other courses on luxury. **Cooperation partners** have included Bogner, Comtesse, Glashütte Original, Meissen, Mercedes-Benz, Poggenpohl, and Robbe & Berking. Research on brand personality was also inspired by developing the brand personality of Mont Charles de Monaco, a luxury venture based in Monaco. In addition, practical problems could be found out

by attending major **luxury business conferences** such as the Luxury Marketing Summit 2006 in Monaco and the World Luxury Conference 2007 in London. Besides publications at scientific conferences (see section 4), research results were also presented and **discussed at business conferences** such as the International Herald Tribune Luxury Conference, the world's most recognized business conference for decision makers from the luxury industry (see figure 5.1).

Figure 5.2.: The Webpage of “The Concept of Luxury Brands”



Source: <http://www.conceptofluxurybrands.com>.

The research results were **disseminated within the business community** and also through publications in professional magazines (see also figure 5.1). In addition, research results, especially the definitions of luxury brands and the dimensions of luxury brand personality, were spread and discussed by **lectures given at various universities** including the L'École Supérieure de Commerce de Toulouse (ESCT), International University of Monaco, University of Cape Town, University of Malta, University of Namibia, University of Stellenbosch, and Tongji University of Shanghai. A complete list of these lectures and courses in luxury brand management

can be found in section D.1 in the appendix. Moreover, the studies of luxury brand management and consumer behavior initiated a broad press coverage with articles in publications such as *Die Zeit*, *Focus*, *Frankfurter Rundschau*, *Handelsblatt*, *Manager Magazin*, and *Süddeutsche Zeitung*. A complete list of press publications about this research can be found in section D.2 in the appendix.

As they are changing over time, definitions of luxury products and brands published the traditional way in books and journals are usually considered as outdated and are forgotten after a couple of years. From the very beginning of the project, a major aim was to achieve a potentially high diffusion of the “The Concept of Luxury Brands.” First of all, it was spread within the scientific community in the traditional way by publications at conferences and by an article in a scientific journal (see figure 4.1). Aside from the fact that the paper must satisfy the target group by the quality of its content, the level of diffusion is expected to be influenced especially by its up-to-dateness and accessibility. Therefore, the paper was integrated as the first part into the serial publication “Luxury Brand Management.” This publication was registered for an ISSN, which are used to identify periodical publications and therefore allow authors to update and further develop their papers at any time. As shown by a screenshot in figure 5.2, the web platform “www.conceptofluxurybrands.com” was specially developed so that the paper could be generally accessible and be easily downloaded by anyone. In contrast to traditional publications, it is marketed as a scientific product with the help of progressive online and especially social media marketing.

Part II.

Functional Component of the Luxury Brand Identity: Definition and Categorization of Luxury Brands

1. Paper 1.1: Trading-up Mass-market Goods to Luxury Products

Published in: Australasian Marketing Journal, Vol. 19, Issue 2, 2011, pp. 108-114.

Co-author: Michel Phan, EMLYON Business School Asian Campus, Shanghai.

Prior Publications:

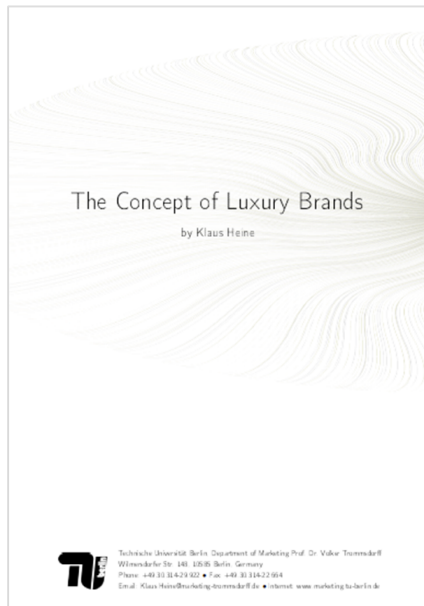
- Heine, K., Kübrich, K., Phan, M., The Definition of Luxury Products by their constitutive Characteristics. Presented at the KAMS Fall Conference, Seoul, 27 November 2010 (the abstract can be found in section C.1 in the appendix).
- Heine, K., Luxury & Sustainability: Implications of a Consumer-oriented Concept of Luxury Brands. Presented at the ITU-TUB Joint Conference, Istanbul, 10-12 November 2010 (the extended abstract can be found in section C.2 in the appendix).
- Heine, K., A Theory-based and Consumer-oriented Concept of Luxury Brands. Presented at the In Pursuit of Luxury Conference, London, 18 June 2010 (the abstract can be found in section C.3 in the appendix).

These publications represent several stages of development of the definitions and categorization of luxury products and brands over several years. The journal article was intensively revised and developed further into “The Concept of Luxury Brands.” The description of the methodology of the empirical study is the only part of the journal article that was not integrated into the official version of the working paper. However, for the sake of clarity of this thesis, these paragraphs have been inserted into the working paper (see section 1.2.2.3). The full journal article can be found in section A.1 in the appendix.

Abstract: This paper addresses the current lack of consensus on what defines a luxury product. It demonstrates the adequacy of a consumer-oriented approach anchored in a list of product attributes. These attributes were identified from the literature and a study of 31 German millionaires with high spending on luxury goods. A combination of five research methodologies was employed including open interview, the repertory grid method (RGM), the preference differences technique, the critical incident technique and the projective technique. The findings suggest that consumers distinguish luxury products using six major characteristics: price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning. The paper concludes with practical implications for luxury brand managers and for those who wish to trade up their mass-market goods. Suggestions for further research directions are also offered.

1. Paper 1.2: The Concept of Luxury Brands

Published as: the first working paper of the serial publication “Luxury Brand Management,”
ISSN: 2193-1208, Technische Universität Berlin, www.conceptofluxurybrands.com.



1.1. Introduction

1.1.1. Luxury is Anything and Nothing

While a VW Polo could be seen as a luxury car to a student, a Mercedes S-Class might be just an ordinary car to a wealthy heir. This demonstrates that luxury is a relative term that could refer to **almost anything or nothing** depending on whom you ask. In addition, luxury has today become an inflationary used and worn out label for almost anything (Berry 1994, p. 3; Vickers and Renand 2003, p. 460). For instance, some discount supermarkets and beer brands claim to sell “luxury for everyone.” On the contrary, most luxury brands refrain from explicitly declaring their products as luxury, while at the same time actually selling more and more non-luxury products. In addition, there are an increasing number of non-luxury brands selling luxury products or “masstige” products with (at least) some feeling of luxury (Silverstein and Fiske 2003, p. 50; Truong et al. 2009, p. 376).

These confusions are also reflected in the management literature. Although a variety of definitions already exist for luxury products and brands, including the most popular concepts by Dubois et al. (2001) and Vickers and Renand (2003), the discussion about the definition of luxury is still going on. From about 20 years ago until today, there is above all a consensus in business literature that there is actually **no consensus about the definition of luxury products and brands** and that the existing concepts remain a little bit “blurry” (Kapferer 2001, p. 319; see also Büttner et al. 2006, p. 10; Christodoulides et al. 2009, p. 397; De Barnier et al. 2006, p. 5; Kapferer 1996, p. 76; Kapferer 1998, p. 44; Korneli 2007, p. 3; Reich 2005, p. 33; Valtin 2004, p. 15; Vigneron and Johnson 2004, p. 485 and Yeoman and McMahon-Beattie 2006, p. 321).

The ongoing discussion, together with the inconsistencies and impracticability of the existing definitions, is rooted in some **major misunderstandings** due to a missing conceptual base. Although it is impossible to develop a specific definition of luxury products, such as Louis Vuitton bags, that also covers intangible luxuries such as time and space, many authors do not distinguish between different understandings of luxury (e.g. De Barnier et al. 2006, p. 6 et seqq.; Schiereck and Königs 2006, p. 2; Vickers and Renand 2003, p. 469). Consequently, since different authors refer to different objects of investigation, it is impossible to achieve a consensus.

An **adequate definition of luxury is long overdue** for researchers and marketers. Since the 1980s, the luxury market has grown at about ten percent per year, a much higher rate than the world economy, making the luxury industry a relevant economic factor. (McKinsey 2010, p. 1). Estimates of the size of the market for traditional luxury categories including fashion, jewelry and tableware range from about €150 billion to €200 billion in 2010 (Bain & Company and Altagamma 2011, p. 2; BCG 2010, p. 2; KPMG 2010, p. 15). Considering not only traditional luxury categories, but also cars and services such as hotels and travel, the global luxury market is estimated to approach €1 trillion (BCG 2010, p. 1). Despite the current economic uncertainties, Bain & Company and Altagamma (2011, p. 15) forecast the luxury market to grow in the next few years by about five to six percent p.a. worldwide and by even more than ten percent p.a. in Asia. High growth rates and the prospect of high margins attract numerous new players into the luxury market (Meffert and Lasslop 2003, p. 2). This includes mass-market manufactures aiming to upgrade their products and brands into the luxury segment, as well as a wave of

new luxury ventures (Heine 2011). Before they can enter the luxury market, however, these companies need to know what actually constitutes a luxury product or brand.

The growth of the luxury industry is reflected in a growing body of scientific literature about this segment. However, a clear definition of the objects of investigation is necessary in order for the research results to be clear and comparable (see also Friedrichs 1973, p. 73), and therefore would provide a **basis for further research** in luxury brand management and consumer behavior. For instance, without a clear definition of luxury products and brands, there can be no recognized definition as to what constitutes luxury consumers and how they can be distinguished from non-luxury consumers (see also Heine 2010c, p. 132). For instance, Dubois et al. (2001, p. 7) selected luxury consumers as respondents for their study based on the following criterion: “all respondents had acquired [...] at least one product they considered luxurious.” However, this means that they targeted virtually everybody to speak about virtually anything that could be a luxury.

Therefore, the **objective of this paper is to develop a comprehensive concept of luxury brands** based on a solid conceptual framework. As luxury brands are obviously characterized by selling luxury products, they are usually defined by product-related characteristics (Meffert and Lasslop 2003, p. 6; Büttner et al. 2006, p. 12; Valtin 2004, p. 30). Therefore, the concept requires not only defining both luxury products and brands, but also distinguishing similar concepts and differentiating between major types of luxury products and brands. In that way, it should create a better understanding of what actually constitutes luxury products and brands, and thus should be useful for both researchers and managers within the field of luxury brand management.

According to its objectives, the paper is split into the following two major components:

1. **Taxonomy of luxury:** The tasks of distinguishing between luxury and non-luxury and of categorizing luxury into different types reminds one of the work of taxonomists, who try to order organisms into groups based on their similarities and differences (Stace 1991, p. 5 et seqq.). The classification of organisms is not that simple, not only because of their vast variety, but also because boundaries between species are diffuse (MacKenzie et al. 2005, p. 120). However, similarly to the taxonomy of organisms, the taxonomy of luxury should provide a definition of “luxury products” and “luxury brands” that, for any products and

brands, allows one to decide as best as possible if they are part of what is meant by these terms. In addition, the taxonomy should give an overview of the major types of luxury products and brands, as well as of similar concepts.

2. **Handbook for the creation of luxury products and brands:** For mankind, classification had to be carried out from the very beginning, because the accurate identification of food, predators, mates, fuel, building materials etc. was crucial to survival (Stace 1991, p. 6). This demonstrates that classification also leads to a better understanding about the objects of investigation. Besides their value in the classification of luxury, the characteristics of luxury products and brands thus also help to develop an understanding about how they are actually created. As this is a distinctive area of application, the explanations about their characteristics are consolidated in a separate part of the paper, which should serve as a handbook for the creation of luxury products and brands.

According to its objectives, this paper does not focus on analyzing all the different preferences and understandings of luxury for different consumer segments, which could include almost anything from a warm meal to musical talent, self-fulfillment to Louis Vuitton bags; instead, it **concentrates on the narrow segment of luxury products and brands** as defined from the perspective of luxury brand managers and their target groups (which is explained in detail in section 1.3.1.3).

Another reason for the ongoing debate lies in the nature of the subject: **Luxury is “constantly on the move”** (Kapferer 2008, p. 96) and is always changing its appearance (see also Jäckel and Kochhan 2000, p. 89 and Mortelmans 2005, p. 504), which prevents any concept of luxury from remaining valid for an extended period of time. Consequently, this paper should not be seen as the final answer to the luxury debate, but will be constantly up-dated.

Therefore, please feel free to send me your **feedback and ideas**. Your comments are highly appreciated and will be considered for the further development of this paper.

1.1.2. Outline of Chapters

The paper is categorized as follows:

Part 1.1 provided an introduction and outlined the objectives of the paper.

Part 1.2 describes the conceptual foundations.

Chapter 1.2.1 outlines the general approaches to definition, which includes discussing the benefits and limitations of definitions (section 1.2.1.1), the relevant types of definitions (section 1.2.1.2), and theories for the categorization of objects (section 1.2.1.3).

Chapter 1.2.2 outlines the five-step approach to conceptualization including semantic analysis (section 1.2.2.1), dimensional analysis (section 1.2.2.2), operationalization (section 1.2.2.3), the explication of luxury terms (section 1.2.2.4), and a review phase (section 1.2.2.5). As part of the dimensional analysis, the common approaches to definition are differentiated by their level of abstraction into a characteristics-based and a consequences-based approach and by their source of information into a consumer-oriented and an expert-based approach. Based on that, the paper explains the advantage of a characteristics-based and consumer-oriented approach that is constrained by a conceptual framework and outlines a set of requirements for luxury product characteristics.

Part 1.3 outlines the taxonomy of luxury.

Chapter 1.3.1 reveals a basic definition of luxury that is generally accepted across all research disciplines (section 1.3.1.1) and suggests a categorization of the types of luxury relativity (section 1.3.1.2), which is used to constrain the scope of luxury with regard to the requirements within the field of luxury brand management from almost anything to a more reasonable level of specificity (section 1.3.1.3).

Chapter 1.3.2 describes the three major understandings of luxury by area of research, including the philosophical-sociological (section 1.3.2.1), the micro-economical (section 1.3.2.2), and the managerial understandings (section 1.3.2.3). The managerial understanding of luxury is characterized by its major research objectives, its corresponding scope of luxury and is further constrained by differentiating major luxury market segments such as private vs. public and b2b vs. b2c luxury products.

Chapter 1.3.3 outlines a definition of luxury products (section 1.3.3.1), a categorization of luxury product industries (section B.1) and distinguishes between the major types of luxury products (section 1.3.3.3).

Chapter 1.3.4 derives the definition of luxury brands from the definition of luxury products (section 1.3.4.1) and describes the relationships between luxury products and brands (section 1.3.4.2) and the relationships between luxury characteristics and brand identity (section 1.3.4.3). In addition, it differentiates between the major types of luxury brands (section 1.3.4.4).

Chapter 1.3.5 distinguishes luxury products and brands from similar concepts including premium (section 1.3.5.1), masstige (section 1.3.5.2) and prestige products and brands (section 1.3.5.3).

Part 1.4 outlines a handbook for the creation of luxury products and brands.

Chapter 1.4.1 explains the characteristics of luxury products in detail based on an empirical study and relevant literature.

Chapter 1.4.2 gives an overview about luxury marketing-mix strategies that allow luxury brands to influence consumer perceptions about major luxury characteristics.

Part 1.5 concludes with an overview about future research opportunities and managerial implications.

1.2. Conceptual Foundations

This part of the paper outlines the conceptual foundations, which includes specifying the relevant types of definition and theories of categorization (chapter 1.2.1) and on that basis explaining the five-step approach to conceptualization (chapter 1.2.2).

1.2.1. Types of Definitions and Theories of Categorization

1.2.1.1. Benefits and Limitations of Definitions

According to Odgen and Richards (1923, p. 246), “the reply to the question what any word or symbol refers to consists in the substitution of a symbol or symbols which can be better understood. Such substitution is definition.” The **objective of a definition** is to specify the meaning and usage of a linguistic sign (a term). The process of definition includes combining a term with a phenomenon of reality (designatum) by specific semantic rules (Kromrey 2009, p. 143). A definition consists of two components: the definiens, the term to be defined and the definiendum, an expression that defines that term (Opp 2005, p. 105).

The **major benefit** of definitions is that introducing terms allows assigning observations or objects (e.g. specific brands) to categories (=classes) of objects that are similar to each other (e.g. luxury brands). This process is also named categorization (=classification). For any new object, this makes it decidable if or to what degree it belongs to a category. If people perceived any object as unique and belonging to no category, they would be overwhelmed by the great diversity of objects around them and become incapable of acting. This means that the categorization of objects is used to reduce complexity (Eckes 1991, p. 4; Hoffmann 1986, p. 11). A clear definition of the object of investigation (luxury brands) is a prerequisite for the results (of luxury brand management research) to also be clear and intersubjectively comprehensible and replicable (Friedrichs 1973, p. 73).

However, a definition does not link a term directly to a phenomenon of reality, but to a mental idea about a phenomenon of reality (Rosch and Mervis 1981, p. 90). This triad relationship between a term, mental idea and designata (symbol-referent-reference) is referred to as a semiotic triangle (Odgen and Richards 1923, p. 10 et seq.). For instance, the term “table“ does not stand in the first instance for an actually existing table, but for the mental idea of a table (Trabant

1989, p. 27 et seq.). The same is true for the term “luxury brand” – it evokes a mental image in peoples’ minds about what the corresponding set of real phenomena (designata) they have observed (including brands such as Louis Vuitton and Rolls-Royce) represents in general and what these phenomena have in common. A person’s mental image is referred to as a **conception** and comprises everything he or she has observed or was told about the designata. People differ in their conceptions and cannot communicate them directly, but they can use a term to communicate about them. However, this requires achieving an agreement about what is specifically meant by a term. The process of determining the meaning of a term is called conceptualization and its result is a concept (Babbie 2010, p. 126 et seq.; Medin and Smith 1984, p. 114).

The major challenge for the definition of luxury brands is that “luxury” and the related terms are especially **vague** and their meaning depends very much on the user’s perspective (Kapferer 2008, p.96; Kisabaka 2001, p. 77; see also section 1.3.1.2). A term is generally vague if its major characteristics are continuous. Categorical (or discreet) characteristics such as “he drives a Porsche” can either be assigned to an object or not and continuous (or dimensional) characteristics such as “product quality” can be assigned to an object to a certain degree (Atteslander 2010, p. 48). Hempel (1952, p. 54) refers to terms that rely on continuous characteristics as comparative terms. The assignment of any object to a term of this type is not as clear and definite, but there is rather a continuum of class affiliation. This means that there is no clear boundary between objects that belong to a vague term and objects that do not. Between the extremes of full class affiliation and full non-affiliation, there are numerous exemplars, about whose affiliation to a term a clear decision cannot be made (Eckes 1991, p. 37; Hoffmann 1986, p. 31). This corresponds to the concept of “fuzzy sets” defined by Zadeh (1965, p. 339) as a “class of objects with a continuum of grades of membership,” which is characterized by a function that assigns a grade of membership to each object ranging from zero to one (see also Viswanathan and Childers 1999).

These basic characteristics of the term “luxury” induce **limitations** for the definition of luxury products and brands. It seems unrealistic to totally dissolve the ambiguous gray area of products and brands about whose affiliation to the luxury category a clear decision cannot be made. However, for practicability in luxury brand management, the paper does not focus on developing a measurement for the degree of class affiliation, but focuses first of all on developing definitions that at least allow for the differentiation of as many products and brands either

into the luxury or non-luxury category as best as possible. The continuous character of class affiliation is taken into account by further distinguishing luxury categories by luxury level (see section 1.3.4.4). Moreover, definitions are generally limited by the fact that not every term included in the definiendum can also be defined without creating a definitional circle. Therefore, the meaning of at least some terms is expected to be known by the target groups of the definition, which prevents definitions from dissolving any ambiguities completely (MacKenzie et al. 2005, p. 315; Opp 2005, p. 111).

1.2.1.2. Major Types of Definitions

Intensional vs. Extensional Definitions

The distinction between **intensional and extensional definitions** refers to the major difference in the approach to definition and the nature of the definiendum. The ideas that people have about a category (a concept) consist of an intension (the meaning) and an extension (the objects of this category; Rosch and Mervis 1981, p. 90). Accordingly, an extensional definition is a list that names all objects that should be covered by a term. For instance, “Scandinavian countries” could be defined extensionally by “Denmark, Norway, and Sweden.” In accordance with the basic idea of an extensional definition, the world luxury brand analysis (WLBA) aims at identifying all luxury brands worldwide (see section 1.2.2.2). On the other hand, an intensional definition covers all characteristics involved in deciding about the affiliation of an object to a term (Eckes 1991, p. 21; Kromrey 2009, p. 143). The primary objective of this paper is to develop an intensional definition of luxury brands.

Real vs. Nominal Definitions

The distinction between real definitions and nominal definitions refers to the basic idea of the purpose of definitions. The objective of a **real definition** is not to determine the meaning of a term, but to describe the essence or nature of the corresponding phenomenon of reality (Opp 2005, p. 113). Accordingly, representatives of this approach believe that there is for each term a single true or “real” definition. As real definitions are statements about reality, they are either right or wrong (Babbie 2010, p. 134; Hempel 1952, p. 14).

In contrast to that, a **nominal definition** does not represent a phenomenon of reality, but refers to the conception about a phenomenon of reality and determines the meaning and usage of a term for a specific purpose (Babbie 2010, p. 134; Hempel 1952, p. 14). According to Opp (2005, p. 108 et seqq.), a nominal definition introduces a convention about the usage of a term by determining that a specific term A_1 (the definiens) should be synonymous with another term A_2 (the definiendum), whereby the meaning of the other term A_2 is presumed to be known and term A_1 should attain the meaning of A_2 . As the definiendum determines the meaning of the definiens completely (therefore also called explicit definition), both terms A_1 and A_2 can be used interchangeably. The major advantage of nominal definitions is that this replacement of a relatively long definiendum (A_2) with a shorter definiens (A_1) helps to save space in scientific publications and facilitates communication between researchers. Therefore, nominal definitions are widespread in the scientific literature. They are also used in this paper and complemented with definitions by reduction sentences and operational definitions, which will be discussed subsequently.

Definition by Reduction Sentences

A definition by reduction sentences can be considered as a special type of a nominal definition. Both types do not make any assertion about reality, but determine how a term should be used. The major difference between the two is that a standard nominal definition is explicit and a definition by reduction sentences is not, i.e. they determine the meaning of a term only partly and therefore, the definiens and definiendum cannot be used interchangeably (Opp 2005, p. 118). This type of definition sets out some conditions that need to be consistent and that have to be fulfilled in order to categorize an object (to a certain degree) into a specific category (Carnap 1936, p. 441). In contrast to standard nominal definitions that “fix the meaning of the new term once for all” (Carnap 1936, p. 449), these conditions can also be extended at a later stage. For the definition of luxury consumers, for instance, a person could be asked: “Have you bought a watch of a luxury brand worth more than €5,000 within the last three years?” By answering with “yes,” the respondent could be categorized as a luxury consumer. As this might not be enough to differentiate adequately between the two segments, more conditions could be added, which constitute a luxury consumption scale (Heine 2010c, p. 187). A respondent obtains one point for each question that he or she can agree to and qualifies as a luxury consumer by exceeding a certain number of points. Reduction sentences generally refer to characteristics that are not

directly observable, but can be ascribed to an object only after specific operations are conducted. This means that these characteristics are hidden and the objects only have a disposition to react to specific stimuli in a specific way (Hempel 1952, p. 31). Terms defined by reduction sentences are therefore referred to as disposition terms. According to the definition of luxury consumers by the consumption scale, a person can only be categorized after answering the questionnaire. However, this definition could be changed to conditions that are directly observable requiring consumers, for instance, to wear a luxury watch. This approach leads also to an operational definition, which will be explained below (Opp 2005, p. 114 et seq.).

Operational Definitions

An operational definition can be considered as a complement of a nominal definition (Bortz and Döring 2006, p. 63) and aims at linking a term with empirical objects and specifying how a concept should be measured (Babbie 2010, p. 134; see also Hempel 1952, p. 43). Similar to a definition by reduction sentences, the definiens and definiendum cannot be used interchangeably. If the number of Rolls-Royce drivers in a city are to be counted, the term ‘‘Rolls-Royce’’ seems to be clear enough so that it does not need to be operationalized. However, although the term ‘‘driver’’ is basically comprehensible, it still needs to be operationalized because it is not clear if the term should cover only the owners of a Rolls-Royce, all drivers of the owners or even people who drive a friend’s Royce once in a while. This example demonstrates that a broad definition (of ‘‘driver’’) can be modified by an operational definition, which helps to reduce ambiguities about a term and to define it more precisely. For this purpose, adequate indicators for a term need to be determined. There is a variety of different types of indicators ranging from simple observations (‘‘a person driving a Rolls-Royce’’) to individual questions (‘‘Do you own a Rolls-Royce?’’) to statistical measures (‘‘number of registered Rolls-Royce automobiles;’’ Opp 2005, p. 123). Accordingly, operationalization means specifying adequate indicators for a term, i.e. translating a term in observable events and determining the designata of a term by research operations such as observations, surveys, content analyses, etc. (Carnap 1936, p. 431). The indicators have to be stated clearly so that it is possible for any person to identify the designata without any problems. In that way, an operational definition helps to decide if any actually existing (empirical) object is part of what is meant by the term (Kromrey 2009, p. 110).

Evaluation of Nominal Definitions

First of all, a definition needs to be **precise**, which requires that the meaning of a term is intersubjectively comprehensible and replicable (Kromrey 2009, p. 144). This means that all people, who know the meaning of a term, can decide for any object if it is part of the designata of a term or not and that all people decide in the same way (Hempel 1952, p. 45). For the purpose of this paper, it should be possible to decide for any object if it is part of the designata of luxury products and brands or not. In addition, as nominal definitions are not assertions about reality, but just determine how specific terms should be used, they can neither be right nor wrong, but rather more or less **appropriate** (Opp 2005, p. 108), which depends on their purpose. For this paper, the definitions should be adequate and useful for researchers in luxury brand management and because research should also have practical relevance for luxury brand managers. The definitions of luxury products and brands should cover sets of comparable objects, which also demand similar marketing strategies (Opp 2005, p. 131 et seqq.).

Products and brands can be categorized as luxury or non-luxury according to the similarity of their attributes (Waldmann 2002, p. 3b-9 et seqq.). There are three major theories for the categorization of objects by similarity. For the purpose of this paper, they are used for the selection of categories (see dimensional analysis in section 1.2.2.2) and for the interpretation of the resulting definition of luxury products (see section 1.3.3.1). These theories of categorization are explained below.

1.2.1.3. Theories of Categorization

1. Classical Theory

The major assumptions of the classical theory include the following:

- **Critical attributes:** According to the classical theory, a clear decision about the affiliation of an object to a category can be made based on the critical attributes of this category (Waldmann 2002, p. 3b-9 et seqq.). For the category of chairs, for instance, a rather horizontal seating surface might be critical for the categorization of objects, but not attributes such as a backrest, a bolstering or the existence of four legs (Eckes 1991, p. 20). The critical attributes are individually necessary and all together sufficient for the categorization of an object to a specific category (Medin and Smith 1984, p. 115).

- **Any object features all critical attributes:** Each object of a specific category features the complete set of critical attributes.
- **Stable and equal level of class affiliation:** Any object either belongs to a specific category or not and any object of a specific category qualifies as an affiliate of this category to the same degree as any other object of that category (Eckes 1991, p. 20; Waldmann 2002, p. 3b-10).

The classical theory may be suitable for easily definable and unambiguous concepts (Cohen and Basu 1987, p. 458). However, its assumptions are rather unrealistic and **inadequate in social science** because “ill-defined categories are the rule, not the exception, in daily life” (Neisser 1967, p. 58). As the boundaries between different categories in everyday language are not clear-cut (Hempel 1952, p. 54), people are often not sure about category membership and these terms can hardly be defined by a list of critical attributes (Medin and Smith 1984, p. 115). For instance, because of some rare exceptions, the “ability to fly” would be disqualified as a critical attribute for the definition of birds according to the classical theory. If a concept is limited to critical attributes, it is **not possible to make use of all the other relevant information** about the designata. For instance, it would be quite useful to predict that it is highly probable that a bird can fly (Eckes 1991, p. 29 et seq.). In practice, categorizations are usually **not stable**, but vary greatly inter- and intra-individually and also change over time (Hempel 1952, p. 20; see also study by Barsalou 1985, p. 643 et seqq.).

Because of these general problems, there is a tendency to switch from the classical theory to the prototype theory, which is explained below.

2. Prototype Theory

The major assumptions of the prototype theory include the following:

- **Typical attributes:** The prototype theory suggests that the knowledge about a category is represented by an abstract prototype in form of a list of typical attributes, which relies on experience with concrete representatives of a category (Hoffmann 1986, p. 25). The prototype features all typical attributes of a category and embodies its ideal representative. However, it is possible that there is no single object that corresponds completely with the prototype. Typical attributes have a high probability of occurrence within a specific class of objects, but are not necessarily present at all objects of a category (Waldmann 2002, p. 3b-14; Wittgenstein 1953, p. 31 et seq.). For instance, there exist some exceptional birds which cannot fly.

However, it is still possible that there exist attributes that all objects of a specific category have in common (Eckes 1991, p. 58 et seqq.). Accordingly, Medin and Smith (1984, p. 117) concludes that “an object will be categorized as an instance of some concept A if, for example, it possesses some critical number of properties, or sum of weighted properties, included in the summary representation of A.”

- **Definition is not stable:** The prototype theory also assumes that the prototype has to be updated regularly in an infinite learning process (Eckes 1991, p. 60).
- **Attributes can differ in their importance:** In contrast to the classical theory, it also assumes that the typical attributes differ in their relevance for the categorization of objects and that their weight varies depending on, for instance, contextual influences and the activation of content-specific background information and prior knowledge (Chaigneau et al. 2008, p. 85 et seqq.). There is no strict distinction between relevant and irrelevant characteristics (Hoffmann 1986, p. 31).
- **Objects can differ in their degree of class affiliation:** The prototype theory also suggests that the objects of a specific category differ in the degree that qualifies them as representatives of that category (Cohen and Basu 1987, p. 458; Eckes 1991, p. 32; Rosch and Mervis 1981, p. 90 et seqq.), which is also referred to as typicality (Loken and Ward 1990, p. 111).

Notwithstanding the general trend of switching to prototype theory, the latter is also **more suitable in particular for the definition of luxury products and brands**. As is the case for all vague terms, luxuries are not equally luxurious and there are various levels of luxury (Kisabaka 2001, p. 120 et seq.; see also section 1.3.4.4) and thus luxury products and brands also must differ in their degree of class affiliation. The classical theory’s assumption of an equal level of class affiliation alone makes it unusable for a definition of luxury products and brands. While the classical theory postulates that categorizations remain stable, the concept of luxury brands is constantly changing over time and therefore needs to be updated regularly (Kapferer 2008, p. 96; see also Jäckel and Kochhan 2000, p. 89; Mortelmans 2005, p. 504). As explained above, adequate definitions may still not totally resolve the gray area of ambiguous products and brands, but in accordance with the prototype theory they should at least allow for the differentiation of as many products and brands either into the luxury or non-luxury category as best as possible.

3. Exemplar Theory

The **exemplar theory** is another approach to concept formation, which shares the more realistic assumptions of prototype theory. However, in contrast to prototype theory, it does not assume that knowledge about a category is represented by an abstract prototype, but by specific exemplars (Medin and Smith 1984, p. 118). Luxury cars may be represented, for instance, by Maybach and Rolls-Royce automobiles. A new object is categorized not by comparison to the prototype, but by comparison to already known exemplars. The new object is assigned then to the category to whose exemplars it shows the highest similarity (Cohen and Basu 1987, p. 460). While the prototype theory assumes that all objects of a category share at least one attribute with the prototype, the exemplar theory only assumes that an object shares at least one attribute with another object, which means that there are also objects that do not even share a single attribute. This shows the major advantage of the exemplar theory: it is much more flexible and preserves much more information than is contained in only an abstract prototype (Waldmann 2002, p. 3b-18). However, for the purpose of this paper, the exemplar theory should not be substituted for the prototype theory because a list and a description of exemplars is very complex and lacks clarity regarding the characteristic attributes of a category. Therefore, the prototype theory is widespread, especially for the categorization of products, and that approach will be taken in this paper (Cohen and Basu 1987, p. 455; Sujana 1985, p. 32). On the other hand, it can be complemented with the exemplar theory, because the characterization of an object class may become even clearer by describing both the prototype and relevant exemplars.

This chapter gave an overview about the relevant types of definition and theories of categorization, which will be employed for the development of the concept of luxury brands. The next chapter outlines the actual approach to conceptualization, which starts with a semantic and a dimensional analysis.

1.2.2. Approach to Conceptualization

1.2.2.1. Semantic Analysis

The initial point of a semantic analysis is an already given semantic sign (a term). In this paper's case, this includes above all "luxury brands," but also related terms such as luxuries, luxury goods and luxury products. The objective of a semantic analysis is not to specify a convention,

but to explore the spectrum of meaning and usage of a term (Hempel 1952, p. 14). The semantic analysis is especially useful for vague terms such as luxury because they have a relatively broad spectrum of meaning and therefore also a great potential for misunderstanding (Opp 2005, p. 112). The analysis includes uncovering and comparing the different usages of luxury terms between different groups of researchers and distinguishing these terms from similar terms (Kromrey 2009, p. 128).

Procedure of the Semantic Analysis

With reference to Kromrey (2009, p. 128 et seqq.), the semantic analysis is conducted in the following steps:

1. Collection of Material

This step includes searching through any international literature about luxury in a variety of research domains. Following an iterative process, additional new literature is continuously collected and integrated into this analysis.

2. Systematization

2.1. Identification of a Basic Definition

The comparison of definitions in lexica and different definitions in a variety of research fields allows for the identification of a basic definition of luxury, which is shared by the vast majority of researchers (see chapter 1.3.1).

2.2. Differentiation between the Major Understandings of Luxury

Apart from this basic definition, the idea of luxury differs highly within the scientific community. The analysis demonstrated that these differences are mainly rooted in the varying research objectives. Consequently, it is impossible to develop an overall luxury definition. It is even obvious that there cannot be an adequate definition for very different objects ranging from intangible luxuries such as time and space to luxury products such as Louis Vuitton bags and Rolls-Royce automobiles. Therefore, the understandings of luxury in the literature were analyzed and differentiated by area of research into three major categories including the philosophic-sociological, the micro-economic and the managerial understanding of luxury (see chapter 1.3.2). Each of them is explained by their major representatives, research objectives and the corresponding scope of luxury. According to the differentiation between the understandings of luxury, it is also distinguished between the terms luxuries, luxury goods and luxury products and brands.

2.3. Limiting the Scope of Luxury Products

Another component of the semantic analysis is to use the approach to definition of reduction sentences to distinguish luxury products and brands from distinct market segments such as luxury services, real estate and arts (see section 1.3.2.3) and also from similar concepts such as premium, masstige and prestige products and brands (see chapter 1.3.5).

The semantic analysis explores the usage of the luxury terms within the scientific community (Opp 2005, p. 112). However, Hempel (1952, p. 21) suggests that the **explication** of a term goes beyond the description of its common usage and meaning within the scientific community by reinterpreting the term, which means that the researcher partly disengages from the common meaning of a term in order to reduce misunderstandings and inconsistencies and to increase the clarity and precision of its meaning (see also Bortz and Döring 2006, p. 61).

Accordingly, the semantic analysis created a basis for the definition of relevant terms such as “luxury goods” and for the development of a broad definition of luxury products (see section 1.3.3.1) that will be limited further by a dimensional analysis, which will be explained below.

1.2.2.2. Dimensional Analysis

I. Overview about the Procedure

The dimensional analysis allows for a further exposition of the concept of luxury brands. While the semantic analysis focuses on terms as linguistic signs and their meaning and usage across different groups of researchers, the initial point of the dimensional analysis is actually existing objects and their characteristics on specific attribute dimensions. For instance, a car may be described as red on the color dimension and with 250 km/h on the speed dimension. The dimensional analysis is especially suitable for practical terms such as luxury products and brands. The objectives of this analysis include at first uncovering and structuring the dimensions of luxury products and brands and then selecting and terming the relevant dimensions adequately (Kromrey 2009, p. 138 et seq.).

With reference to Kromrey (2009, p. 114 et seqq.), the dimensional analysis is conducted in the following steps:

1. Collection of Material

The literature search for the dimensional analysis concentrates specifically on definitions and characterizations of luxury products and brands. Any papers that could be found in the international business and luxury brand management literature were collected in a database. As with the semantic analysis, additional new literature is continuously collected and integrated into this analysis.

2. Selecting an Adequate Approach to Definition

A comparison of existing definitions in the luxury marketing literature helped in identifying the major approaches used to distinguish necessary and ordinary products from luxury products. These approaches differ by the type of dimensions they use as criteria for differentiating between luxury and non-luxury products. The approaches were distinguished by the level of abstraction into the characteristics-based and the consequences-based approach. In addition, they were also differentiated by the source of information into the consumer-oriented and expert-based approach. Subsequently, the paper explains the advantages of a characteristics-based and consumer-oriented approach that is constrained by a conceptual framework. The selection of an adequate approach to definition is explained in detail in the subsequent section.

3. Requirements for the Identification of Luxury Product Characteristics

The objective of this step is to specify the selection criteria that allowed for the identification of relevant characteristics (dimensions) and the disregarding of other aspects (Kromrey 2009, p. 138 et seq.). The analysis of the existing definitions and other related luxury marketing literature helped in uncovering the major inconsistencies and problems of the existing definitions, which allowed for a compilation of a set of requirements and selection criteria for the identification of luxury product characteristics. These requirements are outlined after the next section concerning approaches to definition.

II. Selecting an Adequate Approach to Definition

1. Characteristics- vs. Consequences-based Approach

Luxury products can be identified by their characteristics (as means to an end) or by their consequences (ends) such as purchasing motives and consumer values. This categorization corresponds to the means-end theory, which suggests that consumers select a certain product or product characteristic as a mean to achieve a certain end goal (Gutman 1981, p. 60; Herrmann and Huber 2000; see also Heine and Trommsdorff 2010b, p. 4). Representatives of the consequences-based approach include Berthon et al. (2009), Vickers and Renand (2003), Vigneron and Johnson (2004) and Wiedmann et al. (2007). In contrast to the similarity-based theories of categorization (see section 1.2.1.3), this type of definition is knowledge-based and relies on a goal-derived categorization (Barsalou 1985, p. 630; Felcher et al. 2001, p. 867; Medin and Smith 1984, p. 130; Waldschmidt 2011, p. 47 et seqq.). A typical example of a goal-derived category is “things to take on a camping trip”, which includes items such as a tent, a bedroll, a flashlight, etc. (Barsalou 1983, p. 211). Accordingly, luxury products may be defined as “things that increase people’s prestige.” Even though this approach corresponds to the modern understanding of products as a bundle of benefits (Kotler et al. 2007, p. 625), the consequences do not apply exclusively to luxury products. For instance, there are also non-luxury products that allow consumers to increase their prestige, including luxury goods such as golf-equipment or self-created clothing and luxuries such as time or musical talent. Since the description of their consequences is not enough to distinguish luxury from non-luxury products (see also Vickers and Renand 2003, p. 465), the characteristics-based approach has become widely accepted in the literature (see Kisabaka 2001, p. 66).

2. Consumer-oriented vs. Expert-based Research Approach

The **expert-based approach** aims to identify the constitutive characteristics of luxury products based on expert opinion or literature analyses. Representatives of this approach include Al-lérès (2003a, p. 48); Fionda and Moore (2009, p. 351 et seq.); Kapferer (1997, p. 77 et seqq.); Keller (2009); Kisabaka (2001, p. 71 et seqq.) and Nueono and Quelch (1998, p. 62 et seqq.).¹

¹see also Belz (1994, p. 646 et seqq.); Castarede (2003, p. 3); Giraud et al. (1995, p. 1 et seqq.); Kapferer (1996, p. 251 et seqq.); Kapferer (1998, p. 45); Kapferer (2001, p. 320 et seqq.); Kapferer and Bastien (2009b); Lasslop (2002, p. 331); Lombard (1989, p. 12); McKinsey (1990, p. 13); Meffert and Lasslop (2003, p. 5 et seqq.); Mutscheller (1992, p. 64); Nueono and Quelch (1998, p. 62 et seqq.); Sihler (2002,

There are also many authors who do not provide a comprehensive concept, but just state some particular characteristics of luxury products, for instance Beverland (2005, p. 1006 et seqq.); Lipovetsky and Roux (2003, p. 22 et seqq.) and Nia and Zaichkowsky (2000, p. 486).²

The **consumer-oriented approach** aims to identify the characteristics of luxury products with an empirical study of luxury product consumers (LPCs). The most recognized study originates from Dubois et al. (2001, p. 8 et seqq.).³ Their definition of luxury products is presented in figure 1.1. De Barnier et al. (2006, p. 6 et seqq.) provide another consumer-based concept, which is differentiated by region.

Figure 1.1.: The Definition of Luxury Products by Dubois, Laurent, and Czellar (2001)

Excellent quality	The first notion is that of perceived excellent quality. The mental association between luxury and quality is so strong that for some respondents, the two words are almost synonymous.
Very high price	The second notion spontaneously associated with luxury, and almost as salient as the previous one, is that of a very high price. Such a perception is established either on the basis of the absolute value of the price or, more frequently, by comparison with non-luxury alternatives.
Scarcity and uniqueness	The third concept associated with luxury is that of scarcity. Scarcity is closely associated with the perceived excellent quality and high prices associated with luxury goods.
Aesthetics and polysensuality	The fourth aspect of luxury involves a strong aesthetic appeal. And, according to many consumers, it should always be the case. At the extreme, luxury products become pieces of art which have to be recognized as such.
Ancestral heritage and personal history	The fifth notion associated with luxury is its anchoring in the past. In consumers' mind, to be luxurious, products and services must have a long history and their elaboration processes as well as consumption should respect tradition.
Superfluousness	Finally, the concept of luxury implies some perceived superfluousness or uselessness. Luxury products are not felt to be necessary for survival. It is in this sense that consumers as well as researchers oppose luxuries and necessities.

Source: Dubois et al. (2001, p. 8 et seqq.)

The consumer-oriented approach matches with the growing consumer-orientation in marketing (Meffert et al. 2008, p. 16). Its **benefits** can be demonstrated by the definition of quality:

p. 177); Valtin (2004, p. 186); Vernier and Ghewy (2006, p. 4) and Vukelic (2000, p. 38 et seqq.).

²see also Catry (2003, p. 10 et seqq.); Dohrn-van Rossum (2002, p. 100); Gurvierz and Besson (2000, p. 2); Kotler et al. (2007, p. 634 et seqq.); O'Cass and Frost (2002, p. 72 et seqq.) and Phau and Prendergast (2000, p. 123).

³“most recognized” by number of citations within the area of luxury marketing research, e.g. by Büttner et al. (2006, p. 12); Führer (2008, p. 213); Korneli (2007, p. 7); Meffert and Lasslop (2003, p. 5) & Meffert and Lasslop (2004, p. 932) and Valtin (2004, p. 29)

Trommsdorff (2009, p. 166) uses the example of dishwashers to illustrate that different types of consumers expect different attributes, consider them varyingly important, evaluate the quality of these appliances by different criteria and therefore end up with different quality judgments. Consumers could find an objectively existing attribute irrelevant or useless and at the same time they could miss another attribute that is subjectively important to them. Similarly to quality, luxury is a complex and subjective term (Kisabaka 2001, p. 77), which is hardly ascertainable with objective measures, but rather through a consumer-oriented approach by investigating the relevant characteristics of the target group of LPCs (see also Kotler et al. 2007, p. 633 et seq.). However, a **mere consumer-oriented approach is also inadequate** for various reasons. First of all, respondents might lack purchase experience and sufficient knowledge about the objects of investigation. This is a widespread problem, as a big part of the existing studies rely on students or other easy-to-reach segments (which is explained in detail in paper 3, section 2.2.3.3). In addition, there might be misunderstandings about the object of investigation, which is not clearly specified by many researchers. For instance, Dubois et al. (2001, p. 7) used the following selection criteria: “all respondents had acquired [...] at least one product they considered luxurious.” This means that they targeted virtually everybody to speak about virtually anything that could be a luxury. The biggest problem of the consumer-oriented approach is that, as luxury products are used for social communication (Belk 1988, p. 139), the empirical data may be subject to social bias (Lageat et al. 2003, p. 5). For instance, there is some reason to doubt that luxury products require an “ancestral heritage” as suggested in the study done by Dubois et al. (2001, p. 7). This could be just a typical characteristic of a special type of luxury brands (this will be discussed in section 1.2.2.2). In addition, the characterization of luxury products with superfluosity might be misleading (see also section 1.3.1.1). De Barnier et al. (2006, p. 8) rely on a mere consumer-oriented approach and even conclude from their study that rarity is not a relevant characteristic of luxury products anymore. This demonstrates that it is inappropriate to identify the characteristics of luxury products merely based on the respondent’s statements, which could be biased by their lacking knowledge, confusions about the object of investigation and social desirability.

*Therefore, the **consumer-oriented approach needs to be restrained by a conceptual framework**. This framework consists of a set of requirements for luxury product characteristics, which will be outlined in the subsequent section.*

III. Requirements of Luxury Product Characteristics

For the purpose of this paper, the following requirements for luxury product characteristics were identified based on literature analysis:

1. **Characteristics should apply specifically to the managerial understanding of luxury:**

Many authors do not distinguish between different understandings of luxury (e.g. De Barnier et al. 2006, p. 6 et seqq.; Schiereck and Königs 2006, p. 2; Vickers and Renand 2003, p. 469). However, without a clarification of the understandings of luxury, the discussion about luxury refers to different objects of investigation, which makes it impossible to achieve a consensus about their characteristics. Therefore, this paper concentrates on the managerial understanding of luxury as outlined in section 1.3.2.3 (see also Van Maele 2006, p. 20). Misunderstandings about the objects of investigation almost certainly lead to characterizations with inappropriate or missing attributes. This problem is addressed by the following two points.

2. **The set of characteristics should contain all relevant characteristics:** For the greater part, concepts tend to not be fully developed (see Kisabaka 2001, p. 61). In many cases, authors only refer to a selection of some typical characteristics of luxury products (e.g. Hsu and Tang 2006, p. 749; Königs and Schiereck 2006, p. 2; Nia and Zaichkowsky 2000, p. 486) and often they do not state the characteristics explicitly, but just mention them incidentally in the text (e.g. Belz 1994, p. 646 et seqq.; Castarede 2003, p. 3). According to the prototype theory, Hoffmann (1986, p. 31) suggests that there is no dichotomy between relevant and irrelevant attributes, but rather a continuum from dominant and typical attributes to insignificant and atypical characteristics. So there are also typical characteristics that are relevant, but only for very few luxury products or to such a minor degree that they do not contribute much to a better understanding and definition of luxury products. Consequently, the set of characteristics should be differentiated from characteristics of minor relevance, but should still contain all (rather) relevant characteristics. There is a large variety of typical and often very specific characteristics of luxury products. This includes, for instance, the characterization of luxury watches with materials such as gold or platinum (Kisabaka 2001, p. 85 et seq.). These specific characteristics can be categorized into some major characteristics. Since comparative terms such as luxury rely on dimensional characteristics (Hempel 1952, p. 54), these major characteristics must apply to virtually all luxury products to at least

some degree. Therefore, they are referred to as constitutive characteristics. These characteristics vary on a continuum from one pole that is very typical for luxury products (such as a high price) to the anti-pole that is generally very atypical for luxury products (such as a low price).

3. Constitutive characteristics should be differentiated from accessory characteristics:

In contrast to constitutive characteristics, accessory characteristics only apply to some luxury products (such as traditional design), while their opposite applies to some other luxury products (such as modern design). Accessory characteristics often cover the symbolic attributes and the style of luxury products (Kisabaka 2001, p. 66 et seqq.). In the literature, constitutive and accessory characteristics are often confused. For instance, traditional manufacturing and symbolism is often regarded as a constitutive characteristic (e.g. by Vernier and Ghewy 2006, p. 4; Vigneron and Johnson 2004, p. 494), although there are many modern luxury products that contradict traditional symbolism (Lipovetsky and Roux 2003, p. 51 et seqq.). In addition, luxury products are often characterized by belonging to a well-known luxury brand (e.g. by Lombard 1989, p. 28; Mutscheller 1992, p. 65; Phau and Prendergast 2000, p. 124), although there also exist a large variety of little-known connoisseur brands (see also Belz 1994, p. 649 and section 1.3.4.4). The confusion of accessory with constitutive characteristics leads to an over-restriction of the objects of investigation. For instance, the characterization of products with high brand awareness and tradition applies only to a subset of luxury products and actually leads to a definition of **typical luxury products** (e.g. Nueono and Quelch 1998, p. 62), which highly corresponds with the classic French idea of luxury.

4. Characteristics should be differentiated from consequences:

Mainly because of an undifferentiated understanding of luxury, many concepts contain both consequences such as “prestige” and characteristics such as “rarity” (e.g. Nia and Zaichkowsky 2000, p. 486; see also De Barnier et al. 2006, p. 8; Kapferer 2001, p. 322; Königs and Schiereck 2006, p. 2; Lipovetsky and Roux 2003, p. 158 et seqq.; Lombard 1989, p. 13; McKinsey 1990, p. 14).

5. Characteristics should be differentiated from preferences and attitudes:

Some authors such as Castarede (2003, p. 5) and Koschel (2005, p. 41) propose that luxury is ever more associated with increasingly scarce resources such as self-determination, silence, and time.

Kisabaka (2001, p. 63 et seqq.) concludes that there must be a postmodern definition of luxury, although these authors represent the philosophical-sociological understanding of luxury (see section 1.3.2.1) and simply describe the current appearance of luxury and preferences towards it. In addition, “luxury” is emotionally charged and evokes heated discussions. However, the selection of characteristics may not include attitudes and value judgments or even aim at changing peoples’ attitudes or behavior towards luxury. This would be the case for so called persuasive definitions of luxury such as “things that are bought to make others jealous” (Stevenson 1938, p. 331 et seqq.).

6. **Characteristics should be differentiated from marketing measures:** Some authors even try to differentiate luxury from non-luxury products by marketing measures, which includes selective distribution (e.g. Lombard 1989, p. 15; Valtin 2004, p. 186) and specific communication (e.g. Allérès 2003a, p. 84; Mutscheller 1992, p. 65 et seqq.). However, it complicates the analyses of marketing strategies for luxury products, consumer attitudes or purchasing motives if they are already part of the definition.
7. **Characteristics should be clearly specified:** The characteristics are often not clearly explained, for instance, what is meant by “high product quality” (e.g. Allérès 2003a, p. 48; Lombard 1989, p. 5; Nueono and Quelch 1998, p. 62).
8. **Characteristics should be distinguished by their level of abstraction into concrete and abstract characteristics:** In many cases, characteristics are not differentiated by their level of abstraction. For instance, Lasslop (2002, p. 331) describes “less automated manufacturing” and “higher product quality” as equally important characteristics. However, characteristics can be differentiated by their level of abstraction into concrete and abstract attributes (Olson and Reynolds 1983, p. 80; see chapter 1.4.1 for further explanations).

The dimensional analysis helps in specifying the type of dimensions (characteristics instead of consequences) which should be used for the definition of luxury products and brands. The operationalization complements the dimensional analysis by identifying the luxury product characteristics and will be described below.

1.2.2.3. Operationalization: Identification of Luxury Product Characteristics

The objective of this step is to identify the major characteristics (dimensions) of luxury products and brands. Based on the conceptual framework outlined above, this operationalization

aims at linking luxury terms with empirical objects. As a result, the broad definition of luxury products and brands becomes more clear and should allow one to decide whether a majority of products and brands are part of what is meant by the luxury terms (Kromrey 2009, p. 110). The operational definition is based on a literature analysis and an empirical study.

1. Literature Analysis

The existing definitions and characterizations were content-analyzed, employing an approach similar to that of Mayring (2002, p. 114 et seqq.). Initially, the potential characteristics of luxury products were recorded in a spreadsheet and then cleared from the items which did not meet the requirements for luxury product characteristics. Subsequently, the remaining characteristics were categorized. The results of the literature analysis are illustrated in table E.1 in the appendix. For the sake of simplicity and clarity, the table is ordered according to the final version of the categories.

2. Empirical Study

Originally, this paper only provides a short overview about the empirical study. Details about this study including the sampling, interviewing, and data analysis procedure are described by Heine and Phan (2011) in paper 1. However, for the sake of clarity, these paragraphs have been inserted below.

2.1. Sampling Procedure

The investigation of luxury product characteristics from a consumer's perspective requires access to respondents with a sound understanding of luxury products and brands. The target group of this study consists of heavy luxury consumers, who were selected based on two criteria. First, they had to be millionaires (with a net worth of at least one million Euros). The study of Dubois and Duquesne (1993) indicates that wealthy people are not necessarily heavy luxury consumers. Therefore, the second selection criterion required that participants actually consume luxury products frequently. These criteria were verified in a preliminary talk with potential respondents. Consumers differ in their perceptions of what constitutes a luxury product. Therefore, the selection of participants followed a mixed-base snowball approach in order to cover a large array of industry backgrounds. The sample consists of 31 respondents (14 women and 17 men). Their industry background includes agriculture, arts, asset management, automotive, construction, dentistry, foods, electronics, event management, gambling, hospitality, law, machinery, media, medical engineering, real estate, and sports. Their age ranges from 20 to 70

years. Nineteen of them have inherited substantial assets. Seven respondents come from traditional aristocratic families. Seventeen own a business; nine are in a management position and five have no occupation.

2.2. Interview Procedure

The interviews were conducted in Berlin and Cologne jointly by two interviewers and took about one to two hours each. The interview started with an **open discussion** according to Dubois et al. (2001) about what luxury means to the respondents, what they think characterises a luxury product, and their selection criteria for luxury products (Fontana and Frey 1994). The respondents were asked to state their favorite luxury brands and those that they do not like. The interview first referred to the luxury fashion market and then shifted to another product category depending on the preferences of the respondent. To uncover a complete set of luxury product characteristics, the way the respondents associated luxury products was not only investigated with open discussions as in past research, but with additional methods such as the repertory grid method (RGM), the preference differences technique, the critical incident technique and projective techniques.

The **RGM** (Kelly 1955) helps to elicit consumers' criteria for the evaluation of products with an iterative process that requires respondents to compare different triad combinations of stimuli. As research in luxury consumer behaviour is prone to social bias, this indirect approach is especially suitable for this domain and allows the product characteristics that are relevant to the consumers to be uncovered. Irrespective of its specific version, RGM leads to structured data that facilitate elaborated analysis and interpretation (Eden and Jones 1984 and Fromm 2004; a detailed introduction of the RGM can be found in paper 4, section 4.3.1). The RGM was complemented with the **preference differences technique** (Reynolds and Gutman 1988) which requires participants to elaborate in detail the differences in their luxury brand preferences. Subsequently, participants were faced with print adverts of their selected brands to stimulate them further. Concrete purchase experiences were also discussed with the respondents according to the **critical incident technique** (Flanagan 1954). The respondents were asked to describe in detail positive and negative purchase experiences and to explain by reference to concrete and abstract product characteristics, why they decided for or against a specific luxury product. In addition, **projective techniques** were also deployed to capture brand characteristics that are

subject to social bias (Fisher and Tellis 1998). Participants were asked to describe characteristics that would be important to other types of LPCs.

2.3. Data Analysis Procedure

The literature analysis led to an initial stock of luxury product characteristics. As a prerequisite for the analysis of the data, all interviews were audio-taped and transcribed, leading to some hundred pages of verbatim. The qualitative content analysis was conducted according to Mayring (2002) and with the data analysis software MAXqda. The results were compared and consolidated with the results of another researcher, who conducted an independent content analysis (Dubois et al. 2001). First the data was cleaned of any irrelevant information, and then a large number of the respondents' associations were assigned to the initial stock of luxury product characteristics. For the remaining associations, additional product characteristics were considered, which had to comply with the framework of luxury product characteristics (as outlined in section A.1.3.3). An iterative process of reviewing followed, to adapt these characteristics until a reasonable system of categories was identified and all associations were assigned to a category (Reynolds and Gutman 1988).

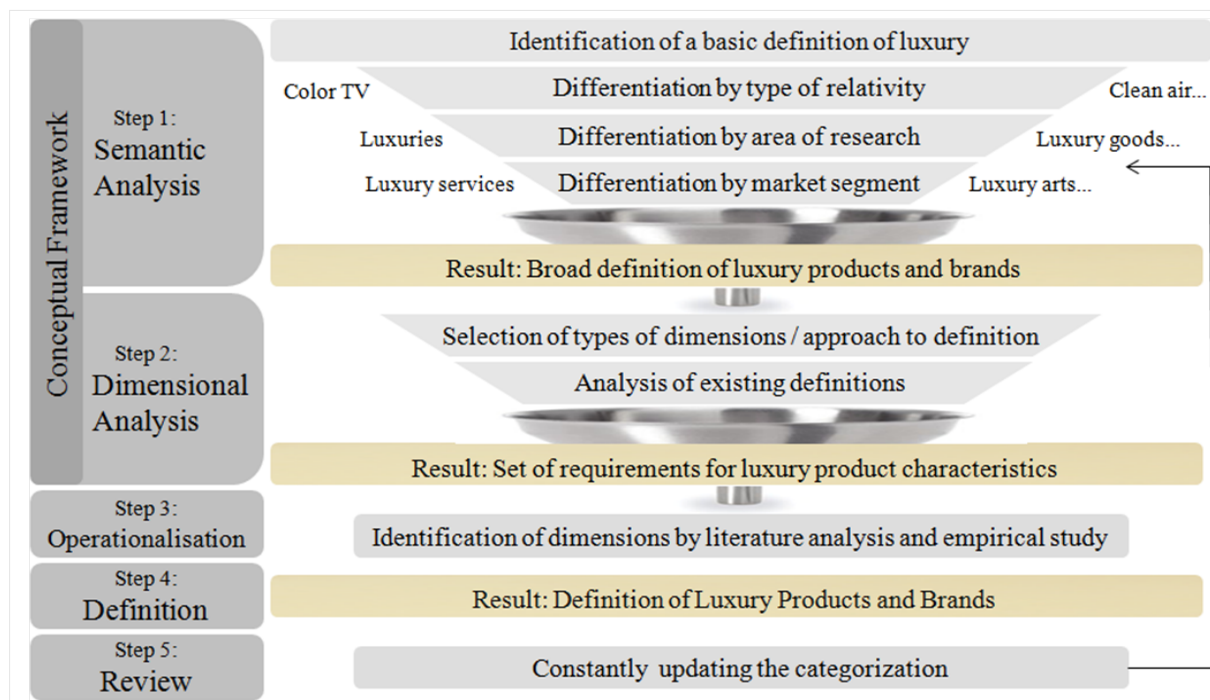
The subsequent section summarizes the approach to definition of luxury products and brands.

1.2.2.4. Overview about the Complex Definition of Luxury Products and Brands

As definitions of vague terms such as luxury require **multiple operations**, Opp (2005, p. 119 et seq.) refers to this type as complex definitions. The complex definitions of luxury products and brands are summarized by figure 1.2 and as follows:

1. **Semantic analysis:** The initial point of analysis marks the term "luxury brand." Based on that, other relevant terms are identified and the meaning and usage of these terms are analyzed and distinguished from each other. Starting from a basic definition, luxury is differentiated by type of relativity, and by an understanding of luxury and market segment, which allows for the limiting of the scope of luxury. Based on that, broad definitions of luxury products and brands are developed, which in fact allow for some typical representatives to be stated, but do not allow for most products and brands to be clearly categorized as either luxury or non-luxury.

Figure 1.2.: Overview about the Approach to Definition



- 2. Dimensional analysis:** Based on an analysis of existing definitions, the potential dimensions of luxury products are analyzed, which helps in specifying the approach to definition and the requirements of luxury product characteristics. The results of the semantic and dimensional analyses form a conceptual framework, which specifies the types of characteristics (dimensions), which should be used for the definition of luxury products and brands. For instance, as the characteristics-based approach to definition is selected, consequence-related dimensions such as motives or values are not used for the definition of luxury products and brands.
- 3. Operationalization:** The objective of this step is to identify common features of luxury products and brands and to use them as defining characteristics. The potential characteristics are identified by a literature analysis and tested by an empirical study.
- 4. Deriving the definitions of luxury products and brands:** Based on the operationalization, the definitions of luxury products and brands are summarized and interpreted according to the prototype theory. Results include a convention for the usage of the luxury terms, but because of the semantic analysis and the operationalization, they also include some assertions about these terms, which could be falsified in the future.

5. **Reviewing the consequences of the semantic rules:** The first result of the conceptualization might not be adequate. Instead, it is necessary to check which items the semantic rules would actually cover. As demonstrated in figure 1.2, the semantic rules work like filters that allow for desired designata such as Louis Vuitton bags and Rolls-Royce automobiles to be distinguished from other items such as clean air, color TV's, luxury services, etc. Checking the consequences of the semantic rules could reveal that the term covers specific items, which it actually should not refer to. In this case, the semantic rules need to be modified until the terms correspond to the desired designata (Opp 2005, p. 120). This approach corresponds with the basic idea of the **grounded theory** (Glaser and Strauss 1967). Based on a general research question, the researcher derives the hypotheses during data collection, then develops categorizations of the empirical objects and adapts them further during an iterative process of data collection and analysis (Struebing 2008, p. 29 et seqq.). The alternating or even simultaneous process of data collection and analysis ends with an adequate concept (Strauss and Corbin 1996, p. 7 et seqq.). At this point, the collection and analysis of additional data does not contribute any further insights about a specific category so that the categorization is (temporarily) finished (Pidgeon and Henwood 2009, p. 639).

1.2.2.5. Constant Review and Evolution

As explained by the fifth step of the complex definition and as mentioned in the introduction: **luxury is “constantly on the move”** (Kapferer 2008, p. 96) and will always change its appearance (see also Jäckel and Kochhan 2000, p. 89; Mortelmans 2005, p. 504), which means that this concept remains subject to a constant process of review and improvement.

Besides using the approach outlined above, the concept of luxury brands can also be reviewed and adapted with a categorization and analysis of luxury brands. The **world luxury brand analysis** (Heine 2011) corresponds with the basic idea of an extensional definition (see section 1.2.1.2). While a truly extensional definition of luxury brands equals a complete list of all luxury brands that ever existed, that exist today or in the future (Kromrey 2009, p. 143), the more realistic objective of the WLBA is to identify (only) the majority of luxury brands worldwide. The WLBA was conducted following these steps:

1. **Collection of potential luxury brands:** The first step covers the collection of potential luxury brands into a database. It was assumed that the universe of luxury brands can only be detected with a large variety of different approaches (e.g. by screening of industry reports, member lists of luxury brand associations, etc.). Therefore, the data collection procedure was not fully specified in advance, but was inspired by experimenting with different approaches and in this way it was developed further during its completion (see also Glaser and Strauss 1967, p. 45).
2. **Identification of luxury brands:** Based on the initial luxury definitions, the actual luxury brands were selected from the collection of potential luxury brands as far as possible. However, in many cases the final categorization of a potential luxury brand was still not clear. Therefore, the (potential) luxury brands were compared and potential new categories were developed and adapted in several rounds (Pidgeon and Henwood 2009, p. 638). This process allowed for the concept of luxury brands to be challenged and thus further developed. Improvements to the concept include further limitations by differentiating major luxury market segments (see section 1.3.2.3) and additional categorizations of luxury brands, for instance by product category and brand level (section 1.3.4.4).
3. **Profiling and data analysis:** For each luxury brand a profile was set up including some business information such as the year of foundation, luxury level and business volume. This information offered a foundation for various analyses, for instance for comparisons between luxury product industries or countries of origin, which helped in generating further insights about luxury brands (Heine 2011). According to the grounded theory, these steps were not completed successively in one round, but in several rounds and also partly simultaneously until a reasonable concept and collection of luxury brands was achieved. As the population of luxury brands changes over time, the brand directory also needs to be updated by repeating this process regularly.

1.3. The Taxonomy of Luxury

The task of distinguishing between luxury and non-luxury and of categorizing luxury into different types is reminiscent of the job of taxonomists, who try to order organisms into groups based on their similarities and differences (Stace 1991, p. 5). “Taxonomy” is more generally used today for classifications of any types of objects of investigation, including, for instance, shopper motivations (Westbrook and Black 1985), vehicles (Pirrotte and Massart 2004, p. 2) and luxury consumers (Han et al. 2010, p. 16). This part of the paper presents a taxonomy of luxury particularly for use within the field of luxury brand management. Starting from a basic definition of luxury (chapter 1.3.1), it distinguishes between the major understandings of luxury put forth by different areas of research (chapter 1.3.2), defines luxury products and brands (chapters 1.3.3 and 1.3.4) and gives an overview of the major types of luxury products and brands and also of similar concepts (chapter 1.3.5). The definitions of “luxury products” and “luxury brands” should allow one to decide as best as possible, for any products and brands, if they are part of what is meant by these terms.

1.3.1. The Basic Definition of Luxury

1.3.1.1. The Necessity-Luxury Continuum

Despite confusions, researchers across all disciplines share a basic understanding of luxury. To begin with, luxury is defined as something that is **more than necessary** (e.g. by Bearden and Etzel 1982, p. 184; Mühlmann 1975, p. 69; Reith and Meyer 2003, p. 10; Sombart 1922, p. 85).⁴

In contrast to necessity, some authors also characterize luxury by **non-necessity and superfluity** (e.g. by De Barnier et al. 2006, p. 5; Dubois et al. 2001, p. 15; Csaba 2008, p. 3; Geerts and Veg 2010, p. 2; Jäckel and Kochhan 2000, p. 75).

The distinction between necessity and luxury is based on the **availability or exclusivity** of resources. While necessities are possessed by virtually everyone, luxuries are available exclusively to only a few people or at least only on rare occasions (Bearden and Etzel 1982, p. 184).

⁴see also Brinberg and Plimpton (1986, p. 297); Grewal et al. (2004, p. 10); Jäckel and Kochhan (2000, p. 74); Kemp (1998, p. 593); Kivetz (1999, p. 251); Lunt and Livingstone (1992, p. 60 et seqq.); Mutscheller (1992, p. 64)

Bearden and Etzel (1982, p. 186) imagined the **necessity-luxury dimension** as a continuum ranging from absolute necessity to absolute luxury. Accordingly, they developed a six-point Likert scale ranging from “a necessity for everyone” to “a luxury for everyone” in order to measure the luxuriousness of a number of product categories (see also Kemp 1998, p. 594).

Today however, people spend the biggest portion of their income on goods that satisfy more than their necessary or basic human needs, but most of these goods might still not be considered a luxury. Therefore, Chaudhuri (1998, p. 158 et seqq.) criticized the necessity-luxury continuum produced by Bearden and Etzel (1982) and measured necessity and luxury as two separate variables on a seven-point agree/disagree scale (“This product is a luxury [necessity] for me”). No significant relationships were found among these variables (p. 163), which supports the approach of these authors. However, there were goods with low ratings on both variables such as cornflakes, frozen dinners, and potato chips, indicating the need for another category of ordinary goods. Bearden and Etzel (1982, p. 186) actually already considered this category, as they defined luxuries “as not needed for ordinary, day-to-day living.” Instead of subsuming ordinary goods into the necessity category, the scale can also be extended to the **necessity-ordinary-luxury scale**, which might be more intuitive for today’s consumers.

In very old lexica, luxury is defined as anything that is more than necessary (e.g. Brockhaus 1846, p. 179). After the increase in the standard of living over many social classes in the late 19th century, the definition was further narrowed by luxury being also that which is more than ordinary (e.g. Meyers 1890, p. 1035). Since then, most **lexica share the notion of luxury** as anything that is more than necessary and ordinary (e.g. Meyers 1995, p. 189).

However, not everything that is neither necessary nor ordinary is a luxury. For instance, most people rarely have moths in their wardrobe, but still do not consider this extraordinary occurrence a luxury. This demonstrates that the characterization of luxury as non-necessary and superfluous can be misleading because luxury is always meant to **satisfy some human needs and desires** (Berry 1994, p. 4 et seqq.; Geerts and Veg 2010, p. 2; Giacalone 2006, p. 34; Goody 2006, p. 341). Accordingly, luxury is also associated with “dream” (e.g. by Seringhaus 2002, p. 5; Dubois and Paternault 1995, p. 69). While necessary and ordinary goods are also desirable (or required), a study by Kemp (1998, p. 599; 603) points out an essential difference: “similar items [are] more likely to be perceived as a luxury if they [produce] a positive effect for the recipient

than if they [relieve] a state of discomfort [...] positive instead of negative reinforcements.” Therefore, Kemp (1998, p. 592) compares the necessity-luxury continuum with the hierarchy of needs produced by Maslow (1970), which ranges from basic physiological needs such as hunger (necessities) up to needs of self-actualization (luxuries). These facts demonstrate that the luxuriousness of any resource is not only based on its availability, but also on peoples’ desire for it.

Accordingly, the basic definition of luxury may be summarized as follows:

**Luxury is anything that is desirable and more than
necessary and ordinary.**

Luxury usually refers to single items, in which case it is described as **qualitative luxury**. In contrast, quantitative luxury refers to the profusion of an excessive amount of resources, which are not necessarily luxurious. For instance, this includes lighting a cigar with a handful of matches (Sombart 1922, p. 86; see also Berry 1994, p. 24)

1.3.1.2. The Relativity of Luxury

The decision of what is desirable and more than necessary and ordinary is relative and depends on the perspective (Büttner et al. 2006, p. 9; Jäckel and Kochhan 2000, p. 75; Kapferer 2008, p.96; Nyeck 2004, p. 1; Sombart 1922, p. 85; Valtin 2004, p. 20 et seqq.). The relativity of luxury splits into a regional, temporal, economic, cultural and situational relativity, which is illustrated in figure 1.3 and explained below.

Regional relativity refers to the classification of resources on the necessity-luxury continuum depending on their local availability. Some goods are widely available and worth very little in some regions, but acquire luxury status by virtue of their rarity in another environment (Merki 2002, p. 85; Reith and Meyer 2003, p. 10). For instance, in the 19th century, kola nuts could be freely collected in the forests of West Africa and became a luxury in Europe, where they were used for kola biscuits and kola wine (Goody 2006, p. 347). In addition, a sunny day at the beach might be considered a luxury in most parts of Europe, while it is almost an everyday experience for people living in Miami.

Temporal relativity refers to changes in the perception of the luxuriousness of resources over time, which are based on changes in their availability and desirability (Führer 2008, p. 214; Kisabaka 2001, p. 119 et seqq.; Matsuyama 2002, p. 1038).⁵ The major causes of these changes are technological progress and societal trends (see also König 2002, p. 118). Technological progress is also the main reason for the decreasing relevance of the regional relativity of luxury goods. For instance, modern production methods enabled the development from luxury kola to mass-marketed Coca-Cola (Goody 2006, p. 348). There are many other examples of the metamorphosis of luxury goods into mass market commodities such as butter, chocolate, coffee, spices, sugar, and tea. (Reith and Meyer 2003, p. 10). This process runs especially fast for technical products, as exemplified by TV's, PC's, and mobile phones. However, this process can also run in the opposite direction, as seen with some historically ordinary resources, such as clean air, silence and space, which have become increasingly rare, at least in some regions (see also Koschel 2005, p. 41). Temporal relativity represents the particular character of luxury as being not stable and constantly changing over time (Kapferer 2008, p. 96; see also Jäckel and Kochhan 2000, p. 89; Mortelmans 2005, p. 504).

Economic relativity refers to differences in peoples' perceptions of luxuriousness depending on their access to resources (Kapferer 2008, p. 96; Kisabaka 2001, p. 121; Meffert and Lasslop 2003, p. 4; Vickers and Renand 2003, p. 461).⁶ While most PEOPLE consider a watch costing € 50 as an ordinary item, there are some who see it as a luxury, and still others who would not even regard a watch costing € 5,000 as a luxury. Economic relativity also refers to differences among COUNTRIES with varying states of economic development. For instance, cars are generally considered as ordinary goods in Western Europe, but remain a luxury in developing countries (Christodoulides et al. 2009, p. 397; Matsuyama 2002, p. 1038).

Cultural relativity: In any cultural context, luxury refers to something that exceeds necessity and ordinariness. However, in contrast to the previous categories, cultural relativity does not refer to the availability, but to the desirability of resources to people depending on their culture.

⁵see also Berthon et al. (2009, p. 47); Kapferer and Bastien (2009a, p. 38); citet[p. 117]Koenig2002; Jäckel and Kochhan (2000, p. 74 et seqq.); Lunt and Livingstone (1992, p. 60); Meffert and Lasslop (2003, p. 4); Merki (2002, p. 85); Mortelmans (2005, p. 504); Reich (2005, p. 36); Reith and Meyer (2003, p. 10); Yeoman and McMahon-Beattie (2006, p. 319)

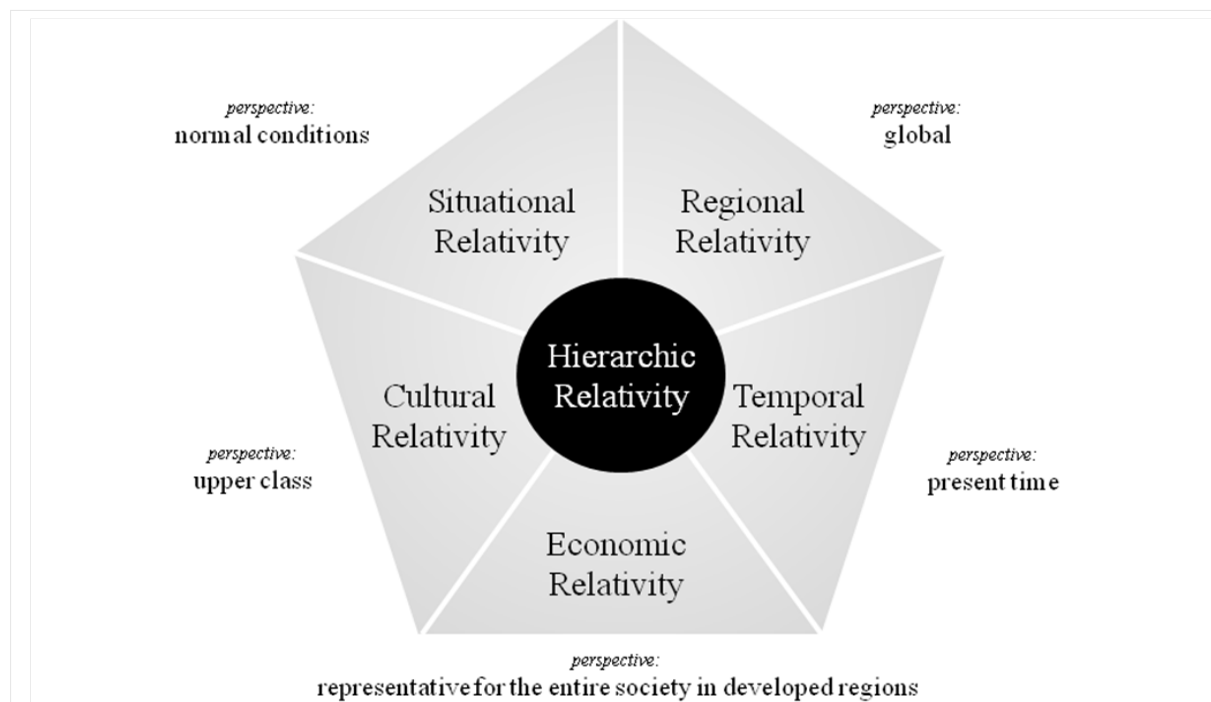
⁶see also Berthon et al. (2009, p. 47); Büttner et al. (2006, p. 9); Führer (2008, p. 214); Reith and Meyer (2003, p. 10); Valtin (2004, p. 20 et seqq.)

The same resource might be considered luxurious in one culture, but just ordinary or even useless and undesirable in another culture (Kapferer and Bastien 2009b, p. 314; Kemp 1998, p. 604; Kisabaka 2001, p. 121 et seqq.).⁷ For instance, champagne can be considered as a luxury in European COUNTRIES, but generally is not desired in Islamic societies. The same is true for a Lamborghini from the perspective of someone from a secluded Amazon tribe (Berthon et al. 2009, p. 49). However, Mortelmans (2005, p. 497) argues that “every social group can be said to have its own luxury.” There are culture-specific symbols of good taste and luxury, which are determined by the elite of any cultural group or SUBCULTURE and are used for social distinction (Bourdieu 1994, p. 64 et seqq.; Führer 2008, p. 135 et seqq.; Merki 2002, p. 90; Reith and Meyer 2003, p. 24). While gold teeth grills are considered a luxury in the hip-hop scene, the majority of people do not find them desirable. The preferences of luxury are rooted to a great extent in cultural values (Kemp 1998, p. 596; Sombart 1922, p. 87), which differ by demographic variables such as gender, age, and education (see studies by Hudders and Pandelaere 2009, p. 6 et seqq.; Jäckel and Kochhan 2000, p. 75). However, the members of a cultural group also differ in their knowledge of the symbols of luxury (Kisabaka 2001, p. 121). These facts demonstrate that there are also differences in the perception of luxury among the members of a cultural group. Therefore, Berthon et al. (2009, p. 47) state that luxury “has an intensely INDIVIDUAL COMPONENT as well: what might be luxury to one person will be commonplace, or perhaps even irrelevant and valueless, to another.” As the culture-specific symbols of luxury are a result of social learning, it must also be possible to influence peoples’ ideas of luxury using marketing measures (Jäckel and Kochhan 2000, p. 81). For instance, De Beers managed to position diamonds as a symbol of love and luxury.

Situational relativity implies that the same resource could be differently classified as necessary, ordinary or luxurious depending on the circumstances. For instance, ordinary food might become luxurious if a person has not eaten it for a long time, and any luxury food could be considered ordinary after eating it for several days (Kemp 1998, p. 598).

⁷see also Christodoulides et al. (2009, p. 397); Eng and Bogaert (see also 2010, p. 56); Kapferer and Bastien (2009a, p. 38); Meffert and Lasslop (2003, p. 4); Merki (2002, p. 90); Reich (2005, p. 36); Reith and Meyer (2003, p. 10); Vickers and Renand (2003, p. 461 et seqq.); Yeoman and McMahon-Beattie (2006, p. 319)

Figure 1.3.: Types of Relativity



Source: own figure.

1.3.1.3. General Perspective for the Definition of Luxury

These types of relativity can be used as follows to determine a general perspective from which luxury should be defined, particularly with regard to the requirements within the field of luxury brand management:

- **Regional relativity:** Due to the globalization of business, especially of the luxury industry, luxury should be defined from a global perspective, which leads to the omission of regional specialties from the definition of luxury for the sake of a broad international coverage.
- **Temporal relativity:** The definition of luxury should refer to the present.
- **Economic relativity:** Luxury should not be defined from the perspective of the very poor or the very rich, but of the entire society of developed regions. Despite the differences in the notion of luxury between the poor and the rich, Kemp (1998, p. 596) found that to a large extent, a gross-societal consensus exists concerning the classification of goods as either luxury or non-luxury.

- **Cultural relativity:** The desirability of resources and the appearance of luxury are determined by the upper class, which also includes the relatively homogeneous segment of the global elite (Vickers and Renand 2003, p. 461). Consequently, hip hop-style gold teeth grills cannot be considered luxuries (as long as they are not adopted by the upper class). Basically, luxury appeals to everyone, if defined as something that is desirable and more than necessary and ordinary from his or her perspective. However, studies on the attitudes towards luxury usually refer to luxury as determined by the upper class. Consequently, the attitudes of respondents range from admiration to rejection (Reich 2005, p. 33), which often reflects their general opinion of the societal system. Besides that, the upper class also consists of different segments, which means that a variety of luxury tastes and lifestyles exists.
- **Situational relativity:** Finally, the definition of luxury should generally not consider any temporary or individual circumstances, but should be restricted to normal conditions.

Accordingly, the basic definition of luxury may be complemented as follows:

Luxury is anything that is desirable and which exceeds necessity and ordinariness. As a general rule, this is defined from a global perspective, for the present and for normal conditions. While the exclusivity of resources is evaluated by the entire society, the desirability of resources and the appearance of luxury are determined by the upper class.

Based on that, table 1.1 exemplifies some of the many resources that can be differentiated from luxury. Accordingly, the **extended basic definition limits the scope of luxury** from almost anything to a more reasonable level and therefore already helps to dissolve a large part of the controversies about its definition.

However, there are two limitations: First of all, the necessity-luxury continuum indicates that all luxuries are not equally luxurious, which means that there is also a **hierarchical relativity**. Consequently, it seems reasonable to distinguish different levels of luxury (see Kisabaka 2001, p. 120 et seq.; and section 1.3.4.4).

Table 1.1.: Examples of Non-Luxury Items

Example of Non-Luxury	Type of Relativity	Explanation
Clean air	Regional relativity	A luxury in Jakarta, but not from the perspective of most people
Color TV	Temporal relativity	A luxury in the 1950's, but not from today's perspective
VW Polo	Economic relativity	A luxury for a student, but not from a gross-societal perspective
Gold teeth grill	Cultural relativity	A luxury in the hip-hop scene, but not from the perspective of the upper class
McDonald's Hamburger	Situational relativity	Might be a luxury after a strict diet, but not under normal circumstances

*In addition, even though the extended basic definition limits the scope of luxury, it still covers a wide variety of resources such as musical talent, self-determination or Daikin air conditioning systems, which are not relevant within the field of luxury brand management research. Therefore, the **scope of luxury will be limited further** in the following chapter by differentiating the understandings of luxury by area of research.*

1.3.2. The Major Understandings of Luxury by Area of Research

The literature analysis suggests differentiating luxury definitions by area of research into three main categories, which will be explained below.

1.3.2.1. The Philosophical-sociological Understanding of Luxury: Luxuries

The proponents of a philosophical-sociological understanding of luxury concentrate mainly on the evolution of attitudes towards luxury and its societal benefits (e.g. Berry 1994; Mandeville 1724; Sombart 1922, p. 86 et seqq.)⁸ and on the changes in the appearance of luxury and preferences for luxury (e.g. Dohrn-van Rossum 2002; Führer 2008, p. 185 et seqq.; Koschel 2005 and Reitzle 2001, p. 26 et seqq.).

⁸see also Beck (2002); Freudenberg (1963); Grugel-Pannier (1995); Jäckel and Kochhan (2000); Landauer (1915); Lipovetsky and Roux (2003); Mortelmans (2005, p. 498-505); Reith and Meyer (2003); Reitzle (2001, p. 31 et seqq.)

According to these research objectives, this understanding represents the **broadest scope of luxury** that can be referred to as luxuries or luxury resources. Examples include musical talent, time, and true love (see also Sombart 1922, p. 85). Luxuries are defined as follows:

Luxuries correspond to the philosophical-sociological understanding and the broadest scope of luxury, comprising all resources which are desirable and exceed what is necessary and ordinary.

1.3.2.2. The Micro-economic Understanding of Luxury: Luxury Goods

The proponents of a micro-economic understanding of luxury investigate the relationships between price and the demand for luxury (e.g. Chaudhuri 1998; Kemp 1998; Lipsey 1975, p. 107 et seqq.; Pöll 1980, p. 38), as well as between income and the demand for luxury (e.g. Deaton and Muellbauer 1980; Lancaster 1971, p. 68; Pöll 1980, p. 30). There are also some researchers who focus on the moderating sociological effects (e.g. Bearden and Etzel 1982, Leibenstein 1950, Veblen 1899) and on the benefits of the luxury goods industry for the economy (e.g. Thomas 2007, p. 53 et seqq.).

In light of its research objectives, the micro-economic understanding of luxury represents a **middle scope** that is limited to goods that are suitable for exchange on the market. In microeconomics the term luxury goods was established for that and mainly refers to entire product categories (see Meffert and Lasslop 2003, p. 4; Reich 2005, p. 36). The marketability of micro-economic luxury represents its major difference from the philosophical-sociological understanding of luxury. According to Chaudhuri (1998, p. 162), product categories such as barbecue and golf equipment are (still) regarded as luxury goods. The definition of luxury goods can be summarized as follows:

Luxury goods correspond to the micro-economic understanding and the middle scope of luxury, comprising all goods which exceed what is necessary and ordinary, and are suitable for exchange on the market.

Luxury goods are **distinguished from necessary or ordinary goods by consequence-related measures**; thus the luxuriousness of any good is not determined by its characteristics, but by peoples' reaction (changes in demand) to exogenous stimuli. These measures include price and income elasticity of demand (Pöll 1980, p. 29).

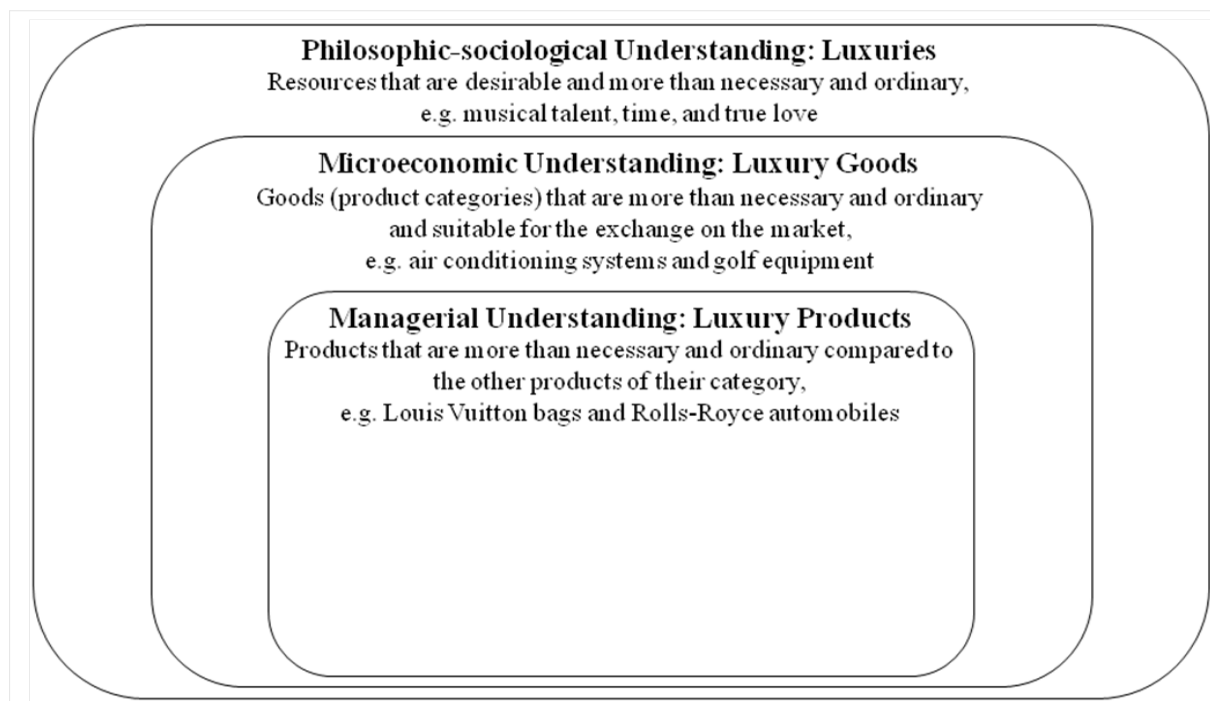
1.3.2.3. The Managerial Understanding of Luxury: Luxury Products

1. Areas of Research

The proponents of a managerial understanding of luxury focus on the development of business and in particular, on marketing strategy guidance for a relatively small group of luxury product manufacturers.

As the areas of research will be discussed in detail in paper 3 (see section 2.2), this paragraph was moved into section B.1 in the appendix.

Figure 1.4.: The major Understandings of Luxury by Area of Research



Source: own figure.

2. Scope of Luxury

The managerial understanding represents the **smallest scope** of luxury. The major difference separating it from the micro-economic perspective is that the managerial understanding of luxury does not usually refer to entire product categories, but only to the **best products of a category**, or to products with certain characteristics. Accordingly, products that fall within the managerial scope of luxury should be referred to as luxury products. The broad definition of luxury products can be summarized as follows:

Luxury products correspond to the managerial understanding and the smallest scope of luxury, comprising all products which exceed what is necessary and ordinary compared to the other products of their category.

The definition of luxury brands is closely linked to the definition of luxury products and usually refers to specific associations about their products' characteristics (see section 1.3.4.1).

Accordingly, the broad definition of luxury brands is summarized as follows:

Luxury brands are associated with products which exceed what is necessary and ordinary compared to the other products of their category.

These definitions allow one to state some **typical examples** of luxury products and brands including Louis Vuitton bags and Rolls-Royce automobiles. For the sake of simplicity, the luxury product business will be referred to as the luxury industry.

The managerial scope of luxury becomes even clearer in **comparison with the other understandings of luxury**. This is not a horizontal differentiation (such as dog, cat and bird), but a vertical differentiation (such as dog, animal, living being), which refers to the relation between terms of different levels of abstraction (Eckes 1991, p. 120). As demonstrated in figure 1.4, luxury products constitute a subset of luxury goods, which, in turn, form a subset of luxuries. This means that the characteristics of luxuries also apply, to a large extent, to luxury products (see also Hoffmann 1986, p. 31 et seq.).

3. Limiting the Scope of Luxury

Despite its small scope in comparison to luxuries, the definition of luxury products still covers a wide variety of different products. Therefore, and according to the basic idea of definition by reduction sentences (see section 1.2.1.2), the scope of luxury products is further limited by differentiating the major luxury market segments as follows:

Luxury Products, Services and Real Estate

The managerial luxury understanding usually refers to movable assets ("products" in the classical sense), as the luxury industry was and is characterized by craftsmanship and engineering

Table 1.2.: Examples of Non-Luxury Products

Examples of Non-Luxury Products	Criteria	No Luxury Products, but...
Musical talent, time and true love	Philosophical-sociological understanding (not necessarily marketable)	Luxury resources
Air conditioning and golf equipment	Micro-economic understanding (not only specific products of a category)	Luxury goods
First class flights and holidays in the Waldorf Astoria	Movable assets	Luxury services
Penthouse at the “One Hyde Park” in London	Movable assets	Luxury real estate
Luxurious built-in cupboards made by a carpenter for his client	Branded products	Unbranded luxury products / commission work
Cologne Cathedral	Private luxury products	Public luxury products
Peter Bock quills for luxury fountain pens	B2C luxury products	B2B luxury products
“Garçon a la pipe” by Pablo Picasso	Founder-independent products	Luxury art
Badminton Cabinet from 1732 and Bugatti Royale Type 41 from 1931	Contemporary products	Luxury antiquities
Staying at Le Bristol in Paris	Multi-regional luxury products	Uni-regional luxury products

(Belz 1994, p. 648; Berthon et al. 2009, p. 50). Beyond that, **luxury services** and **luxury real estate** form distinct luxury segments. Marketing knowledge about products offers a basis for other luxury segments, but still needs to be adapted to their specific characteristics.

Branded vs. Unbranded Luxury Products

Unbranded luxury products are usually made on commission by craftsmen. Because of the high relevance of brands in the luxury segment, this paper considers only branded luxury products (see Kisabaka 2001, p. 104; Vigneron and Johnson 2004, p. 486).⁹

⁹see also Bialobos (1991, p. 42 and p. 123); Fionda and Moore (2009, p. 351); Lombard (1989, p. 15); Meffert and Lasslop (2003, p. 5); Vernier and Ghewy (2006, p. 4)

Private vs. Public Luxury Products

Instead of public luxuries such as altar pieces or national monuments, the term luxury products usually refers to private luxury, which is owned by a person or a private organization (Sombart 1922, p. 86; see also McKinsey 1990, p. 13).

B2B vs. B2C Luxury Products

B2C luxury products, also referred to as personal luxury products, are marketed to end consumers and can be used by a person to enhance his or her personal life (Sombart 1922, p. 86; Reith and Meyer 2003, p. 10; Valtin 2004, p. 186). In contrast to that, there is a distinct B2B luxury segment, which includes luxury-specialized suppliers to luxury brands. One such supplier is Peter Bock, a manufacturer of nibs for luxury fountain pens.

Founder-independent vs. Founder-dependent Luxury Products

This paper considers only founder-independent luxury products, which means that the existence of brands and the manufacturing of products should not depend on the life of their creators. The manufacturers of luxury products should possess a distinct brand personality and at least the capacity for infinite business operation. Although an artist could become a brand, these requirements are not fulfilled as he or she may only create founder-dependent products. Compared to other products, the **luxury art market** follows very specific rules and therefore forms a distinct luxury segment. The same is true for other industry segments such as (star) **architect offices** and the relatively complex and fast-changing market of (fashion) **designer products**.

Uni-regional vs. Multi-regional Luxury Products

This paper disregards uni-regional luxury products, which are only available in specific regions. For instance, shopping in the KaDeWe is only possible in Berlin and spending the night in Le Bristol is only possible in Paris. However, many uni-regional luxury brands have the potential to become global. For instance, the luxury group Hilton developed the New York-based Waldorf Astoria into a global luxury hotel chain.

Contemporary Luxury Products vs. Luxury Antiquities

With reference to temporal relativity (see section 1.3.1.2), only new products are considered. Luxury antiquities (including antique cars) form a distinct luxury segment.

Accordingly, the broad definition of luxury products may be complemented as follows:

Luxury products correspond to the managerial understanding and the smallest scope of luxury not comprising services or real estate, but products which exceed what is necessary and ordinary compared to the other products of their category. These products are branded, founder-independent, multi-regional, contemporary and possessed or used by a person to enhance his or her personal life.

Differentiating between the various understandings of luxury and major luxury market segments helps to further limit the scope of luxury in the area of management studies. Based on that, table 1.2 exemplifies some of the many luxuries that can be differentiated from luxury products. However, this is still not enough to distinguish clearly between ordinary and luxury products. Therefore, the broad definition of luxury products needs to be specified further, which will be addressed in the subsequent chapter.

1.3.3. Luxury Products

1.3.3.1. The Definition of Luxury Products

Although the term “luxury products” is broadly defined and therefore basically comprehensible (see previous section), it still needs to be operationalized because it is not yet clear which products are actually “more than necessary and ordinary compared to the other products of their category.” The broad definition of luxury products can be modified and further specified by an operational definition (as explained in section 1.2.1.2). For this purpose, adequate indicators for a term need to be determined. According to the dimensional analysis, it was decided to operationalize luxury products by their characteristics (see section 1.2.2.2). The operationalization relies on a literature analysis and an empirical study (as outlined in section 1.2.2.3). The results suggest that consumers perceive that luxury products have **six major characteristics** including price, quality, aesthetics, rarity, extraordinariness and symbolism. These constitutive characteristics and their typical sub-categories are explained in detail in chapter 1.4.1. In that way, the operationalization helps to decide for most products if they are part of what is meant by the term “luxury product” (see also Kromrey 2009, p. 110).

The definition of luxury products can be summarized as follows:

Luxury products have more than necessary and ordinary characteristics compared to other products of their category, which include their relatively high level of price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning.

Comparative terms such as luxury rely on continuous characteristics (see section 1.2.1.1). Therefore, the major characteristics of luxury products **can be considered as dimensions** ranging from a minimum level that is also necessary for non-luxury products to a maximum level that corresponds to the highest form of luxury. As these major characteristics must apply to virtually all luxury products at least to some degree, they are therefore referred to as constitutive characteristics (as explained in section 1.2.2.2). Although luxury products require a relatively high rating for all of the major characteristics, there still exists a wide range of possible ratings within the luxury segment. According to the principles of the prototype theory (see section 1.2.1.3),

luxury products therefore differ in the degree to which they are qualified as representatives of their category. The luxuriousness of a product increases when the level of at least one of these characteristics increases. Not surprisingly, the **luxury level** therefore is one of the major means of differentiation for luxury products and brands (Esteve and Hieu-Dess 2005; see also section 1.3.4.4).

The characteristics of luxury products are **not independent of each other**. This means that if one dimension is at a high level, it also induces high levels of other dimensions, offering additional support to the argument that these six characteristics are constitutive of luxury products. For instance, their relatively small production volumes (high rarity), their superior level of quality and the relatively high effort made for aesthetics, extraordinariness and a good story behind the product inevitably lead to a relatively high price (see also Dubois et al. 2001, p. 8 et seqq.; Mortelmans 2005, p. 507). Products that are more than necessary and ordinary obviously need to be scarce and cannot be owned by everyone, which is not possible as they are too expensive anyway (see also Wiedmann et al. 2007, p. 7). Moreover, consumers use price as an indicator of product quality (Trommsdorff 2009, p. 96 et seqq.) and the study demonstrated that many are also willing to pay more for products which are different and not owned by everyone.

The definition, by its constitutive characteristics, refers to the prototype of luxury products. The idea of the prototype becomes clearer by complementing these constitutive characteristics with **typical sub-characteristics**, which are not necessarily relevant for all luxury products (see chapter 1.4.1). Moreover, the characterization of luxury products becomes even clearer by describing both the prototype and relevant exemplars (see section 1.2.1.3). Therefore, some typical exemplars are presented in chapter 1.4.1 such as the Guerlain “Kiss Kiss Or & Diamants” lipstick.

Consumers’ judgements about quality and the other product characteristics depend on the comparison between product expectations and perceived product attributes, and this comparison influences their (expected) product benefits and thereby their purchase decision (Belz 1994, p. 649; Kisabaka 2001, p. 89 et seqq.; Kotler et al. 2007, p. 633). This has two major implications. First of all, different LPC target groups differ in their expectations for their ideal luxury product, which usually do **not require all characteristics to be at a maximum level**. Therefore, luxury companies adjust the luxury level of the major characteristics to a specific combination depend-

ing on the preferences of their target groups. Consequently, **the six dimensions offer basic means of differentiation** for luxury products and brands (see section 1.3.3.3 and 1.3.4.4).

Secondly, this demonstrates that objectively existing product attributes are not as important as **consumers' subjective perceptions** about the product's characteristics. Consequently, luxury companies compete for the best possible perception of the luxury product's characteristics on the basis of their target groups (Catry 2003, p. 17; Mortelmans 2005, p. 505; Phau and Prendergast 2000, p. 123), which is realized by adequate marketing and especially by communication measures (Kisabaka 2001, p. 102 & 119; Vigneron and Johnson 2004, p. 490). Because of their strong relevance, chapter 1.4.2 gives a short overview of the luxury marketing-mix strategies that allow companies to influence consumer perceptions regarding major luxury characteristics.

1.3.3.2. Categorization of Luxury Product Industries

As the categorization of luxury product industries will be discussed in detail in paper 3 (see section 2.2), this paragraph was moved into section B.1 in the appendix.

1.3.3.3. Types of Luxury Products

As luxury marketing strategies differ to at least some extent between different product types, the major types of luxury products are outlined below.

Personal vs. Impersonal Luxury Products

Product categories are especially suitable for a luxury strategy in a context where consumers employ luxury products to manage their self-image (Vigneron and Johnson 1999, p. 4), and where they increasingly build up a personal connection with these products (Nueono and Quelch 1998, p. 62). In contrast to products such as hedge shears and kerbsides, "people related items" such as apparel, glasses, and wristwatches are therefore especially suitable as luxury products (McKinsey 1990, p. 19). Furthermore, within the luxury segment there is a continuum that ranges from these very personal to relatively impersonal products, such as bathroom equipment and garden furnishing. The order of luxury product categories (see table B.1) refers to this continuum of personal to rather impersonal products.

Publicly vs. Privately Consumed Luxury Products

These types of luxury products are differentiated by the social setting of consumption. While publicly consumed products such as cars are seen by others, privately consumed products such as kitchen appliances are not usually seen by many others. For some product categories, the categorization is especially situation-dependent. For instance, a good wine can be consumed conspicuously in a restaurant or just all by oneself at home. This distinction is especially relevant for studies about social purchasing motives and reference group influence, which concentrate on products that are “seen or identified by others” (Bearden and Etzel 1982, p. 184 et seq.).

Accessible vs. Exceptional Luxury Products

As mentioned in section 1.3.3.1, the major characteristics of luxury products provide relevant means of differentiation. Dubois and Duquesne (1993, p. 38 et seq.) suggest distinguishing between accessible and exceptional luxury products on the basis of an inter-categorical comparison of their selling price, which also impacts their diffusion level and repurchase rate. While accessible luxury products such as perfumes are affordable for most people at least from time-to-time, exceptional luxury products such as private jets are only affordable for very few people (inaccessible for most people). This differentiation is especially relevant for the evaluation of the luxury consumption experience, as it is far more revealing if someone buys an expensive car than a bottle of champagne (see also Heine 2010c, p. 136). This dichotomy can be complemented with the additional category of intermediary luxury products such as Porsche cars. Although they are usually bought by wealthy people, in contrast to private jets, they are still within reach for many people. For instance, a genuine fan might fulfil his dream of owning a Porsche after saving many years for this car, instead of saving for an apartment (see also Allèrès 2003a, p. 56).

Unique Pieces, Limited Editions, Limited- and Expanded-diffusion Products

Luxury products can also be differentiated by their exclusivity and production volume (which also corresponds with their production method) into the following categories:

- **Unique pieces:** This top category typifies the ideal of the luxury segment and is more accurately described by the French word “griffe,” which refers to the clutch of an inspired creator, who is obsessed by the idea of forming a unique masterpiece, an œuvre d’art, that is truly unsurpassable in its perfection. This ideal is exemplified by the haute couture clothing of

the exclusive circle of couture houses such as Chanel, Christian Dior and Jean Paul Gaultier (Kapferer 2001, p. 323).

- **Limited editions:** Still very close to the ideal of the griffe are products made in highly limited editions. For instance, the Guerlain Kiss Kiss Or & Diamants lipstick is produced in a limited edition of only 100 pieces (Trommsdorff and Heine 2008b, p. 1669).
- **Limited-diffusion products:** The high rarity of these luxury products relies on their MANUFACTURING complexity which requires a high degree of handwork and craftsmanship (Sicard 2003, p. 72). Limited-diffusion products include Gucci Bamboo bags, Maybach automobiles and Meissen porcelain figures. In the fashion segment, this category can be referred to as prêt-à-porter (Allèrès 2003a, p. 96).
- **Expanded-diffusion products:** Although their production volume is still relatively limited in comparison to mass-market products, their production process resembles mass-market SERIAL PRODUCTION (Sicard 2003, p. 72). Examples include Dolce & Gabbana jeans, Poggenpohl kitchens and Porsche automobiles. In the fashion segment, this category can be referred to as high genre (Allèrès 2003a, p. 96).

Conspicuous vs. Understated Luxury Products

These product types are differentiated by their proportion of conspicuous attributes. Manufacturers of conspicuous luxury products focus on price in particular, i.e. on a product image of being expensive. Therefore, they equip their products with typical symbols of wealth and high price such as big logos and rich decoration. It's all about symbols, not about substance. True product quality and excellence are less important than maximum performance, features and size (Kapferer and Bastien 2009b, p. 315). A splendid example is the fountain pen "La Modernista Diamonds" by Caran D'Ache, an "over-priced savourlessness," which works with rather ordinary ink cartridges, but is decorated with 5.072 diamonds and 96 rubies (Marguier 2007, p. 85). Nevertheless, such products form a special market niche for consumers who feel extremely special. The biggest share of the luxury market consists of non-conspicuous products, which might also show some conspicuous attributes, but are not primarily made to be conspicuous. On the other extreme, there are luxury brands such as Jil Sander and Bottega Veneta that are known for their understated products, which seem to hide any conspicuous attributes. However, although Bottega Veneta bags cover no logo, they still have a characteristic design that can be

easily recognized by connoisseurs, which makes them suitable for conspicuous consumption between connoisseurs. The major difference is that conspicuous consumption with understated products is nowadays considered a bit more sophisticated.

1.3.4. Luxury Brands

1.3.4.1. The Definition of Luxury Brands

The modern understanding of a brand is **consumer and identity oriented**. Accordingly, brands are regarded as images in the minds of consumers and other target groups (Esch 2010, p. 22), which are designed by companies to identify their products (Kotler et al. 2009, p. 425). Luxury brands are highly associated with their core products (Kapferer 2008, p. 193). This is reflected by the larger part of the existing definitions of luxury brands, which refer to specific associations about product characteristics (e.g. Meffert and Lasslop 2003, p. 6; Büttner et al. 2006, p. 12; Valtin 2004, p. 30). The constitutive characteristics of luxury products therefore correspond largely with those of luxury brands, which leads to the following definition:

Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations.

Any potential luxury brand should be evaluated by the constitutive characteristics of luxury, which are described in detail in chapter 1.4.1. These explanations are summarized by the following principles:

Price: The brand offers products which belong to the most expensive products of their category.

Quality: The brand offers everlasting top-of-the-line products, which won't be disposed of even after long utilization or defect, but rather repaired and which often even gain in value over time.

Aesthetics: The brand behaves like a chic and vain dandy, who would never leave the house in less than perfect style. Whenever and wherever the brand is seen, it embodies a world of beauty and elegance.

Rarity: In contrast to mass-market brands, the brand needs to limit its production and tries not to disclose its (high) sales numbers. The brand plays hard to get and is not available at all times or places.

Extraordinariness: The brand has a mind and style of its own and its products offer a “kick” and surprise with the “expected unexpected.”

Symbolism: The brand stands for “the best from the best for the best”; its charisma fills the room, and regardless of whether it is of a conspicuous or understated nature, deep inside, it is swollen with pride.

1.3.4.2. The Relationships between Luxury Products and Brands

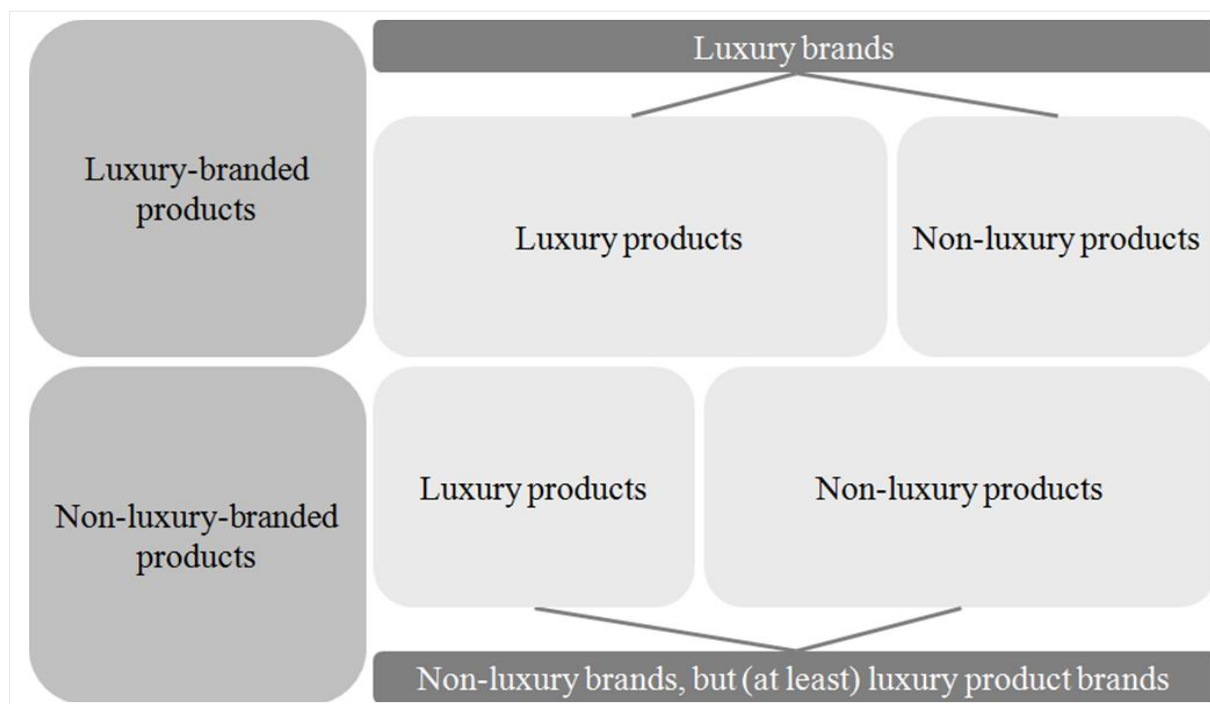
By definition, luxury brands need to offer luxury products. Without a product portfolio that includes luxury products, it is impossible to achieve a luxury brand image. Nevertheless, the product range of a luxury brand does not necessarily consist only of luxury products (Kapferer and Bastien 2009b, p. 312). For instance, Mercedes offers luxury cars such as the S-class and non-luxury cars such as the A-class (see also Belz 1994, p. 649; Dubois and Laurent 1995, p. 71), the latter of which can also be referred to as **masstige products** (see section 1.3.5.2). However, all products of a luxury brand such as Mercedes can be referred to as **luxury-branded products**.

Unsurprisingly, non-luxury brands are generally associated with non-luxury products. Nevertheless, there are also many examples of non-luxury brands that still offer luxury products. For instance, luxury yachts by Blohm+Voss, private jets by Bombardier and first-class flights by Lufthansa undoubtedly belong to the luxury segment. These non-luxury brands that also offer luxury products can also be referred to as **luxury product brands**. These relationships between luxury products and brands are summarized in figure 1.5.

This demonstrates that a decision about the categorization of a brand as luxury or non-luxury **must refer to the brand image** and cannot be made just by evaluating the luxuriousness (or even only the price) of some of its products. A highly expensive and luxurious product does not necessarily come from a luxury brand. On the other hand, there are luxury brands such as Mercedes whose product portfolio actually consists to a larger extent of non-luxury products, even including construction vehicles and garbage trucks. Therefore, the evaluation of the luxuriousness of a brand should refer to the core product category with which this brand is associated. A luxury brand that manages to be clearly associated with the constitutive characteristics of

luxury within its core product category can successfully extend its product portfolio and even sell garbage trucks.

Figure 1.5.: The Relationships between Luxury Products and Brands



Source: own figure.

1.3.4.3. The Relationships between Luxury Characteristics and Brand Identity

As the relationships between luxury characteristics and brand identity were already described in the introduction (see part I, section 3), these paragraphs were moved into section B.1 in the appendix.

1.3.4.4. Types of Luxury Brands

1. Luxury Brands by Luxury Level

As mentioned in section 1.3.3.1, the degree of luxuriousness is determined by the major luxury dimensions and constitutes one of the major means of differentiation for luxury brands (Esteve and Hieu-Dess 2005). According to this criteria and based on the WLBA (see section 1.2.2.5), it seems reasonable to split luxury brands into the following types:

- **Entry-level luxury brands:** As these brands rank just above the premium segment on the lowest luxury level, they are not even generally recognized as members of the luxury segment. Representative brands include Hugo Boss and Mercedes.
- **Medium-level luxury brands:** These brands are widely recognized as members of the luxury segment, but are a step behind the forefront of luxury. Examples include Dolce & Gabbana, Escada and Moschino.
- **Top-level luxury brands:** These brands are established beyond doubt as leading luxury brands. Examples include Armani, Cartier and Louis Vuitton.
- **Elite-level luxury brands:** As niche brands in the top of the top segment, these brands determine the benchmark of the best quality and highest exclusivity within their category. Puiforcat, for instance, is an elite-level luxury brand within the silverware segment (Marguier 2007, p. 42). These brands target the “clientèle de connaisseurs,” who do not just possess the necessary financial resources but also a “culture intellectuelle” (Lombard 1989, p. 16).

According to the relativity of luxury, a brand is ranked in comparison to the other luxury brands. The categorization of a luxury brand **changes over time**. There are brands climbing up the luxury ladder, such as the English fashion brands Asprey and Burberry since they were repositioned some years ago (Phan et al. 2011), **high-potential brands**, such as the German chocolatier Leysieffer, which might enter the luxury segment in the future, and **once-upon-a-time luxury brands**, such as Calvin Klein, Jaguar and Pierre Cardin, which ruined their luxury image (Kapferer and Bastien 2009b, p. 312).

2. Luxury Brands by Awareness

Luxury brands can be differentiated by their brand awareness into connoisseur and star brands (see also Nueono and Quelch 1998, p. 63). This differentiation is of high relevance for brand management, as these brand types require partly contradicting marketing strategies (see chapter 1.4.2).

Connoisseur brands, such as Goyard, a French manufacturer of luggage, are limited awareness brands which often specialize in a niche market. These brands are made by and for connoisseurs, and do not even strive for high awareness beyond their relatively narrow target group of select insiders. Connoisseur brands are often also network brands, which are recommended by word-of-mouth between friends (Belz 1994, p. 647).

Star brands, on the other hand, strive for maximum brand awareness well beyond their actual target group. This is in contrast to both connoisseur brands and mass-market brands, which aim at minimizing wastage in their brand communications outside their core target group consumers. Even if star brands are bought only by relatively few people, they preferably should be known by everyone. One of their consumers' major purchasing motives is to demonstrate their wealth to other people, who often cannot afford these luxury products. Therefore, star brands such as Rolex or Louis Vuitton also have to be known by non-target group consumers in order to fulfill the need of their target group consumers for demonstrative consumption. If people would fail to recognize the brand and thereby the value of a Rolex wristwatch, part of its value would be lost (Kapferer and Bastien 2009b, p. 319). Star brands can be differentiated by their actual level of awareness into the following types:

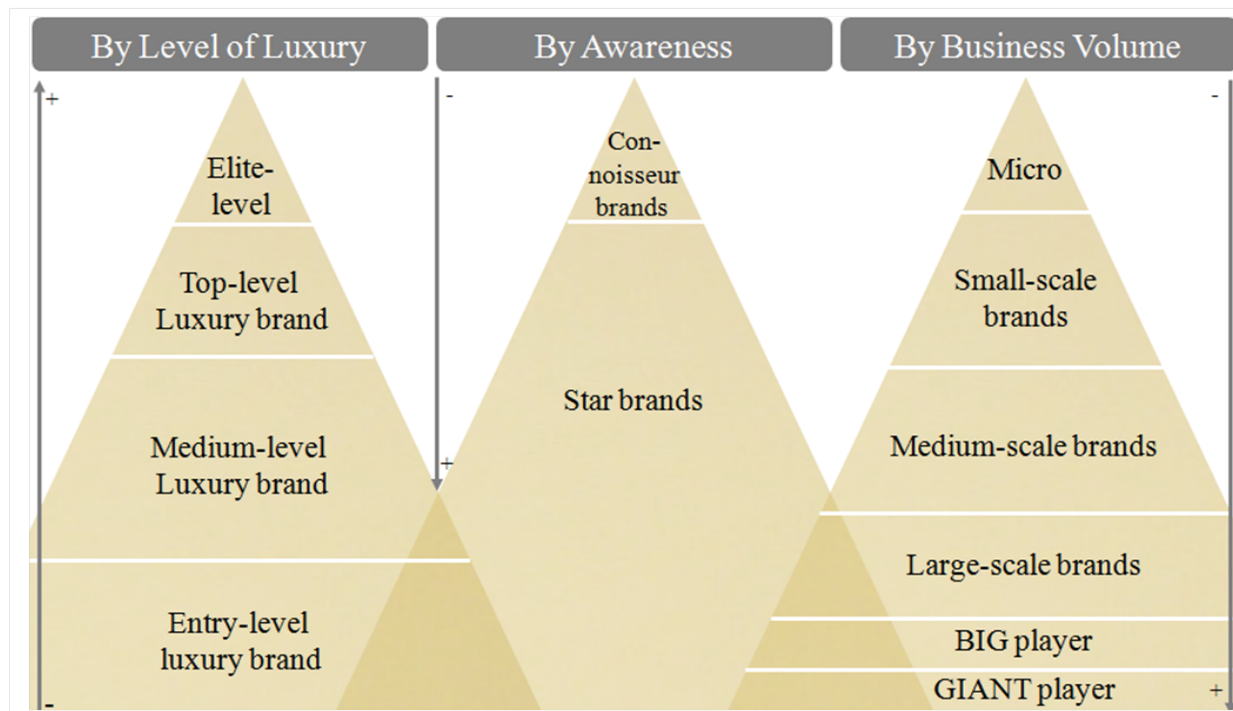
- **Little stars** strive for high awareness, but are (still) relatively little-known. Examples include Aspree, Brioni and Shanghai Tang.
- **Big stars** have already achieved a high level of awareness, but still rank somewhat behind the global stars. Examples include Chloé, Fendi and Moschino.
- **Global stars** are globally well-known flagship brands such as Hugo Boss, Louis Vuitton and Rolex.

3. Luxury Brands by Business Volume

The WLBA (see section 1.2.2.5) also includes a comparison between countries by their number of luxury brands, which appears misleading if luxury brands are not also differentiated by business volume. A comparison between the business volumes of the brands within the database suggests that they should be differentiated into the following types:

- **Micro-scale brands:** There are luxury brands, often business ventures, which do not have many more employees than the boss himself and have rather modest revenues of under € 10 million. Examples: Julisis and Mont Charles de Monaco.
- **Small-scale brands:** Some brands specialize into markets with relatively little business volume, ranging from € 10 to 100 million. Example: Robbe & Berking.
- **Medium-scale brands:** the "Mittelstand" of the luxury industry with revenues of more than € 100 million. Example: Poggenpohl.

Figure 1.6.: Types of Luxury Brands by Level of Luxury, Awareness and Business Volume



Source: own figure.

- **Large-scale brands:** Within the luxury industry there are not many of these large-scale businesses with revenues of more than € 250 million. Example: Escada.
- **BIG player:** Only a few star brands achieve revenues of more than € 1 billion. Example: Hugo Boss.
- **GIANT player:** However, there are high-turnover product categories such as cars, which allow very few brands to generate revenues of even more than € 5 billion. Example: Mercedes.

Figure 1.6 summarizes the luxury brand types by luxury level, awareness, and business volume. There are some relationships between them: for instance, luxury brands with very high business volumes often cannot reach the top levels of luxury. In addition, there is also a tendency of elite-level brands to be connoisseur brands.

1.3.5. Distinguishing Luxury Products and Brands from similar Concepts

1.3.5.1. Premium Products and Brands

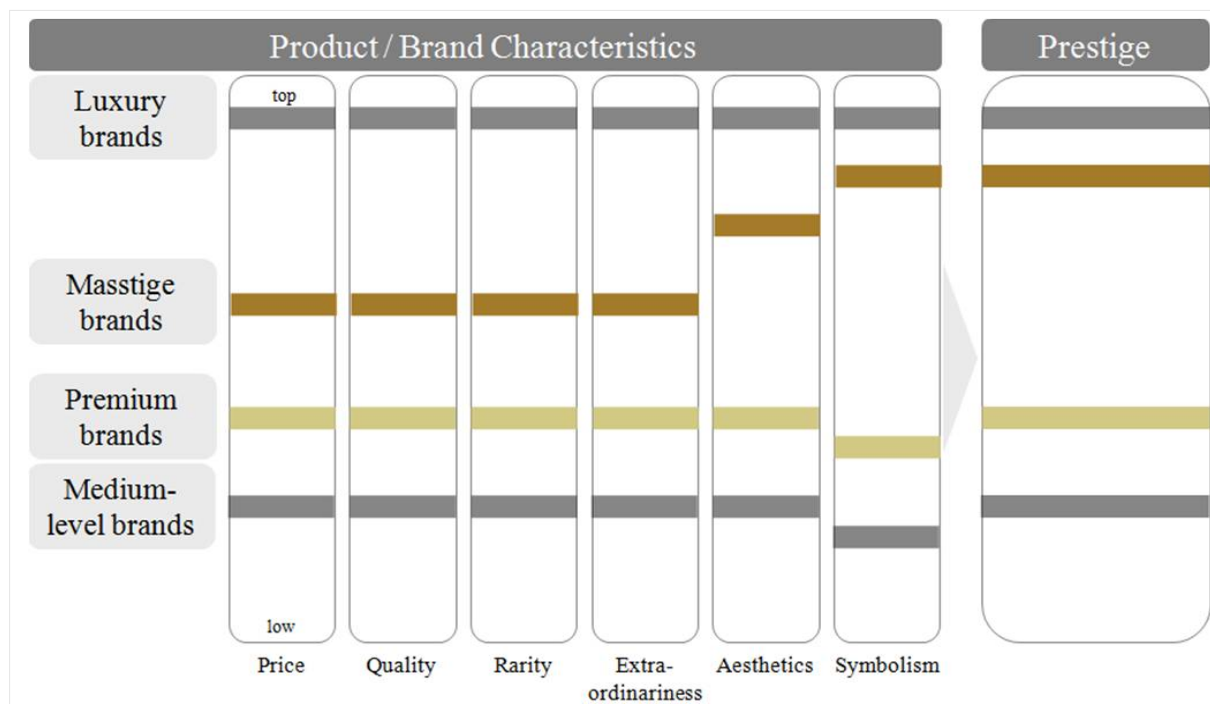
Luxury products and brands can be distinguished from the premium segment **by their constitutive characteristics**. As discussed in section 1.3.4.1, the major characteristics can be considered as dimensions ranging from a minimum level that is also necessary for non-luxury brands to a maximum level that corresponds to the highest form of luxury. As demonstrated in figure 1.7, premium brands rate higher on these dimensions than medium-level brands, but still well below luxury brands. While premium brands still remain down-to-earth and cannot lose sight of the value-for-money ratio, luxury brands are reaching exceedingly reasonable levels in the major luxury dimensions, and some of them even work on topping the current top-of-top luxury level. The differentiation between luxury and premium brands is mainly a matter of degree, which makes it difficult to draw a clear line, especially between top premium brands and entry-level luxury brands.

However, there is also an essential difference between these types of brands: while premium brands focus especially on functional characteristics, luxury brands put much more effort into creating **symbolic meaning**. For instance, Lexus entered the US market with the objective of growing by taking customers away from Mercedes, which was identified as its major competitor. Therefore, they took the Mercedes E Class as the model to overtake and developed a car with a similar design and even superior technical features that was only sold for about half of the price. Lexus generated high growth rates in the U.S. However, they still focused very much on functionality and even emphasized their car's value-for-money, and also had no vision or story to tell – which clearly positions Lexus as a non-luxury brand (Kapferer and Bastien 2009b, p. 316).

1.3.5.2. Masstige Products and Brands

The emergence of this new type of brand resolved the traditional dichotomy between luxury and non-luxury brands. The term “masstige brands” easily conveys their basic idea: offering prestige to the masses (some authors also use “new luxury” or “mass luxury” (Kapferer and Bastien

Figure 1.7.: Luxury Brands vs. Premium and Masstige Brands



Source: own figure.

2009b, p. 312)). Typical masstige brands include Coach, Godiva, Starbucks and Victoria's Secret (Silverstein and Fiske 2003, p. 51). Although these brands are not luxury brands, they still rate higher than middle-market brands on the major dimensions of luxury products. Masstige brands concentrate especially on creating symbolic benefits and prestige; they care very much about shine and therefore also about design. Zara exemplifies the idea of selling taste and style to the masses, which is accomplished by imitating the design of luxury brands for their clothing, stores and advertising. However, as demonstrated in figure 1.7, they are forced to cut back on the other major characteristics. A mass-prestige-business in the mass/middle-class market reduces the level of rarity and can only be achieved with reasonable prices, which, in turn, requires a compromise on quality, extraordinariness and aesthetics (see also Keller 2009, p. 295). The study carried out by Truong et al. (2009, p. 379) demonstrates that masstige brands successfully differentiate themselves from middle-range brands by their prestige and from luxury brands mainly by their reasonable pricing. The authors found out that products from luxury fashion brands are about three times more expensive than masstige products, which, in turn, are about twice as expensive as middle-range products. While there is only a relatively small

difference in prestige between luxury and masstige brands, the latter were indeed perceived as being much more prestigious than middle-range brands.

The **masstige strategy is also applied by many luxury brands**. They are trading-down by extending their product range with masstige products that are more accessible to middle-class consumers (Kapferer and Bastien 2009b, p. 321; Truong et al. 2009, p. 379). This kind of price differentiation marks one of the major growth strategies for luxury brands. The challenge that comes with this strategy is one of preserving an image of exclusivity (Keller 2009, p. 292 et seq.). This problem has been solved by Ferrari with line extensions in product categories that do not compete with the brand's core identity: while Ferrari cars remain very expensive and exclusive, the value of the brand is exploited by offering products in categories as diverse as apparel to computers (Berthon et al. 2009, p. 54).

Both the trading-up strategy of masstige brands and the trading-down strategy of luxury brands make luxury-like products accessible for middle-class consumers. This development is referred to as the “**democratization of luxury**.” According to the economic relativity of luxury (section 1.3.1.2), democratic luxury products are characterized by Kapferer and Bastien (2009b, p. 314) as ordinary items for extraordinary people, which are at the same time extraordinary items for ordinary people.

1.3.5.3. Prestige Products and Brands

The terms luxury brand and prestige or status brand are often used interchangeably (Bagwell and Bernheim 1996, p. 349; O’Cass and Frost 2002). However, prestige ranks as one of the major purchasing motives over all product categories and allows for the achievement of social reward and status (Trommsdorff 2009, p. 117). Luxury brands have what prestige-seeking consumers crave: they enjoy social prestige, which can be gained by buying these products. Nevertheless, the consumption of luxury products is by far not the only way to satisfy the need for prestige. As mentioned in section 1.2.2.2, there are also non-luxury products that allow consumers to increase their prestige including premium products such as Adidas sneakers or masstige products such as Godiva chocolates and Häagen-Dazs ice cream. The ability to increase the prestige of their consumers is not enough to distinguish luxury from non-luxury products and brands. Therefore, the term “prestige brands” should rather be used for all luxury and non-luxury brands whose products allow consumers to gain prestige. Accordingly, prestige

brands correspond with the micro-economic scope of luxury (see figure 1.4). The study carried out by Dubois and Czellar (2002, p. 3) also demonstrates that in many categories, prestige can be achieved independently of luxury and that luxury and prestige are also perceived as different in the eyes of consumers.

1.4. Handbook for the Creation of Luxury Products and Brands

Besides their value for the classification of luxury, the major luxury characteristics also help in developing an understanding about how to actually create luxury products and brands. As this is a distinctive area of application, the explanations regarding the characteristics of luxury products are consolidated in this part of the paper (chapter 1.4.1). According to their definition, luxury brands have to create associations about the major luxury characteristics, which can only be achieved by adequate marketing measures. Because of their high relevance, this part also gives an overview about the major marketing-mix strategies that allow for the influencing of consumer perceptions about the major luxury characteristics (chapter 1.4.2).

1.4.1. The Characteristics of Luxury Products

As explained above, the characteristics of luxury products rely on relevant literature and an empirical study (as outlined in section 1.2.2.3). The results suggest that consumers perceive that luxury products have **six major characteristics** including price, quality, aesthetics, rarity, extraordinariness and symbolism. The characteristics were categorized into **typical sub-characteristics**, which are not necessarily relevant for all luxury products. Size, for instance, can be considered as especially product category-dependent. Table 1.3 gives an overview of the characteristics of luxury products (see also table E.1 in the appendix for the results of the literature analysis). They are ranked in order of relevance according to the number of times they were mentioned by the respondents (Heine and Phan 2011, p. 111; see also Hoffmann 1986, p. 78).

The characteristics are also categorized into manufacturing, **concrete and abstract characteristics**. Concrete characteristics refer to physical product attributes and are directly observable. A combination of several concrete attributes yields to an abstract attribute such as comfortability (Olson and Reynolds 1983, p. 80).

The category of **manufacturing characteristics** was added because it proved to be very relevant to the respondents (see also Dubois et al. 2001, p. 40). These characteristics refer to the specific manufacturing process that allows for the creation of concrete and abstract product characteristics.

Table 1.3.: The Characteristics of Luxury Products

Major Characteristics	Manufacturing Characteristics	Concrete Characteristics	Abstract Characteristics
Price		Price	
Quality	Expertise of manufacturer	Material & Components	Durability & Value
	Manufacturing complexity	Construction & function principle	Comfortability & Usability
		Workmanship	Functionality & Performance
		Features	Safety
		Product size	
		Service	
Aesthetics			Aesthetics
Rarity		Rarity	
Extraordinariness			Extraordinariness
Symbolism			Symbolism

The characteristics of luxury products are explained in detail below.

1.4.1.1. Price

All of the respondents referred to price in characterizing luxury products. In addition, it is also the most widespread characteristic in the literature, as it is regarded as the **most objective and the easiest-to-measure criteria** to evaluate the luxuriousness of a product by (McKinsey 1990, p. 16; Meffert and Lasslop 2003, p. 5; Mutscheller 1992, p. 65).

First of all, there is a necessary condition requiring that these products are high-priced in an **inter-categorical** comparison, which excludes “affordable indulgences” such as Häagen-Dazs ice cream (see Dubois and Duquesne 1993, p. 36; Lasslop 2002, p. 331; Nueono and Quelch 1998, p. 63). On the other hand, there are non-luxury products that are very expensive in an

inter-categorical comparison such as the Stemme S6 sailplane for allround-flight sports. Although a private airplane can be considered a luxury good, Stemme airplanes still do not count as luxury products, as they drop out in an intra-categorical comparison.

Luxury products belong to the most expensive products in an **intra-categorical** comparison, which requires a considerable price premium to products with comparable functional characteristics (see Kapferer 2001, p. 320; McKinsey 1990, p. 16). Kisabaka (2001, p. 121) proposes that the five percent of the most expensive fashion products belong to the luxury segment. However, such price limits serve only as a rule of thumb, because they are generally accepted neither on an inter-categorical level nor within specific product categories.

Price proved to be **very important for some respondents** who like to possess luxury products that look expensive: “There’s no way I’d drive a Porsche – this car is just for people who cannot afford something else.” Many respondents are especially excited about making a bargain with a luxury product that others think was expensive.

Nowadays there is even a zone of price overlap between premium and entry-level luxury products, which makes it impossible to rely merely on this criterion for differentiating luxury from non-luxury products. Moreover, Kapferer and Bastien (2009a, p. 43 et seq.) emphasize that increasing the price does not automatically turn a premium into a luxury product.

1.4.1.2. Quality

Just as was the case for price, all of the respondents mentioned superior quality as a constitutive characteristic of luxury products. Respondents perceive that quality relies on the following criteria:

1. Manufacturing Characteristics

Expertise of manufacturer: Respondents consider the manufacturers of luxury products as the leading experts with a strong “creative power” in their area of excellence (Mutscheller 1992, p. 222), which covers their technical and stylistic competences (Meffert and Lasslop 2003, p. 2; Vickers and Renand 2003, p. 471). **Technical competence** can rely on a long-time experience in their industry and also on a strong focus on innovation and research & development (R&D). A respondent was impressed that “Steinbrueck won the first prize in a competition by the European Association of Craft.” **Stylistic competences** of luxury manufacturers are expressed by

associations with highly talented designers, who have a great sense for taste and aesthetics and create new trends with “love and inspiration.” Their expertise even places luxury manufacturers in a “position of superiority with respect to its clients, [...] which is a necessary condition for the richest and most powerful people to crave for luxury [products]” (Kapferer and Bastien 2009b, p. 314).

Manufacturing complexity: The manufacturing of a luxury product requires considerable effort, which often includes handcraft (see Lasslop 2002, p. 331) and a lot of time. For instance, a respondent stated that “manufacturing one of the excellent Lange & Söhne wristwatches often takes one and a half years.”

2. Concrete Product Characteristics: Product Attributes

Material & Components: The material is a key characteristic of luxury products and one of the most important criteria that respondents judge the value of a product by. In contrast to materials such as plastics, there are materials that are generally associated with a higher value in an **inter-categorical** comparison such as gold, silver or diamonds (Schmitz-Maibauer 1976, p. 232). However, these associations and the minimum requirements for materials depend on the product category. For instance, in an **intra-categorical** comparison, silver might be an adequate material for the luxury segment of cutlery, but the minimum requirement for luxury watches is rather gold or platinum (Kisabaka 2001, p. 85 et seq.).

Construction and Function principle: The construction and function principle of a luxury product is especially well thought-out. This category refers to the functional design of a product, including, for instance, the construction of a chair, the function principle of an umbrella and the cut of a fashion item. The construction and function principle is seen as a prerequisite for durability, for instance, if two pieces of materials are stitched instead of being glued together or are double instead of single-stitched. In addition, it is also a prerequisite for comfortability and functionality. **Workmanship:** A luxury product requires absolute perfectionism in workmanship with a zero-tolerance for flaws. For instance, there can be no scratches on the material or any imperfectly stitched seams. Consequently, the manufacturing of luxury products requires much stronger efforts in quality control (see also Kisabaka 2001, p. 91; Mortelmans 2005, p. 50). However, some luxury products also feature some “planned imperfections” as a result of handmade manufacturing, which do not reduce, but rather prove the quality of these products.

Features: Luxury products offer more features than ordinary products, but only if they are desired by the target group and do not reduce product usability. Although a jacket could have special extras, such as a pocket for a MP3 player, special features are especially important for electronic equipment and cars. One of the respondents confessed: “I don’t want to miss out on my distance alerter, my automatic lighting and the rain-sensing wipers.”

Service: Kapferer and Bastien (2009b, p. 312) argue that luxury products “must have a strong human content [...] with services rendered by a human to another human” (see also Keller 2009, p. 292). Excellent service covers the purchase experience and the (after-sales) customer relationship management (see Kapferer and Bastien 2009b). The major service tasks include customer advice, product modification or personalization, and reparation (Valtin 2004, p. 109). A respondent realized that she bought a new skirt mainly because she “could not resist entering this beautiful boutique on Sylt, where [she] got a coffee and enjoyed the warm, friendly atmosphere.” Another respondent explained: “You get a lifelong guarantee with a Hermès belt. If you need a new hole, you just send it to them and they do that for free.”

Product size: The product size should be as appropriate to function as possible, which depends on the product category. For instance, while TV screens and mega yachts usually should be as big as possible, complications in wristwatches should often be as small as possible.

3. Abstract Product Characteristics: Product Benefits

Comfortability and Usability: The abstract product characteristics rely on a combination of concrete characteristics. For instance, superior materials and a perfect cut make a shirt cozy to wear and a bigger car with nice technical gimmicks is also more comfortable. Sophisticated construction and function principles can increase the usability and practicability of luxury products, which help consumers to save time and effort. For instance, this includes intuitive and easy to use radios, easy to clean kitchen appliances, and easy to maintain cars.

Durability & Value: The majority of respondents expect that a luxury product is of high and long-lasting value, which could result from superior materials, manufacturing efforts or sophisticated construction and function principles. Durability covers the aspiration of luxury product manufactures to create **everlasting products**, which will not be disposed of even after long periods of utilization or defect, but will rather be repaired and even appreciate in value over

time (see Lasslop 2002, p. 342; Kisabaka 2001, p. 95) so “that you can even leave them to your grandchildren.” This is one of the reasons why many respondents do not perceive trend products such as the iPhone as luxury products. Durability includes also **product reliability**, which means that a luxury car, for instance, should work for a long time without any problems (see also Lasslop 2002, p. 342). Luxury products are traditionally associated with endurance, which is represented by De Beers’ traditional slogan “A diamond is forever” (Berthon et al. 2009). Some respondents also mentioned that they buy long-lasting luxury clothing as this releases them from “wasting time with shopping.”

Functionality & Performance: Luxury products have a superior functionality, which means that they “just do their job better.” Luxury products have a high level of performance, which is often much more than necessary and even ordinary as this statement demonstrates: “In this car you can float over streets with a great sense of power. I don’t need to, but it’s a very relaxing feeling.”

Safety: Respondents appreciate the high level of safety, especially of luxury cars.

1.4.1.3. Aesthetics

Almost all respondents perceive aesthetics as a distinct characteristic of luxury products. In comparison to the other characteristics, aesthetics were mentioned most often by the respondents. Kapferer and Bastien (2009b, p. 314) argue that “money is not enough to define luxury [products (...)] because it] is not a measure of taste.” The aesthetics of luxury products comply with the taste of the upper class, which represents the cultural relativity of luxury (see section 1.3.1.2; also Kapferer 2001, p. 322). Dubois et al. (2001, p. 13) emphasize the polysensuality of luxury products as they “not only look beautiful but also are (and should be) pleasant to hear, smell, taste or touch” and therefore offer a “source of sensual pleasure.” A respondent described her visit to the Gucci boutique in Miami as “sex for the eyes.” Another respondent emphasized the relevance of aesthetics: “The well-designed object is essential in life to feel well.” Not surprisingly, aesthetic product design is one of the most important strategies of manufacturers of luxury products to differentiate themselves from mass-market manufacturers (Kapferer 2001, p. 321).

1.4.1.4. Rarity

Luxury products are by definition not ordinary, but rather a rarity (Kisabaka 2001, p. 96). One of the respondents explained: “I was the only one with this bag – and that adds a great additional value.” Another respondent argued: “I have already had this bag for a year and now everyone is walking around with one – so I’m going to get rid of it soon.”

Luxury companies ensure rarity through limiting production and the individualization of their products (Cattray 2003, p. 11 et seqq.; Kisabaka 2001, p. 103; Nunez and Quelch 1998, p. 63). There are natural **limitations**, which arise from the limited availability of product components such as noble metals. In addition, most luxury brands employ artificial limitations such as special editions. These limited editions can be improved further towards the ideal of a unique piece by **individualization**. This includes intended irregularities by hand-made manufacturing, by using natural materials or by artificial variations, which includes the change of the starting point during the processing of fabrics or labeling products with serial numbers. These measures are complemented with **personalization** of products according to consumer wishes (Kisabaka 2001, p. 97 et seqq.). The consumers of the Guerlain “Kiss Kiss Or & Diamants” lipstick for €45,000, for instance, can choose jewels to decorate their lip stick cover, request an engraving and get the creative director to mix them their very own lip stick color (Trommsdorff and Heine 2008a, p. 1669).

1.4.1.5. Extraordinariness

This attribute was mentioned by most of the respondents, but is often overlooked in the literature. The extraordinariness of a luxury product often results “only” from a **different design or construction principle**. In their role as experts, luxury manufacturers often determine the stylistic trends, which are then adopted by mass-market manufacturers (Goody 2006, p. 344 et seq.). The respondents described that they expect something special from a luxury product, a certain “kick”, which could arise from little details such as special buttons on a shirt or an unusual positioning of the button border. A respondent explained that her new blouse “seems to be army-style from a distance, but from close-up it appears to be covered in small trees.” This was described also as an “eye catcher at the second view.” These examples show that luxury products seem to possess an ESP, an eccentric selling proposition.

Nevertheless, extraordinariness may also be achieved with **innovative functional attributes**. Many innovative technologies are introduced in luxury products before they spread to mass-market products. This was the case for technologies such as the anti-lock breaking system (ABS) and the airbag (Valtin 2004, p. 26).

In addition to eccentric or innovative functional features, extraordinariness may also arise from the product's **history or its manufacturing process**. For instance, a respondent was excited about "a jacket, which was made of Tibetan quilts from a Russian immigrant in Paris." Finally, the extraordinariness of luxury products may be achieved by the **brand image**.

1.4.1.6. Symbolism

While mass-market products mainly stand for their functionality, luxury products generate numerous non-functional, abstract associations. Mortelmans (2005, p. 505) argues that "every notion of functionality is reduced as far as possible." In fact, there is no other product category with a similar **relevance of symbolic benefits**, which often even exceeds its functional benefits. One of the respondents explained: "I have a very special relationship to cars. They have to turn me on. It's very much about feelings, a lot of feelings. A [Mercedes] S-class can come with super features, but it just doesn't turn me on." Another respondent thinks that these products "have a lot to say – they talk to you."

The symbolic meaning refers to a large extent to **human values and lifestyles** (Kapferer 2001, p. 321; Vigneron and Johnson 2004, p. 490). Consequently, the symbolism of luxury products and brands is covered to a large extent by the concept of brand personality, which was adapted to the luxury segment by Heine (2009b). The five major dimensions of the **luxury brand personality** include modernity, prestige, sensuality, understatement and eccentricity.

Luxury products cannot symbolize anything, but just as with their aesthetics, they need to comply with the worldview and taste of the upper class. Kapferer and Bastien (2009b, p. 314) argues that "the DNA of luxury is the symbolic desire to belong to a superior class." Therefore, all luxury brands have to possess a high level of **prestige**, which they also have to symbolize at least to some extent (Keller 2009, p.291).

Symbolic meaning can be conveyed through **product design** (Kotler et al. 2007, p. 636; Valtin 2004, p. 116) or with specific **product information**, for instance by indicating that a famous movie star recommends the product. Luxury products are often linked to popular celebrities, prestigious events or an attractive country-of-origin (Keller 2009, p. 292). An oenophile day-dreamed: “It is very fascinating to open a bottle of wine from 1912, which witnessed two World Wars – and when you imagine everything that has happened since that time...” Of course, the symbolic meaning of luxury products is also highly influenced by their **brands** (see also Meffert and Lasslop 2003, p. 5; Nueono and Quelch 1998, p. 62).

This chapter explained in detail the characteristics of luxury products. According to their definition, luxury brands have to create associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of symbolic meaning (section 1.3.4.1), which can only be achieved by adequate marketing and especially communication measures. Because of their high relevance, the next chapter gives an overview about the major marketing-mix strategies that allow for the influencing of consumer perceptions about the major luxury characteristics.

1.4.2. The Luxury Marketing-Mix

Luxury brands employ segment-specific marketing-mix strategies that partly contradict with the common rules of marketing, which are described by Dubois (1992) as the “paradoxes of the luxury marketing.” Kapferer and Bastien (2009b, p. 312) overshoots a bit by claiming that “[...] in order to enter the luxury market, to build a successful luxury brand and to make it remain a luxury brand, one has to forget the classical marketing rules.” The subsequent sections draw an overview of how segment-specific marketing-mix strategies are used to influence associations about the essential characteristics of luxury brands, which are illustrated in figure 1.8.

1.4.2.1. Product Policy

The Product Paradox: The development of new products in mass-markets usually relies on consumer research. For instance, Berentzen, a producer of alcoholic beverages, used trend scouting in bars to discover the market niche of vodka energy drinks. They then designed the product and its taste, packaging and advertising according to the expectations of the target group (Trommsdorff and Heine 2008a, p. 1674). Dubois (1992, p. 31) terms these products as “produits réponse.” However, this approach contradicts the basic principles of luxury brand management. Luxury brands rely on their specific identity and their unique vision and standards (Kapferer 2001, p. 321), translating their vision into symbolic characteristics and thereby creating the greater part of their product benefits. Therefore, they must be very convinced about their vision and cannot constantly change and adapt it to new market trends and short-term consumer expectations. Based on that, the product paradox of luxury marketing can be summarized as follows (Dubois 1992, p. 31):

On the one hand, luxury products cannot be developed in response to customer wishes; nevertheless, they have to meet consumer expectations as closely as possible in order to be successful in the market.

To resolve this problem, luxury brands have to employ specific market research to better understand which products would please their consumers best. Moreover, they have to think further in order to provide their demanding consumers with the “expected unexpected“ (see also Trommsdorff and Heine 2008a, p. 1674).

Achieving Associations of Quality

Of course, the product policy heavily impacts the quality dimension, sub-dimensions as well as the extraordinariness dimension. For instance, quality is reinforced by generous **warranties** (Keller 2009, p. 292) and **packaging**, which is particularly important in the luxury segment as it is instrumental in communicating symbolic meaning (Fionda and Moore 2009, p. 357).

The segment-specific product strategies also include the development of **iconic products**, which epitomize the brand signature (Fionda and Moore 2009, p. 357). Great examples of iconic products include the Chanel no. 5 perfume, the Hermès Kelly bag, and the Montblanc Meisterstück pen. These iconic products are indeed true masterpieces that rate at the very top of the major luxury dimensions. The rationale of luxury brands behind the development of iconic products is to prove their excellence and to enhance their luxury brand image, which should also improve consumer perceptions about the other products they offer.

1.4.2.2. Price Policy

The Price Paradox: A casual look at the price tag of a luxury product often leads to a minor or major scare, as it is often higher than expected. Prices seem unreasonable and emanated from some wild dream – and this is exactly the plan. “A reasonable price is a price that appeals to reason, and therefore to comparison,” but luxury is not comparative, but superlative (Kapferer and Bastien 2009b, p. 319). This **superlative pricing strategy** makes a brand less accessible and evokes associations of rarity. Therefore, luxury brands have to be careful not to risk their brand image with discounts (Keller 2009, p. 292). Luxury brands can even increase symbolic benefits with this luxury pricing strategy, as demonstrated by the price paradox, which covers the following phenomenon:

In contrast to mass-market products, a price reduction of luxury products in the long-run usually leads to decreasing and otherwise a price increase to growing demand.

As price is a major indicator of quality and therefore also of prestige (Keller 2009, p. 292; Trommsdorff 2009, p. 96 et seqq.), luxury brands have to resist price reductions, which would in fact increase the demand in the short-run, but decrease sales in the long-run (Dubois 1992, p. 32 et seqq.).

Consequently, it is recommended to **raise prices continuously** year-by-year in order to increase demand (Kapferer and Bastien 2009b, p. 319). Therewith, luxury brands make use of the Veblen and snob effect: the higher the price, the better Veblen consumers can demonstrate their wealth and the better can snobs demonstrate their status, as fewer people are able to afford the products (Vigneron and Johnson 1999, p. 4). In addition, this strategy motivates consumers to buy sooner rather than later. It also ensures the durability and value of luxury products: in many luxury product categories such as porcelain and wristwatches, it is commonly known that the product's value increases over time, which even makes some consumers purchase these products mainly as an investment.

Besides their actual price, it is especially essential for luxury brands to equip their products with an image of being expensive. Therefore, many luxury brands offer some **super-superlative priced products**, which belong to the most expensive products of their category and therefore just evoke respect. However, the bigger part of the revenues of many luxury brands comes from lower-priced items such as accessories (Kapferer and Bastien 2009b, p. 314).

Certainly, there are also **constraints to the superlative pricing strategy**. First of all, price increases make a product less accessible for more and more consumers, and, of course, there is also a point where the product becomes inaccessible to virtually everyone. In addition, pricing is also related to true product excellence. The more the value-for-money-ratio becomes unreasonable, the more the brand attracts Veblen and snob consumers, which does not create much loyalty as high pricing can always be imitated (Kapferer and Bastien 2009b, p. 319).

1.4.2.3. Distribution Policy

The Distribution Paradox addresses the fundamental contradiction between luxury and marketing:

Luxury brands also strive to grow their business, but increasing sales volumes reduces rarity, therewith also the luxury image and as a consequence also the sales numbers, which means that the successes of luxury brands jeopardize their future successes.

This phenomenon is exemplified by Cartier's experience with their accessories "Les Must de Cartier." This product line developed to become a bestseller, which started to damage the brand image and therewith forced Cartier to restrain these offerings (Catry 2003, p. 10). Thus, the challenge for luxury brands is to increase their success and still preserve the impression of exclusivity (Dubois 1992, p. 30; see also Berthon et al. 2009, p. 54).

The distribution paradox also entails additional luxury-specific marketing strategies. Because of the limitations in pushing sales numbers, it is recommended that the potential of profit maximization is exhausted, for instance by **forward and backward integration**. Forward integration includes developing own retail outlets and backward integration covers increasing control over the manufacturing process, for example by exchanging licenses with in-house manufacturing. Another advantage of integration is the increased control over product quality and brand image (Keller 2009, p. 292).

Achieving Associations of Rarity

Of course, the distribution policy especially impacts the rarity dimension. Luxury brands strictly control the accessibility of their brand and practice **highly selective distribution** (Fionda and Moore 2009, p. 357; Keller 2009, p. 292). The basic principle of luxury distribution even claims that it should be difficult for clients to buy luxury products (Kapferer and Bastien 2009b, p. 318). In the case of connoisseur brands, consumers even have to initially find out about the existence of these brands. This basic principle also requires that luxury boutiques cannot be opened up on every corner, but only in prestigious shopping areas possibly in the neighborhood of other luxury brands (Berthon et al. 2009, p. 54). Besides that, consumers also have to overcome temporal barriers: if a product is perceived as being rare, then it is only appropriate that it cannot be consumed instantly. For many luxury products such as Hermès Kelly bags, there are waiting lists, and even fastidious luxury consumers need to be patient for about a year before they receive their order, which fuels their desire and thrill of anticipation (Nueono and Quelch 1998, p. 62).

Achieving Non-functional Associations

Besides its impact on rarity, luxury-specific distribution also concentrates on creating symbolic benefits. A major tool of luxury-specific distribution includes the **flagship store** (Fionda and Moore 2009, p. 358). Following early imitators such as Apple and Nike, this concept has also

been increasingly adopted by non-luxury brands. The luxury retail environment is designed to convey all constitutive characteristics of luxury products and the specific personality of a luxury brand. For instance, Aigner emphasizes the quality of their handbags by making sales people wear white gloves when presenting products to their customers. The distribution strategy ensures pleasurable purchase experiences by offering high-class services (Keller 2009, p. 291), and, of course, the aesthetics of luxury products are heavily influenced by their presentation (Valtin 2004, p. 115).

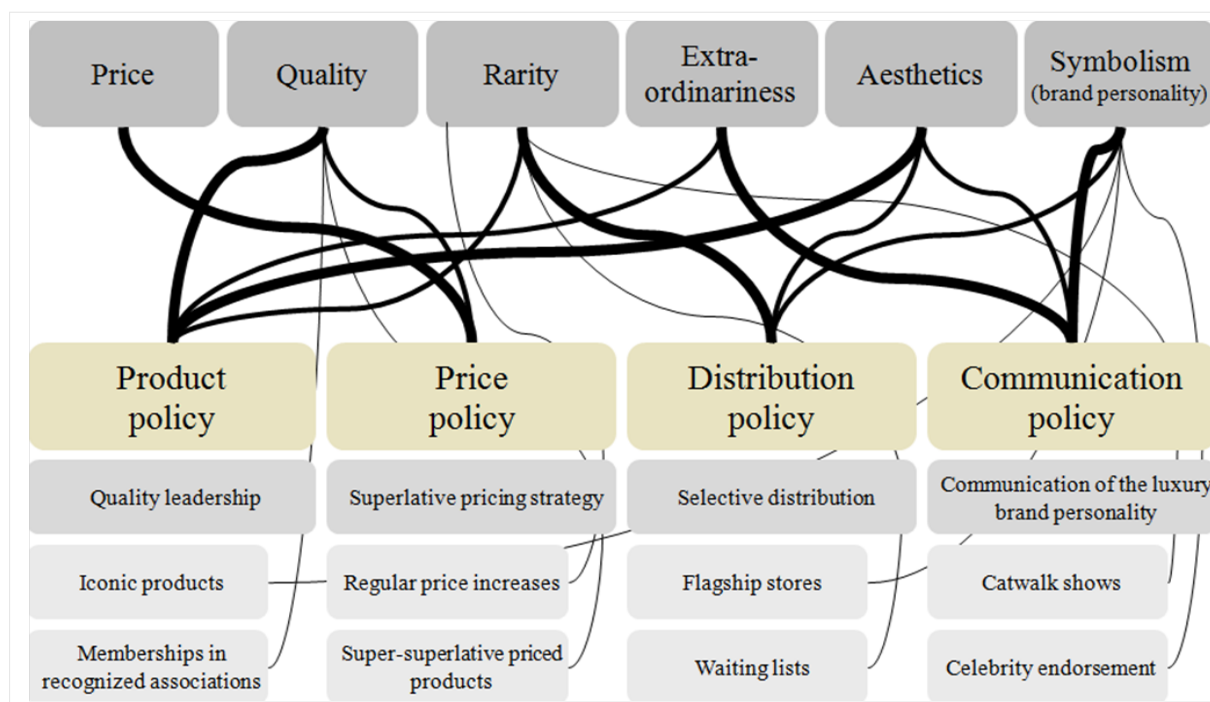
1.4.2.4. Communication Policy

The Communication Paradox of luxury marketing deals with the following problem:

In contrast to mass-market brands, an increase in the luxury brand awareness does not necessarily lead to growing, but rather to decreasing demand.

This paradox refers to **connoisseur brands**, which are often bought by individualistic consumers in order to express their extraordinary lifestyle and to differentiate themselves from others (see section 1.3.4.4). With growing awareness, the brand attracts bandwagon-consumers, who consume products mainly because their role models do so. At the same time, this distracts the original consumers, whose major purchasing motive is to differentiate themselves from other (bandwagon) consumers (see also Leibenstein 1950, p. 183 et seqq.). Investments in brand awareness can therefore reduce product benefits for individualistic consumers. As a consequence, bandwagon consumers start turning away from the brand, because it does not promise them affiliation to an attractive reference group – the original consumers – any longer (Trommsdorff and Heine 2008a, p. 1674). In order not to risk their future success, connoisseur brands do not strive to increase the general awareness of their brand, but try hard to protect their customers from the people they like to differentiate themselves from by focusing their communication precisely to their target group and by keeping their brand a secret to others (Dubois 1992, p. 34). For this purpose, direct marketing and especially exclusive events are suitable for connoisseur brands. On the other hand, it is counterproductive for these brands to make advances to everyone and to emphasize the success of their sales, and therefore it is also a counter sales argument that a generally popular product is one that sells well. Accordingly, bulk mail or

Figure 1.8.: Influencing the Associations about the Luxury Brand Characteristics by Segment-specific Marketing-mix Strategies



Source: own figure.

television advertising are not adequate marketing measures for connoisseur brands (Belz 1994, p. 648).

As **star brands**, on the other hand, strive for maximum brand awareness well beyond their actual target group, they employ much broader, sometimes even aggressive communication strategies (Kapferer and Bastien 2009b, p. 319). Typical marketing measures of star brands include advertising in glamour magazines and sponsoring.

Achieving Non-functional Associations

The communication policy impacts especially the symbolic dimension and aims to communicate the intended luxury brand personality. Many luxury fashion brands consider **catwalk shows** a vital communication tool for fostering their brand's prestige and dream value. Other typical communication tools of luxury brands include **celebrity endorsement and public relations** (Fionda and Moore 2009, p. 358).

This section gave a short overview about how the segment-specific, marketing-mix strategies allow for the influencing of associations about the luxury brand characteristics, which is exemplified by figure 1.8. Mastering these marketing techniques is essential for luxury brands, because, as explained in section 1.3.4.1, they only qualify as luxury brands if they actually succeed in evoking the constitutive associations in the minds of their target groups. Each of the marketing-mix instruments can be used to evoke associations about each of the major luxury brand characteristics. However, as shown in figure 1.8, some marketing instruments are more suitable for influencing associations about a specific characteristic than others. For instance, the product policy has a strong impact on quality and aesthetics, while the distribution policy especially influences the associations about rarity, but also about aesthetics and the brand personality.

1.5. Conclusions

The paper contributes a **comprehensive concept of luxury brands**. As the first of its kind, it combines a consumer-oriented research approach with a structured conceptual framework, which goes back to the basic definition of luxury. The scope of luxury within the field of management studies was constrained step-by-step: the types of luxury relativity were differentiated and used to determine a general perspective from which luxury should be defined, particularly with regard to the requirements within the field of luxury brand management. Subsequently, the managerial understanding of luxury was distinguished from the philosophical-sociological and the micro-economic understandings of luxury and became further constrained by differentiating the major luxury market segments. In contrast to previous work, the empirical data is not used to create just another luxury definition, but is consolidated with the majority of the existing literature about the characteristics of luxury products and brands.

There are some major **improvements to the existing definitions** of luxury products and brands: First of all, they are defined consistently by the same criteria, i.e. product characteristics, and are not mixed up with their consequences such as purchasing motives or with preferences, attitudes or even marketing measures. Besides that, the paper differentiates between concrete and abstract characteristics and extends the common definitions with a set of sub-characteristics for product quality. In addition, it distinguishes similar concepts such as premium and masstige brands and gives an overview of the major types of luxury products and brands.

For researchers, the resulting concept of luxury brands offers a **basis for further research** about the characteristics of luxury products and brands and its antecedents and consequences. For example, the characteristics could be verified and adapted with further empirical studies for specific consumer segments or product categories. In terms of antecedents, future research could develop strategies about how consumer perceptions about the major characteristics and the luxuriousness of products and brands could be influenced more effectively. In terms of consequences, researchers could further investigate the relationships between luxury product characteristics and higher-level constructs of the means-end chain such as purchasing motives and consumer values.

The concept of luxury brands **offers marketers an overview** of the constitutive characteristics that their luxury brands have to express to their target group. This prevents them from losing sight of the essential “code of luxury” in their daily business or during a brand repositioning. In addition, it offers marketers some guidance for the improvement of mass market goods to luxury products.

2. Paper 2: Identification and Motivation of Participants for Luxury Consumer Surveys by Viral Participant Acquisition

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Abstract: Luxury consumer behaviour is still a relatively new area of research, one that relies largely on paid surveys and especially on student samples. However, it is questionable whether moderately paid surveys really can attract wealthy heirs or busy managers or if students can imagine themselves in the role of experienced luxury consumers. In addition, many researchers hesitate to target luxury consumers. One reason is the ongoing discussion in the literature as to what constitutes a luxury consumer and as to how luxury consumers can be distinguished from non-luxury consumers and ultimately, how to identify them for empirical studies. What is more, this particular target group is notoriously hard to access and difficult to persuade to participate in any survey. Despite these problems, no article could be found in the literature, which addressed either the identification or the motivation of respondents for luxury consumer surveys (LCSs). Therefore, the objective of this paper is to categorize and to discuss the means of identification and motivation of participants for LCS. Based on a literature analysis of existing LCS, the paper presents a categorization of the major research objectives, target groups, and identification methods for LCS. Subsequently, it provides an overview of common methods of participant motivation and discusses their suitability for LCS, which suggests thinking about some non-monetary incentives that could convince luxury consumers to participate in a survey in their own interest. As this idea coincides with the notion of viral marketing, it seems promising to adapt this concept for viral participant acquisition (VPA). Consequently, the paper presents a case study detailing the implementation of VPA on a recent LCS and concludes with the lessons learned.

2.1. Introduction: Catching a Mysterious Target Group

Although there is a growing base of literature on the marketing of luxury products, it still contains only a relatively small amount of large-scale LCSs. Many **researchers hesitate to target luxury consumers** for two fundamental reasons. First of all, there is still no recognized definition in business literature as to what constitutes a luxury consumer, leading to confusion as to how they can be distinguished from non-luxury consumers and ultimately, how to identify them for empirical studies.

Besides this, another challenge is to access and to **motivate luxury consumers** to participate in a survey. While there are well-funded researchers who try to attract adequate participants with monetary incentives, many researchers lack the financial resources for paid surveys or have to supervise student projects, which also suffer from limited access and funding. This explains why a big part of LCS relies on relatively easy-to-reach student samples. However, the specific characteristics of luxury consumers including their high income, their lack of time and their luxury connoisseurship suggest that samples made up of paid survey workers or students might not be representative of that particular target group. For instance, it is questionable whether moderately paid surveys really attract wealthy heirs or busy managers, or if students, who are appropriate in many other areas of research, are really able to assume the role of experienced luxury consumers.

Despite these problems, no article could be found in the literature, which addressed either the identification or the motivation of respondents for LCS. Therefore, the **objective of this paper** is to categorize and to discuss the means of identification and motivation of participants for LCS based on an analysis of existing LCS.

The resulting framework suggests thinking about some non-monetary incentives that could convince luxury consumers to participate in a survey in their own interest. As this idea coincides with the notion of viral marketing, it seems promising to adapt this concept for **viral participant acquisition (VPA)**. Consequently, another objective of this paper is to test VPA on a recent LCS and to provide some lessons learned.

*The paper is organised into **another four sections**. Based on a literature analysis of existing LCS, section 2.2 presents a categorization of the major research objectives, target groups, and identification methods for LCS. It further introduces the luxury consumption and the luxury affection scales, which allow for the identification of any LCS target group. Section 2.3 presents an overview of common methods of participant motivation and discusses their suitability for LCS, which leads to the idea of adapting the concept of viral marketing for participant acquisition. Consequently, section 2.4 presents a case study detailing the implementation of VPA on a recent LCS. Finally, the article concludes with the lessons learned.*

2.2. Identification of Participants for Luxury Consumer Surveys

As the definitions of luxury products and brands were already described in detail in the first two papers, this paragraph was moved into section B.2 in the appendix.

LCS refers to any consumer survey on luxury products and brands as defined above. For the purpose of this article, the existing LCS that could be found in the international scientific literature were analysed. This analysis demonstrates that a variety of target groups need to be distinguished depending on research objectives. Therefore, the article proceeds to present the major research objectives of LCS.

2.2.1. Research Objectives of Luxury Consumer Surveys

As illustrated in figure 2.1, the **research objectives** can be placed into two main categories: studies focusing on **luxury** (brands, products or product categories) and studies focusing rather on its consumers. The first group splits again into image analyses and studies of consumer perceptions about the luxury brand identity. According to the concept of brand identity by Esch (2010, p. 91), research can concentrate either on functional or emotional perceptions. Studies about the functional component focus on essential and accessory characteristics of luxury (e.g. Christodoulides et al. 2009; Vickers and Renand 2003; Vigneron and Johnson 2004), which can lead to consumer-oriented definitions of luxury brands (e.g. Dubois et al. 2001). Studies about the emotional component concentrate on symbolic brand characteristics (e.g. Dubois and Czel-lar 2002) or specifically on the luxury brand personality (Heine 2009c). Besides this, there are

studies analysing the **image of luxury** (e.g. Matthiesen and Phau 2005 for Hugo Boss in Australia and Wong and Zaichkowsky 1999 for 40 luxury brands in Hong Kong). The studies about **luxury consumer behaviour** focus on the characteristics of luxury consumers, their consumption preferences and on environmental influences affecting luxury consumption. Studies about luxury **consumer characteristics** cover their purchasing motives (e.g. Tsai 2005), attitudes (e.g. Dubois et al. 2005), values (e.g. Dubois and Duquesne 1993; Heine and Trommsdorff 2010b; Sukhdial et al. 1995) and demographics (e.g. Dubois and Laurent 1993). Results of these studies serve as a basis for the segmentation of luxury consumers (e.g. Dubois et al. 2005). In addition, there are studies focusing on **luxury consumer preferences** e.g. Nia and Zaichkowsky 2000 (about country-of-origin preferences) and studies about **environmental influences on luxury consumption** incorporating the impact of reference groups (e.g. Wiedmann et al. 2007), culture (e.g. Casaburi 2010) and situational factors (e.g. Dubois and Laurent 1996).

These research objectives of LCS correspond with different requirements for their target groups. Therefore, the next paragraph outlines the major LCS target groups with reference to these research objectives.

2.2.2. The Target Groups of Luxury Consumer Surveys

Figure 2.1 illustrates the major target groups of LCS. They can be differentiated by consumer characteristics including their brand/product knowledge, attitudes towards luxury and level of luxury product consumption and by the brand/product category (general or specific).

First of all, the analysis of existing LCS demonstrates that their target groups extend even to the **general population** of a particular cultural group or region. In addition, the analysis suggests that it is actually enough for a large part of LCS to target **luxury insiders**, who can be defined as respondents with some knowledge about luxury brands, products or product categories.

Luxury insiders consist of luxury and non-luxury consumers. Despite confusions over the definition and identification of **luxury consumers**, most researchers agree that a basic definition of luxury consumers must rely at least on their luxury consumption. Accordingly, a luxury consumer can be characterised as any person who has acquired several luxury products as defined above within the last few years, which implies that this person also has some knowledge of the luxury segment or at least about specific luxury brands, products or product categories. However, because “access to luxury is no longer a dichotomous state, but a matter of degree” (Dubois

and Laurent 1995, p. 69), it is not enough to differentiate only between **non-luxury consumers** (the excluded), who consume none or very few luxury products and luxury consumers, who comprise a hard to compare spectrum from once-in-a-while to day-to-day luxury consumers. Therefore, they are differentiated by their level of luxury consumption into three major segments including the excursionists, (regular) luxury consumers, and heavy luxury consumers. **Excursionists** can be defined as consumers who purchase mainly accessible luxury products from time to time, a term which applies to a large proportion of consumers in developed countries. The term luxury consumer generally refers to the medium segment of consumers who belong mainly to the upper middle class and frequently acquire accessible and sometimes also exceptional luxury products. The highest end of luxury consumers is represented by the segment of **heavy luxury consumers**, who dispose of an outstanding amount of income and a net worth of at least one million Euros. They consume both accessible and exceptional luxury products extensively (Dubois and Laurent 1996, p. 470; Heine 2009b, p. 4).

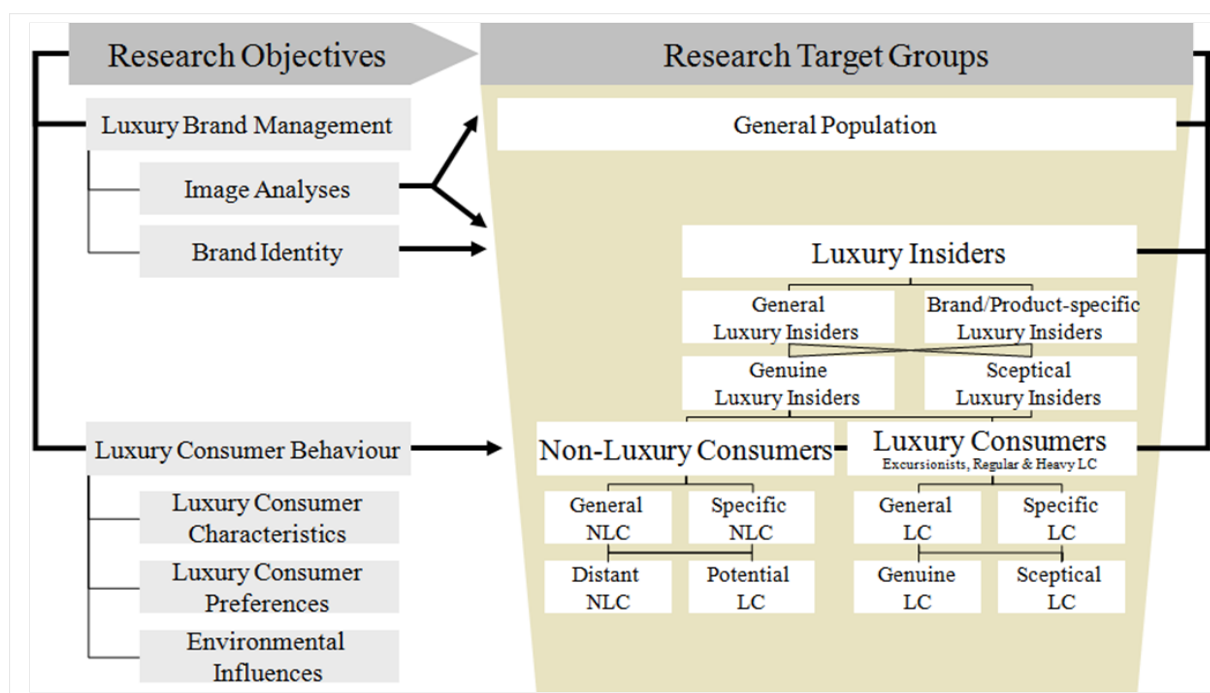
The target groups of luxury insiders, luxury and non-luxury consumers usually refer generally to the luxury segment, but can be differentiated by the brand/product category from **brand, product or product category-specific segments**.

In addition, these target groups can also be further differentiated by their **attitudes towards luxury** into genuine and sceptical segments. This allows the general segment of luxury consumers to be complemented with the sub segment of **genuine luxury consumers**, which corresponds with the typical notion of a luxury consumer as a person who has some knowledge about the luxury segment, positive attitudes towards luxury brands and products and likes consuming them at present and in the future. In contrast to this, **sceptical insiders or consumers** have rather negative attitudes towards luxury brands and products. Sceptical consumers might receive luxury products as gifts, buy them out of habit or for reasons other than the common motives of luxury consumption. Accordingly, non-luxury consumers split into the **distant non-luxury consumers** (named according to Dubois et al. 2005, p. 120), who are skeptical towards luxury products and also do not aspire to consume them, and **potential luxury consumers** (or aspirers), who have positive attitudes and aspire to consume luxury products when they can afford them later in life.

For many studies it is **essential to also differentiate the target groups according to their attitudes**, which is demonstrated by the study of Dubois and Duquesne (1993, p. 38). They

investigated the specific value preferences of luxury consumers by comparing general luxury and non-luxury consumers, who were identified only by their level of consumption. Hence, they ignored on the one hand that luxury consumption does not necessarily rely on values and that values on the other hand may also explain future luxury consumption as they refer to future goals in life. Therefore, their sample of luxury consumers was contaminated by sceptical luxury consumers who actually do not want or even dislike luxury products and their comparison group of non-luxury consumers was contaminated with potential luxury consumers such as students who aspire to consume luxury products when they can afford them later in life. The resulting bias of the results could have been prevented with a comparison between distant non-luxury consumers and genuine luxury consumers (explained in detail in paper 3, section 3.3).

Figure 2.1.: Relationships between Research Objectives and Target Groups of Luxury Consumer Surveys



Source: own figure.

Figure 2.1 illustrates **adequate target groups for the major research objectives**. For instance, image analyses cover the widest scope of target groups ranging from the general population (e.g. the population of Germany) to niche segments (e.g. luxury consumers in Berlin). Studies about luxury brand identity require at least luxury insiders, who have some knowledge about the object of investigation. Not surprisingly, studies on luxury consumer behaviour usually require actual

luxury consumers or even genuine luxury consumers and sometimes also (distant) non-luxury consumers as a comparison group. Studies on future luxury consumer preferences usually also cover potential luxury consumers.

Based on this, the subsequent paragraph describes the methods for the identification of these LCS target groups.

2.2.3. Identification of Target Groups for Luxury Consumer Surveys

2.2.3.1. Overview about the Identification Methods

Based on the analysis of existing LCS, **three major methods of participant identification** can be differentiated, which include the following:

- **Approximation:** According to this method, LCS target groups are identified by variables correlated with luxury consumption such as income or wealth, membership of certain organizations, education or profession (e.g. students as potential luxury consumers; Neese and Hult 1996, p. 49).
- **Luxury Consumption Scale:** The basic definition of luxury consumers suggests identifying them by their actual luxury consumption. For this purpose, respondents can be asked to select items from a catalogue of luxury brands or products that they have consumed within a given time period (e.g. with brands by Dubois and Laurent 1993, p. 59; Prendergast and Wong 2003, p. 160; Nia and Zaichkowsky 2000, p. 488 and with products by (Dubois and Duquesne 1993, p. 39)). Such catalogues of luxury brands or products can be referred to as luxury consumption scales. They vary in their scope of product categories ranging from even just a single product or product category (e.g. Neese and Hult 1996, p. 49) or a small set of products (Sukhdial et al. 1995, p.12; Tsai 2005, p. 440; Vickers and Renand 2003, p. 468) to a comprehensive selection representing the whole luxury segment.

- **Luxury Affection Scale:** Participants of LCS can also be identified by a Likert Scale covering cognitive (knowledge-related), affective (attitudes-related) and connotative (consumption-related) statements. As the affective statements constitute the major enhancement when compared to the consumption scale, it can be referred to as luxury affection scale.

Because of their relevance, the luxury product consumption and affection scales will be discussed in detail in the subsequent paragraphs.

Figure 2.2.: Categorization of Luxury Product Categories

Products		Services
Fashion Products	Delicacies	35. Retailing
1. Clothing	18. Foods	Experiences
2. Shoes	Beverages	
3. Bags & Luggage	19. Champagne	
4. Fashion Accessories (e.g. belts)	20. Wine	
5. Cosmetics & Perfume	21. Spirits	36. Restaurants
Body Decoration	Publications	37. Hotels
6. Jewelry	Interior Decoration	38. Traveling
7. Watches		23. Furniture
8. Stationary (e.g. pens)	24. Kitchen Equipment	39. Entertainment
9. Personal Accessories (e.g. pipes)	Table Decoration	40. Clubs & Communities
Mobile Electronics	25. Porcelain & Stoneware	Healthcare & Beauty
10. Communication Devices	26. Silverware	
11. Laptops	27. Crystal & Glassware	Education
12. Cameras	28. Bathroom Equipment	
Means of Transportation	29. Lamps	Financial Services
13. Bikes	30. Interior Electronics / Audio / Video	
14. Automobiles & Motorcycles	31. Musical Instruments	Consultancy (e.g. architects, interior designers)
15. Boats / Yachts	32. Household Fabrics & Carpets	
16. Aircraft	33. Interior Accessories	Personal Services
17. Sport & Leisure Equipment	34. Garden Furnishing	
		B2B Products & Services

Source: own figure.

2.2.3.2. The Luxury Consumption Scale

The most recognised approach for the identification of general luxury consumers originates from Dubois and Duquesne (1993, p. 38 et seq.), who compiled a catalogue of the **major luxury product categories**. As it is far more revealing if someone buys an expensive car than a bottle of champagne, they differentiated between accessible and exceptional luxury products according to their selling price, diffusion level and repurchase rate. However, this product catalogue **does not fit today's market conditions anymore** in terms of price levels and product categories.

Therefore, it was up-dated for the purpose of a recent LCS (Heine and Trommsdorff 2010b, p. 10).

As a prerequisite, an adequate **categorization of luxury product categories** was developed based on an analysis of existing categorizations in business and scientific literature (e.g. Allèrès 2003b, p. 86; Britt 2006, p. 2; Castarede 2003, p. 60; Giraud et al. 1995, p. 6; McKinsey 1990, p. 15). Figure 2.2 presents the resulting categorization.

Based on the categorization of luxury product categories, the original luxury consumption scale was adapted and extended. As shown in figure 2.3, the basic consumption scale concentrates on products, but could be easily complemented with services as well. According to Dubois and Duquesne (1993, p. 39) a non-luxury consumer is defined as a person who has neither consumed an accessible nor an exceptional luxury product. A luxury consumer is defined as any person who has bought or received at least three accessible luxury products within the last two years and two exceptional luxury products within the last three years.

Figure 2.3.: The Luxury Consumption Scale

Accessible Luxury Products	Exceptional Luxury Products
(1) Please indicate which of the following products from a luxury brand you bought or received over the course of the last two years.	(2) Please indicate which of the following products from a luxury brand you bought or received over the course of the last three years.
<input type="checkbox"/> A scarf or tie worth more than 50€	<input type="checkbox"/> A piece of clothing worth more than 500€
<input type="checkbox"/> Another piece of clothing of a luxury brand for 100€-500€	<input type="checkbox"/> At least one more piece of clothing of a luxury brand worth more than 500€
<input type="checkbox"/> At least one more piece of clothing of a luxury brand for 100€-500€	<input type="checkbox"/> An article of jewellery worth more than 500€
<input type="checkbox"/> A leather good worth more than 200€	<input type="checkbox"/> A watch worth more than 5,000€
<input type="checkbox"/> Cosmetics or perfume worth more than 40€	<input type="checkbox"/> A mobile phone worth more than 2,000€
<input type="checkbox"/> An article of jewellery for 150€-500€	<input type="checkbox"/> Hi-fi stereo or video equipment worth more than 2,500€
<input type="checkbox"/> A watch for 400€-500€	<input type="checkbox"/> A piece of furniture worth more than 5,000€
<input type="checkbox"/> A pen or lighter worth more than 100€	<input type="checkbox"/> Silverware worth more than 500€
<input type="checkbox"/> A bottle of champagne or wine worth more than 30€	<input type="checkbox"/> Porcelain worth more than 1,500€
<input type="checkbox"/> None of the above products	<input type="checkbox"/> An Automobile worth more than 60,000€
	<input type="checkbox"/> A sailing or motor yacht worth more than 300,000€
	<input type="checkbox"/> None of the above products

Source: based on Dubois and Duquesne (1993, p. 39).

2.2.3.3. The Luxury Affection Scale

The development of a luxury affection scale was based on the conceptual groundwork, existing literature (e.g. Dubois et al. 2005, p. 117; Heine and Trommsdorff 2010b, p. 11) and a recent

LCS (Heine and Trommsdorff 2010a), which also serves as a basis for the case study on VPA in section 2.3.

The scale consists of eight items covering cognitive, affective and connotative statements. Figure 2.4 displays these statements including their German originals in cursive characters. All together, 3,037 respondents rated these statements on a Seven-point Likert scale ranging from “strongly disagree” to “strongly agree.” The elimination of inconsistent data sets led to a net sample of n=2,681. Compared to the general public, this convenient sample includes a larger proportion of young people (65% are below 30), women (56%) and people with a high level of education (about 85% passed at least their A-levels). A factor analysis of all statements using principal components analysis and varimax rotation led to a single-factor solution with an explained variance of 73%. The scale has a decent reliability with a Cronbachs Alpha of .948 and item-scale-correlations for each statement of at least .762 (negative statements were reverse-scored).

Figure 2.4.: The Luxury Affection Scale

Category	Statements	Factor loadings	Item-Scale-Correlations
Cognitive	I know many luxury brands. <i>Ich kenne eine Vielzahl von Luxusmarken.</i>	.816	.762
	I DON'T know much about luxury brands and their products. <i>Ich weiß NICHT viel über Luxusmarken und -produkte.</i>	.833	.782
Affective	I am interested in products from luxury brands. <i>Ich interessiere mich für Luxusmarken und -produkte.</i>	.895	.856
	I feel attracted by luxury brands and products. <i>Ich fühle mich zu Luxusmarken und -produkten hingezogen.</i>	.897	.858
	I DON'T like luxury brands and products. <i>Ich mag Luxusmarken und -produkte NICHT.</i>	.855	.806
	It is important to me to consume products from luxury brands (in future). <i>Es ist mir wichtig, Produkte von Luxusmarken (in Zukunft) zu besitzen.</i>	.841	.788
Connotative	I regularly consume products from luxury brands. <i>Ich kaufe regelmäßig Produkte von Luxusmarken.</i>	.826	.772
	I want to consume products from luxury brands (also) in the future. <i>Ich beabsichtige (auch) in Zukunft Produkte von Luxusmarken zu konsumieren.</i>	.883	.842

2.2.3.4. Applicability of the Identification Methods

The **selection and adaptation** of an identification method depends on the LCS target group, which is illustrated in figure 2.5. Approximation is common for the identification of (potential)

luxury and non-luxury consumers, but could also be used for the identification of luxury insiders. The luxury consumption scale is usually employed for the identification of luxury and non-luxury consumers, but could be adapted for potential luxury consumers by asking for purchase intentions and for brand/product-specific luxury consumers by changing the scope of the product catalogue. The luxury affection scale is the only method for the identification of genuine and sceptical luxury consumers and can be adapted for the identification of any of the other LCS target groups. For instance, general luxury insiders could be identified by using only the cognitive statements and potential luxury consumers could be identified by adapting or deleting the connotative statement about present luxury consumption. In addition, the scale could also be easily adapted to specific categories such as luxury fashion or cars.

Compared to the luxury scales, **approximation** requires less effort and is therefore a popular, but still inaccurate method. Many studies rely on big earners or students to represent (potential) luxury consumers. Dubois and Duquesne (1993) found out that luxury consumption is explained to a large extent by value preferences, which implies that many big earners do not belong to the segment of luxury consumers. Vigneron and Johnson (2004, p. 492) try to justify the **suitability of student samples** for LCS by their popularity. However, there is evidence that “students are not typical consumers and [should not] be used as surrogates for real consumers” (Christodoulides et al. 2009, p. 399; James and Sonner 2001), which seems even more evident for the specific target group of luxury consumers. As many students have neither interest nor experience in luxury consumption and might never become luxury consumers, it is obviously inappropriate to target them by the approximation method to represent (potential) luxury consumers. However, the differentiation of research objectives and target groups of LCS provides **several opportunities to employ students** for these surveys. Indeed, many LCS require only luxury insiders, who can also be identified by the luxury affection scale within the student segment. In addition, the scales can even be used to identify actual luxury consumers within that group.

After the identification of respondents, the next challenge is to motivate them to participate in a LCS. This will be discussed in the next paragraph with a focus on its core target group of luxury consumers.

Figure 2.5.: Relationships between Target Groups and Identification Methods

Target Groups	Identification Methods					
	Approximation by correlated variables	Luxury Consumption Scale		Luxury Affection Scale		
		Purchase	Purchase Intention	Cognitive	Affective	Conno- tative
Luxury Insiders	■			■		
Genuine				■	■	
Sceptical				■	■	
Luxury Consumers	■	■				■
Genuine				■		
Sceptical				■		
Non-Luxury Consumers	■	■				■
Distant NLC					■	■
Potential LC	■		■		■	■

Source: own figure.

2.3. Motivation of Participants for Luxury Consumer Surveys

2.3.1. Methods of Participant Motivation

The primary objective of these methods is to **increase the survey response rate**. According to the **hierarchy-of-effects model** by Helgeson and Voss (2002, p. 309) this requires researchers to motivate potential respondents to pass five essential phases including the (1) **attention** for the survey, (2) **intention** of survey participation, (3) **completion** of the survey, (4) **return** of the completed questionnaire (which is not critical for online surveys) and (5) **interest in the results**, which can influence future survey-response behaviour. Another objective of participant motivation is to increase the **data quality** by reducing the selection, measurement and non-response errors that can cause biased samples and results. The selection error occurs if some members of the target population are less likely to be included in the sample than others and can lead to differences in the characteristics (and answers) between the respondents and the target population. The measurement error (inaccurate answers) and the non-response error (missing

answers from possibly dissenting non-respondents) can be caused by the measurement instrument (e.g. unclear questions) and its impact on the respondents (e.g. on their understanding of the questions and their motivation; Dillman 2007, p. 11).

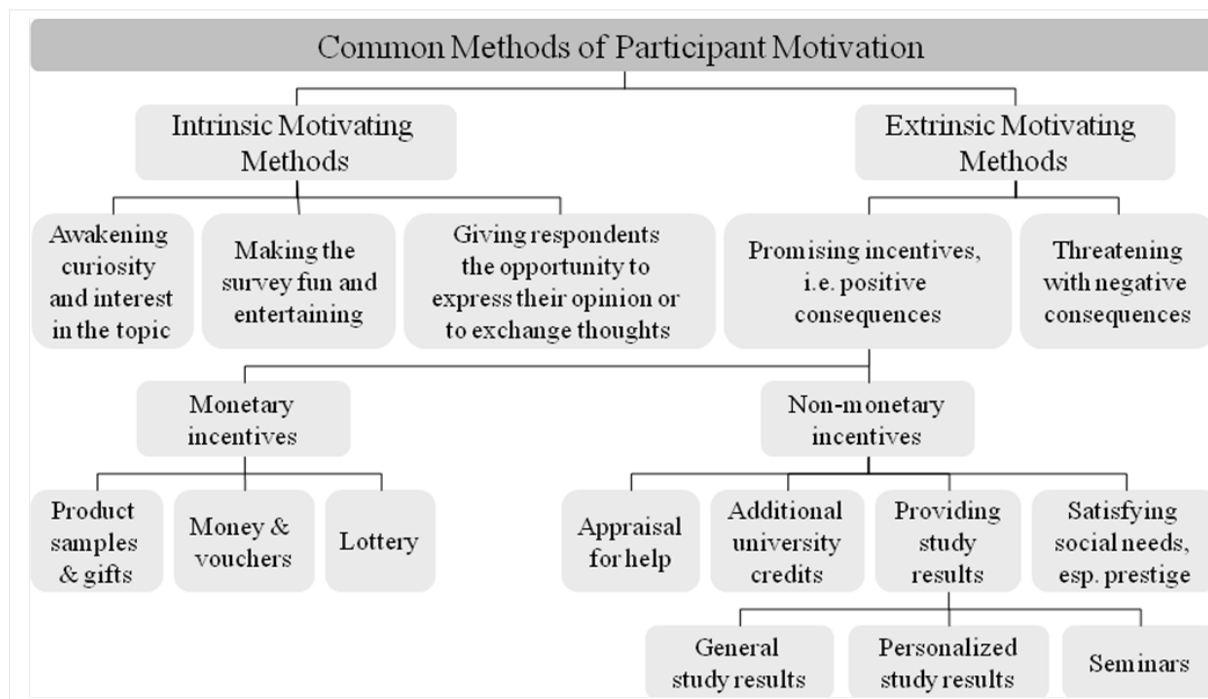
As a basis for the discussion of motivation strategies for luxury consumers, the **common practice of participant motivation** was explored with an analysis of A-level marketing journals, which covered all articles (255 in total) that were published in the Journal of Marketing, the Journal of Consumer Research and the Journal of Marketing Research between June 2008 and September 2009. All together, 91% of the articles include empirical studies (2.6 on average and 602 in total), which rely to a greater extent (61%) on student samples. About one in ten studies (12%) relies on non-reactive methods so that participant motivation is of no consideration. Only a small proportion of the studies (8%) contains explicit information about the participant acquisition and motivation, which suggests that this is still not seen as an essential aspect of research methodology.

However, this analysis allows for the development of a **categorization of common methods of participant motivation**, which is illustrated in figure 2.6. First of all, they can be distinguished into intrinsic and extrinsic motivating methods. **Intrinsic motivating methods** include **awakening curiosity and interest** of potential respondents in the subject, creating questionnaires that allow them to **have fun or be entertained** or give them the opportunity to be heard and to **express their opinion**.

Extrinsic motivating methods can be further differentiated into promising incentives (i.e. positive consequence) and **threatening with negative consequences**. The latter includes for instance threatening students with negative consequences for their studies. The use of any form of monetary or non-monetary incentive was mentioned in more than half of the surveys (54%). About one third of the surveys (35%) rely on **monetary incentives**, which comprise **product samples or gifts** (used by 7% of all surveys and often include sweets or small utility products), **money and vouchers** (used by 21% of the surveys) and the chance to win a prize in a **lottery** (used by 7% of the surveys). The level of monetary rewards depends on the university and ranges mainly from 2 to 10 US\$. **Non-monetary incentives** cover an **appraisal for help, additional university credits, information about the study results** and **possibilities to increase the respondents' prestige**, which includes mentioning them as experts in any publication about

the study. A large part of student-based surveys (41%) rely on additional credits. Even if it might actually be more common in practice, providing study results was mentioned in only 5% of the surveys. In very few cases respondents receive personalized study results or even an invitation to a seminar about the study results.

Figure 2.6.: Common Methods of Participant Motivation



Source: own figure.

2.3.2. Motivation Strategies for Luxury Consumers

Even if not mentioned explicitly, the analysis suggests that most LCS rely at least implicitly on the respondents' **willingness to help** the researcher, which makes it the reference for the evaluation of all other methods. This strategy builds on the theory of cognitive dissonance, which constitutes that people participate in a survey in order to avoid the state of discomfort that would be caused by their non-compliance with the social norm of supporting someone who asked for help (Furse and Stewart 1984, p. 81 et seqq.). This implies that the response rate can be increased with an explicit appeal for help in the survey invitation. The data quality benefits from cooperative respondents who are likely to answer the questionnaire accurately. Therefore, Sukhdial et al. (1995, p. 12) use this strategy as a quality criterion for their study: “beyond an appeal to help the researchers, respondents were not offered any other incentive to

complete the surveys.” An effective way to inspire respondents’ willingness to help is any form of **personal contact**, which includes survey invitations by phone or possibly even in person (Nia and Zaichkowsky 2000, p. 488; Prendergast and Wong 2003, p. 160; Matthiesen and Phau 2005, p. 320; Vickers and Renand 2003, p. 468; Wong and Zaichkowsky 1999, p. 313).

On a first glance, **monetary incentives** seem promising for the acquisition of luxury consumers for empirical studies. Indeed, they are common for LCS (e.g. Neese and Hult 1996, p. 50) and especially for commercial surveys. This strategy builds on the **social exchange theory**, which constitutes that potential respondents choose whether to participate in a survey based on a comparison of its expected costs and benefits (Dillman 1978, p. 12 et seq.). Accordingly, the motivation for survey participation should be stimulated by decreasing its costs such as the required time and by increasing its benefits for instance with monetary incentives. While they generally have a positive impact on the response rate (Groves et al. 2004, p. 4), there is much evidence to suggest that they can also decrease people’s motivation. For instance, most people would help their neighbours to carry a sofa up the stairs if they were asked for a favour, but not if they were offered a little lump sum of 50 Cent. Accordingly, the study of Deci (1971, p. 107 et seqq.) demonstrates that monetary incentives can cause the feeling of external control, divert (also originally intrinsic motivated) participants from their original motivations and make them reconsider the costs and benefits of their survey participation. As monetary incentives are usually quite moderate, the resulting cost-benefit ratio is considered as unattractive by many potential respondents and especially by wealthy luxury consumers. Therefore, monetary incentives might discourage especially luxury consumers from participating in a survey and therefore decrease the response rate. In addition, they might attract only a particular (lower) segment of the target population and even some role-playing survey work professionals, which can increase the selection and non-response errors. Even if real luxury consumers still participate, monetary incentives might motivate them to improve their cost-benefit ratio by answering not as accurately, but as quickly as possible. This is supported by Gistri and Pace (2010, p. 8) who complained that many respondents focused especially on the monetary incentives, which increased the measurement error and even made a big part of their data set unusable. However, the level of monetary incentives that would really motivate luxury consumers simply outstrips the budget of most researchers.

Another tempting approach to increase the response rate might be to enforce students to answer a questionnaire. Because of their negative impact on the intrinsic motivation and ultimately on the data quality (Deci 1971, p. 105), **threatening with negative consequences** should be reincorporated through promising positive consequences such as **additional university credits** (e.g. Neese and Hult 1996, p. 49). Kemp (1998, p. 594) complemented this approach with monetary incentives for his students not to participate in his study, but to find adequate participants (Christodoulides et al. 2009, p. 399; Tsai 2005, p. 440), which helps to prevent the negative impact of monetary incentives on actual respondents. Moreover, this demonstrates that LCS could benefit by relying not on the often non-existing purchase experience of students, but rather on their social network. According to this idea, **student-accelerated snowball sampling** integrates the acquisition of non-student respondents as practical work in student seminars. For instance, students were instructed in a seminar on luxury consumer behaviour to recruit heavy luxury consumers mainly from their circle of acquaintances (Heine 2009b, p. 28). By selecting a very mixed group of students, it is likely to obtain a sample that covers a broad variety of personality types. Besides this, this approach can enhance the motivation of potential respondents as it allows them to help not just an unfamiliar researcher, but also someone they know. The resulting sample covered an arrogant and awe-inspiring football manager, who would have never spent his time on a scientific survey for any another reason than accommodating his daughter's wish, who was friends with one of the students. This shows that another benefit of this approach is to provide access to luxury consumer segments which are difficult-to-reach or even inaccessible with a more direct approach. Although students are motivated by course credits, the acquisition of the actual respondents also relies on the appraisal for help in the end.

However, studies about the value preferences of luxury consumers indicate that helping someone is usually not their maxim in life (Heine and Trommsdorff 2010b, p. 13). These insights and the disadvantages of monetary incentives suggest thinking about some intrinsic motivating strategies that focus on the attractiveness of the measurement process and on other non-monetary incentives that could convince luxury consumers to participate in a survey in the best case scenario because they simply like it and because it is in their own interest. As this idea coincides with the notion of viral marketing, it seems promising to adapt this concept for VPA. Therefore, the next section introduces the concept of viral marketing and presents a case study about the implementation of VPA.

2.4. Viral Participant Acquisition

2.4.1. Characteristics of Viral Marketing

Jurvetson (2000) first coined the term of viral marketing in 1997 and **defined** it as “network-enhanced word of mouth”. It aims to animate potential consumers to propagate a product to their acquaintances on the Internet and to employ their resources such as their personal network, time and communication equipment. Successful viral marketing campaigns spread information exponentially between people. This requires the creation of a teaser, which attracts initial attention from the target group and offers them a real benefit, which encourages them to participate in the campaign and even to tell others about it in their own interest. People participate in viral marketing campaigns for fun or because of curiosity and interest, but also because of extrinsic motivations, which include cultivating contacts, making someone a little present or enhancing their prestige and social self-image (Langner 2007, p. 27).

2.4.2. Overview about the Survey

The objective of this study was to analyse traits and dimensions of the luxury brand personality. The online questionnaire was organized as follows: After an introduction, respondents were asked about their awareness of and affection for different luxury fashion brands and to complete the luxury affection scale. In the main section, they had to rate on a seven-point Likert scale several brands on about 50 personality traits. In addition, they were asked to rank their value priorities and to indicate some common demographic information. The target group of this study was luxury insiders.

2.4.3. The Implementation of Viral Participant Acquisition

Principle I: Attract the Attention of the Target Group with an eye-catching Teaser

According to the hierarchy-of-effects model by Helgeson and Voss (2002, p. 309), the first step of VPA is to awaken the target group’s attention and interest in the topic. For a teaser to become viral, it is usually effective to use some emotional and especially humorous or even provocative content (Phelps and Lewis 2004, p. 338). Accordingly, a set of seven teasers was developed

(see figure 2.7). Adequate images can be found in any online library for royalty-free pictures (such as pixelio.de). The teasers contain an introduction to the topic with a stimulating question or quote and an invite to the “The Great Luxury Study” (originally in German). However, they have a very different style in order to attract various personality types and to meet the tastes of the major luxury consumer segments, which were identified in an earlier study and cover traditional, status-oriented and non-conform consumers (Heine and Trommsdorff 2010b, p. 13). VPA builds on various online communication channels. First of all, survey invitations were emailed to potential respondents containing a motivating text, a teaser and of course a link to the questionnaire. In addition, these invitations were placed in forums, newsgroups and social networking platforms.

Principle II: Create a Benefit that makes People willing to participate in their own Interest

According to the social exchange theory, the success of a viral participant acquisition campaign relies on the target groups’ evaluation of its cost-benefit ratio. Besides decreasing their costs such as the required efforts to access the questionnaire, the focus of this step is to increase their benefits, which should be attractive enough to motivate potential respondents to pass through all further phases of the hierarchy-of-effects model. For this purpose, an entertaining questionnaire design was developed by using brand logos and inspiring, varying and also Flash-animated questions, which should encourage the intrinsic motivation of respondents. On top of this, respondents received a detailed personalized evaluation directly at the end of the questionnaire as a non-monetary incentive, which should encourage also their extrinsic motivation. Online survey software usually offers a great choice of question types, but only a few possibilities to display survey results to the respondents (as this is still not common). However, existing functions still allows the creation of personalized evaluations, which should offer an adequate balance between scientific-based results and entertainment. The evaluation section starts with an overview about the research objectives and relevant results of previous studies. The next screen displays a personalized value profile in a radar chart according to (Schwartz 2006, p. 2) and some further explanations. The subsequent screen introduces the concept of luxury brand personality followed by a personal profile of brand personality preferences, which provides respondents with some guidance for their next shopping trips. Entertaining features include a statement about their personal predisposition to suffer from a serious luxury addic-

tion and an amusing description of their specific luxury consumer type with about 500 potential combinations.

Principle III: Trigger a Network Virus by Motivating Respondents to even recruit Others

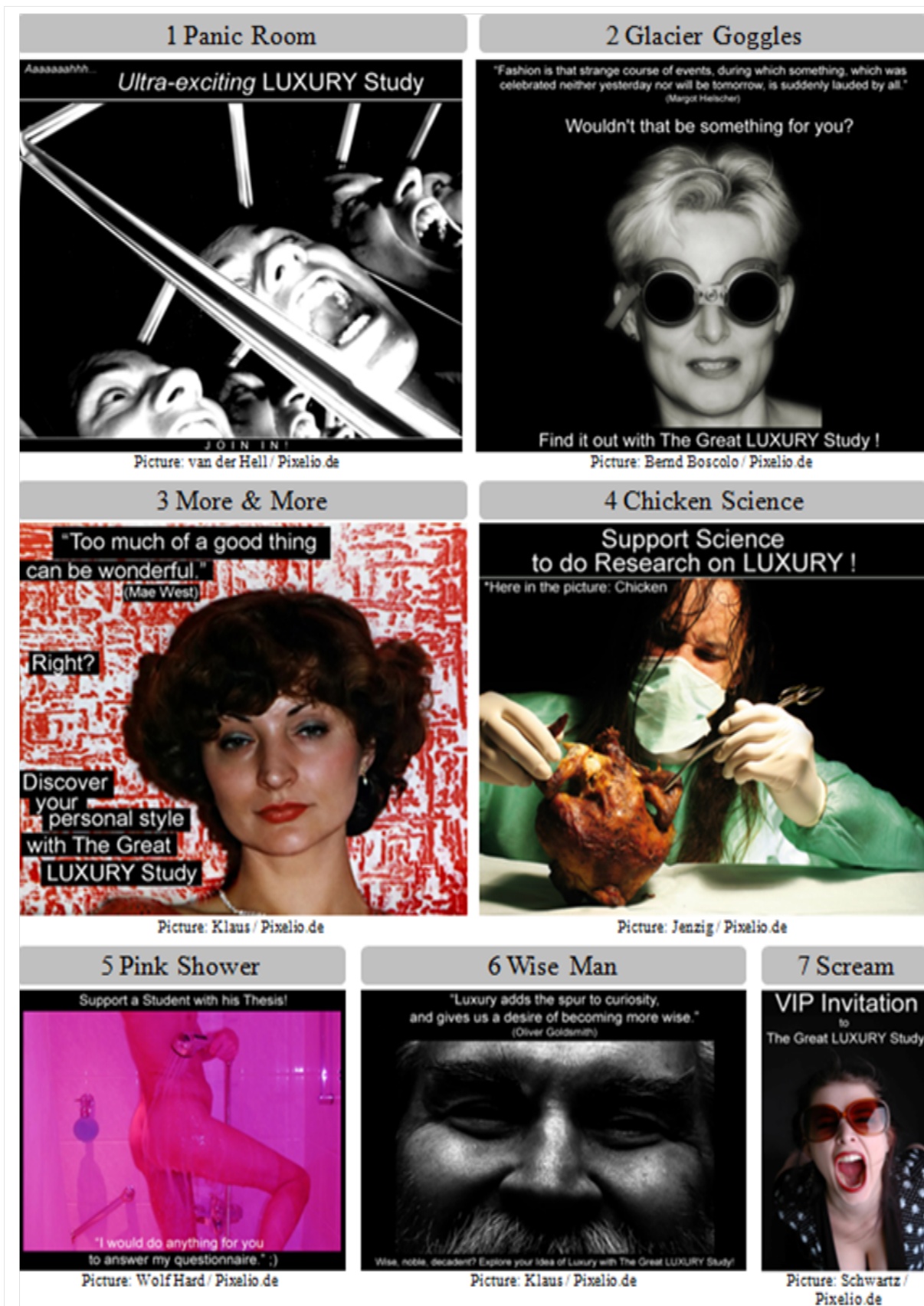
According to the idea of viral marketing, respondents should be employed to also support participant acquisition in exchange for the opportunity to satisfy any social need such as prestige. As a prerequisite, the overall benefit must meet or even exceed the expectations of the respondents. Based on this, the key task of this step is to reduce their costs such as time and effort for sharing the benefit with others. Therefore, survey invitations were promoted by email and Internet postings, which can be easily shared and discussed with other people. In addition, the questionnaire was complemented with a recommendation form, which allowed respondents to select a teaser, to add some personal greetings and to invite their friends to the study. The respondents and their email addresses appeared as the originators of these invitations. This practice also has a positive impact on the response rate because people tend to open emails from friends, but often ignore messages from unknown senders (Phelps and Lewis 2004, p. 338).

2.4.4. Evaluation of Viral Participant Acquisition for Luxury Consumer Surveys

The impact of VPA on the response rate was **tested with an initial mailing** to a sample of 1,011 university alumni. It was sent out in 16 different versions covering four combinations with or without personal evaluation and (seven different) teasers. The mailing software registered a delivery failure rate of about 6% (61 recipients) and a rate of opened emails of about 41% (389 people opened the email). The response rate is defined as the ratio of the number of completed questionnaires and opened emails, which amounts in total to 38% (149 completed questionnaires).

As shown in figure 2.8, the **response rate** for mailings including a teaser is 40% (120 completed questionnaires), while it is just 33% (29) for mailings without a teaser. In addition, it is 34% (66) for study invitations that did not promise an evaluation as compared to 42% (83) for mailings promising an evaluation. Since the sample has to be cleaned from non-target group respondents, the adequate net response rate refers to the ratio of completed questionnaires from

Figure 2.7.: Teasers for Viral Participant Acquisition



the target group of luxury insiders and opened emails while delivering some surprising insights: The reference value is a net response rate of 9% for standard emails without either a teaser or an evaluation. With the help of teasers, it nearly doubles to 17%. However, for email versions including an evaluation, the teaser makes only a relatively small difference of about 3% (from 26% to 29%). Compared to the standard version, providing an evaluation triples the response rate to 26% or even 29% if also combined with a teaser. The impact of VPA partly evens out for the general sample since teasers and evaluations have a negative impact on the response rate of non-target group recipients. While there is a response rate of 24% for the standard version, it decreases to 18% for mailings with teasers and to only 7% when combined with promising an evaluation.

The **social exchange theory helps to explain** these seemingly paradoxical results: Offering non-luxury insiders a luxury style counselling might divert them from their original motivation of “helping someone” to “receiving an incentive”, which they could perceive as an uninteresting lump sum. On the contrary, luxury insiders are much more interested in the topic and therefore might perceive personalized evaluations as a more valuable benefit. However, standard emails also led to reasonable response rates, which show that the willingness to help is also still a major reason for luxury consumers to participate in scientific surveys. Accordingly, the appeal to help should not be substituted, but complemented with VPA.








Besides that, the net response rate varies **depending on the teaser**. For example, it ranges from only 12% for the “Panic Room” to 31% for the “Wise Man” teaser. These figures reveal that teasers can even cause a negative effect on the response rate. However, teasers with a relatively low response rate should not be necessarily eliminated as they might help to prevent narrow sampling by attracting a broader range of personality types.

Moreover, there is also some evidence that VPA triggers some **word-of-mouth**, as about one in seven respondents recommended the study to at least one friend and almost 40% of them subsequently completed the questionnaire.

All together, these results demonstrate that VPA has a **positive impact** on the overall response rate and an even stronger impact on the response rate of the actual target group of luxury insiders, which makes it especially suitable for LCS. VPA actually has the potential to trigger the respondents’ intrinsic motivation by its creative survey design and their extrinsic motivation for

Figure 2.8.: Evaluation of Viral Participant Acquisition

Email Version	Opened emails	Completed questionnaires			Response rates		
		Total	Non-target group	Target group	Total	Non-target group	Target group
without evaluation	192	66	37	29	34%	19%	15%
with evaluation	197	83	29	54	42%	15%	27%
without teaser	87	29	14	15	33%	16%	17%
with teaser	302	120	52	68	40%	17%	23%
no teaser and no evaluation	45	15	11	4	33%	24%	9%
teaser and no evaluation	147	51	26	25	35%	18%	17%
no teaser and evaluation	42	14	3	11	33%	7%	26%
teaser and evaluation	155	69	25	44	45%	16%	29%

Email Version	Opened emails	Completed questionnaires			Response rates		
		Total	Non-target group	Target group	Total	Non-target group	Target group
 Wise Man	39	19	7	12	49%	18%	31%
 Glacier Goggles	51	24	9	15	47%	18%	29%
 Scream	51	19	5	14	37%	10%	27%
 Pink Shower	41	17	6	11	41%	14%	27%
 Chicken Science	42	14	6	8	33%	14%	19%
 More & More	37	9	4	5	25%	11%	14%
 Panic Room	41	18	13	5	44%	32%	12%

instance by providing them with opportunities to help someone, to gain prestige in their social network and to receive personalized evaluations. In contrast to most other extrinsic motivating methods and especially to monetary incentives, personalized evaluations allow the objectives of researchers and respondents to be complementary. Respondents are motivated to answer the questionnaire accurately as they would like to receive meaningful evaluations. This suggests that VPA also has a positive impact on the data quality. On the contrary, VPA might still cause selection and non-response errors as it relies on the self-selection of respondents. However, these errors also occur with monetary incentives, but are reduced by incorporating a variety of motivation methods and a mixed set of teasers, which attracts a big variety of personality types.

2.5. Conclusions

The conceptual part of the paper contributes a categorization of research objectives, target groups and identification methods of LCS, which has led to some major implications: It clarified that it is actually acceptable for many LCS to target luxury insiders, the prerequisite being some knowledge about luxury, but no extensive consumption experience. Although it demonstrated that it's inappropriate to infer a relatively high level of (future) luxury consumption from the occupational category of students, it proposed two strategies for the use of students for LCS. Besides the possibility to improve student samples with reasonable effort by using the luxury scales to identify luxury insiders or consumers within that group, this also includes the use of their network by student-accelerated snowball sampling. In addition, the paper also contributes a discussion of the means of participant motivations for LCS, suggesting that (moderate) monetary incentives are mostly neither effective nor necessary for LCS as there are promising non-monetary incentives and intrinsic-motivating methods. This led to the idea of viral participant acquisition, which aims to create an inner desire for luxury consumers to participate in a survey and even to convince their acquaintances to participate as well. However, this requires researchers to not only think about what respondents could do for them, but also about what they could do for the respondents in exchange for their participation. The case study illustrates the implementation and benefits of VPA and provides some guidance and inspiration to exploit the varied opportunities of the Web X.0 for future LCS.

Part III.

Emotional Component of the Luxury Brand Identity: Luxury Brand Personality

3. Paper 3: Practicable Value-Cascade Positioning of Luxury Fashion Brands

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Abstract: An increase in competition turned consumer-centred management into a key success factor. The transfer of an ultimate consumer orientation to brand positioning could change its logic: While positioning maps generally portray the position of a brand in the minds of consumers relative to its competitors, rigorously consumer-oriented positioning maps depict what consumers with preferences for a certain brand actually want – as compared to consumers with preferences for competitor brands. The construct of human values refers to people's wants and goals in life, influencing their behaviour including their brand preferences. There is a cascade from preferences for certain values that flow into preferences for certain brands. Value-Cascade Positioning (VCP) builds on that relationship and maps a brand depending on the values of its consumers and possibly other constructs of consumer behaviour intervening in this relationship, such as attitudes and motives, for example. However, daily business customs require that the complexity of the methodology and especially that of the results is reduced to simple figures and models that are easy to understand and to communicate. The objective of this article is therefore to outline a concept of VCP, which combines a scientific base with practicable business requirements. This concept will be demonstrated and tested for the case of luxury fashion brands with the data from two recent luxury consumer surveys. In doing so, the paper also presents some new insights regarding characteristics of luxury consumers. Results include VCP maps of selected luxury fashion brands and instructions for the application of VCP. The paper continues to discuss its benefits and concludes that VCP can complement common positioning with valuable consumer insights that may inspire brand management and help to create competitive advantages.

3.1. Introduction

According to the **consumer-orientation** of modern marketing, **brands** are defined as images in the minds of consumers and other target groups (Aaker 1996, p. 68). **Positioning** is one of the most important strategic tools in marketing, helping to analyse these images and **perceptions of consumers** about a brand. The positioning map generally portrays the position of a brand in the minds of consumers relative to that of its competitors. The goal of positioning is to identify a position that differentiates a brand from its competitors and best matches the desires of its target group (Trommsdorff 2007; Trommsdorff 2009, p. 169 et seqq.). In times of **recession**, companies are trying even harder to differentiate themselves from competitors and lure consumers back into the shops. In order to do so, they first need to delve deep into the minds of their consumers and understand what (perceptions) they really want. If **consumer orientation** is a key to survive the economic storm, it makes sense to rethink the logic of positioning: Companies rely mainly on positioning maps to show them consumers' perceptions of brands. But wouldn't it make sense if the positioning map would portray **what consumers of a brand actually want** as compared to consumers of its competitors?

The **construct of human values** refers to people's wants and goals in life and influences their behaviour, including their brand preferences. So there is a cascade from preferences for certain values that flow into preferences for certain brands (Da Silva Añaña and Nique 2007, p. 293). value-cascade positioning (VCP) builds on that relationship and maps a brand depending on the values of the consumers with preferences for that brand relative to competitor brands and the values of their consumers. There are certainly several other constructs – attitudes and motives, for example – factoring into the relationship between values and brand preferences. VCP may consider further constructs, but it cannot represent completely their complex relationships. It should therefore not be used to substitute, but only to complement regular positioning with valuable **consumer insights** to inspire brand management. The quality of its results depends on the scientific foundation of the integrated constructs, their measurement and interpretation. Still, **day-to-day business practice** proves that the complexity of the methodology and the study results need to be reduced to simple models and figures that are easy to understand and to communicate: Managers often prefer a three-slides-summary from an intern, not the 500-pages-report. The **objective of this article** is therefore to outline a concept of VCP that combines a scientific

base with practicable business requirements. The application of VCP will be demonstrated and tested for **the case of luxury fashions brands** with the data from two recent TU Berlin luxury consumer surveys. Using these means, the article presents also some new insights about the characteristics of luxury consumers. **Luxury brands** are especially well-suited to VCP because their **symbolic benefits** often exceed their functional benefits (Lebas et al. 1990, p. 48), in other words consumers buy luxury brands for what they stand for (Dubois and Duquesne 1993, p. 37), i.e. for their symbolic positioning. Moreover, the symbolic meaning of luxury brands conveys to a large extent personality traits and **personal values** in particular (Vigneron and Johnson 2004, p. 490), which matches with a value-based positioning.

The article is organised as follows: Section 3.2 outlines the idea of VCP and its theoretical base including the construct of values and its categorisation. Section 3.3 gives an overview of the empirical studies on luxury consumers, followed by an explanation about the concept of luxury and the identification of luxury consumers. The ensuing sections 3.4 and 3.5 present the values of luxury consumers and their relationships to the motives of luxury consumption. Building on this, section 3.6 illustrates the development of VCP maps and explains its benefits. Finally, section 3.7 represents an outlook and a conclusion

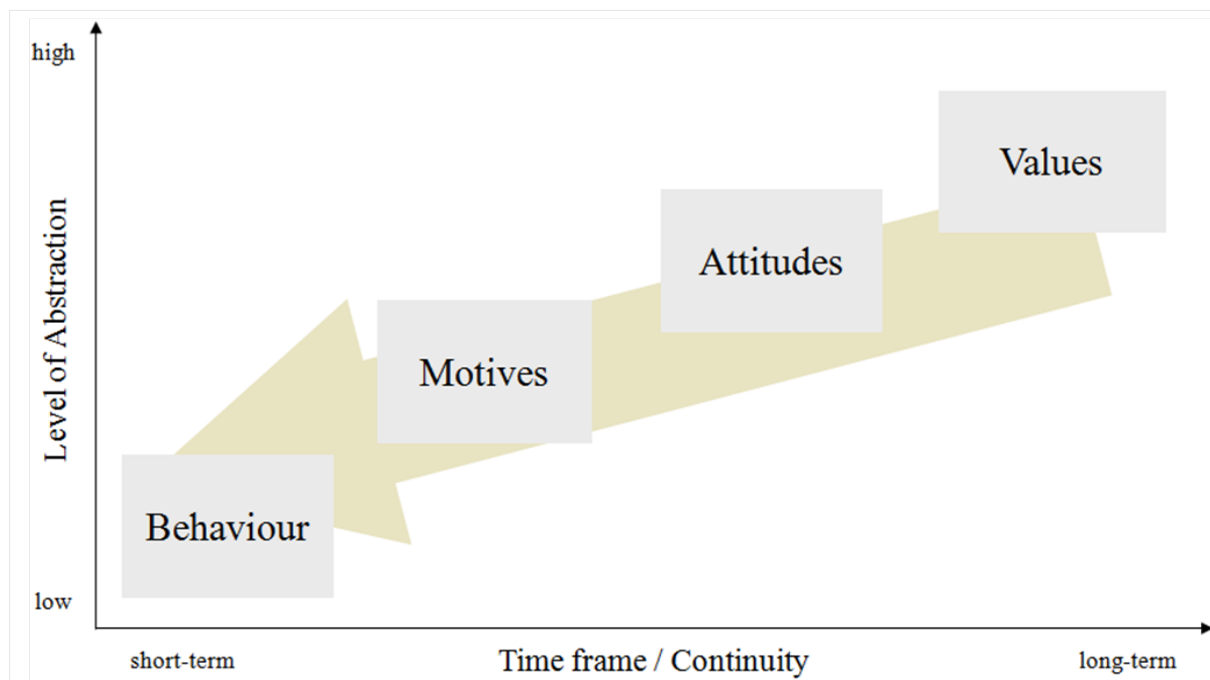
3.2. Conceptual Groundwork

3.2.1. The Values-Attitudes-Motives-Behaviour Cascade

Values can be defined as “desirable, trans-situational goals, varying in importance, which serve as guiding principles in people’s lives” (Schwartz 2006, p. 2; Rokeach 1973, p. 3). As they represent peoples aims in life, values are highly relevant and help to predict peoples’ behaviour, including their brand preferences (Da Silva Añaña and Nique 2007, p. 293). However, figure 3.1 demonstrates that there are several other constructs of consumer behaviour, such as attitudes and motives for example, intervening in the relationships between values and brand preferences (Trommsdorff 2009, p. 41).

The constructs vary in their time horizon and level of abstraction. Values exhibit the highest level of abstraction, meaning they are “trans-situational“ and apply to all aspects of life. They are also the most long-term-orientated construct, i.e. they change relatively little over a certain

Figure 3.1.: The Values-Behaviour-Cascade



Source: based on Trommsdorff (2009, p. 41).

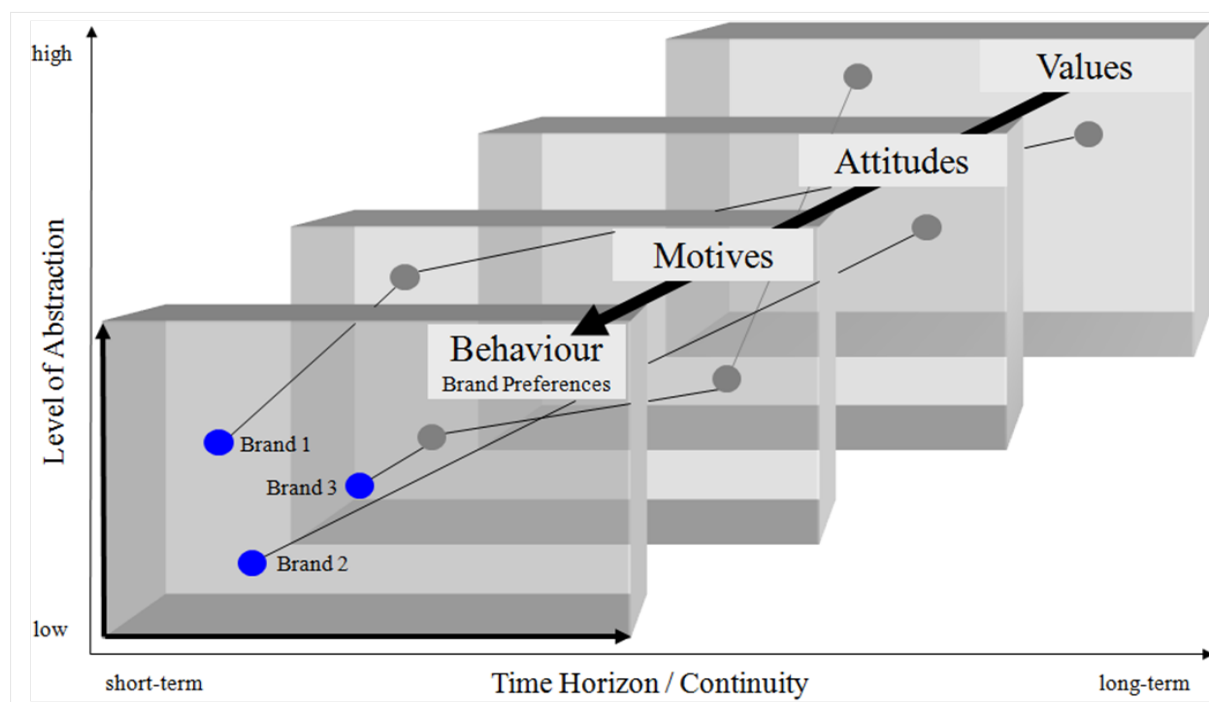
period of time. In comparison to that, attitudes are not “trans-situational“, but refer to specific actions, objects or situations. Moreover, people adapt their attitudes more frequently (Trommsdorff 2007, p. 189 et seqq.). The values-behaviour cascade serves as the basis for VCP, which is explained below.

3.2.2. The Idea of Value-Cascade Positioning

The purpose of VCP is to **turn the focus from the brand rigorously to the consumer**: While positioning maps generally portray the perceptions of consumers about a brand, VCP maps depict what consumers with preferences for a certain brand actually want – as compared to consumers with preferences for competitor brands. Because of the match between the means (their brand preferences) and ends (their values), the values-behaviour cascade provides the theoretical framework for VCP. As figure 3.2 demonstrates, the position of a brand offers a glimpse through the layers of the values-behaviour cascade back to the values as the highest-order construct in this model of “motivational sphere” (Shcheglova 2009).

The simplest version of VCP considers only values and brand preferences. It is based on the fact that (luxury) brands represent certain values and attract consumers with similar values –

Figure 3.2.: Employing the Values-Behaviour-Cascade for Brand Positioning



Source: based on Trommsdorff (2009, p. 41).

and may disgust consumers with opposing values. In contrast to “perceptual maps”, Mazanec (2001, p. 894) describes positioning maps that are inferred by brand choice as “choice maps”; while the current version of VCP leads to “preference maps” (Elrod 1988). However, there are several other constructs intervening in the relationships between values and brand preferences such as attitudes and motives. This explains why a certain value preference does not always lead to similar brand preferences – or why preferences for a certain brand do not necessarily rely on the same values. Therefore, it is recommendable to integrate further constructs – which could lead to multi-layer positioning maps. But for the sake of practicability, other constructs may also be integrated with separate analysis (as explained below). This deepens the understanding of the values-behaviour relationships of the target group.

3.2.3. Literature about Value-based Positioning

As the construct of values is individual-related, the interest in the literature focuses mainly on value-based consumer segmentation. What is more, relevant literature often also refers to brand positioning, with examples including Boote (1981), Kennedy et al. (1988), Novak and MacEvoy (1990), Kamakura and Novak (1992) and Sukhdial et al. (1995). As common demographic

variables today often lack predictive accuracy for the purpose of consumer segmentation, value-based segmentation has become increasingly popular in many businesses.

The idea of **value-based positioning** was first introduced by Herrmann and Huber (2000) and received relatively little attention in the literature. They explained the employment of means-end-analysis as a basis for value-based positioning. There are a number of marketing literature articles about means-end-analysis that also refer to brand positioning, though that is not their primary focus (e.g. Reynolds and Gutman 1984; Prakash 1986; Kliebisch 2002) as well as articles about positioning that also consider consumer values (e.g. Padgett and Mulvey 2007). While Herrmann and Huber's approach delivers rich insights, there are no easy-to-use positioning maps. However, qualitative means-end-analyses are relatively complex and time-consuming – and therefore often difficult for most businesses to implement.

Some **consulting companies** also employ the concept of Value-Based Positioning (e.g. Roland Berger, Howaldt 2005), though these concepts often **lack valid theoretical and methodological foundations**. They are often build on home-made value categorizations that are easy-to-use, but often contain inconsistencies and confuse values, attitudes, motives, lifestyles, and other constructs. They simply cannot match scientific value categorizations based on many years of research. In contrast to VCP, these tools do not position a brand depending on the values of its consumers, but portray value-related perceptions of consumers about a brand.

The first step towards the development of a VCP is determining the underlying value categorization system, which is the objective of the following paragraph.

3.2.4. The Categorization of Values

There is a **wide variety of literature** on the categorization and measurement of values. The most important approaches include Wickert (1940, p. 163), Scott (1965, p. 37), Senger (1971, p. 417), Rokeach (1973, p. 28), Stoeckeler and Hasegawa (1974, p. 271), Stiksrud (1976, p. 123), Kahle (1983, p. 61; List of Values), Hildebrandt (1983, p. 225), Windhorst (1985, p. 256) and Silberer (1991, p. 45).

For the purpose of this study, we employ the **value categorization system by Schwartz** (Schwartz 1992; Schwartz 2006; Schwartz et al. 2001), which is one of the most widely recognised and widespread categorization systems of human values (Dietz et al. 2005, p. 352). It is based on a multitude of surveys in over 60 countries. Schwartz (2006, p. 2) argues that “it is possible to classify virtually all the items found in lists of specific values from different cultures, into one of [his] motivationally distinct basic values.” His value system consists of ten basic values, which he also terms as “value types.” Table 3.1 gives an overview about these basic values including a short description for each of them. Each basic value consists of a set of sub-values. Benevolence, for example, is explained with the sub-values forgiving, politeness, helpful and loyal.

Table 3.1.: Descriptions of the Basic Values by Schwartz

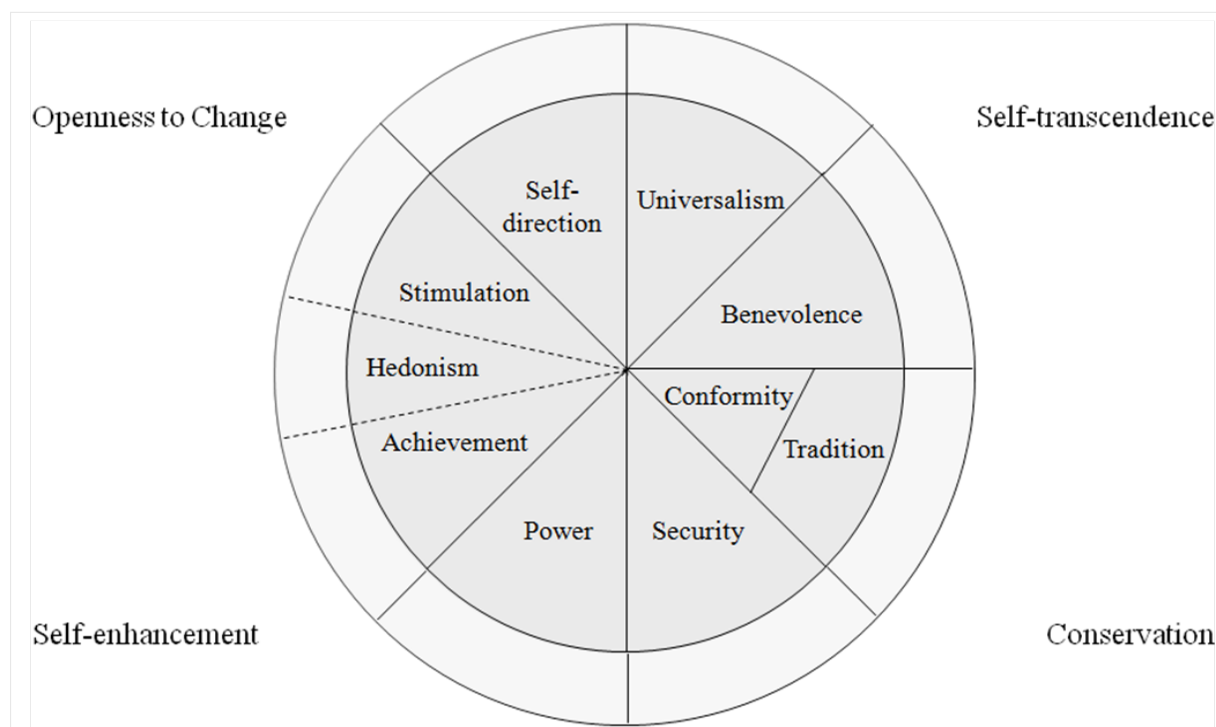
Values	Description
1. Universalism	Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature
2. Benevolence	Preserving and enhancing the welfare of those with whom one is in frequent personal contact (the in-group)
3. Conformity	Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms
4. Tradition	Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provide the self
5. Security	Safety, harmony, and stability of society, of relationships, and of self
6. Power	Social status and prestige, control or dominance over people and resources
7. Achievement	Personal success through demonstrating competence according to social standards
8. Hedonism	Pleasure and sensuous gratification for oneself
9. Stimulation	Excitement, novelty, and challenge in life
10. Self-Direction	Independent thought and action; choosing, creating, exploring

Source: Schwartz (2006, p. 2).

Schwartz (2006, p. 2) argues that “actions in pursuit of any value have psychological, practical, and social consequences that may conflict or may be congruent with the pursuit of other values. The pursuit of achievement values, for example, may conflict with the pursuit of benevolence

values – seeking success for oneself is likely to obstruct actions aimed at enhancing the welfare of others who need one’s help.” The circular structure of his value categorization portrays the relations of conflict and congruity among values (see figure 3.3). The closer any two values in either direction around the circle, the more similar and congruent they are. The more distant any two values, the more antagonistic they are. Schwartz identified two major dimensions: openness to change vs. conservation and self-enhancement vs. self-transcendence. Openness to change values (such as self-direction and stimulation) encourage independence of thought and receptiveness to change – and conflict with conservation values (such as conformity, tradition and security), which refer to self-restriction and preservation of traditional practices and stability. Self-enhancement values (such as power and achievement) encourage pursuing one’s own success and influence, while self-transcendence values (such as universalism and benevolence) encourage pursuing tolerance, social justice and welfare of others (Schwartz 2006, p. 7).

Figure 3.3.: Theoretical Model of Relations among the Motivational Types of Values



Source: Schwartz (2006, p. 3).

The ten value types and the two major value dimensions offer the underlying framework for Value-Cascade Positioning. Moreover, the value cycle (figure 3.3) will be employed for the illustration of the positioning map. Schwartz (1999, p. 36) already analysed the culture of dif-

ferent countries and illustrated each countries' position in his value cycle. For the purpose of VCP, the countries will be exchanged with brands. The next part of the article therefore outlines the empirical data base for the development of a VCP for luxury brands.

3.3. Overview of the Empirical Base

3.3.1. Sampling Procedure

The idea of VCP will be demonstrated with practicable data, which include a quantitative luxury consumer survey and qualitative in-depth interviews with dedicated luxury consumers.

The **quantitative survey** is based on an online questionnaire referring to luxury consumption, personal values, motives of luxury consumption, luxury brand preferences and demographics. Target groups were luxury consumers and non-luxury consumers. The link to the questionnaire and a description of the survey was posted on a wide variety of Internet forums and newsgroups. This led to a convenient sample of $n = 4,000$. The data cleaning considered the completeness and the consistency of responses and led to a net sample of $n = 2,021$. Compared to the general public, respondents included a larger proportion of men (45% women, 55% men) and people with high incomes (20% earn more than €5,000 per month) and high education (about 75% passed at least their A-levels).

As the target group for the qualitative survey (= survey 1) was already described in paper 1 (see part II, section 1.2.2.3), this paragraph was moved into section B.3 in the appendix.

3.3.2. Identification of Comparison Groups

As the definitions of luxury products and brands were already described in detail in the first two papers, these paragraphs were moved into section B.3 in the appendix.

The symbolism of luxury brands mainly refers to human values (Vigneron and Johnson 2004, p. 490). According to the specific characteristics of luxury brands, it is reasonable to assume that their symbolic meaning covers only a **certain spectrum of values**. While some of these values are generally characteristic for luxury brands, there is also a part of the value spectrum that is characteristic only for certain brands and differentiates them from their peers.

For the interpretation of a brand's VCP, it is crucial to understand the characteristic positioning of luxury brands, i.e. the characteristic **values of luxury brands**. As VCP refers to the values of consumers, we have to analyse the characteristic values of luxury consumers. A prerequisite for that purpose is to discriminate luxury from non-luxury consumers.

Dubois and Duquesne (1993, p. 38 et seq.) proposed **identifying luxury consumers** based on their effective luxury consumption. Therefore, they compiled a list of luxury products that covers the major luxury categories and asked respondents to indicate which products they bought or received in recent years. For the purpose of this study, their list of products was extended and adapted in order to meet present market conditions (see figure 2.3, paper 2).

According to Dubois and Duquesne, a **luxury consumer was defined** as any person who had bought or received at least three accessible and two exceptional luxury products. A non-luxury consumer was defined as any person who had neither bought an accessible nor an exceptional luxury product. According to this definition, the **present sample** includes 347 luxury consumers and 494 non-luxury consumers.

However, Dubois and Duquesne also analysed the differences in the values of luxury consumers and non-luxury consumers, but they did neither consider that luxury consumption does not necessarily rely on personal values nor that values may also explain future luxury consumption (as values refer to future goals in life). Consequently, their **sample of luxury consumers is contaminated** by consumers who actually do not want luxury items or even dislike them but received them as gifts or bought them for other reasons than for what they stand for. Their sample of non-luxury consumers is also contaminated with future luxury consumers such as students aspiring to consume luxuries when they can afford them later in life. Therefore, respondents were asked to rate the following statements about their preferences for luxury consumption on a 6-point Likert scale ranging from "not true at all" to "very true":

1. *I am interested in luxury products.*
2. *I (would) enjoy consuming luxury products.*
3. *Luxury products are actually not very important to me.*
4. *I would like to consume more luxury products if I would have a larger financial scope.*

The **group of luxury consumers was cleared** of 79 people who are not interested in luxury products, do not enjoy luxury consumption and value luxuries as not important to them (ratings of “rather not true” and “rather true” were not considered). The group of non-luxury consumers was cleared of 204 people, who are interested in luxury products, value luxuries as important to them, like luxuries and would enjoy consuming more of them.

This led to a group of 268 luxury consumers and a comparison group of 290 non-luxury consumers. Thus, the overall **sample is split into three subgroups** including luxury consumers, non-luxury consumers and the remaining “excursionists” (Dubois and Laurent 1996, p. 470). The analyses of the differences between luxury and non-luxury consumers in the following paragraphs rely on comparisons between the two respective subgroups.

3.4. The Values of Luxury Brands and Consumers

3.4.1. Previous Studies

There is very little written about the value preferences of luxury consumers. Only Dubois and Duquesne (1993) focused with their well-cited article “Income vs. Culture” on the influence of values on luxury consumption. However, with “openness to change” they actually considered only a single value category, which is similar to the dimension “openness to change vs. conservation” by Schwartz. Besides that, there are only a few articles that contain some information about the value preferences of luxury consumers (e.g. Sukhdial et al. 1995). There was no article found in the literature, which delivers a comprehensive analysis about the value preferences of luxury consumers.

3.4.2. Measurement of Values

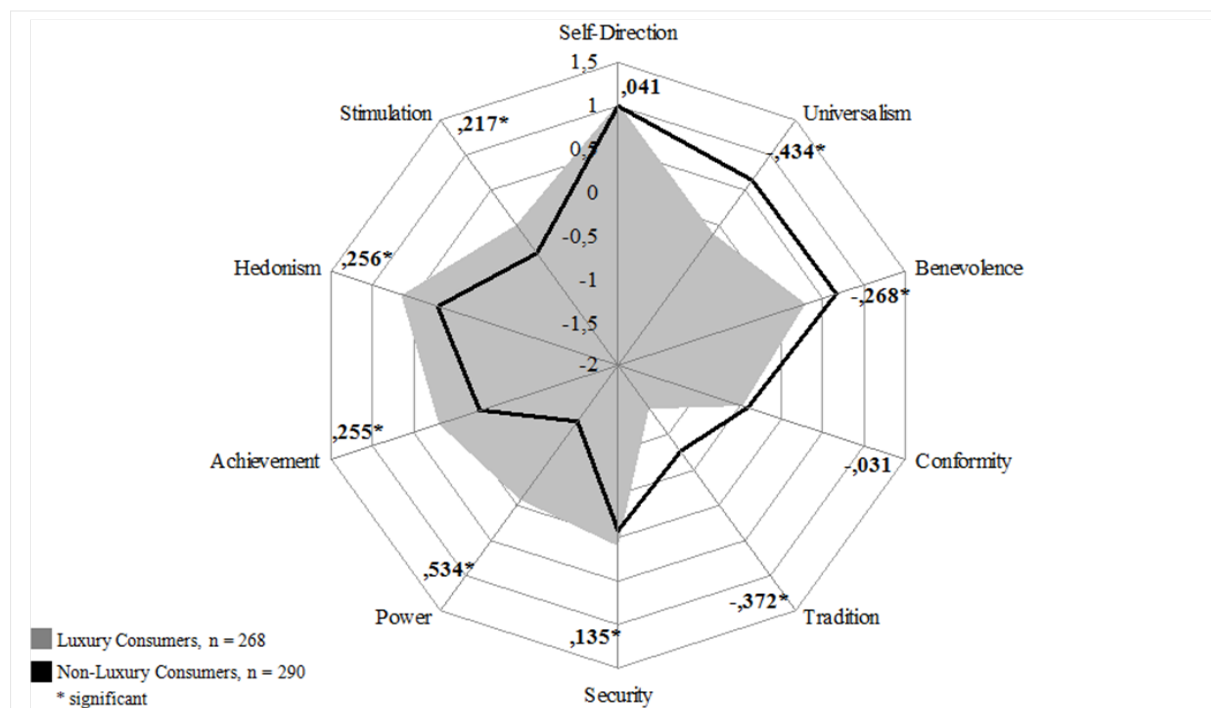
The **Portrait Values Questionnaire (PVQ)** by Schwartz et al. (2001) was used for the measurement of values. It measures the ten value types with an indirect approach: respondents were faced with 40 descriptions of persons, for example: “Thinking up new ideas and being creative is important to him. He likes to do things in his own original way.” They were asked to rate how much the person described is or is not like them on a 6-point Likert scale ranging from (0) “very much like me” to (5) “not like me at all.” The **Value Scores (VS)** were calculated by taking the

mean of the raw ratings (ranging from 0 to 5) of the respective items of each value type. Subsequently, the **Centred Value Scores (CVS)** were computed in order to take individual scale usage differences into account. The CVS equal the VS minus the mean of each individual's scores across all 40 items. The measurement approach can be simplified for **business application purposes** as follows: Respondents could be faced with the list of value types and their short descriptions (see above) and asked to rate the relevance of these values as a guiding principle in their live on a scale from “not important” to “very important.”

3.4.3. Results of the Quantitative Study

The **CVS were calculated** for the subgroup of luxury consumers and the comparison group of non-luxury consumers (see section 3.3.2). According to the Schwartz value cycle, a **radar chart** was compiled, which offers a clear overview about the value preferences. Figure 3.4 demonstrates the value priorities of luxury and non-luxury consumers and the Spearman correlations between value priorities and group membership.

Figure 3.4.: Value Preferences: Luxury Consumers vs. Non-Luxury Consumers



Consistent with the results of Dubois and Duquesne (1993, p. 40), luxury consumers tend to prefer “openness to change”, especially stimulation over tradition. As the previous study was

limited to a single value type, it could not discover an important constraint: There are nearly no differences for conformity and self-direction. These values do not differentiate luxury from non-luxury consumers. In addition, the previous study did not focus on the most important differences that exist between the preferences for power and its opposite value, universalism. Not surprisingly, luxury consumers tend to strive harder for social status and prestige as well as for control and dominance over people and resources. According to this relevance of power, it is understandable that some authors refer to luxury brands rather as “status brands” (O’Cass and Frost 2002, p. 67) or “prestige brands” (Dubois and Czellar 2002; Vigneron and Johnson 1999, p. 1), even though the results demonstrate that these terms cover only a specific segment of luxury brands. Moreover, there are also significant differences (in descending order) between the preferences for tradition, hedonism, benevolence, achievement and security.

3.4.4. Value-based Luxury Consumer Segments

Of course, there are also big differences in value preferences between luxury consumers. The qualitative in-depth interviews helped to develop a deep understanding of the luxury values (and subsequent consumption motives and preferences) and to identify value-based consumer segments. First of all there are **Power-Status-Money-Lovers**, whose absolutely prominent value is power. The bigger part of luxury consumers splits into two main segments: Prestige-oriented Conformists and Individualistic Performers. Members of both segments favour power and achievement over their opposite values. But while **Prestige-oriented Conformists** prefer security, conformity and possibly tradition, **Individualistic Performers** strive for hedonism, stimulation and self-direction. Surprisingly, there is also a growing segment of **alternative luxury consumers** who prefer benevolence and universalism (and who we removed from the luxury consumer subgroup). These people often look back to a very successful career or inherited substantial resources. They split into **Altruists**, who take care of their family, friends and social issues, and **Intellectual Idealists**, who are more interested in arts, environmentalism and alternative lifestyles.

3.5. The Motives of Luxury Consumption

3.5.1. Overview about the Motives of Luxury Consumption

Motives of luxury consumption are generally distinguished into social motives, which can only be satisfied in interaction with other people and private motives, which are satisfied independently from others (Tsai 2005, p. 431). Beside that, some authors argue that there are also **functional motives** of luxury consumption (Wiedmann et al. 2009, p. 626). **Quality Assurance** is one of its most important representatives and refers to consumers, who purchase luxury products mainly due to their superior functional benefits (Gentry et al. 2001, p. 259; Tsai 2005, p. 435). **Social motives** refer to prestige-seeking and demonstrative consumption (e.g. demonstration of wealth and therewith also of success), which aims to satisfy the need of social recognition (Veblen 1899 and also: Adlwarth 1983; Feemers 1992; Bagwell and Bernheim 1996; Braun and Wicklund 1989; Mason 1984). They can be distinguished mainly into Bandwagon, Snob and Non-Conformity motives (Trommsdorff and Heine 2008a, p. 1671; Vigneron and Johnson 1999, p. 4 et seqq.). Rather than to break the rules or to stick out of the mass, **Bandwagon** consumption aims to conform with attractive peer-groups in order to gain their acceptance or to demonstrate affiliation to these groups. In contrast to that, **Snob** consumption strives to set oneself apart (that is to say superior) to others. Suitable for that purpose are products, which are rare and therefore expensive and affordable only for few people (Leibenstein 1950, p. 183 et sqq.). **Non-Conform** consumption also strives to set oneself apart, but unlike Snob consumption, it does not focus on vertical status-differentiation, but refers also to horizontal differentiation with non-conform or even eccentric lifestyles. Luxury products are used here to demonstrate the consumers' personality and values (Belk 1988, p. 139 et seqq; Richins 1994, p. 509; Solomon 1983, p. 322 et sqq.) in order to satisfy the need for uniqueness and to communicate their own identity (Holt 1995, p. 2; McCracken 1986, p. 71 et seqq.). **Private motives** mainly split into Self-Directed Pleasure and Congruity with Internal Self (Tsai 2005, p. 433 et seqq). The motive of **Self-Directed Pleasure** can be satisfied with products that allow to pamper oneself and that make life more convenient and enjoyable. This includes self-gift-giving (Mick and Demoss 1990) and affective consumption, which means that people buy luxury products to remedy a negative mood or to create or to increase a positive mood (Roth 2001, p. 217 et seqq.; Luomala 2002). The motive of **Congruity with Internal Self** can be satisfied with luxury products,

whose image is congruent with the consumers' notions about their internal self. Therefore, these products can satisfy the consumers' need for self-respect. Non-Conformity consumption also refers to the congruity between product image and self, but in contrast to the Congruity motive, it applies to the creation of the external self, i.e. to socially-oriented impression management (Tsai 2005, p. 434; also Grubb and Grathwohl 1967 and Puntoni 2001).

3.5.2. Measurement of Motives

The **objective** was to measure the preferences for the six main motives of luxury consumption and to analyse their relationships to value preferences. There is neither an article in the literature about the relationship between value preferences and motives of luxury consumption, nor a comprehensive article about social and private motives (and their relevant measurement scales). Therefore, the study follows an exemplary and explorative approach. The development of relevant measurement scales for the motives was based on **literature research** (e.g. Dubois et al. 2005; Bearden and Etzel 1982; Lynn and Harris 1997; Tsai 2005) and **group discussions** and pre-tests with business students. For the purpose of this study, the goal was to create scales that are as short and simple as possible. The resulting items were **integrated in the questionnaire** of the quantitative survey. Respondents were asked to rate them on a 6-point-Likert scale ranging from "not true at all" to "very true."

A **factor analysis** over all statements using principal components analysis and varimax rotation led to a **five-factor model** with an explained variance of 67%, without cross-loadings of more than 0.4 and with all factor loadings nearly 0.7 or above. Table 3.2 gives an overview about the statements for each motive and their factor loadings (the original statements were in German). Results support that Non-Conformity, Self-Directed Pleasure, Congruity with Internal Self and Quality Assurance are distinctive motives. Interestingly, the statements of Bandwagon and Snob motives did not differentiate and led to a **common Veblen factor**. This reflects also the theoretical dependencies between these two motives, which both rely on the need for social recognition. According to theory, statements of Bandwagon and Snob motives were still differentiated for subsequent analysis. The scales exhibit a **decent reliability**, which is demonstrated in table 3.2 with the item-scale-correlations for each statement and the Cronbachs Alpha for each scale (all above 0.7 except for quality).

3.5.3. Results: Relationships between Values and Motives of Luxury Consumption

According to Schwartz (2006, p. 4), we analysed the **Pearson correlations** between the preferences for values (using the VS) and the motives for luxury consumption (using the motive factors). Figure 3.5 presents the results.

Results demonstrate strong relationships between values and motives especially for Bandwagon and Snob consumption. There are close relationships especially for power, achievement and hedonism. Compared to Snobbism, **Bandwagon consumption** exhibits a higher relationship to conformity and a slightly higher relationship to security. By contrast, **Snob** consumption exhibits an even stronger relationship to power and achievement and a negative relationship to tradition. Results for **Non-Conformity** consumption are also consistent with theory. There is also a significant relationship to power, but it is much weaker compared to Snob or Bandwagon consumption. This demonstrates that Non-Conformity consumers are less concerned about prestige and “what others think”, but strive for a (horizontal) differentiation to others. Hence, there is a negative correlation to conformity and a positive correlation to hedonism, stimulation and especially to self-direction. Results also reflect the relationships between values and the resulting value-based consumer segments: Power-Status-Money-Lovers heavily indulge in Snob consumption, Prestige-oriented Conformists prefer Bandwagon consumption and Individualistic Performers strive for Non-Conformity consumption. Not surprisingly, **Self-Directed-Pleasure** is related especially to hedonism. As this motive can be satisfied independently from others, there are much smaller relationships to power and achievement in comparison to Veblen motives. However, there is still a significant relationship between Self-Directed Pleasure and power. This may be explained with the fact that personal pleasure is still more of a self-enhancing rather than a self-transcendent and altruistic objective (Schwartz 2006, p. 3). There are not very strong relationships between value preferences and **Congruity with Internal Self**. This motive is satisfied by consuming products, whose image is congruent with the consumers’ associations about their internal self. However, these associations could refer to a big range of values. Consequently, there might be other personality traits explaining that motive. For example, Tsai (2005, p. 446) found a significant correlation between an independent self-construal and preferences for the Congruity motive. For **Quality Assurance**, there is only a single significant relationship

Table 3.2.: Measurement Scales for the Motives of Luxury Consumption

Motive Scales (Cronbach's α)	Items	Factor Loadings	Item-Scale-Correlations
Bandwagon (,779)	• I purchase luxury products that make me look good in front of my friends.	,821	,658
	• When I buy something expensive, it is important what others think about me.	,761	,604
	• I am buying luxury products mainly to attract those people who interest me.	,699	,587
Snob (,821)	• I am enjoying the looks of others when I appear with expensive luxury products.	,783	,679
	• I purchase luxury products mainly to demonstrate my achievements to myself and others.	,778	,659
	• I like to show with luxury products that I am well off.	,773	,687
Non-Conformity (,713)	• I am very attracted to rare luxury products.	,827	,608
	• I like to shop in stores that offer unusual luxury products.	,802	,495
	• I prefer extraordinary luxury products, which few other people have or like.	,681	,495
Self-Directed Pleasure (,852)	• I consider luxury products as a source of personal pleasure for myself.	,844	,715
	• I purchase luxury products mainly to reward myself for something I accomplished.	,842	,751
	• I see luxury products as presents that I purchase to pamper myself.	,835	,701
Congruity with Internal Self (,761)	• I never buy a luxury brand, whose image is not absolutely consistent with the characteristics that I use to describe myself.	,830	,585
	• It's important to me to buy only luxury products whose image fits to who I really are.	,782	,630
	• Luxury brands are like personalities; I purchase only those I get along with.	,685	,561
Quality Assurance (,639)	• The most important selection criterion for a luxury product is quality including functionality, performance and state of the technology.	,808	,510
	• I would never buy a luxury product that doesn't meet my quality expectations, also if it is very reputable.	,742	,415
	• I would prefer a more reasonably priced product of an unknown brand to a luxury brand, if I could be sure that the quality is absolutely the same.	,715	,423
n=1,704			

to Self-Direction. In addition, there is a slightly negative relationship to tradition and conformity and a slightly positive relationship to benevolence. The qualitative survey unveiled that luxury consumers value product quality for many different reasons: Some respondents favour high-quality products to demonstrate their connoisseurship and status and others prefer high-quality

products, which are long-lasting and work economically, because of environmental concerns. This demonstrates a fact, which is regularly overlooked: Quality Assurance (and functional motives of luxury consumption in general) is often just a means to an end, i.e. a prerequisite for other motives.

3.6. Value-Cascade Positioning of Luxury Fashion Brands

3.6.1. How to Develop a Value-Cascade Positioning Map

For the development of a VCP map we propose a practicable approach, which can be easily replicated for daily business use. It consists of four main steps including preparations, data collection, data analysis and interpretation. In the preparation phase, the target group and a relevant set of brands need to be defined. Positioning generally requires a **set of brands** that covers either the consideration set of target consumers or an expertise-based selection of the major competitors. For the purpose of this study, an expertise-based set of brands that represents the German luxury fashion market was developed.

As the selection of brand stimuli will be explained in paper 5 (see section 5.4), this paragraph was moved into section B.3 in the appendix.

In the **data collection** phase, respondents were asked to rank their **awareness** of the selected brands on a 6-point Likert scale ranging from “never heard about it” to “very well known.” For those brands that they know relatively well (ratings between 4 and 6 on the awareness scale), they were asked to rank their brand **preference** on a 6-point Likert scale ranging from “dislike very much” to “like very much.” In the **data analysis** phase **value profiles were calculated** for each brand. They consist of ten scores representing the Schwartz value types. The scores for a given brand equal the average of the CVS of those respondents, who like that brand “very much” (rating 6 on the preference scale). In order to obtain distinctive results, it is recommended to include only those respondents who assigned the highest score to not more than ten brands. The brand profiles can be illustrated with a value radar chart. The objective of the final phase is to interpret the **positioning map** and to derive some meaningful marketing implications.

Figure 3.5.: The Relationships between Preferences for Values and Motives

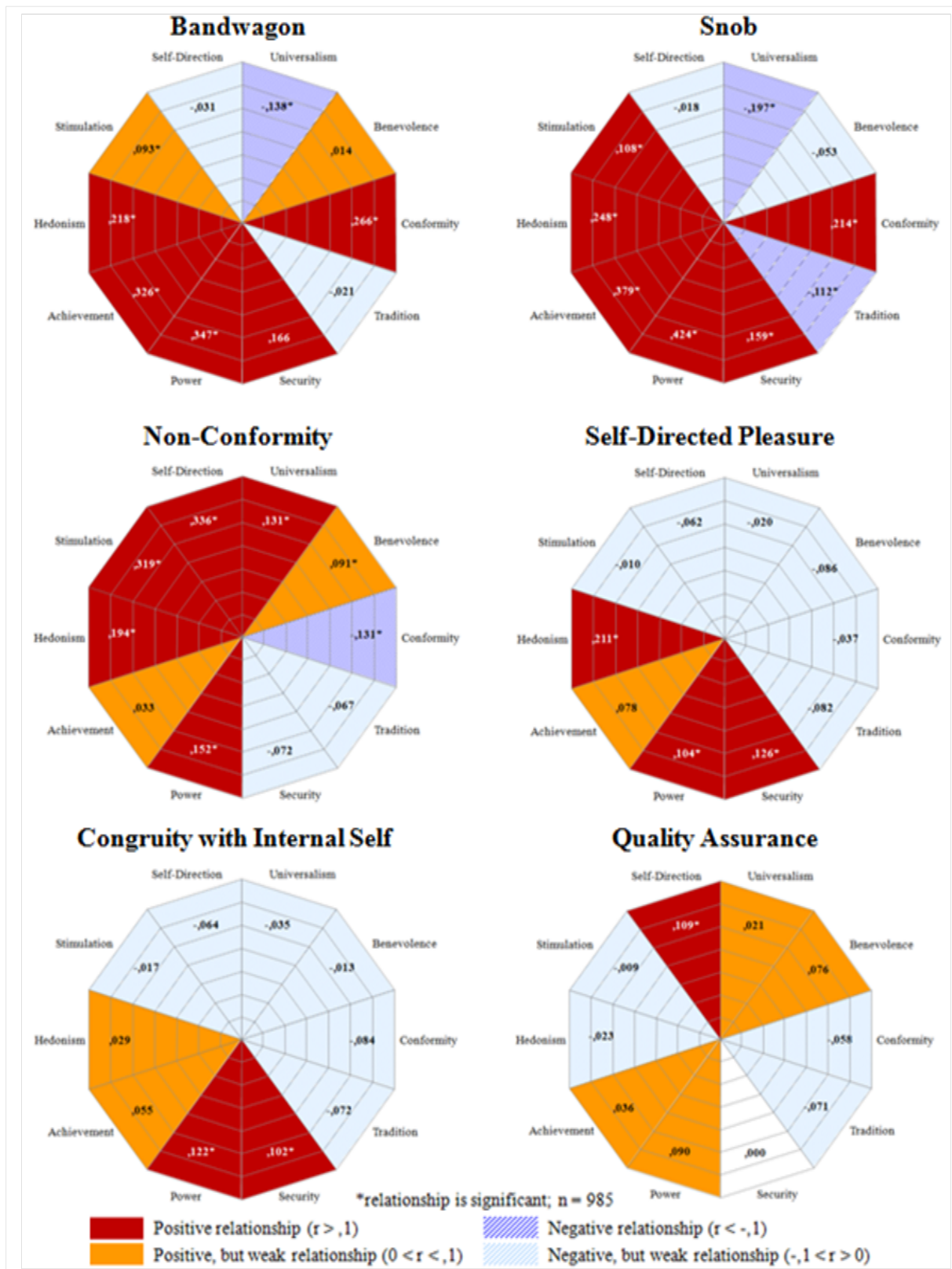
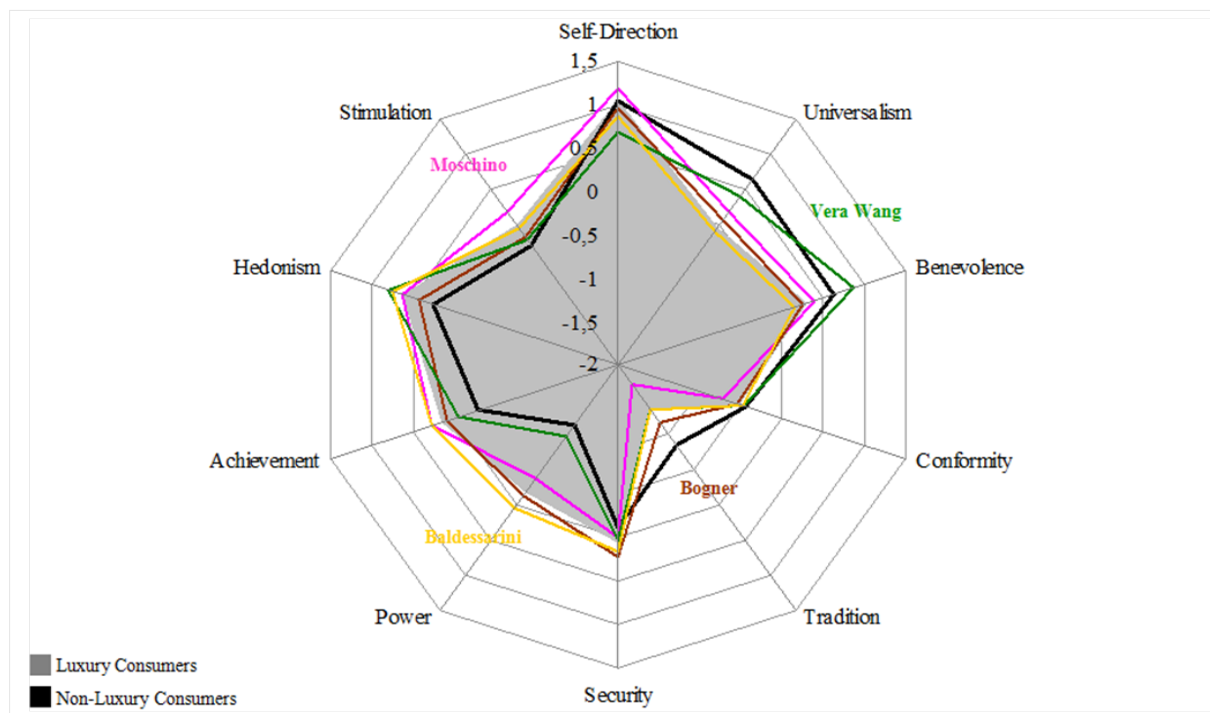


Figure 3.6.: Value-based Positioning of Luxury Brands



3.6.2. Value-Cascade Positioning of Luxury Fashion Brands

In reference to the theory of Schwartz, value-based positioning must rely on the two main dimensions “openness to change vs. conservation” and “self-enhancement vs. self-transcendence.” Following the notion of Vigneron and Johnson (2004, p. 490) that personal values are the main source for the symbolic meaning of luxury brands, these dimensions would be the **most important dimensions in luxury positioning**. This is consistent with the previous work by Esteve and Hieu-Dess (2005) that led to very similar dimensions: “modern/eccentric vs. classic” and “low vs. high luxury/prestige.” For the sake of clarity, figure 3.6 illustrates the value profiles only of those four brands that proved to represent best one of the quadrants in the value-based positioning map. These brands include Paul Smith and Aigner for the dimension “openness to change vs. conservation” and Louis Vuitton and Nina Ricci for the dimension “self-enhancement vs. self-transcendence.” Paul Smith represents individualistic brands with high scores for stimulation and self-direction and relatively low scores for the opposite values tradition and security. In contrast to that, Aigner represents a conform brand with relatively high scores for security and conformity and low scores for stimulation and self-direction. Louis Vuitton typifies status-oriented brands with high scores for power, achievement and hedonism and low scores

for benevolence and universalism. In contrast to that, Nina Ricci represents eco-ethical luxury brands with high scores for benevolence and universalism and relatively low scores for power and achievement.

Figure 3.7 shows some recent adverts of the four brands that support their positioning and illustrate how these brands **create their specific “aura.”** Paul Smith combines an elegant setting in an old English-style salon with people wearing some eccentric animal masks. Aigner also keeps its ad elegant, clean and perfect, but avoids any exiting elements – consumers definitely cannot do anything wrong with that. Louis Vuitton strives for a maximum of perfection and glamour with a lascivious-looking lady in transparent gloves, red lips and extra-shiny hair. Nina Ricci, by contrast, does not portray any symbols of luxury but a fairy-like, androgynous creature in a magic forest instead.

Figure 3.7.: Recent Advertisings Expressing the Brand’s Values



3.6.3. Benefits and Practical Implications of Value-Cascade Positioning

In **contrast to common positioning maps**, the position of a specific brand in the value radar chart does not depict consumers’ perceptions of its image, but the value preferences of its consumers (actually of those people, who like that brand very much). According to the assumptions that luxury symbolism is mainly fuelled by personal values and that consumers strive for luxury brands that represent their value preferences, value-based positioning maps display also the bigger part of the brands’ image and symbolic meaning (as discussed earlier). However,

this approach goes beyond image analysis and is much more consumer-focused by revealing consumers' values and motivations that influence their brand preferences.

First of all, the value radar chart delivers a clear and easy-to-read **overview about the value preferences** of a brands' target group. Insights about what the customers' rank important in their lives are already valuable on their own. Moreover, the value preferences can be related to other constructs such as motives, which are not "trans-situational", but rather product-specific and therefore offer deeper insights about the adherers of a brand and more specific marketing implications. For example, the desire for Louis Vuitton can be explained with strong consumer preferences for power, achievement and hedonism. It was shown that there is a close relationship between preferences for these values and Snob consumption. The information about this motive is very specific; marketers can learn that they "[enjoy] the looks of others when [they] appear with expensive luxury products" and that they "purchase luxury products mainly to demonstrate [their] achievements to [themselves] and others" (see table 3.2 in section 3.5.2). It would be possible to integrate any other consumer variable such as hobbies, holiday preferences, political opinions, attitudes about environmentalism and so forth. Moreover, further insights can be derived with a comparison of a brand's position with its **competitors**. The understanding about what the own consumers want and what they don't want becomes even clearer by comparing it with other brands and what their consumers want and don't want.

These insights about consumers' values and motives allow marketers to create symbolic benefits that **perfectly suit the desires** of their target group. The understanding about the values-behaviour cascade enables them also to improve the **consistency** of their marketing activities. Moreover, results can be used to analyse the **fit between the brand values** (and the brand identification) and consumer values. In addition, this approach offers a new perspective on brand positioning, which may help to find **positioning niches** or to develop **unique value-cascade combinations**. This would allow a company to improve **brand differentiation** and to create **competitive advantages**.

Nevertheless, marketers must consider also the **limitations** of VCP. First of all, there are several other **constructs intervening** in the relationship between values and brand preferences such as attitudes and motives. This means that there are many cases when certain brand preferences do not ascribe to the same values. In addition, consumers may perceive brands and

their value-related symbolism differently (Da Silva Añaña and Nique 2007, p. 292). This means that people with differing values might be attracted to the same brand because of their **differing perceptions of the brands' image**. The integration of further constructs helps to constrain these limitations. However, as mentioned above, VCP cannot substitute, but rather complement common positioning with valuable consumer insights that inspire brand management.

3.7. Summary, Outlook & Conclusions

The **objective of the article** was to outline a concept of VCP that combines a scientific base with practicable business requirements. Therefore, we proposed to employ the Schwartz value cycle as the fundamental framework for VCP. **Preparations** for the development of VCP include the definition of the target group and a relevant set of brands. Then the **data is collected** with a quantitative survey that covers the measurement of values, brand awareness, brand preferences, demographics and potentially items for further constructs such as motives. Subsequently, **data analysis** includes data cleaning, the calculation of the value scores for each brand, the creation of VCP maps using value radar charts and potentially also the analysis of relationships between values and other constructs and their illustration in the radar charts. The final step concentrates on the **interpretation of results** and the derivation of meaningful marketing strategies.

The article demonstrated that it is useful to complement the quantitative survey also with **qualitative interviews** in order to deepen the understanding about the consumers and to constrain the limitations of VCP. This may include focus groups, expert interviews or more sophisticated techniques such as repertory grid and laddering.

The present approach of VCP offers various opportunities for **further enhancements**. For example, the enlargement of brand profiles with the 57 sub-values by Schwartz would lead to even more precise results. Moreover, the value profiles could be differentiated by consumer segments or characteristics including demographic, socio-economic and psychological attributes. The values-behaviour cascade could be complemented also with other constructs such as attitudes, (brand) personality traits or lifestyle preferences. In addition, the same approach could also be implemented for other industries or for other stimuli than brands such as products or persons.

The article demonstrated that VCP can offer marketers new insights about their consumers and new perspectives about the positioning of their brand. Despite the theoretic base and rich insights of VCP, it is still easy-to-implement and its results easy-to-understand. Therefore, it may help a company to sharpen its competitive edge and to create competitive advantages.

4. Paper 4: Using Personal and Online Repertory Grid Methods for the Development of a Luxury Brand Personality

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Prior Publication: Heine, K., Using Personal and Online Repertory Grid Methods for the Development of a Luxury Brand Personality. Proceedings of the 8th European Conference on Research Methodology for Business and Management Studies, Valetta, Malta, 22-23 June 2009, pp. 160-170.

Abstract: Interest has been growing in the brand personality concept, because it offers a systematic approach for developing symbolic benefits, which are becoming more and more essential for brand differentiation. Although they are a distinctive feature of luxury brands and often even exceed their functional benefits, there is still no personality concept designed especially for luxury brands. The aim of this article is therefore to develop and implement an appropriate methodology for developing a luxury brand personality. In contrast to the common quantitative approach, the article proposes a qualitative methodology including the Repertory Grid Method (RGM) and explains its benefits. It was implemented with a survey of 31 German millionaires who can be described as heavy luxury consumers. The content analyses of the data uncovered five personality dimensions including, for example, Modernity, which relates to the temporal perspective of a brand. The study extends the RGM areas of application and demonstrates its applicability in developing brand personality dimensions. The validity of the results improves if they are replicated with other studies and with varying research methodologies. To this end, recent developments in Web 2.0 provide a great source of inspiration. As a result, a complementary study was conducted to exploit these opportunities for online RGM and to allow for a more in-depth understanding about the personality dimensions. The article builds upon an overview of qualitative online research, common online RGM and the idea of Web 2.0 to expand the methodological toolbox with collaborative RGM that allows respondents to build on the input

of previous participants. The procedure was simplified in line with the explorative approach and implemented with a specially programmed online tool. The results support the five personality dimensions and give further insights into adequate brand personality traits. The article concludes with a discussion of the results and benefits of collaborative RGM for researchers and marketers.

Keywords: qualitative online research, Repertory Grid Method, Web 2.0, luxury brand, brand identity, brand personality

4.1. Introduction: Decoding the “Aura” of Luxury Brands

Because the functional benefits of many products on the market today have become increasingly equivalent and exchangeable, the focus of brand differentiation is shifting increasingly to **symbolic benefits** (Kapferer 2008, p. 173). Moreover, this trend is also stimulated by the growing emergence of “**fellow-shoppers**” who buy a product for the most part due to the congruity between their personality and the symbolic personality of the product (Trommsdorff and Heine 2008a, p. 1672; Vigneron and Johnson 1999, p. 434). These trends lead to an **increased interest in the brand personality** concept, which offers a systematic approach to create symbolic benefits (Esch 2010, p.79).

The **symbolism of luxury brands** conveys to a large extent human personality traits (Vigneron and Johnson 2004, p. 490). Although symbolic benefits are an essential feature of these brands and often even exceed their functional benefits and even though ?, p. 4 attest them to have an “aura”, the symbolic meaning of luxury remains largely unexplored (Dubois et al. 2001, p. 6) and there is still no integrated personality concept for luxury brands. Its development requires the investigation of luxury symbolism. But what research methodologies are there to **explore the “aura” of luxury brands?**

The **objective of this article** is to present and to implement an appropriate methodology for the development of a luxury brand personality. According to the explorative stage of the area of research, a qualitative methodology will be proposed that includes the RGM. The validity of results improves if they are replicated with other studies and with varying research methodologies. To this end, the recent opportunities of the Web 2.0 provide a great source of inspiration.

A complementary study was therefore conducted to exploit these opportunities with a collaborative online RGM, and in order to deepen the understanding of the personality dimensions.

*The article is **organised into another four parts**. The second part forms the conceptual groundwork. It explains the concept of brand personality and its common research methodology, defines luxury brands as the objects of investigation, and outlines the state-of-the-art of luxury symbolism. The third part describes the first empirical study. It introduces the RGM and its benefits for the research of brand personality, outlines the survey procedure and demonstrates its results. The fourth part presents the complementary study. It gives an overview of qualitative online research methodologies, introduces the principles of Web 2.0 and outlines the collaborative online RGM and its results. The article concludes with a discussion of the results and the benefits of collaborative RGM for researchers and marketers.*

4.2. Conceptual Groundwork

4.2.1. The Status of Brand Personality in Brand Management

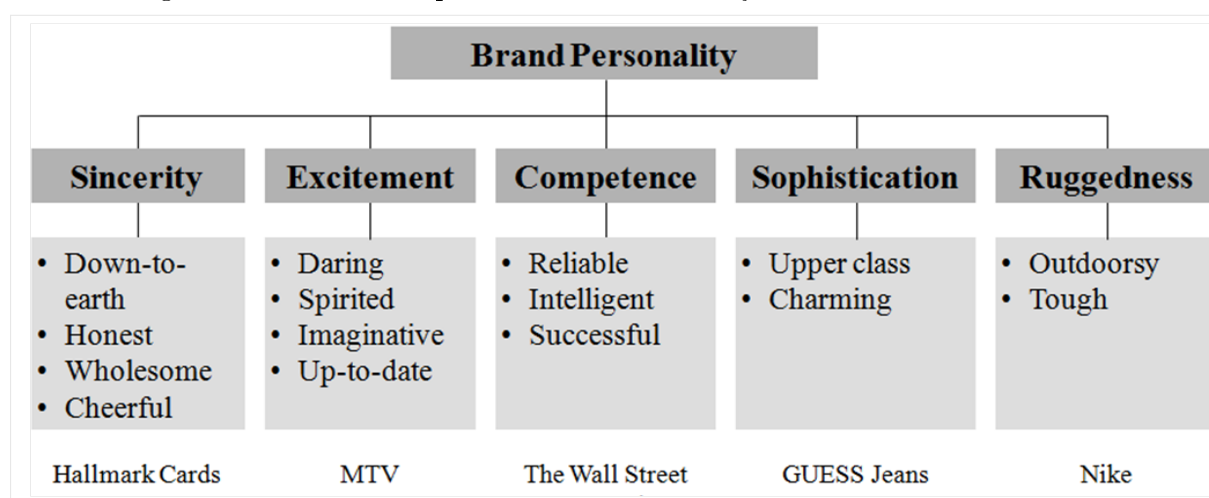
As the concept of brand identity was already described in the introduction (see part I, section 3), this paragraph was moved into section B.4 in the appendix.

4.2.2. The Brand Personality Concept

Aaker (1997, p. 347) developed the **most established theoretical framework** of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality traits. Because of her consumer-oriented brand definition, the dimensions were derived from a large-scale consumer survey. More than 600 U.S. respondents rated on a five-point Likert scale different brands of varying categories on more than one hundred personality traits. Aaker consolidated these traits by factor analysis to five distinct dimensions. These include Sincerity, Excitement, Competence, Sophistication, and Ruggedness. Figure 4.1 illustrates her framework of brand personality including its sub-dimensions and a representative brand for each dimension (e.g. Hallmark cards typify the Sincerity dimension).

While the framework claims general applicability across product categories, the dimensions might not be very descriptive for other cultures or specific categories (Austin et al. 2003, p. 81). Therefore, other studies followed in recent years, which usually **replicated the procedure of Aaker** to develop specific concepts for other cultures (e.g. for Germany by Hieronimus 2003 and Mäder 2005) and particular categories (e.g. for restaurants by Sigauw et al. 1999). This study aims to apply the brand personality concept to the luxury segment. As a precondition for that, the concept of luxury is outlined in the following.

Figure 4.1.: The Concept of Brand Personality for Mass-market Brands



Source: (Aaker 1997).

4.2.3. The Concept of Luxury

As the definitions of luxury products and brands were already described in detail in the first two papers, this paragraph was moved into section B.4 in the appendix.

4.2.4. State-of-the-art of Luxury Symbolism

There is only a small literature base about the symbolic meaning of luxury brands. Some authors concentrated on some particular symbolic characteristics including Dubois et al. (2005, p. 123), Esteve and Hieu-Dess (2005), Kisabaka (2001, p. 192 et sqq.) and Ourahmoune and Nyeck (2008). In most of the literature, the luxury symbolism is only mentioned circumstantially in descriptions about luxury brand characteristics (e.g. by Lipovetsky and Roux 2003, p. 51 et seq.; Mutscheller 1992, p. 65; Valtin 2004, p. 26; Vickers and Renand 2003, p. 469; ?, p. 4 and

Vigneron and Johnson 2004, p. 494). The research method for the development of a luxury brand personality needs to consider the special conditions of the luxury segment and will be outlined below.

4.3. First Empirical Study: Using a Personal Repertory Grid Method

In contrast to Aaker, the article proposes a qualitative methodology including the RGM. It introduces the RGM, describes the sampling, interviewing and analysis procedure and discusses the results and the applicability of the RGM.

4.3.1. The Repertory Grid Method

This method was developed by Kelly (1955) to support psychotherapy and it spread into a variety of different areas of research including marketing (Marsden and Littler 2000). One of its two **central assumptions** is that there is no direct, immediate access to objective reality, because everything that people know was filtered by individual perception and further information processing. Correspondingly, people live in their unique **subjective reality** and all their actions can only refer to that. Another important assumption is that people attribute meaning to something and understand something (also a person, event, etc.) by comparing it with other things that they already know. A repertoire of **personal constructs** helps them to group everything according to its similarity and dissimilarity in order to reconstruct reality and their position within that. Pupils, for instance, could use the construct “fair-unfair” to differentiate between teachers; a new teacher would be judged upon that construct with reference to teachers they already know. This demonstrates that personal constructs consist of binary oppositions and that every new object is assigned a position within that dichotomy (Durgee 1986, p. 34). The **objective of RGM** is to uncover the repertoire of personal constructs. The **challenge** is that they are often difficult to express in verbal distinctions, because a great deal of them are subconscious. Therefore relying on simple direct questioning is inadequate. According to its theoretic base, RGM elicits personal constructs with an **iterative process** that requires respondents to compare different triad combinations of stimuli, to express their constructs and to relate the stimuli to the construct poles. Irrespective of its specific version, RGM leads to **structured data** that facilitate elaborate analysis and interpretation (Eden and Jones 1984; Fromm 2004).

4.3.2. Sampling Procedure

4.3.3. Interviewing Procedure

4.3.4. Data Analysis

As the sampling, interviewing and data analysis procedures were already described in the first paper (see part II, section 1.2.2.3), these paragraphs were moved into section B.4 in the appendix.

4.3.5. Results: The Luxury Brand Personality

The results suggest that consumers perceive that luxury brands have five distinct personality dimensions. They are illustrated in figure 4.2 and include the following:

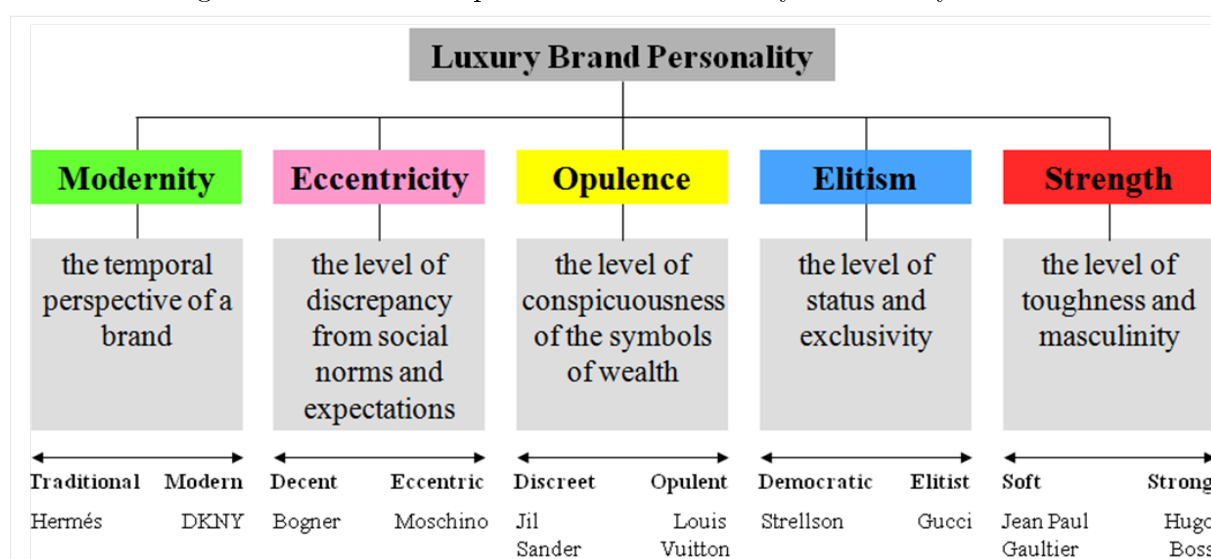
1. **Modernity:** This dimension describes the temporal perspective of a brand, which can lie either in the past or in the present or future. The traditional side is associated also with the words (in descending order according to their number of mentions) conservative, old-fashioned, countrified and natural; modern on the other hand is linked to the words trendy, young, youthful, urban and progressive. The modern pole is typified by Donna Karan New York, the traditional pole by Hermès. These results are supported by literature in psychology, marketing and luxury marketing. First of all, Modernity corresponds with one of the most prominent personality and cultural traits, especially with "Openness to Experiences" in the Big Five model (John and Srivastava 2001, p. 105), the cultural dimensions "Uncertainty Avoidance" and "Long-term Orientation" from Hofstede (2001, p. 145 et sqq.) and with one of the two main dimensions in the value circle from Schwartz (1992, p. 45) "Openness to change vs. Conservation." In the marketing context it is included in the dimension "Excitement" of Aaker (1997, p. 352). In the luxury marketing literature Esteve and Hieu-Dess (2005) described tradition as an essential dimension for the positioning of luxury brands. Additionally, tradition was specified as an essential characteristic of luxury brands by Gurvierz and Besson (2000, p. 2), Mutscheller (1992, p. 65), Vickers and Renand (2003, p. 469), ?, p. 4 and Vigneron and Johnson (2004, p. 494) and as an accessory characteristic by Dohrn-van Rossum (2002, p. 98), Lipovetsky and Roux (2003, p. 51 et seq.), Lombard (1989, p. 13), Valtin (2004, p. 26) and by Kisabaka (2001, p. 219 et seq.) with her luxury look "Nostalgia Luxury."

2. **Eccentricity:** This dimension describes the level of discrepancy from social norms and expectations, for instance in reference to loyalty to the law. Respondents described the conventional pole with the words boring, sincere, unremarkable, conservative, narrow-minded and honest, however with eccentric they associated provocative, freaky, funny, exotic, funky, naked, shrill, crazy, dubious, vulgar, overstated and bold. As a typical representative of a conventional brand they suggest Bogner, while Moschino is regarded as a typical eccentric brand. Eccentricity is comparable with the cultural dimension “Individualism” from Hofstede (2001, p. 209 et sqq.) and with the value category “Self-Direction” from Schwartz (1992, p. 45). In the marketing context it can be found in dimension “Excitement” of Aaker (1997, p. 352). In their investigation about luxury brand positioning Esteve and Hieu-Dess (2005) also revealed an “excentrique“ dimension.
3. **Opulence:** This dimension describes the level of conspicuousness of the symbols of wealth. These symbols cover a wide range of associations including ostentatious logos and valuable materials like gold and diamonds. The associations with the discreet pole comprise of words like frugal, understated, diffident, unobtrusive, puristic, unknown, connoisseur and minimalist. In contrast to that, the opulent pole was linked to the words conspicuous, pretentious, ostentatious, logo-oriented, kitschy, golden and famous. While Jil Sander is deemed to be the embodiment of a discreet brand, Louis Vuitton is deemed to be the embodiment of an opulent brand. This dimension is comparable to the value “Wealth” from Schwartz (1992, p. 33). In the luxury marketing context, brand awareness is described as an essential characteristic by Lombard (1989, p. 28), Mutscheller (1992, p. 65) and Phau and Prendergast (2000, p. 124). Belz (1994, p. 649) and Valtin (2004, p. 26 & 186) describe awareness and opulence as accessory characteristics and Kisabaka (2001, p. 130 & 193 et sqq.) incorporated this dimension in her luxury looks “Glamour Luxury” and “Logo Luxury” vs. “Understatement Luxury.”
4. **Elitism:** This dimension describes the level of status and exclusivity that is displayed by the brand. The post-modern, democratic perspective is limited insofar that luxury is by definition exclusive. However, the democratic pole is described by words like natural, warm, casual, authentic and friendly and the elitist pole is associated with the words neat, artificial, aloof, aristocratic, donnish, arrogant and offish. A brand especially cited as democratic is Strellson and as elitist, Gucci. This dimension is comparable with “Agree-

ableness” in the Big Five model (John and Srivastava 2001, p. 105), with the cultural dimension “Power Distance” from Hofstede (2001, p. 79 et sqq.) and with the second main dimension “Achievement vs. Benevolence” from Schwartz (1992, p. 45). In Aaker’s brand personality concept (Aaker 1997, p. 352) it corresponds with the dimension “Sophistication.” In the luxury marketing context, Dubois et al. (2005, p. 123) uncovered the dimension “Elitist vs. Democratic” and Kisabaka (2001, p. 202 et sqq.) described elitism in her luxury look “Noble Luxury.”

5. **Strength:** This dimension describes the level of toughness and masculinity that is displayed by a brand. The soft pole is associated also with the words playful, feminine, kitschy, gay, youthful and decorated and the opposite pole is characterised by sporting, masculine, dynamic, successful, strong and rakish. Jean Paul Gaultier is considered as a typical soft brand and Hugo Boss is regarded as a typical strong brand. Strength is comparable with the cultural dimension “Masculinity” from Hofstede (2001, p. 279 et sqq.) and with the value “Power” from Schwartz (1992, p. 45). It is also covered by the dimension “Ruggedness” from Aaker (1997, p. 352). In the field of luxury, the dimension was analysed by Ourahmoune and Nyeck (2008). Kisabaka (2001, p. 202) explained that her luxury look “Noble Luxury“ could either carry a masculine-dignified or a feminine-elegant note.

Figure 4.2.: The Concept of Brand Personality for Luxury Brands



Source: own figure.

These dimensions are **not independent** from each other. First of all, the poles on the left hand side in figure 4.2 can be characterised with "quiet" and the opposite poles as rather "loud." In addition, there are popular combinations, for instance modern-eccentric brand personalities. But then there are also modern, but rather conventional brands like Hugo Boss and traditional, but rather eccentric brands like Chanel.

4.3.6. The Applicability of RGM for the Research of Brand Personality Dimensions

As demonstrated above, **literature supports the results** and therefore the applicability of the RGM. As the symbolism of luxury brands conveys largely human characteristics (Vigneron and Johnson 2004, p. 490), results were related also to psychological concepts including the Big Five model of personality (John and Srivastava 2001), the cultural dimensions from Hofstede (2001) and the value system from Schwartz (1992). In the field of marketing, the brand personality framework from Aaker (1997) provided another relevant basis. In addition, many similarities were found to the findings in the luxury marketing literature (e.g. Belz 1994; Dubois et al. 2005; Esteve and Hieu-Dess 2005; Gurvierz and Besson 2000 and Kisabaka 2001).

Besides that, there are some **essential benefits** of RGM that explain its applicability. The quantitative approach is also influenced by subjective interventions of the researcher, especially by the determination of the **number of factors** in factor analysis and by the **pre-selection** of traits and stimuli. These decisions are even more difficult for the field of luxury, because researchers could only rely on its relatively small literature base. The qualitative approach of RGM allowed to explore the subject and to create a sound fundament also for subsequent quantitative studies. Respondents can select traits and brands as they desire. The set of traits certainly varies between different categories. On the one hand, there might be important constructs for a specific category, which are not included in the standard set of Aaker. On the other hand, the standard set probably contains traits that apply either to all or none of the brands in a specific category, which could lead to **irrelevant dimensions**. Moreover, most of the words describing personality are **ambiguous and contextual** (John et al. 1988, p. 174). While the quantitative approach requires deleting traits that load on multiple factors, RGM allows describing constructs with a group of words, which enables researchers to decode their varying contextual meanings for different constructs. In addition, it is difficult to differentiate constructs with the quantitative

approach if there are popular, maybe even unexplored **combinations of traits** in a category. Another advantage of RGM is that it delivers relevant **binary oppositions**, which correspond to both the human information processing and the requirements for the design of a brand identity and positioning.

4.4. Complementary Study: Using an Online Repertory Grid Method

The following paragraph presents the complementary study, which exploits recent opportunities of the Web 2.0 for qualitative RGM and explores further insights about the luxury brand personality. Based on an overview about qualitative online research, common online RGM and the idea of Web 2.0, a new version of collaborative RGM is explained and tested on a student sample. Subsequently, the results and benefits of RGM are discussed.

4.4.1. The Status of RGM in Qualitative Online Research

In contrast to quantitative online research that is already well established and increasingly displacing its offline counterpart (Skulmoski et al. 2007, p. 11), qualitative online research stands still in a relatively early stage of development. It can be categorized into **reactive and non-reactive** methods. The latter mainly include content analyses of any information in the web (such as websites, blogs, etc.) and participating and non-participating **observations** of user behaviour (Bensberg and Weiss 1999). Reactive methods comprise **questionnaire surveys** and synchronous and asynchronous **interviews** including one-to-one interviews (Fontes and O'Mahony 2008; Vioda et al. 2004) and **focus groups** (Stewart and Williams 2005). Questionnaire surveys can be classified into **collaborative** and **non-collaborative techniques** or versions. The questionnaires contain some qualitative research techniques ranging from simple open questions to advanced techniques. These include for instance Delphi (Snyder-Halpern et al. 2000), laddering (Reppel et al. 2008), but also **RGM**. The following paragraph explains the implementation of RGM into online applications.

4.4.2. Non-collaborative Repertory Grid Method

There are some web applications for RGM, e.g. nextpractice, sci:vesco.web and WebGrid. They provide researchers with a convenient procedure to set up a survey by entering some basic information including a set of stimuli, for instance a list of car brands. Respondents are faced with a short introduction followed by an iterative comparison process: They are required to select the stimulus of a given triad combination that they think would differ from the other two stimuli (sometimes dyad combination are used), to explain the construct poles in own words – non-collaboratively, i.e. independently of other respondents – and to evaluate all stimuli with reference to that construct. The existing tools offer analysis for single and multiple interviews and present results with data matrixes and graphic illustrations that even include interactive 3D grids. These applications are definitely state-of-the-art and exploit the (technical) opportunities of the Internet with new exiting features. However, they mainly squeezed offline applications into the web without challenging them on the modern understanding of the Internet, which is described as Web 2.0 and outlined below.

4.4.3. The Idea of Web 2.0

The bursting of the dot-com bubble in 2001 marked a turning point for the development of the web. O'Reilly (2005) realized that the companies that had survived the crash and the new successful ventures seemed to have something in common. That's the set of principles and practices of the modern second era of the web, which can be described as Web 2.0. The **essential practices** include the following:

- **Tags:** A tag is a keyword or term that is used to characterise pieces of information like articles, pictures or videos. In contrast to the traditional approach used in books or by the standard Windows File Manager which relies on hierarchical taxonomy, Web 2.0 content is organised by tags. They provide metadata about items of information that help users to find them by browsing or searching (Hearst and Rosner 2008).
- **Tag clouds:** A tag cloud is a visual depiction of the tags that were assigned to an item of information. The tags are usually listed alphabetically and the importance of a tag is represented with its font size or color. They are usually hyperlinks that lead to respective information or that can be used to describe an item of information (Hassan-Montero and Herrero-Solana 2006).

- **Folksonomy:** Tags on Web 2.0 pages are usually chosen and managed by their users collaboratively. This practice of social tagging leads to user-generated classification systems which are known as folksonomy (from folk and taxonomy). Tags are usually not restricted to predetermined vocabulary, but chosen freely (Golder and Hubermann 2006).
- **User-generated Content:** Beyond the social classification of content, Web 2.0 pages allow and encourage also the creation of user-generated content. This includes creating and sharing texts, pictures or videos and commenting and editing on existing content.

They come along with the **essential principles**, which require webpage creators to trust and to involve their users, but enable them to harness network effects and collective intelligence to create applications that actually get better the more people use them (Vickery and Wunsch-Vincent 2007). It's time to exploit the opportunities of the Web 2.0 also for the RGM. Therefore, the next paragraph outlines a RGM 2.0.

4.4.4. Collaborative Repertory Grid Method

According to the explorative nature of the study, the procedure of RGM is **simplified** and relies on the results of the **previous study**. Each of its **five rounds** corresponds with one of the five personality dimensions and consists of seven steps, which are illustrated in figure 4.3 (the original questionnaire is in German and shows bigger adverts).

At first, respondents were faced with a **triad combination** of adverts. According to the principle of simplification, the adverts were chosen to represent at the best one of the five personality dimensions and respondents were already given an advert that they had to compare with another two adverts by entering some adjectives. Subsequently, they had to describe the opposite pole. In the third step, respondents had to select their preferred position between the construct poles on a four-point Likert scale. The next step required them to think about further adjectives to describe the construct. They could either enter new ideas into the input field or select items from a tag cloud, which contained adjectives that previous respondents used to describe the respective construct. This approach allows the collaborative development of constructs and represents the main difference to existing online RGM. In the sixth step, respondents were faced with a list for each construct pole, which contained the adjectives that they previously entered. They were asked to organize them into a ranking order starting with the adjective that they think would best suit to describe the construct. The procedure was repeated for each of the other four dimensions.

The collaborative RGM application is an **explorative version**, which could lead to a fully respondent-generated RGM in a later stage. It was programmed from scratch using PHP and MySQL by two students. In accordance with the open source principle, the source code is available from the author.

4.4.5. Sampling and Interviewing Procedure


According to the explorative objective of the study, a **student sample** was chosen. After a pre-test with five students, a request for participation and a link to the questionnaire was emailed to about 150 business students at TU Berlin in three waves. After two days a reminder was sent to people who didn't already participate. This led to a sample of 52 students including 23 women and 29 men and a corresponding response rate of about 35 percent.

The **data collection** took seven days and ran mostly automated, beside the regular review of the user-generated vocabulary. It was necessary to correct mistakes in spelling, to modify some words (e.g. nouns into adjectives) and to delete some inappropriate words. In total, respondents entered 519 different adjectives.

4.4.6. Results of the Complementary Study

In figure 4.4 **tag clouds** are used to illustrate the results. Their main function is to create a **feeling for the data**. The font size of an adjective represents its **importance**, which depends on an underlying score. It increased every time an adjective was entered from a participant between a minimum of two points and a maximum of ten points depending on its position on the ranking order. The font colour of an adjective represents its **connotation**. It is neutral for black tags, negative for red tags (marked in italic) and positive for blue tags (underlined). Its **intensity** is represented with the brightness of font colour. The score of connotation was summed up every time the adjective was mentioned with a score between “-2” and “+2” depending on the position that the respondent had selected on the four-point Likert scale during the third step. This selection reveals the tendency of a respondent to choose more or less favourable words to describe a construct pole. According to the principle of simplification, the same score was assigned to all adjectives that a respondent had chosen to describe a construct pole.



Figure 4.3.: The Questionnaire of Collaborative RGM



1. What is the **main difference** in style of this advert in comparison to the other two?
 Enter only adjectives!
 Enter adjectives in their basic form, separated by a comma.

strange, flashy, spacy

Continue

2. In contrast to the other, how would you describe the style of these two adverts?

conservative, natural

Continue

3. What style do you prefer?

□□□□ Continue

4. Are there any more adjectives that you think would describe this style?
 Add appropriate adjectives by clicking on them in the tag cloud or by entering adjectives in the input field.

eccentric, freakish, funky, wild

Continue

artificial crazy **eccentric** edgy
 emotionless exotic quirky **experimental** freakish
funky futuristic glamorous isolated jazzy loud
 overcharged overdone provocative sexy sleazy Surrealist
 vulgar Wild

5. Are there any more adjectives that you think would describe the other two adverts?
 Add appropriate adjectives by clicking on them in the tag cloud or by entering adjectives in the input field.

conventional, decent, serious

Continue

aesthetic calm **classic** closed conformal conservative
conventional decent elegant
 mundane noble **prissy** serious stint stylish

6. Organize the adjectives into a ranking order. Click on a word and drag it to the position of your choice.
 On the top should be the word that you think describes the style best.

funky	↓↑
wild	↓↑
spacy	↓↑
eccentric	↓↑
freakish	↓↑
strange	↓↑
flashy	↓↑

Continue

7. Organize also these adjectives into a ranking order. Click on a word and drag it to the position of your choice.
 On the top should be the word that you think describes the style best.

decent	↓↑
serious	↓↑
conventional	↓↑
conservative	↓↑
natural	↓↑

Continue

The tag clouds reflect pretty much the previously identified **personality dimensions**. In addition, they help to identify **meaningful and representative traits** and deliver further insights about the **impact of personal preferences** on the choice of traits. For instance, eccentric-oriented respondents described the opposite pole with conventional, conform and boring, while conventional-oriented people described it (themselves) with classic and elegant.

The **factor analysis** offers another analysis tool. Therefore, a **MySQL database query** was implemented to create a frequency table that contains the number of joint entries of any two adjectives. If two adjectives were found within the top three of a respondents ranking order, their joint entry was counted triply. This is another simplification to roughly incorporate their level of similarity and their relevance to describe a construct. The matrix was z-standardized and factor-analysed using **principal components analysis** and varimax rotation. The top ten factors of the first analysis explained only 44.6 percent of the variance. Therefore, the **matrix was cleared** from variables with cross-loadings over 0.4 or with factor loadings below 0.7 and from 21 words that are not adequate to describe a personality (e.g. black or technical).

The top ten factors of the subsequent analysis explain a variance of 72.2 percent and contain 156 variables without any cross-loadings over 0.4 (in total 16 factors with an eigenvalue above one; the 10th with 3.9 and the 11th with 1.5). Every factor includes between ten and 19 variables. Because of the simplified research design and the non-representative sample, the results don't provide any proof, at most some support of the five personality dimensions. In addition, the factor analysis identified traits that are **least ambiguous** and that are **most closely related** to a factor. Figure 4.5 illustrates the factors with their top ten adjectives by factor loading. Some adjectives were skipped in favour of the representative terms of a construct pole (marked in bold). It also reveals some interesting insights about **personality stereotypes**. For instance, a traditional person is perceived to be English/British, gentlemen-like and lordly.

Figure 4.4.: Final Tag Clouds



Figure 4.5.: Results of Factor Analysis

Modern		Eccentric		Opulent		Elitist		Strong	
1 contemporary	,937	1 experimental	,914	1 pompous	,917	1 avant-garde	,895	1 dominant	,928
2 easygoing	,898	2 shrill	,911	2 sensual	,912	2 rich	,872	2 demanding	,917
3 youthful	,894	3 wild	,891	3 passionate	,911	3 proud	,871	3 powerful	,894
4 innovative	,886	4 freakish	,880	4 snobbish	,908	4 snootily	,868	4 hard	,872
5 urban	,876	5 surrealist	,864	5 flashy	,887	5 bitchy	,865	5 dynamic	,868
6 young	,875	6 funky	,857	6 baroque	,884	6 neat	,860	6 challenging	,862
8 casual	,829	7 strange	,855	7 demonstrative	,884	7 arrogant	,846	7 strong	,860
9 credible	,824	8 futuristic	,841	8 ostentatious	,877	8 posed	,834	8 hot	,840
11 modern	,791	9 eccentric	,827	9 decadent	,876	9 elitist	,829	9 masculine	,817
12 clean	,693	10 artificial	,804	14 opulent	,855	10 presumptuous	,824	10 assertive	,789
Modernity		Eccentricity		Opulence		Elitism		Strength	
Traditional		Serious		Discreet		Democratic		Soft	
1 traditional	,913	1 stylish	,895	1 sober-minded	,877	1 nice	,919	1 childish	,882
2 countrified	,867	2 style-conscious	,871	2 puristic	,866	2 tolerant	,907	2 juvenescent	,872
3 english	,824	3 charming	,861	3 unobtrusive	,864	3 free	,897	3 niminy-piminy	,867
4 old-fashioned	,803	4 meritocratic	,853	4 minimalist	,846	4 sympathetic	,888	4 boyish	,856
5 old	,771	5 sovereign	,839	5 plain	,826	5 pleasant	,886	5 slimy	,856
6 gentleman-like	,768	6 closed	,789	6 sallow	,813	6 relaxed	,884	6 genderless	,849
7 conservative	,740	7 aesthetic	,784	7 reserved	,809	7 accessible	,881	7 non-sexy	,846
8 british	,731	8 harmonic	,775	8 inomate	,806	8 democratic	,866	8 mummy's boy-like	,841
9 lordly	,615	10 serious	,749	9 offish	,787	9 friendly	,855	9 innocent	,827
10 mystic	,580	13 conventional	,584	10 simple	,781	10 affable	,849	10 soft	,798

4.4.7. Benefits of the Collaborative RGM

First of all, collaborative RGM offers all the advantages and disadvantages of online research. The main **disadvantages** include the difficulties to create a representative sample and validity-related disadvantages, which can result from missing motivation by an interviewer and the deficit of body language and context information (Curasi 2001). **Advantages** include mainly its resource efficiency, its promptness, the accessibility of hard-to-reach target groups (O'Connor and Madge 2003, p. 140) and validity-related advantages including the prevention of interviewer bias (Hessler et al. 2003, p. 122), the stimulation with multimedia and the encouragement of self-disclosure (Joinson 2001, p. 188).

Specific disadvantages of collaborative RGM include the regular revision of tags during the survey and validity-related disadvantages including the bias by other respondents and possible bias by tag clouds that require people to change their reading habits (Hearst and Rosner 2008, p. 2). On the other hand, it is **suited for studies that aim to disclose a consensus** of a target group about their constructs. This principle is especially known from the Delphi method, which uses a multi-level process that also enables participants to consider responses from previous participants (Ziglio 1996, p. 9 et sqq.). Collaborative RGM **reduces bias and struggle** in data

documentation and analysis, because the tag clouds depict the consensus of the respondents at every stage of the survey (Snyder-Halpern et al. 2000, p. 811).

4.5. Conclusions

The use of RGM led to the **first concept of luxury brand personality**. The five dimensions help marketers to analyse the symbolic meaning of brands and to create a personality for their own brand. For researchers, it offers a fundament for further research about luxury brand personality and to analyse its antecedents and consequences.

The article offers two main contributions concerning the **research methodology**. Firstly, it **extends the use of RGM** to the development of category-specific brand personality concepts and demonstrates its suitability for that purpose. Furthermore, it explored the opportunities of Web 2.0 to extend the range of versions with the **collaborative RGM** and demonstrated its practicality with a complementary online survey on a specially programmed web application. Its main difference to common online RGM highlights an essential success factor for the advancement of online research: The idea of Web 2.0 is not constrained to technical aspects; it claims trust and cooperation between webpage creators and users, which translates into a new researcher-responder-relationship 2.0. This helps to stimulate and to empower respondents – and this corresponds to the modern customer-focus in brand management.

5. Paper 5: The Personality of Luxury Fashion Brands

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Prior Publications:

- Heine, K., Trommsdorff, V., The Universe of Luxury Brand Personality Traits. Presented at the Global Marketing Conference, Tokyo, 9-12 September 2010 (the abstract can be found in section C.4 in the appendix).
- Heine, K., The Luxury Brand Personality Traits. Proceedings of the 6th Thought Leaders International Conference in Brand Management, Lugano, 18-20 April 2010 (the abstract can be found in section A.2 in the appendix).

Abstract: Although luxury brands are characterised with especially strong symbolic benefits, there exists only a relatively small literature base about their symbolic meaning and no specific brand personality framework. This paper creates a foundation for a luxury brand personality framework with an investigation of personality traits as the basic elements of a brand personality. More specifically, its objective is to uncover the entire universe of personality traits that luxury brands represent in the eyes of their consumers based on two empirical studies. These studies focus on luxury fashion brands as this industry covers the biggest variety of brand images. Results include the first comprehensive overview of luxury brand personality traits categorized by five major personality dimensions. These findings provide researchers a basis for further studies and assist marketers in developing a luxury brand personality.

Keywords: luxury brands, brand identity, brand personality, symbolic benefits, repertory grid method

5.1. Introduction

The focus of brand differentiation is shifting increasingly to **symbolic benefits** (Kapferer 2008, p. 173) mainly because of changing market conditions and consumer preferences. On the one hand, the functional benefits of many products on the market today become increasingly equivalent and exchangeable. On the other hand, an increasing number of consumers engage in symbolic consumption and decide for a product mainly due to the congruity between their personality and the symbolic personality of the product or brand (Trommsdorff and Heine 2008a, p. 1672; Vigneron and Johnson 1999, p. 434). These trends lead to an **increased interest in the brand personality** concept, which offers a systematic approach to create symbolic benefits (Esch 2010, p. 79).

Although luxury brands are characterised with **strong symbolic benefits** that often even exceed their functional benefits and that refer to a large extent to human personality traits (Vigneron and Johnson 2004, p. 490), and even though Vernier and Ghewy (2006, p. 4) attest them to have an “aura”, there exists only a small literature base about the symbolic meaning of luxury brands and **no specific luxury brand personality framework**. Some authors concentrated on some particular symbolic characteristics including Dubois et al. (2005, p. 123), Esteve and Hieu-Dess (2005), Kisabaka (2001, p. 192 et sqq.) and Ourahmoune and Nyeck (2008). In most of the literature, the luxury symbolism is only mentioned circumstantially in descriptions about luxury brand characteristics (e.g. Lipovetsky and Roux 2003, p. 51 et seq., Mutscheller 1992, p. 65, Valtin 2004, p. 26, Vickers and Renand 2003, p. 469, Vernier and Ghewy 2006, p. 4 and by Vigneron and Johnson 2004, p. 494).

This paper deepens the understanding of the symbolic meaning of luxury brands and creates a foundation for a luxury brand personality framework. More specifically, the **objective of this paper** is to uncover the entire universe of personality traits that luxury brands represent in the eyes of their consumers based on two empirical studies. These studies focus on luxury fashion brands as this industry covers the biggest variety of brand images.

As a prerequisite, the paper defines luxury brands as the objects of investigation, explains the concept of brand personality and its common research methodology and outlines a framework for the identification of luxury brand personality traits. The first study covers in-depth interviews with about 50 luxury consumers about their **associations with luxury brands** according

to the repertory grid method and leads to a set of about 50 personality traits categorized by five major personality dimensions. The set of personality traits was tested and adapted with a complementary study that includes face-to-face interviews with about 60 luxury insiders, who were asked to describe their associations with several **luxury brand print adverts** first in their own words and then with the help of the pre-existing personality traits. These findings provide researchers a basis for further studies and assist marketers of luxury brands in developing their brand personality.

5.2. Conceptual Groundwork

5.2.1. Definition of Luxury Products and Brands

As the concept of brand identity was already described in the introduction (see part I, section 3), this paragraph was moved into section B.5 in the appendix.

5.2.2. The Status of Brand Personality in Brand Management

5.2.3. The Brand Personality Concept by Aaker

As the concepts of brand identity and brand personality were already described in the introduction (see part I, section 3) and in the previous paper (see section 4.2.2), these paragraphs were moved into section B.5 in the appendix.

As a prerequisite for the identification of personality traits, especially for luxury brands, the next paragraph outlines specific requirements and selection criteria.

5.2.4. Requirements and Selection Criteria for Luxury Brand Personality Traits

For the purpose of this study, a **trait is defined** as a basic characteristic of person or its style associated with a luxury brand. The set of luxury brand personality traits should meet the following requirements: Traits must be **relevant and meaningful to consumers and descriptive of luxury brands** (Aaker 1997, p. 349). They should not be ambiguous or synonymous, but as **clear and distinct** as possible. In addition, the trait catalogue should be as **complete** as possible, which means that it should cover preferably the entire universe of personality traits that luxury brands represent.

However, some **challenges** exist for the identification of personality traits, which rely on the **complexity** of the symbolic characteristics. On the one hand, there are many words that describe similar characteristics and on the other, there are many ambiguous and contextual words, which could represent different personality facets, for example, “natural” or “playful” (John et al. 1988, p. 174). Results of a previous study demonstrate that respondents use adjectives with more or less positive **connotations** to describe a personality trait depending on their preferences for that trait (Heine 2009b, p. 10).

These requirements and challenges lead to the following guidelines and **selection criteria** for personality traits:

- A major modification to the common research approach is that each trait has to consist of three adjectives. While a single adjective can be very ambiguous, word combinations become more precise as people can rely on their overlapping meaning. The interviews with luxury consumers from a previous study suggest that these **triad combinations** are more appropriate to draw a clear and meaningful picture of a personality facet.
- According to the definition of personality traits, the adjectives must be suitable for the **description of personality characteristics**. Consequently, adjectives are rejected if they refer to physical-functional, product-related characteristics (brand attributes or benefits) such as “durable” or “valuable” or if they refer only to the appearance of a person (brand symbols) such as “tanned” or “tall.”
- Traits **should not comprise general evaluations** such as “beautiful” or “ugly.”
- A trait should refer to a **basic aspect** of a brand personality that cannot be further differentiated into additional personality traits.
- They should have a **neutral or positive connotation** according to the respondents with preferences for the respective traits.
- They should include possibly only **common and generally intelligible** words.
- Finally, traits should be as **metaphorical and figurative** as possible in order to ensure their relevance and practicability for brand communications (Aaker 1997, p. 349; Mäder 2005, p. 65).

The identification of luxury brand personality traits is based on two empirical studies, which will be outlined in the subsequent sections.

5.3. Study I: Identification of Personality Traits using the Repertory Grid Method

5.3.1. Sampling Procedure

The investigation of the symbolic meaning of luxury brands with an open interviewing approach requires respondents with a sound understanding of these brands and their specific meanings. Therefore, the **target group** of the study consists of heavy luxury consumers and young professionals.

As the sampling procedure for the survey of heavy luxury consumers was already described in the first paper (see part II, section 1.2.2.3), this paragraph was moved into section B.5 in the appendix.

As the bigger part of the 31 heavy luxury consumers were connoisseurs who had already outgrown their period of conspicuous consumption, the sample was extended to include aspiring and often more conspicuous **young professionals**, who also had to be seriously interested and active in luxury consumption. The sample contains 20 young professionals from a variety of industries including 12 women and 8 men between 25 and 35.

5.3.2. Interviewing Procedure

As the interviewing procedure was already described in the first paper (see part II, section 1.2.2.3) and the RGM and its benefits were explained in the previous paper (see section 4.3), this paragraph was moved into section B.5 in the appendix.

5.3.3. Data Analyses

As a prerequisite for the **data analysis**, all interviews were audio-taped and transcribed, leading to some hundred pages of verbatim. The analyses consist of two steps covering a qualitative and a quantitative content analysis.

The **qualitative content analysis** was conducted according to Mayring (2002, p. 114 et sqq.). At the beginning, the data was cleaned from mere physical-functional, product-related associations and other irrelevant information. Then the emotional associations were roughly arranged into some main categories. It followed an iterative process of reviewing and adapting these categories until a reasonable system of categories were identified and all associations were assigned to a category (Reynolds and Gutman 1988, p. 18 et seq.). In addition, results were compared and consolidated with the results of another researcher, who conducted an independent content analysis (Dubois et al. 2001, p. 7). These analyses helped to develop an understanding of the emotional associations and to identify the major personality dimensions (Heine 2009b, p. 6).

Subsequently, a **quantitative content analysis** was conducted in order to identify the luxury brand personality traits. As mentioned earlier, there are some challenges for the identification of traits, especially the ambiguity of many words. However, it can be expected that there is an overlap of words that respondents use to describe a construct pole. In some cases there might be only an overlap of words for one of the construct poles. Consequently, it is necessary to find out which words are generally mentioned together to describe a construct pole (such as young and youthful). Therefore, a software tool was especially programmed using PHP/MySQL, which facilitates efficient data input and preparation. The data was entered construct by construct for all 51 respondents. For each construct, the data input form required entering the respondent ID, the adjectives that the respondent used to describe the positive construct pole and associated brands, the adjectives that describe the negative pole and associated brands along with a rating of the respondents preferences for that construct. In total, the respondents delivered 487 constructs using 601 different words. The next step was to create a **frequency table** that depicts the number of joint mentions for each adjective. Subsequently, a **correlation matrix** was calculated and a **factor analysis** was conducted using principal components analysis and varimax rotation. This led to 95 factors with an eigenvalue of more than 1. Each factor includes words that are often mentioned together and that could describe the same trait. The complexity of the symbolic meanings and the selection criteria for personality traits make it impossible to rely on mere quantitative analysis. However, the quantitative analysis helped to structure the data and to build a foundation for the subsequent qualitative analysis that started with the analysis of the first factor. Based on the selection criteria for brand personality traits, three words were selected that represent the trait best. The qualitative approach allows making some exceptions from the

basic principles whenever useful. For example, the noun “Understatement” was selected in the German version because respondents mentioned it very often. Subsequently, the next factors were analysed and considered for further traits if they delivered new aspects. If a factor did not offer enough adequate words, the correlation matrix was used to identify further adjectives that describe a certain trait better.

5.3.4. Results: Personality Traits and Dimensions of Luxury Fashion Brands

The results suggest that consumers perceive that luxury brands have five distinct personality dimensions.

As these dimensions of luxury brand personality were already presented in the previous paper (see section 4.3.5), these paragraphs were moved into section B.5 in the appendix.

However, luxury brands differentiate from their peer brands and build a competitive advantage often with a specific combination of personality traits. The quantitative content analysis led to a set of **49 luxury brand personality traits** (see figure 5.3). However, the validity of results improves if they are replicated with other studies and with varying research methodologies. To this end, this set of personality traits was tested and adapted with a complementary study, which will be outlined in the next section.

5.4. Study II: Discussion of Luxury Brand Print Adverts

5.4.1. Selection of Stimuli

As luxury brands use amongst others print adverts to communicate their intended brand identity, the analysis of their adverts allows for an uncovering of the luxury brand personality traits. A prerequisite for the study is a **set of luxury fashion adverts** that covers the variety of luxury brand personality traits. For that purpose, an **expertise-based set of brands** that represents the German luxury fashion market was developed based on the following selection criteria: a brand should either belong to the **most important brands** in the market regarding awareness

and turnover such as Hugo Boss or Louis Vuitton or it should help to **complete the variety of brand images** with exceptional symbolic characteristics, which is the case for connoisseur brands such as BOCODO, Issey Miyake, or Patrizia Pepe. The brands were selected from the sum of brands mentioned by respondents of the previous study based on an extensive secondary research about the relevant brands. This led to a set of 46 luxury fashion brands. Subsequently, three researchers each selected two adverts for each of the 49 personality traits that they thought would express them well. This led to a collection of almost 300 adverts. Based on that, the two most adequate adverts for each personality trait were identified in a joint workshop. The set of adverts includes at least one advert from each of the 46 brands so as to cover the variety of traits that luxury brands represent. In addition, the set of adverts was complemented with another 20 **randomly selected adverts**. Figure 5.1 displays some examples from the resulting set of 118 luxury fashion adverts.

Figure 5.1.: Examples of Personality Traits and their Representative Adverts



5.4.2. Sampling Procedure

In contrast to the previous study, the stimuli are not just brand names, but adverts. Therefore, the study did not require experienced luxury consumers, but at least **luxury insiders**, who can be defined as respondents with a keen interest in luxury and a sound knowledge of luxury fashion products and brands. These selection criteria were verified in a preliminary talk with potential respondents according to the luxury affection questionnaire (Heine 2010b, p. 7). In order to select a preferably **heterogeneous mix of personalities** who differ in their preferences and perceptions of personality traits, the respondents were selected from different researchers. The

resulting sample contains 63 respondents including 35 women and 28 men between 20 and 64 years (about half of them is below 30 years old).

5.4.3. Interviewing Procedure

After an introduction, respondents were faced with the first advert and asked to describe it with their own words. They were required to distinguish their associations into single aspects, which they then had to explain further with at least three adjectives, which had to be suitable for the description of a person or its style. If necessary, they were asked if they could also think of words with a positive connotation to describe the aspect. Subsequently, they were faced with the existing trait catalogue and had to decide for each of the aspects they found whether there exists already a similar trait or not. In the case that they found various traits describing an aspect, they had to select the trait that they thought would describe this aspect best. In addition, they had to rate the fit between the selected trait and their aspect on a scale from 1 (“rather good”) to 3 (“very good”). If there was not a good fit between them, they were asked for an explanation and suggestions for improvements. Moreover, they had to check again the trait catalogue to find out if there are any other traits that could be used to describe the advert. Altogether, each interview covered about three to four adverts and took about one to two hours.

5.4.4. Data Analysis

The objectives of the data analysis included eliminating redundant or irrelevant traits, improving existing traits and complementing the trait catalogue with potentially missing aspects. All relevant information was recorded in a structured interview form during and directly after the interview and consolidated into a **single spreadsheet** with a row for each trait described by the respondents. Altogether, they used 1,644 traits to describe the adverts. The respondents used each of the existing personality traits several times. However, there was also a list of about 30 “unassigned” aspects (i.e. potential traits) that respondents could not assign to any of the existing traits. The data was then **analysed trait by trait**: A trait was approved without changes if it was used from several respondents to describe the adverts, if the respective adjectives were also used by the respondents, if it received a good evaluation and if there were no suggestions for improvements. A trait was eliminated if respondents were not able to differentiate between two traits, which means that they employed them for the same personality aspects and they used

Figure 5.2.: The Luxury Brand Personality Traits

Traditional		Modernity	Modern	
traditional, history-charged, time-honored traditionell, geschichtsträchtig, althergebracht			modern, future-conscious, progressive modern, zukunftsorientiert, fortschrittlich	
classic, timeless, fashion-independent klassisch, zeitlos, modeunabhängig			trendy, fashionable, hip trendy, modisch, hip	
experienced, mature, charismatic erfahren, reif, charismatisch			young, youthful, fresh jung, jugendlich, frisch	
calm, peaceful, balanced ruhig, friedlich, ausgeglichen			lively, dynamic, energetic lebendig, dynamisch, energiegeladen	
Reputable		Eccentricity	Eccentric	
reputable, decent, respectable seriös, anständig, ehrbar			eccentric, crazy, bizarre exzentrisch, verrückt, schräg	
respected, esteemed, well-regarded respektiert, geachtet, angesehen			creative, artistic, imaginative kreativ, künstlerisch, fantasievoll	
down-to-earth, solid, conservative bodenständig, solide, konservativ			dreamy, unreal, magical träumerisch, unreal, märchenhaft	
			shadowy, mysterious, eerie geheimnisvoll, mysteriös, unheimlich	
			intellectual, cultured, witty intellektuell, kulturell, geistreich	
			exotic, unusual, outlandish exotisch, ungewöhnlich, fremdländisch	
			disobedient, naughty, dodgy ungehorsam, frech, zwielichtig	
			rebellious, defiant, battlesome rebellisch, aufsässig, kämpferisch	
			free, adventurous, wild freiheitlich, abenteuerlustig, wild	
innocent, pure, virtuous unschuldig, rein, brav			sexy, salacious, licentious sexy, aufreizend, zügellos	
			erotic, passionate, alluring erotisch, leidenschaftlich, verführerisch	
Discreet		Opulence	Opulent	
unostentatious, discreet, understated dezent, diskret, Understatement-orientiert			prestigious, impressive, wealthy repräsentativ, eindrucksvoll, wohlhabend	
			glittering, glamorous, extravagant glanzvoll, glamourös, extravagant	
little-known, secretive, publicity-shy wenig-bekannt, zurückgezogen, öffentlichkeitsscheu			famous, well-known, prominent berühmt, bekannt, bedeutend	
minimalist, puristic, unadorned minimalistisch, puristisch, schmucklos			ornate, decorated, adorned verspielt, verziert, geschmückt	
moderate, plain, frugal maßvoll, schlicht, enthaltsam			pleasure-loving, sensual, hedonistic genussfreudig, lustvoll, genießerisch	
Democratic		Elitism	Elitist	
outgoing, open, approachable aufgeschlossen, offen, zugänglich			distant, cool, reserved distanziert, kühl, unnahbar	
friendly, warm, personable freundlich, warm, menschlich			haughty, lofty, proud hochmütig, erhaben, stolz	
loving, affectionate, dedicative liebevoll, zärtlich, hingebungsvoll				
cheerful, fun-loving, jovial fröhlich, lebensfroh, heiter				

Democratic		Elitism (2)	Elitist	
easygoing, casual, relaxed locker, lässig, zwanglos			elegant, noble, highbred elegant, nobel, vornehm	
honest, authentic, natural ehrlich, echt, natürlich			perfectionist, accomplished, flawless perfektionistisch, vollkommen, makellos	
Soft		Strength	Strong	
female, feminine, womanly weiblich, feminin, fraulich			male, manly, masculine männlich, maskulin, mannhaft	
sensitive, soft, tender feinfühlig, weich, empfindlich			strong, tough, resolute stark, hart, entschlossen	
delicate, dainty, graceful zierlich, zart, graziös			powerful, influencing, awe-inspiring mächtig, einflussreich, respekteinflössend	
sensuous, romantic, emotional sinnlich, romantisch, gefühlvoll			direct, clear, realistic direkt, klar, sachlich	
carefree, unconcerned, happy-go-lucky sorglos, unbekümmert, leichtlebig			ambitious, successful, aspiring ehrgeizig, erfolgreich, strebsam	

similar or even the same adjectives to describe them. A trait was improved if it did not receive a good evaluation and if there were any useful suggestions for improvements from the respondents. In addition, the “unassigned” aspects were considered for new traits with reference to the selection criteria for brand personality traits. Finally, the results were **translated** from German into English based on a focus group with native English-speaking business students and reviewed by a professional translator. Thereby, the triad combinations made it easier to preserve the original meaning of the traits.

5.4.5. Results: The Personality Traits of Luxury Fashion Brands

Based on the analysis, 17 traits were improved, four traits were added and one trait was eliminated. Figure 5.3 gives an overview about the major changes. For example, results indicate that consumers differentiate between “sexy” and “erotic”, which led to two varying personality traits. All together, the studies helped to identify 52 brand personality traits, which are illustrated in figure 5.2. For the sake of clarity, the traits were categorized by the five major personality dimensions (which is not yet based on empirical evidence). In addition, the figure displays binary oppositions including for example “traditional, history-charged, time-honored” vs. “modern, future-conscious, progressive.” Interestingly enough, there are more facets of eccentric brand personality traits than for decent personality traits, demonstrating that it is neither possible nor useful to constrain the trait catalogue to one-to-one binary oppositions.

Figure 5.3.: Overview about Major Adaptations by the Complementary Study

Original Version	Adapted Version
past-conscious, retrospective, non-modern	traditional, history-charged, time-honored
traditional, classic, time-honoured	classic, timeless, fashion-independent
fashion-independent, timeless, everlasting	
serious, respected, well-regarded	respected, esteemed, well-regarded
decent, righteous, civilized	reputable, decent, respectable
liberal, adventuresome, individualistic	free, adventurous, wild
	rebellious, defiant, battlesome
	sexy, salacious, licentious
erotic, sexy, revealing	erotic, passionate, alluring
connoisseur-like, little-known, secretive	little-known, secretive, publicity-shy
minimalist, frugal, unadorned	minimalist, puristic, unadorned
restrained, moderate, unobstrusive	moderate, plain, frugal
prestigious, representative, wealthy	prestigious, impressive, wealthy
	loving, affectionate, dedicative
haughty, demanding, proud	haughty, lofty, proud
soft, gentle, tender	sensitive, soft, tender
graceful, dainty, charming	delicate, dainty, graceful
strong, assertive, resolute	strong, tough, resolute
	powerful, influencing, awe-inspiring
ambitious, successful, purposeful	ambitious, successful, aspiring

5.5. Conclusions

This paper proposed a **research methodology** specifically for the investigation of luxury brand personality traits. It builds on a consumer-oriented qualitative approach using RGM, which is constrained by a conceptual framework of guidelines and selection criteria, but remains flexible enough to consider the ambiguous and contextual aspects of brand personality. The results deepen the **understanding of the symbolic meaning** of luxury brands and provide the **first comprehensive overview about the universe of personality traits** that luxury brands represent in the eyes of their consumers.

For researchers, it offers a foundation for **further research** on luxury brand personality and analyzing its antecedents and consequences. Because of the focus on Germany, the complexity of the subject and changes in the luxury symbolism over time, the resulting set of traits cannot be seen as a generally applicable, static and final solution. For example, the trait catalogue could be **tested and adapted by additional empirical studies** for specific luxury industries, consumer segments or for other countries. In addition, the set of traits provides a basis for the verification of the personality dimensions with a quantitative consumer survey according to the approach of

Aaker and for analyses about specific trait combinations, binary oppositions or comprehensive personality profiles.

The categorization of luxury brand personality traits **provides marketers a framework** for the analysis of emotional luxury brand images and the development of a luxury brand personality, so to say its “aura”, “magic” or “DNA.”

6. Paper 6: Dimensions of the Luxury Brand Personality

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Abstract: This paper outlines the first framework of luxury brand personality based on several qualitative pre-studies and a quantitative study of almost 1,200 respondents. The common research methodology is adapted to the specific requirements of luxury brands and leads to five major personality dimensions including Modernity, Prestige, Sensuality, Understatement and Eccentricity.

6.1. Introduction

More than a decade ago, Aaker (1997) identified the dimensions of brand personality and developed a scale to measure them. Her work is still regarded as the most established **theoretical framework of brand personality**. However, while the framework claims general applicability across product categories, the dimensions might not be very descriptive for non-American cultures or specific categories (Austin et al. 2003, p. 81). Therefore, other studies have followed in recent years, which usually replicated the procedure of Aaker to develop specific concepts for other cultures, for example for Germany by Hieronimus (2003) and Mäder (2005), and for a variety of product categories, for example for clothing by Kim (2000a), for personal computers by Villegas et al. (2000) and for restaurants by Siguaw et al. (1999).

Surprisingly, there still exists no brand personality concept specifically for luxury brands and only a small amount of literature about the symbolic meaning of these brands. Some authors concentrated on some particular symbolic characteristics including Dubois et al. (2005, p. 123), Esteve and Hieu-Dess (2005), Kisabaka (2001, p. 192 et sqq.) and Ourahmoune and Nyeck (2008). Nevertheless, the **luxury category appears to be especially suitable** for a brand personality framework. First of all, there is no other product category with a similar relevance of

symbolic benefits, which often even exceed their functional benefits. In addition, the symbolism of luxury brands refers to a large extent to human personality traits (Vigneron and Johnson 2004, p. 490). Consequently, the **objective of this paper** is to develop a luxury brand personality framework, which requires identifying the universe of luxury brand personality traits and their major dimensions. Therefore, the qualitative pre-studies will be extended with a quantitative study of almost 1,200 respondents with reference to Aaker, but adapted to the specific requirements of the luxury category. The studies focus on luxury fashion brands as this category covers the biggest variety of brand images.

*The article is **organised into four further sections**. Section 6.2 forms the conceptual groundwork. It explains the concept of brand personality including its common research methodology and presents the results of an explorative pre-study about the luxury brand personality dimensions. Section 6.3 outlines the identification of personality traits and the selection of stimuli. Section 6.4 describes the quantitative study including the research design, the sampling and data analysis procedure, and the resulting dimensions of luxury brand personality. The article concludes with a discussion about the results and their benefits for researchers and marketers.*

6.2. Conceptual Groundwork

6.2.1. The Brand Personality Concept

As the concepts of brand identity and brand personality were already described in the introduction (see part I, section 3) and in paper 4 (see section 4.2.2), these paragraphs were moved into section B.6 in the appendix.

6.2.2. Dimensions of the Luxury Brand Personality

Due to the small literature base about the symbolic meaning of luxury brands, the pre-studies employed a qualitative approach in order to explore the emotional associations with luxury brands and **their major personality dimensions**.

As these dimensions were already presented in paper 4 (see section 4.3.5), this paragraph was moved into section B.6 in the appendix.

There are some **similarities to the brand personality framework** by Aaker (1997, p.352), especially between Ruggedness and Strength, and also between Excitement and Modernity. However, there are also **major differences**. For instance, there are two counterparts for the dimension Sophistication from Aaker as luxury consumers differentiate between Opulence and Elitism. In addition, there is no counterpart for Aaker's dimension Competence as this might be regarded as a general characteristic of all luxury brands.

These results provide a foundation for the luxury brand personality framework and will be tested with the subsequent quantitative study. As a prerequisite for that, the next section discusses the identification of representative sets of personality traits and stimuli.

6.3. Personality Traits and Stimuli

6.3.1. Identification of Luxury Brand Personality Traits

6.3.2. Selection of Stimuli

As the identification of personality traits and the selection of stimuli were already described in the previous paper (see section 5.3), these paragraphs were moved into section B.6 in the appendix.

Figure 4.2 (paper 4) exemplifies a representative brand for each pole of the personality dimensions. For the sake of brand variety, it is necessary to include also **brands with a relatively low luxury level** such as Calvin Klein and Lacoste. These analyses led to a set of 46 luxury brands, which are shown in table 6.1. According to the consumer-oriented research approach, the **set of stimuli is open** for further luxury brands, which can be recommended by the survey participants.

6.4. Quantitative Study

6.4.1. Research Design

The study is based on an **online questionnaire**, which is organized as follows: After an introduction about the survey, respondents are asked to **select some luxury fashion brands** they like

from the set of brand stimuli. The next screen covers an eight-item **luxury scale**, which measures their luxury fashion brand knowledge, attitudes, and purchase intention on a seven-point Likert scale ranging from -3 (disagree very much) to +3 (agree very much; Heine 2010b, p. 7). Subsequently, respondents have to rate on a seven-point Likert scale the first **brand on the 52 personality traits**. They are instructed to “imagine the brand [x] as a person and [to] evaluate how the following traits apply to this person on a scale from -3 (not true at all) to +3 (very true).” After evaluating three brands including their ideal luxury brand, respondents can choose which of the brands they would like to evaluate based on the ones they entered previously. In the final section respondents are requested to rank their value priorities and to indicate some common demographic information.

6.4.2. Sampling and Survey Procedure

This study aims to investigate the human characteristics of luxury brands in the eyes of their potential consumers. Accordingly, the **target group of this study consists of luxury fashion insiders**, who can be defined as present or potential luxury consumers with a sound knowledge about luxury fashion products and brands. They were identified with the luxury scale that was mentioned above. A respondent qualifies for the study if he or she at least “rather agrees” to the respective statements (Heine 2010b, p. 7).

The **acquisition of participants** is inspired from the concept of **viral marketing** which aims to animate potential consumers to propagate a product to their acquaintances via the Internet and to employ their resources such as their personal network, time and communication equipment.

As the VPA was already described in paper 2 (see section 2.4), this paragraph was moved into section B.6 in the appendix.

VPA led to 1.420 completed questionnaires. A brand evaluation was eliminated from the data set if respondents used a particular scale anchor 35 times or more (according to the approach of Schwartz 2006). In addition, the **data cleaning** considered the plausibility of responses and the affiliation of respondents to the target group of luxury insiders. The resulting **net sample** consists of n=1.175. Compared to the general public, respondents include a larger proportion of young people (67% are below 30), women (57%) and people with high education (86% passed at least their A-levels). These deviations from the general public coincide more or less with the deviations of luxury fashion insiders from consumers in general.

The **data set** comprises 3,231 brand evaluations including 2,208 evaluations of luxury brands and another 1,023 evaluations of ideal luxury brands. There are more than ten evaluations for each of the 46 pre-selected luxury brands. In addition, the set of brands was extended with Baldessarini and Joop as these brands were added most often by the respondents (see table 6.1).

6.4.3. Data Analysis

The objective of the data analysis is to test the existence of the five luxury brand personality dimensions by conducting a **factor analysis**. There are two possibilities to adapt the resulting three-dimensional data matrix with 2,208 evaluations of 52 traits for 46 brands to a **two-dimensional matrix** that is suitable for a factor analysis. Aaker (1997, p. 350) averaged the evaluations of each brand on each personality trait across subjects, which would lead to a two-dimensional objects (46 brand profiles) / variables (52 personality traits) data matrix. While this approach results in factor solutions that usually explain a high level of variance, it does not account for individual differences in brand evaluations, which means that it assumes that there is a common understanding of the target group about the personality of a brand. Instead of averaging the brand evaluations, another option is to consider each individual brand evaluation as an object, which results into a two-dimensional objects (2,208 brand evaluations) / variables (52 personality traits) data matrix. This approach is recommended if there is a relatively big spread between the evaluations of a brand (Backhaus et al. 2000, p. 307), which is the case for this study. One reason to account for this is its relatively broad target group of present and potential luxury consumers. However, the strong and polarising symbolic meaning of luxury brands leaves more scope for varying impressions about these brands. In addition, many luxury brands differentiate their brand identity with a range of sub-brands. For instance, the impressions about the primary brand Hugo Boss can be influenced by its sub-brands Boss Selection, Black, Orange, Green and Hugo. The second option incorporates varying faces of a brand, which makes it appropriate especially for the luxury category.

The data base is suitable for factor analysis according to the anti-image-covariance matrix, which does not include any non-diagonal elements over .09 (Dziuban and Shirkey 1974, p. 359). In addition, there is a “marvellous” KMO value of .905 for the correlation matrix and also each individual item shows similar KMO values between .753 and .940 (Kaiser and Rice 1974, p. 111 et sqq.).

In contrast to the approach of Aaker (1997, p. 350), the data was factor-analysed using principal components analysis and **oblique rotation** instead of varimax rotation as the underlying dimensions are expected to be not independent from each other. A large part of the luxury brand personality refers to human values (Heine and Trommsdorff 2010b, p. 20; Vigneron and Johnson 2004, p. 490). Schwartz (2006, p. 3) arranged the ten major values in a circle, which implies that there are strong relationships between the adjacent and opposing value types. In addition, previous research already indicated that the major luxury personality dimensions are not independent from each other, but that there are popular combinations such as modern-eccentric brand personalities (Heine 2009c, p. 6).

Initially, an **explorative factor analysis** without prior limitations on the number of factors was conducted in order to check if there were eventually even more than five personality dimensions. This led to seven factors with an eigenvalue greater than 1 and an explained variance of 59.9%. In subsequent steps, all factor loadings below 0.6 and cross-loadings above 0.4 were eliminated, which led to a five-factor model. This explorative approach produced the same results as the **confirmative factor analysis**. As shown in table 6.2, the model comprises 30 personality traits in total and between four and eight traits per factor. There is a significant dip in the scree plot after the fifth factor. The explained variance ranges from 23.1% for the first factor to 5.7% for the fifth factor and adds up to 65.5% in total. The eigenvalues vary between 6.9 and 1.7. The correlations between the factors range from .008 between Prestige and Sensuality to .323 between Modernity and Eccentricity.

6.4.4. Results: The Luxury Brand Personality Dimensions

The **results indicate** that consumers perceive luxury brands to have the following five personality dimensions, which show great similarity to the original dimensions:

1. **Modernity** covers the openness and temporal perspective of a brand personality, which can either lie more in the past or in the present and future. As expected, this factor includes traits such as “young, youthful, fresh” and “modern, future-conscious, progressive.” However, modern brands are also associated with democratic characteristics such as “easygoing, casual, relaxed” and “outgoing, open, approachable.” Brands ranking high on Modernity comprise Patricia Pepe, Marc Jacobs, and Donna Karan and brands with low rankings include Chanel and Hermès.

2. **Prestige** refers to the level of snobbishness and status that is displayed by a brand personality. As the factor also contains power and wealth related traits that are typically associated with prestige brands such as “prestigious, impressive, wealthy” and “powerful, influencing, awe-inspiring”, the name of the dimension was changed from Elitism to Prestige. High-prestige brands include Louis Vuitton, Versace and Gucci and low-prestige brands comprise Moschino and Paul Smith.
3. **Sensuality** covers the level of femininity and emotionality of a brand personality. Most traits that were assigned by previous studies to the soft pole of the Strength dimension load on this factor, while most traits of the strong pole load on Prestige. Sensual brands include Chloé, Valentino and Dior in contrast to Hackett and Hugo Boss.
4. **Understatement** relates to the level of non-conspicuousness of the symbols of wealth. Most traits that were assigned to the opulent pole by previous research also load on the Prestige factor. Respondents perceive brands like Strenesse, Hermès and Jil Sander as understated in contrast to brands such as Miu Miu and Valentino.
5. **Eccentricity** covers the level of non-conformity with social norms and expectations. As expected, the factor contains traits such as “disobedient, naughty, dodgy” and “eccentric, crazy, bizarre.” High eccentricity is associated with brands such as Dolce & Gabbana, Lacroix and Moschino and low eccentricity with, for instance, Zegna and van Laack.

6.4.5. Evaluation of the Five-Factor Solution

The generalizability of this five-factor solution would be limited by differences in the understanding about the personality traits among different groups of people. Therefore, its **stability is tested** with separate explorative factor analyses (also using principal components analysis and oblique rotation) for the **ideal brands** with $n=1,023$ and for different subsamples, which are defined by **gender** (females $n=666$ and males $n=509$) and **age** (people under 30 years with $n=788$ vs. people 30 years and older with $n=387$). Besides some small differences in factor loadings, eigenvalues and explained variances (65.2% for ideal brands; 64.7% for men vs. 65.1% for women; 64.4% for people under 30 years vs. 67.5% for people of 30 years and older), the **five-factor solution remains stable** with the same number of factors, identical items per factor, and an identical order of the factors. The largest difference in the explained variance by each

Table 6.1.: List of Stimuli

1. <i>Armani</i>	13. <i>Donna Karan</i>	25. Jil Sander	37. Ralph Lauren
2. Bogner	14. Escada	26. <i>Kenzo</i>	38. Strellson
3. Bottega Veneta	15. Etro	27. Lacoste	39. Strenesse
4. Burberry	16. Fendi	28. <i>Louis Vitton</i>	40. Valentino
5. Calvin Klein	17. Ferragamo	29. Marc Jacobs	41. van Laack
6. <i>Cavalli</i>	18. Furla	30. Missoni	42. Vera Wang
7. <i>Chanel</i>	19. <i>Gucci</i>	31. Miu Miu	43. <i>Versace</i>
8. Chloé	20. Hackett	32. Moschino	44. <i>Yohji Yamamoto</i>
9. <i>Christian Dior</i>	21. <i>Hermès</i>	33. Nina Ricci	45. <i>Yves Saint Laurent</i>
10. Christian Lacroix	22. <i>Hugo Boss</i>	34. Patrizia Pepe	46. Zegna
11. D. v. Furstenberg	23. <i>Issey Miyake</i>	35. <i>Paul Smith</i>	47. Baldessarini
12. <i>Dolce & Gabbana</i>	24. Jean Paul Gaultier	36. <i>Prada</i>	48. Joop

Brands in italic also used by Esteve and Hieu-Dess (2005); brands in bold originate from respondents

factor exists for Modernity, which explains 22.5% of the variance for the younger subsample and 25.2% for the 30+ sub-sample. There are nearly no cross-loadings of more than .4 with only some exceptions: there is a cross-loading of “trendy, fashionable, hip” for the ideal brands with -.511 on Understatement, of “haughty, lofty, proud” for the 30+ sub-sample with .522 on Modernity and of “male, manly, masculine” for the male sub-sample with .430 on Prestige and for the female sub-sample with .421 on Understatement and with .405 on Modernity. The similarity of the factor structure can be assessed also quantitatively by **factor correlations between the sub-samples**. The factor congruence correlations range from .977 to .996, which exceeds the boundary value of .9 that indicates a basically invariant factor structure (Everett 1983, p. 200; Aaker 1997, p. 351). These analyses demonstrate that the **five-factor solution is highly stable and robust**. Consequently, they also support the idea that triad combinations are more clearly understood by different groups of people than single traits.

The five-factor solution shows a decent **reliability** considering the high Cronbach’s alphas for each of the five dimensions: Modernity = .91, Prestige = .89, Sensuality = .70, Understatement = .87, and Eccentricity = .88.

However, the **generalizability of the results is constrained** by the convenient sample, which is not representative for German luxury consumers. Despite the stability of the five-factor solution, it may not apply to specific consumer segments, other countries or luxury categories.

6.5. Conclusions and Marketing Strategy Implications

The **methodological contributions** of the paper include the development of a research design, which is adapted to the specific requirements of the luxury category. According to the growing **consumer-orientation** in marketing research, the traits and stimuli originate directly from the consumers. The identification of traits relies on a specific qualitative research approach including the **Repertory Grid Method**, which is constrained by a theory-based framework, but then again flexible enough to consider the ambiguous and contextual facets of brand personality. In contrast to common practice, the **set of stimuli is open** for recommendations of survey participants and extended with the **ideal brands**, which proved to be suitable for the analysis of the luxury brand personality and could also be employed for the analysis of category-specific brand personalities beyond the luxury segment. In addition, the paper explained the benefits of a factor analysis based on **individual brand evaluations** and **oblique rotation** specifically for the luxury category and proposed the application of **Viral Participant Acquisition**.

The results offer substantial **insights into the symbolic meaning of luxury brands** with a comprehensive overview about the universe of **personality traits and their major dimensions**, which constitute the first personality framework specifically for luxury brands.

For researchers, these results offer a basis for **further research** about luxury brand personality and its antecedents and consequences. For example, the personality traits and dimensions could be **tested and adapted** with further empirical studies for specific luxury categories and consumer segments. In terms of **antecedents**, future research could analyse strategies for the creation of a luxury brand personality and the impact of specific marketing variables on their perception. In terms of **consequences**, researchers could employ the framework to uncover the relationships between luxury brand personality characteristics and consumer preferences and to compare different consumer segments.

There are also some **practical implications** for the management of luxury brands. The framework helps marketers to compare the personalities of different luxury brands and to develop a luxury brand personality, which is the basis to create a luxury brands' aura and magic.

Table 6.2.: Results of Factor Analysis

Traits	Components				
	Modernity	Prestige	Sensuality	Under-statement	Eccentricity
young, youthful, fresh jung, jugendlich, frisch	.801				
easygoing, casual, relaxed locker, lässig, zwanglos	.799				
outgoing, open, approachable aufgeschlossen, offen, zugänglich	.749				
cheerful, fun-loving, jovial fröhlich, lebensfroh, heiter	.735				
lively, dynamic, energetic lebendig, dynamisch, energiegeladen	.676				
modern, future-conscious, progressive modern, zukunftsorientiert, fortschrittlich	.645				
trendy, fashionable, hip trendy, modisch, hip	.609				
prestigious, impressive, wealthy repräsentativ, eindrucksvoll, wohlhabend		.826			
powerful, influencing, awe-inspiring mächtig, einflussreich, respekteinflößend		.787			
elegant, noble, highbred elegant, nobel, vornehm		.746			
famous, well-known, prominent berühmt, bekannt, bedeutend		.723			
ambitious, successful, aspiring ehrgeizig, erfolgreich, strebsam		.698			
haughty, lofty, proud hochmütig, erhaben, stolz		.693			
perfectionist, accomplished, flawless perfektionistisch, vollkommen, makellos		.681			
experienced, mature, charismatic erfahren, reif, charismatisch		.621			
female, feminine, womanly weiblich, feminin, fraulich			-.828		
delicate, dainty, graceful zierlich, zart, graziös			-.819		
sensitive, soft, tender feinfühlig, weich, sensibel			-.787		
sensuous, romantic, emotional sinnlich, romantisch, gefühlvoll			-.739		
delicate, dainty, graceful liebervoll, zärtlich, hingebungsvoll			-.730		
male, manly, masculine männlich, maskulin, mannhaft			.680		
moderate, plain, frugal maßvoll, schlicht, enthaltsam				.834	
unostentatious, discreet, understated dezent, diskret, Understatement-orientiert				.820	
minimalist, puristic, undorned minimalistisch, puristisch, schmucklos				.817	
calm, peaceful, balanced ruhig, friedlich, ausgeglichen				.706	
shadowy, mysterious, eerie geheimnisvoll, mysteriös, unheimlich					.810
disobedient, naughty, dodgy ungehorsam, frech, zwielichtig					.729
rebellious, defiant, baddesome rebellisch, aufsässig, kämpferisch					.715
eccentric, crazy, bizarre exzentrisch, verrückt, schräg					.655
exotic, unusual, outandish exotisch, ungewöhnlich, fremdländisch					.653

Part IV.

Conclusions

Functional Component of the Luxury Brand Identity: Definition and Categorization of Luxury Brands

The first two papers contribute a **comprehensive concept of luxury brands**. As the first of its kind, it combines the consumer-oriented research approach with a structured conceptual framework, which goes back to the basic definition of luxury. The scope of luxury within the field of management studies was **constrained step-by-step**. The types of luxury relativity were differentiated and used to determine a general perspective from which luxury should be defined, particularly with regard to the requirements within the field of luxury brand management. Subsequently, the managerial understanding of luxury was distinguished from the philosophical-sociological and the micro-economic understandings of luxury and became further refined by differentiating the major luxury market segments. In contrast to previous work, the empirical data is not used to create just another definition of luxury, but is consolidated with the majority of the existing literature about the characteristics of luxury products and brands. The findings suggest that there are six major dimensions that determine the luxuriousness of a product and help to discriminate luxury from non-luxury products. This study relies on **multiple research methodologies**, such as the repertory grid method (RGM), which has never been used before for the analyses of luxury product characteristics despite its advantages. There are some major **improvements to the existing definitions** of luxury products and brands: First of all, they are defined consistently by the same criteria, i.e. product characteristics, and are not mixed up with their consequences such as purchasing motives or with preferences, attitudes or even marketing measures. Besides that, the paper differentiates between concrete and abstract characteristics and extends the standard definitions with a set of sub-characteristics for product quality. In addition, it distinguishes similar concepts such as premium and masstige brands and gives an overview of the major types of luxury products and brands. The definition of luxury products and brands was a prerequisite for developing a definition of what constitutes luxury consumers and how they can be distinguished from non-luxury consumers.

The concept of luxury brands provides a better understanding of what actually constitutes luxury products and brands and **offers marketers an overview** of the characteristics that their luxury brands should express to their target group. This prevents them from losing sight of the essential

“code of luxury” in their daily business or during a brand repositioning. In addition, it offers marketers some guidance for the improvement of mass market goods to luxury products.

For researchers, the resulting concept of luxury brands offers a **basis for further research** on the characteristics of luxury products and brands and its antecedents and consequences. For example, the characteristics could be verified and adapted with further empirical studies for specific consumer segments or product categories. In terms of antecedents, future research could develop strategies about how consumer perceptions of the major characteristics and the luxuriousness of products and brands could be influenced more effectively. In terms of consequences, researchers could further investigate the relationships between luxury product characteristics and higher-level constructs of the means-end chain such as purchasing motives and consumer values.

Definition Emotional Component of the Luxury Brand

Identity: The Luxury Brand Personality

The first paper analyzes the values and purchasing motives of luxury consumers, adopts the value cycle developed by Schwartz (2006, p. 3) for brand positioning and therewith provides some insight into the symbolic meaning of luxury brands and acts as a basis for the analysis of luxury brand personality dimensions. The following papers present the concept of brand personality for luxury brands in particular, which includes a set of 52 brand personality traits and five major dimensions of luxury brand personality. The papers propose a **research methodology** specifically adapted for the investigation of luxury brand personality traits and dimensions. According to the growing **consumer-orientation** in marketing research, the traits and stimuli originate directly from the consumers. The identification of traits relies on a specific qualitative research approach including the RGM, which is constrained by a theory-based framework, but is at the same time flexible enough to consider the ambiguous and contextual facets of brand personality. Moreover, they extend the use of RGM to the development of category-specific brand personality concepts and demonstrates its suitability for that purpose. Furthermore, they explored the opportunities of Web 2.0 to extend the range of versions with the collaborative RGM and demonstrated its practicability with a complementary online survey on a specially programmed web application. In contrast to common practice, the **set of stimuli is open** for

recommendations from survey participants and extended with the **ideal brands**, which proved to be suitable for the analysis of the luxury brand personality and could also be employed for the analysis of category-specific brand personalities beyond the luxury segment. In addition, the paper explains the benefits of a factor analysis based on **individual brand evaluations** and **oblique rotation** specifically for the luxury category and proposes the application of **Viral Participant Acquisition**.

The results offer further **insights into the symbolic meaning of luxury brands** with a comprehensive overview about the universe of **personality traits and their major dimensions**, which constitute the first personality framework specifically for luxury brands. This framework helps marketers analyze the symbolic meaning of luxury brands and to create a personality for their own luxury brand.

For researchers, the results offer a basis for **further research** on luxury brand personality and for analyzing its antecedents and consequences. Because of the focus on Germany, the complexity of the subject and changes in luxury symbolism over time, the resulting set of traits cannot be seen as a generally applicable, static and final solution. For example, the trait catalogue could be **tested and adapted by additional empirical studies** for specific luxury categories and consumer segments. In terms of **antecedents**, future research could analyze strategies for the creation of a luxury brand personality and the impact of specific marketing variables on their perception. In terms of **consequences**, researchers could employ the framework to uncover the relationships between luxury brand personality characteristics and consumer preferences and to compare different consumer segments.

Part V.

Appendix

A. Prior Publications: Full Papers

A.1. Paper 1.1 – Trading-up Mass-market Goods to Luxury Products

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Abstract: *This paper addresses the current lack of consensus on what defines a luxury product. It demonstrates the adequacy of a consumer-oriented approach anchored in a list of product attributes. These attributes were identified from the literature and a study of 31 German millionaires with high spending on luxury goods. A combination of five research methodologies was employed including open interview, the repertory grid method (RGM), the preference differences technique, the critical incident technique and the projective technique. The findings suggest that consumers distinguish luxury products using six major characteristics: price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning. The paper concludes with practical implications for luxury brand managers and for those who wish to trade up their mass-market goods. Suggestions for further research directions are also offered.*

A.1.1. Introduction

The luxury industry has experienced an incredible growth over the last ten years thanks to the increasing number of people who can afford luxury goods and services, and the consumer tendency to trade up to better products in selective categories (Silverstein and Fiske 2003). Unsurprisingly, many companies are eager to expand into this market, sometimes without knowing what really constitutes a luxury product. The literature offers many definitions of luxury products including the most popular propositions by Dubois et al. (2001) and Vickers and Renand (2003). However, there is a consensus that there is actually still no consensus on the definition of luxury products, and that the existing concepts remain a little bit “blurry” (Kapferer 2001,

accord Dubois and Duquesne, 1993; Dubois and Laurent 1994; Kapferer 1998; Valtin 2004; Vigneron and Johnson 2004; De Barnier et al. 2006; Christodoulides et al. 2009). The inconsistencies of the existing definitions also arise from the absence of a conceptual base. The main issues are:

- **Many authors do not discriminate between different understandings of luxury** (De Barnier et al. 2006; Königs and Schiereck 2006; Vickers and Renand 2003). The understandings differ by area of research, ranging from a very broad scope that covers resources, such as time or space, to a very narrow scope that includes only the best products of a category such as Rolls-Royce cars. The discussion often refers to different objects of investigation, which makes it impossible to achieve a consensus.
- **Many authors develop a definition for a specific luxury product.** They include more attributes than are necessary, or consider accessory attributes as essential, such as the characterization of luxury products with traditional manufacturing and symbolism (Vernier and Ghewy 2006). However, there are many modern luxury products that challenge traditional symbolism (Lipovetsky and Roux 2003).
- **Many authors include some of the essential characteristics in their definitions, as well as purchasing motives, consumer preferences or marketing measures** (Nia and Zaichkowsky 2000; Valtin 2004). If these considerations were included in the definition, this would complicate the analysis of luxury marketing issues.

The **objective** of this paper is to address these problems by developing a consistent definition of luxury products that builds on the existing literature. The paper is organized as follows: section A.1.2 outlines the three major understandings of luxury by domain of research, which helps to understand luxury in the business literature. Section A.1.3 presents the literature analysis and its outcomes. It explains the adequacy of a consumer-oriented approach that is constrained by a proposed framework. Consequently, it introduces a set of requirements for the identification of luxury product attributes. Section A.1.4 presents the study of 31 millionaires with high spending on luxury products, including a description of the sample, interviewing and data analysis procedure. Section A.1.5 presents the resulting attributes of luxury products based on the literature analysis and the empirical study. Finally, conclusions and managerial implications are drawn in section A.1.6.

A.1.2. The Major Perspectives of Luxury

Luxury is anything that is desirable and more than necessary and ordinary. Although this definition is widely accepted across all research disciplines, it depends on the regional, temporal, economic, cultural and situational perspective (Kemp 1998). As a general rule, luxury should be defined from a global perspective, for the present and for normal conditions. What is “more than necessary and ordinary” should be decided from the perspective of the entire society. However, the desirability of resources and the appearance of luxury are determined mostly by its upper classes. Still, this leaves some scope for a wide range of understandings of luxury. The literature on luxury definition suggests three main perspectives:

A.1.2.1. Philosophical-sociological Perspective

The philosophical-sociological perspective of luxury concentrates mainly on the evolution of attitudes towards luxury and its societal benefits (Mandeville 1724; Berry 1994; Sombart 1922) and on the changes in the appearance of luxury and the preferences for luxury (Führer 2008). This perspective covers the broadest scope of luxury that includes all resources, which are desirable and more than necessary and ordinary such as musical talent, time, and true love (Sombart 1922).

A.1.2.2. Micro-economic Perspective

The micro-economic perspective of luxury investigates the relationships between price and demand for luxury (Kemp 1998) and between income and demand for luxury (Deaton and Muellbauer 1980). There are also some researchers who focus on the moderating sociological effects (Veblen 1899) and on the benefits of the luxury goods industry for the economy (Thomas 2007). The micro-economic perspective represents a middle scope that includes all goods, which are suitable for exchange on the market and are more than necessary and ordinary.

A.1.2.3. Managerial Perspective

The managerial perspective of luxury focuses on the business development and marketing strategy for a relatively small group of luxury manufacturers. It often represents the smallest scope and includes products which are more than necessary and ordinary compared to the rest of their category, such as Hermès handbags or Ferrari cars. This differentiation between different luxury perspectives helped to further define the boundaries of luxury in the area of management

studies. Based on that, the distinction between luxury and non-luxury products is the subject of the subsequent sections.

A.1.3. Literature Analysis

A.1.3.1. Literature Analysis Procedure

All definitions and characterizations of luxury products that could be found in the international business literature were collected. A comparison of these existing concepts helped to identify the major approaches to definition (see section A.1.3.2) and to uncover the major inconsistencies of the existing definitions. This, in turn, allowed for a compilation of requirements for the characteristics of luxury products (see section A.1.3.3). Another objective of the literature analysis was to build up an understanding of the essential characteristics of luxury products. The existing definitions and characterizations were content-analyzed in a similar manner to Mayring (2002). Initially, the potential characteristics of luxury products were recorded in a spreadsheet and then cleared from any irrelevant item. The categorization of the remaining characteristics offered a basis for the analysis and interpretation of the empirical data (see sections A.1.4 and A.1.5.1).

A.1.3.2. The Major Approaches to the Definition of Luxury Products

There are several approaches to discriminate ordinary goods from luxury products. They can be differentiated by the level of abstraction into the characteristics-based and the consequences-based approaches, and by the source of information into the consumer-based and the expert-based approaches.

A.1.3.2.1. Characteristics- vs. Consequences-based Approach Luxury products can be identified by their constitutive characteristics that apply to all luxury products (as a means to an end) or by their consequences (ends), which include the benefits or purchasing motives of luxury products. Advocates of the consequences-based approach include Vickers and Renand (2003), Vigneron and Johnson (2004) and Wiedmann et al. (2007). Even though this approach corresponds to the modern understanding of products as a bunch of benefits (Kotler et al. 2007), the consequences do not apply exclusively to luxury products. There are many non-luxury products that also allow consumers to increase their prestige without the high price tag, for instance an extraordinary musical talent or a creative, self-made shirt. Since the description

of their consequences is not enough to distinguish luxury from non-luxury products (Vickers and Renand 2003), the characteristics-based approach became widely accepted in the literature (Kisabaka 2001).

A.1.3.2.2. Expert-based vs. Consumer-oriented Research Approach The expert-based approach aims to identify the constitutive characteristics of luxury products based on expert opinions or literature analyses. Advocates of this approach include Lombard (1989), Mutscheller (1992), Kapferer (1998), Kapferer (2001), Kisabaka (2001), Lasslop (2002), Mefert and Lasslop (2003), Castarede (2003), Valtin (2004), Allèrès (2003a) and Vernier and Ghewy (2006). The consumer-oriented approach aims to identify the constitutive characteristics of luxury products with an empirical study of luxury product consumers (LPC; Dubois et al. 2001). De Barnier et al. (2006) provide another consumer-oriented concept, which is differentiated by regions. The consumer-oriented approach matches with the growing consumer-orientation in marketing. Trommsdorff (2009) uses the example of dishwashers to describe how different types of consumers expect different product attributes, consider them varyingly important, and therefore evaluate the product quality with different criteria and end up with different quality judgments. This demonstrates the difficulty of developing an objective definition of a high-quality dishwasher. Similar to quality, luxury is a complex and subjective term (Kisabaka 2001). Therefore, the characteristics of luxury products should be defined by the target group of LPC, using a consumer-oriented approach (Kotler et al. 2007).

Nevertheless, the existing consumer-oriented definitions of luxury products show some weaknesses. A big part of existing studies relies on students or other easy-to-reach target groups (Heine 2010b). A large proportion of the respondents therefore lack purchase experience and sufficient knowledge about the objects of investigation. Many researchers also do not clearly specify their objects of investigation. For instance, Dubois et al. (2001) used the following selection criteria: “all respondents had acquired [...] at least one product they considered luxurious”. This means that they invited virtually everybody to speak about virtually anything that could be luxury. This shows that they do not differentiate between different perspectives of luxury and that they actually focus on luxury resources instead of luxury products. Since luxury products are very much used for social communication (Belk 1988), respondents’ answers are subject to social bias (Lageat et al. 2003). Therefore, one may question the validity of the findings of the study of De Barnier et al. (2006), which concluded that rarity is no longer a relevant charac-

teristic of luxury products. It is insufficient to identify the constitutive characteristics of luxury products based on respondent's statements alone. The consumer-oriented approach needs to be complemented with a framework that includes requirements for those characteristics.

A.1.3.3. Framework for the Identification of Luxury Product Characteristics

The literature analysis identified the following requirements for luxury product characteristics:

- **Characteristics must apply specifically to luxury products.** Many researchers do not discriminate different understandings of luxury (Vickers and Renand 2003; Königs and Schiereck 2006; De Barnier et al. 2006). They often discuss different objects of investigation, which makes it impossible to develop a consensus on their constitutive characteristics.
- **The list of characteristics must exhaust all relevant constitutive characteristics Comfortability.** In many cases, researchers just refer to some specific characteristics of luxury products (e.g. Nia and Zaichkowsky 2000; Königs and Schiereck 2006).
- **The set of characteristics must not contain irrelevant or accessory characteristics.** In contrast to constitutive characteristics, accessory characteristics only apply to some luxury products and often cover symbolic attributes (Kisabaka 2001). In the literature, constitutive and accessory characteristics are often mixed together. For instance, traditional manufacturing and symbolism are often regarded as constitutive characteristics (Vigneron and Johnson 2004; Vernier and Ghewy 2006), although there are many modern luxury products that contradict traditional symbolism (Lipovetsky and Roux 2003).
- **Characteristics must be differentiated from consequences.** Many luxury concepts contain both consequences and characteristics, such as “prestige” and “rarity” (Nia and Zaichkowsky 2000), which means that they confuse cause and consequence (Lombard 1989; Kapferer 2001; Lipovetsky and Roux 2003; De Barnier et al. 2006; Königs and Schiereck 2006).
- **Characteristics must be differentiated from preferences and attitudes.** Castarede (2003) and Koschel 2005 describe how luxury is associated with increasingly scarce resources such as silence and time. Kisabaka (2001) argues that there must be a postmodern definition of luxury, although these authors represent the philosophical-sociological understanding and simply describe the current form and preferences for luxury.

- **Characteristics must be differentiated from marketing strategies.** A few researchers have tried to differentiate luxury from non-luxury products through marketing strategies, which include selective distribution (Lombard 1989; Valtin 2004) and specific communication (Mutscheller 1992).
- **Concrete and abstract characteristics must be clearly identified.** Lasslop (2002) describes “less automated manufacturing” and “higher product quality” as equally important characteristics. However, characteristics should be differentiated by their level of abstraction (Olson and Reynolds 1983). Concrete characteristics refer to physical product attributes and are directly observable. A combination of several concrete attributes may lead to an abstract characteristic such as usability.

A.1.4. Methodology

Sampling Procedure

Interview Procedure

Data Analysis Procedure

The sampling, interview and data analysis procedure were already presented in the main part (see paper 1.2, section 1.2.2.3).

A.1.5. Results

A.1.5.1. The Characteristics of Luxury Products

The results suggest that consumers perceive luxury products to have six major characteristics. They are categorized into concrete, abstract and manufacturing characteristics. The latter category was added as it proved to be relevant to the respondents (Dubois et al. 2001). These characteristics refer to the specific manufacturing process that allows the creation of concrete and abstract product characteristics. Table 1.3 (part II, paper 1.2) gives an overview of the constitutive characteristics of luxury products. Table A.1 depicts the number of respondents who mentioned each characteristic (n out of 31 respondents) and the number of codings that represents it.

The characteristics of luxury products are presented in detail below, based on the interviews and relevant literature:

Table A.1.: Characteristics by Number of Respondents and Number of Codings

Characteristics	n	Codings
Price	31	158
Quality (in general)	31	135
Manufacturing complexity	19	33
Expertise of manufacturer	9	16
Material and components	28	81
Construction and function principle	21	46
Workmanship	19	44
Features	10	17
Service	19	30
Product size	7	9
Comfortability and usability	27	69
Value and durability	27	65
Functionality and performance	17	30
Safety	7	10
Aesthetics	30	229
Rarity	27	130
Extraordinariness	26	153
Symbolism	31	149

Price

All the respondents used price to characterize luxury products. It is also the most widespread characteristic in the literature and it is considered to be the most objective and the easiest criterion to evaluate the luxuriousness of a product (Mutscheller 1992; Meffert and Lasslop 2003). Price proved to be very important for some respondents who like to possess products that look expensive: “There’s no way I’d drive a Porsche – this car is just for people who cannot afford something else.” Many respondents are particularly excited about finding a luxury product at a bargain prize that others would think were more expensive.

Quality

Similarly to price, all of the respondents mentioned superior quality as a key characteristic of luxury products. Respondents perceive that quality relies on the following criteria:

- **Expertise of manufacturer:** respondents consider luxury manufacturers as leading experts with a strong “creative power” in their area of excellence (Mutscheller 1992), which covers technical and stylistic competences (Meffert and Lasslop 2003). Technical competence can derive from extensive experience in the industry and from a strong focus on R&D and innovation. A respondent was impressed that “Steinbrueck won the first prize in a competition by the European Association of Craft.” Many respondents associate luxury manufacturers with highly-talented designers who have great tastes and aesthetics, and who can create new trends with “love and inspiration”.
- **Manufacturing complexity:** the manufacturing of luxury products requires great effort, including expertise and a lot of time (Lasslop 2002). For instance, a respondent stated, “manufacturing one of the excellent Lange & Söhne wristwatches often takes one and a half years”.
- **Materials and components:** the materials and components were mentioned very often (with 81 codings from 28 respondents) as a key characteristic of luxury products. The materials are one of the most important criteria for the respondents to judge the quality and the value of a product, or the value for money.
- **Construction and functional principle:** the construction and functional principle of a luxury product are especially well thought-out. This refers to the functional design of a product such as the construction of a car, the functional principle of a watch or the cut of a fashion item. The construction and functional principle are seen as prerequisites for durability. For instance, if two pieces of material are stitched instead of glued together, or double- instead of single-stitched, they would have yielded different durability.
- **Workmanship:** a luxury product requires absolute perfectionism in workmanship with a zero tolerance for flaws. For instance, there are no scratches on the material or any imperfectly stitched seams. Consequently, the manufacturing of luxury products requires far greater efforts in quality control (Kisabaka 2001; Mortelmans 2005).
- **Features:**— luxury products offer more features than ordinary goods, but only if those features are desired by the target group and do not reduce product usability. Talking about his car, one respondent confessed: “I don’t want to miss out on my distance alerter, my automatic lighting and the rain-sensing wipers.”

- **Service:**– luxury products are associated with excellent services, which cover the purchase experience and the (after-sales) customer relationship management. The major service tasks include customer advice, product customization and maintenance (Valtin 2004). A respondent realized that she bought a new skirt mainly because “[she] could not resist entering this beautiful boutique on Sylt, where [she] got a coffee and enjoyed the warm, friendly atmosphere.” Another respondent explained: “You get a lifelong guarantee with a Hermès belt. If you need a new hole, you just send it to them and they do that for free.”
- **Product size:** the evaluation of quality by size depends on the product category. For instance, while TV screens and yachts should be as big as possible, complications in wristwatches should often be as small as possible.
- **Comfortability:** and usability – the concrete product characteristics often lead to the abstract characteristics such as comfortability and usability. For instance, superior materials and a perfect cut make a shirt comfortable to wear; or nice technical gimmicks make a car easier to drive. Sophisticated construction and functional principles can increase the usability and practicability of luxury products, which helps consumers save time and effort.
- **Value and durability:** the majority of respondents expect luxury products to be of high and long-lasting value, which depends on superior materials, manufacturing expertise and a sophisticated construction and functional principle. Durability concerns luxury manufacturers’ aspiration to create products which won’t be disposed even after a long utilization or even gain value over time so that you can pass them on to the next generations (Kisabaka 2001; Lasslop 2002). Some respondents mentioned that buying long-lasting luxury clothing also saves them from “wasting time with shopping”.
- **Functionality and performance:** luxury products often have a superior functionality or performance, meaning that they “just do the job better”. High performance is often much more than necessary and ordinary as illustrated by this comment: “In this car you can float over streets with a great sense of power. I don’t need to, but it’s a very relaxing feeling.”
- **Safety:** respondents appreciate a high level of safety, especially for luxury cars and technological products.

Aesthetics

Almost all respondents perceive aesthetics as a distinct characteristic of luxury products (Dubois et al. 2001). Aesthetics scored the highest number of codings (229 times). Aesthetics of luxury products often complies with the taste of the upper classes, which represents the cultural relativity of luxury (Kapferer 2001). One respondent commented, “A well-designed object is essential in life to feel well.”

Rarity

Luxury products are by definition not ordinary, but rather rare (Kisabaka 2001). One respondent admitted, “I was the only one with this bag – and that adds a great additional value.” Another argued, “I have already had this bag for a year and now everyone is walking around with one – so I’m going to get rid of it soon.” Luxury companies ensure the rarity of their products by limiting their productions or by their customization (Kisabaka 2001; Catry 2003).

Extraordinariness

This attribute was mentioned by most of the respondents, but is often overseen in the literature. The extraordinariness of a luxury product often results “only” from a different design or construction. The respondents described how they expect something special from a luxury product, a certain “kick”. A respondent explained that her new blouse “seems to be army-style from a distance, but from close-up it appears to be covered in small trees.” Extraordinariness can also be achieved with innovative functional attributes. Many innovative technologies are initially introduced in luxury products before they are spread into mass-market products. This was the case for technologies such as ABS brakes and airbags for cars (Valtin 2004). Extraordinariness can also arise from the history or the manufacturing process of a product. A respondent was very excited about a jacket made out of Tibetan quilts by a Russian immigrant in Paris. Finally, the extraordinariness of luxury products can be achieved with an extraordinary brand image.

Symbolism

While mass-market products mainly stand for their functionality, luxury products generate numerous non-functional, abstract associations. There is no other product category with such a high proportion of symbolic benefits, which often even exceed their functional benefits. The symbolism of luxury products refers to a large extent to human values and lifestyles (Kapferer 2001; Vigneron and Johnson 2004). However, luxury products alone cannot symbolize anything, but similarly to aesthetics; they need to comply with the worldview and the tastes of their

target group. One respondent explained: “I have a very special relationship to cars. They have to turn me on. It’s very much about feelings, a lot of feelings. A [Mercedes] S-class can come with super features, but it just doesn’t turn me on.” Another respondent thinks that luxury products “have a lot to say – they talk to you.” An oenophile daydreamed: “It is very fascinating to open a bottle of wine from 1912, which witnessed two World Wars – and when you imagine everything that has happened since that time [...]” However, the symbolic meaning of luxury products is highly influenced by their brands (Meffert and Lasslop 2003).

A.1.5.2. Discussion

The definition of luxury products can be summarized as follows:

Luxury products have more than necessary and ordinary characteristics compared to other products of their category, which include their relatively high level of price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning.

The major characteristics of luxury products may be viewed as dimensions ranging from a minimum level that is absolutely necessary to a maximum level that corresponds to the highest form of luxury. Although luxury products require a relatively high rating for all of the characteristics, a wide range of possible ratings still exists within the luxury market. The luxuriousness of a product increases proportionally with the increasing level of at least one of those characteristics. Not surprisingly, the degree of luxuriousness is one of the major means of differentiation for luxury brands (Esteve and Hieu-Dess 2005).

Consumers’ purchase decisions depend on the comparison between their initial expectations of the product and their perceptions of the product attributes and benefits (Kisabaka 2001; Kotler et al. 2007). This has two major implications for luxury products – first, luxury consumers differ in their expectations of their ideal luxury products, which do not require all characteristics to reach the highest level. Consequently, luxury companies can adjust the luxury level of the major characteristics to a specific combination depending on the preferences of their target group. Secondly, this demonstrates that the actual product attributes are not as important as consumers’ perceptions of those attributes. Luxury companies may compete for the best possible perception of their products by their target group (Phau and Prendergast 2000; Catry 2003; Mortelmans 2005) through adequate marketing strategies (Kisabaka 2001; Vigneron and Johnson 2004).

A.1.6. Conclusions

The study offers a comprehensive definition of luxury products. It combines the consumer-oriented research approach with a structured framework that limits the influence of social bias. It builds on a step-by-step approach that goes back to the basic definition of luxury and differentiates the major perspectives of luxury (philosophical-sociological, micro-economical and managerial). Within the scope of the managerial understanding of luxury, it defines luxury products by their constitutive characteristics. Unlike prior research, the empirical data was not used to create just another luxury definition, but was consolidated with the existing literature. The findings suggest that there are six major dimensions that determine the luxuriousness of a product and help to discriminate luxury from non-luxury products. This study relies on multiple research methodologies, such as the RGM, which has never been used before for the analyses of luxury product characteristics despite its advantages. The findings provide major improvements to the existing definitions of luxury products. Firstly, they are defined consistently by the same criteria, i.e. product characteristics, and are not mixed with purchasing motives, preferences, attitudes or marketing measures. Secondly, it differentiates between concrete and abstract characteristics and extends the common definitions with a set of sub-attributes for product quality.

The findings offer luxury marketers an overview of the characteristics that their products should possess to better reach their targets, or to reposition a brand. The results offer non-luxury marketers guidance on how to trade up their mass-market goods to luxury products. Further research could examine the luxury product characteristics in different settings, such as specific consumer segments, product categories or services. Developing strategies for influencing consumers' perceptions of product luxuriousness is another possible research avenue. Researchers could also further investigate the relationships between luxury product characteristics and buying motivation and consumer values.

A.2. Paper 5/c: The Luxury Brand Personality Traits

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Abstract: There is a growing interest in the brand personality concept, namely because it offers a systematic approach to developing ever more important symbolic benefits. Although luxury brands are characterised by especially strong symbolic benefits, there is only a relatively small literature base concerning the symbolic meaning of luxury brands, which was extended with the first luxury brand personality concept in a previous study. The objective of this article is to enhance the existing luxury brand personality concept with a detailed investigation of possible luxury brand personality traits. To that end, the article outlines a specific approach to the analysis of the luxury brand personality including the repertory grid method (RGM) and a specific qualitative data analysis procedure. Based on personal interviews with 51 luxury consumers, the five luxury personality dimensions were differentiated with 49 personality traits. The results offer marketers a detailed framework for the development of a luxury brand personality.

A.2.1. Introduction

The focus of brand differentiation is shifting increasingly to **symbolic benefits** (Kapferer 2008, p. 173) mainly because of changing market conditions and consumer preferences. On the one hand, the functional benefits of many products on the market today become increasingly equivalent and exchangeable. However, on the other hand, an increasing number of consumers are engaging in symbolic consumption and may choose a product mainly due to the similarity between their personality and the symbolic personality of the product or brand (Trommsdorff and Heine 2008a, p. 1672; Vigneron and Johnson 1999, p. 434). These trends lead to an **increased interest in the brand personality** concept, which offers a systematic approach to create symbolic benefits (Esch 2010, p. 79).

The **symbolism of luxury brands** conveys to a large extent human personality traits (Vigneron and Johnson 2004, p. 490). Although symbolic benefits are an essential feature of these brands and often even exceed their functional benefits and even though Vernier and Ghewy (2006, p. 4) attest them to have an “aura”, there is only a small literature base about the symbolic meaning of luxury brands. Some authors concentrated on some particular symbolic characteristics including Dubois et al. (2005, p. 123), Esteve and Hieu-Dess (2005), Kisabaka (2001, p. 192 et sqq.) and Ourahmoune and Nyeck (2008). In most of the literature, the luxury symbolism is only mentioned circumstantially in descriptions about luxury brand characteristics, e.g. by Lipovetsky and Roux (2003, p. 51 et seq.), Mutscheller (1992, p. 65), Valtin (2004, p. 26), Vickers and

Renand (2003, p. 469), Vernier and Ghewy (2006, p. 4) and by Vigneron and Johnson (2004, p. 494). In an earlier study, the literature base was extended with the first brand personality concept especially for luxury brands (Heine 2009b). It consists of five distinct dimensions, which offer essential guidelines for the design of a luxury brand personality. However, luxury brands differentiate from their peer brands and build a competitive advantage with a unique combination of specific personality facets, which cannot be captured with the existing brand personality concept.

Consequently, the **objective of this article** is to extend the existing luxury brand personality concept with a comprehensive catalogue of personality traits, which marketers could use to compose a unique luxury brand personality. According to the explorative stage of the area of research, a qualitative methodology will be proposed that includes the repertory grid method (RGM).

The article is **organised into another three parts**. The second part forms the conceptual groundwork: It explains the concept of brand personality, its common research methodology and outlines the research approach of the previous study including the repertory grid method and the resulting luxury brand personality dimensions. The third part outlines the latest empirical study. It demonstrates the specific research objectives, the sampling and interviewing procedure and the data analysis approach and presents the results. The article concludes with a discussion of the results and its benefits for researchers and marketers.

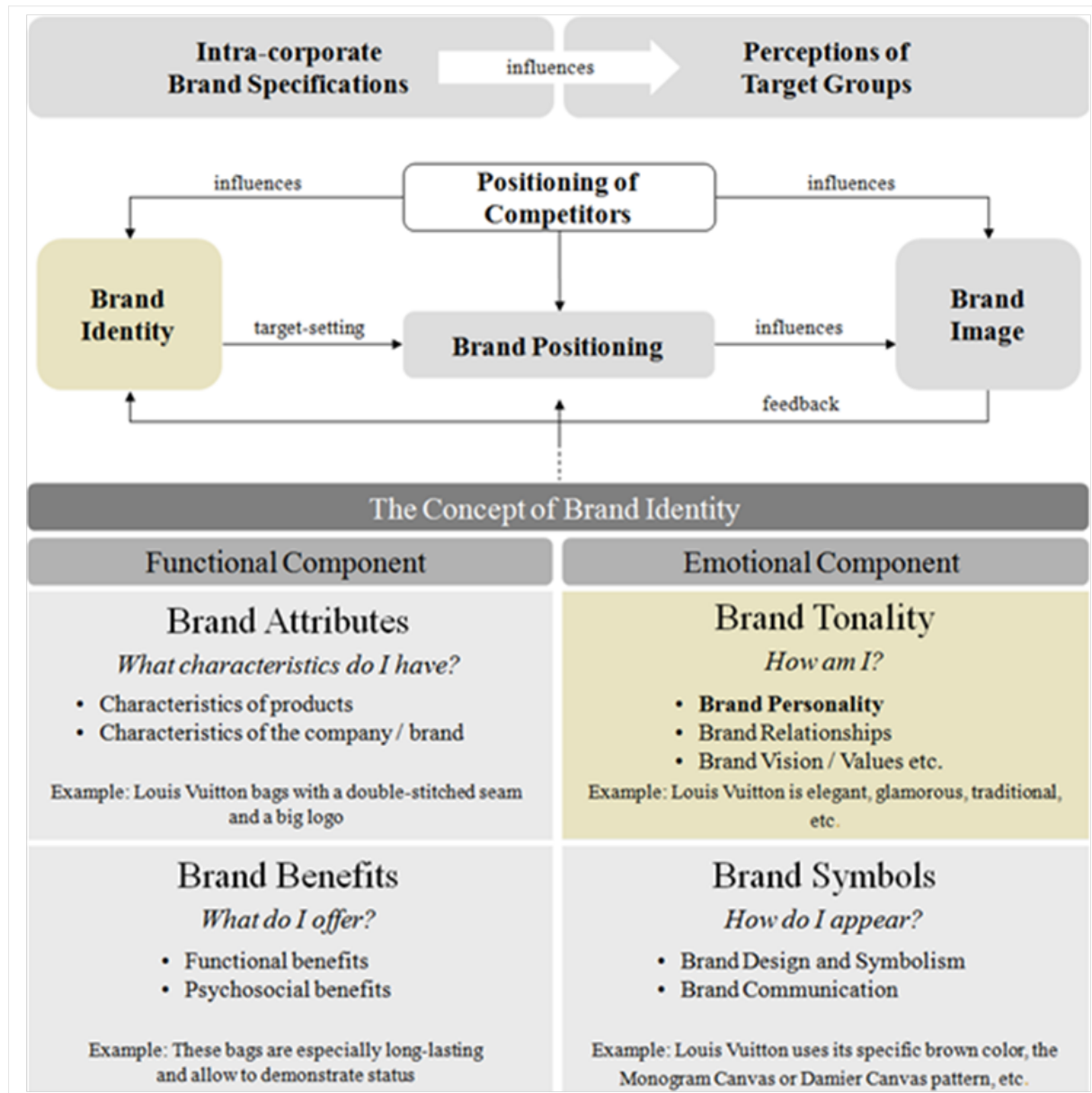
A.2.2. Conceptual Groundwork

A.2.2.1. The Status of Brand Personality in Brand Management

The modern understanding of a **brand** is consumer and identity oriented. Brands are regarded as images in the minds of consumers and other target groups. In its dependence on the human identity, brands are also seen as having an identity. The **brand identity** comprises of all associations that are intended by the company (Aaker 1996, p. 68). It corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the external target groups. It sets the foundations for brand positioning, which relies only on the most relevant characteristics for brand differentiation. The **brand image** constitutes the antipole of the brand identity. It corresponds with the public-perception of a brand and is the result of marketing measures and other consumer experiences with it (Esch 2010, p. 91).

The **elements of common identity concepts** can be divided into two main components. The first component covers the physical-functional, mainly product-related associations to a brand and the other component includes the abstract, and emotional (Kapferer 2008, p. 171 et sqq.).

Figure A.1.: The Status of Brand Identity in Brand Management



Source: According to Esch 2010, p. 91

Luxury brands are distinguished from non-luxury brands by product-related associations. Therefore, the essential characteristics of luxury products correspond largely to those of luxury brands and lead to the following definition: Luxury brands are regarded as images in the minds of consumers that comprise of associations with a high price, quality, aesthetic, rarity and

specialty (Trommsdorff and Heine 2008a, p. 1670; Meffert and Lasslop 2003, p. 6). Just as Dior differs from Chanel, it is essential for every luxury brand to differentiate itself from other peer brands. This is achieved mainly with symbolic characteristics, which are covered by the emotional brand identity component. This component corresponds largely to the brand personality, which is incorporated into the brand management process in figure A.1 and explained below.

A.2.2.2. The Brand Personality Concept

According to Aaker (1997, p. 347), the brand personality refers “to the set of human characteristics associated with a brand.” It covers characteristics of a person or its style from a self-image (what a person could think about him- or herself) and a social image perspective (what others could think about a person). Aaker developed the most established theoretical framework of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality traits. More than 600 U.S. respondents rated a set of mass market brands on more than one hundred personality traits. Aaker consolidated these traits by factor analysis to five distinct dimensions including sincerity, excitement, competence, sophistication, and ruggedness. While the framework claims general applicability across product categories, the dimensions might not be very descriptive for other cultures or specific categories (Austin et al. 2003, p. 81). Therefore, other studies followed in recent years, which usually replicated Aakers’ procedure to develop specific concepts for other cultures (e.g. for Germany by Mäder 2005) and particular categories (e.g. for restaurants by Siguaw et al. 1999). In the previous study a brand personality concept was developed for the luxury segment based on a qualitative research approach using the RGM. As the current study also builds on this method, it will be explained in the next section.

A.2.2.3. The Repertory Grid Method

This method was developed by Kelly (1955) for use in the field of psychotherapy but spread into a variety of different areas of research including marketing. One of its two **central assumptions** is that there is no direct, immediate access to objective reality, because everything that people know was filtered by individual perception and further information processing. Accordingly, people live in their unique subjective reality and all their actions can only refer to that. Another important assumption is that people attribute meaning to something and understand something (also a person, event, etc.) by comparing it with other things that they already know. A repertoire

of **personal constructs** helps them to group everything according to its similarity and dissimilarity in order to reconstruct reality and their position within that. Pupils, for instance, could use the construct “fair-unfair” to differentiate between teachers; a new teacher would be judged upon that construct with reference to teachers they already know. This demonstrates that personal constructs consist of binary oppositions and that every new object is assigned a position within that dichotomy (Durgee 1986, p. 34). The **objective of RGM** is to uncover the repertoire of personal constructs. The challenge is that they are often difficult to express in verbal distinctions, because a great deal of them are subconscious. Therefore relying on simple direct questioning is inadequate. According to its theoretic base, RGM elicits personal constructs with an **iterative process** that requires respondents to compare different triad combinations of stimuli, to express their constructs and to relate the stimuli to the construct poles. Irrespective of its specific version, RGM leads to structured data that facilitate elaborate analysis and interpretation (Eden and Jones 1984; Fromm 2004).

A.2.2.4. Overview about the Previous Study

The **objective of the previous study** was to find out the essential personality dimensions that consumers use to compare luxury brands. Therefore, **heavy luxury consumers** were required, who have a deep understanding about luxury brands and their specific meanings. They were selected based on two criteria: At first, they had to be millionaires (defined as individuals with a net worth of at least one million euros). The study of Dubois and Duquesne (1993, p. 42) indicates that wealthy people are not necessarily (heavy) luxury consumers. Therefore, the second selection criterion required that participants actually consume them regularly. These criteria were verified in a preliminary talk before the interview. In order to cover a big variety of personality types, the selection of participants followed a **snowball approach**: Initially, a very mixed group of students was selected for a seminar course at Technical University of Berlin (TUB) and consequently, they acquired very different interview partners mainly from their circle of acquaintances (Schnell et al. 1990, p. 280). The sample contains 31 respondents including 14 women and 17 men, mainly entrepreneurs, managers, experts from different industries and heirs. The age distribution was balanced between 20 and 70 years.

The **interviews** were conducted according to the RGM procedure by two interviewers at a time and took in each case about one to two hours. At the beginning, the interview referred to fashion

and later shifted also to another category that was chosen by the participants.

As a prerequisite for the **data analysis**, all interviews were audio-taped and transcribed leading to hundreds of pages of verbal data. Then, a content analysis was conducted according to Mayring (2002, p. 114 et sqq.). At the beginning, the associations were roughly arranged into main categories. Then it followed an iterative process of reviewing and adapting these categories until a reasonable system of categories was identified and all associations were assigned to a category (Reynolds and Gutman 1988, p. 18 et seq.). In addition, results were compared and consolidated with the results of another researcher, who conducted an independent content analysis (Dubois et al. 2001, p. 7). The survey led to the first brand personality concept especially for luxury brands, which will be outlined below.

A.2.2.5. The Luxury Brand Personality Dimensions

The results of the study suggest that consumers perceive that luxury brands have five distinct personality dimensions. They are illustrated in figure 4.2 (part III, paper 4) and include the following dimensions (in order of the number of mentions by the respondents): modernity, eccentricity, opulence, elitism and strength.

The **literature supports the results** and therefore the applicability of RGM. There are similarities to **psychological concepts**, for example in the Big Five model between “Openness to Experiences” and Modernity and between “Agreeableness” and Elitism (John and Srivastava 2001, p.105). Although the concept differs significantly from the **brand personality by** Aaker (1997, p. 352), there are also some similarities, especially between “Sophistication” and Elitism, between “Ruggedness” and Strength and also between “Excitement” and Eccentricity. Furthermore, there are similarities to findings in the **luxury literature**, for instance between the dimension “Excentrique“ by Esteve and Hieu-Dess (2005) and Eccentricity and between “Glamour vs. Understatement Luxury” by Kisabaka (2001, p. 130 et sqq.) and Opulence.

A.2.3. The Empirical Study

A.2.3.1. Research Objectives

The objective of the current study is to deepen the understanding of the luxury brand personality with an investigation of possible luxury brand personality traits. For the purpose of this study, a

trait is defined as a basic aspect of a brand personality that cannot be further differentiated into additional personality facets. The resulting catalogue of luxury brand personality traits should meet the following requirements: Traits must be **relevant** and meaningful to consumers and descriptive of luxury brands (Aaker 1997, p. 349), i.e. there must be luxury brands representing the traits in the eyes of the consumers. Traits should not be ambiguous or synonymous, but as **clear and distinct** as possible. In addition, the trait catalogue should be as **complete** as possible, i.e. it should contain preferably all personality traits that luxury brands represent. However, there are some challenges for the identification of brand personality traits, which will be explained subsequently.

A.2.3.2. Challenges for the Identification of Brand Personality Traits

First of all, symbolic characteristics are **complex**. On the one hand, there are many words that describe similar characteristics and on the other, there are many ambiguous and contextual words, which could represent different dimensions, for example “natural” or “playful” (John et al. 1988, p. 174). In addition, results of the previous study demonstrate that respondents use different words with a more or less positive **connotation** depending on their preferences for the personality traits. For instance, respondents with preferences for the eccentric pole described the opposite pole with “conventional, conform and boring”, while respondents with preferences for the decent pole described it (themselves) as “classic and elegant” (Heine 2009b, p. 10). These requirements and challenges led to a **specific research approach**, which will be outlined in the following sections.

A.2.3.3. Research Principles

The modern understanding of a brand as “images in the minds of consumers [...]” (as described above) demonstrates the growing consumer-orientation in marketing. Also consistent with the previous study, the research design builds on a strong **consumer-orientation**. This means that both the stimuli and results should originate from the consumer as much as possible. Consequently, the study builds also on the **subject-subject-approach** of qualitative research (Bortz and Döring 2002, p. 343; Lindlof and Taylor 2002, p. 188). This means that the respondent is not regarded as simply an object or data supplier, but as an equal partner, whose statements are principally trustworthy. However, just as a company should not increase the creative leeway of its employees without implementing some control functions (such as Management by Objectives),

consumer-orientation in marketing research requires a **theory-based framework** – because not everything that respondents say actually represents brand personality traits. Therefore, a set of selection criteria was defined that helps to identify them.

A.2.3.4. Selection Criteria for Brand Personality Traits

Because of the ambiguity of many words that describe a personality, each trait has to consist of three adjectives. These **triad combinations** help to create clear and distinct traits. According to the definition of personality traits, they must be adjectives suitable for the **description of a person** or its style, not only for the description of an object such as “red” or “metallic”. These **human characteristics** must be descriptive of brands, i.e. they do not comprise physical characteristics such as “tall” or “slimy”. In addition, traits should be basic – without any possible sub-categories. They should have preferably a **neutral or positive connotation** according to the respondents with preferences for the respective trait. They should include possibly only **common and generally intelligible** words. Traits also should be as **metaphorical and figurative** as possible in order to ensure their relevance and practicability for brand communications. Finally, they **should not comprise general evaluations** such as “beautiful” or “ugly” (Mäder 2005, p. 65).

A.2.3.5. Sampling Procedure

The investigation of luxury brand images with an open interviewing approach requires participants with a sound understanding about these brands. Furthermore, it requires a preferably heterogeneous mix of different personalities to ensure that it captures all relevant constructs. Therefore, the sample of heavy luxury consumers includes a mixed group of personality types (from an old lady who inherited a big bakery chain to a young man who operates a gambling business), who all possess an extensive knowledge of luxury brands. Nevertheless, the results demonstrated that more than 85 percent of the respondents favour the discreet pole of the opulence dimension. That means that many of them are connoisseurs who might have already outgrown their period of conspicuous consumption. Therefore, the **sample was extended** to include aspirational and often more conspicuous **young professionals**. They also had to be very interested and active in luxury consumption. Consistent with the previous study, the selection of respondents was based on a preliminary talk and a snowball approach (as explained above).

The sample contains 20 young professionals from a variety of industries including 12 women and 8 men between 25 and 35.

A.2.3.6. Interviewing Procedure

According to the approach of the previous study, the interviews started with an open discussion (free elicitation) with the participants according to Dubois et al. (2001, p. 7). Respondents were asked to describe a construct with at least three adjectives. Subsequently, brand associations were investigated according to the RGM procedure, which was complemented with the **preference differences** technique (Reynolds and Gutman 1988, p. 14). It required participants to describe in detail the differences in their preferences for luxury brands. Although respondents were free to choose their favourite luxury brands, they were not allowed to choose brands, which do not comply with the definition of luxury brands explained above. Subsequently, participants were faced with print adverts of their selected brands to **stimulate them** further. In addition, **projective techniques** were deployed to also capture brand characteristics that are subject to social bias. Participants were asked to describe characteristics that would be important to other types of luxury consumers (Fisher and Tellis 1998).

A.2.3.7. Data Analysis

The data from both the heavy luxury consumers and the young professionals was included in the analysis. The first step consisted of the **data input**: As mentioned earlier, the similarity between complex symbolic constructs of different people is difficult to determine. This is mainly because respondents use different words to describe a certain construct and sometimes the same words to describe different constructs. However, it can be expected that there is an overlap of words that they use to describe a construct pole. In some cases there might be only an overlap of words describing the opposite (negative) pole. Consequently, it is necessary to find out which words are generally mentioned together to describe a construct pole (such as young and youthful). Therefore, a software tool was especially programmed using PHP/MySQL, which permitted efficient data entry and preparation. The data input screen required the project name, respondent name, positive traits and associated brands, negative traits and associated brands and trait preferences. The data was entered construct by construct for all 51 respondents. In total, the respondents delivered 487 constructs using 601 different words. The next step was to create a **frequency table** from a MySQL database inquiry. All words with no more than three mentions

were eliminated in order to ensure the relevance of the traits for luxury brand management. There were 297 words remaining. Other inadequate words (non-adjectives, words with a negative connotation, etc.) were not yet eliminated, because they might still help to understand the meaning of a construct. Subsequently, a **correlation matrix** was calculated and a **factor analysis** was conducted using principal components analysis and varimax rotation. This led to 95 factors with an eigenvalue of more than 1. Each factor includes words that are often mentioned together and that could describe the same trait. The complexity of the symbolic meanings and the requirements for brand personality traits make it impossible to rely on mere quantitative analysis. However, the quantitative analysis helped to structure the data and to build a ground work for the subsequent qualitative analysis, which started with the analysis of the first factor. Based on the selection criteria for brand personality traits, three words were selected that represent the trait best. The qualitative approach allows making some exceptions from the basic principles whenever it's necessary or useful. For example, with the word "Understatement" a noun was selected in the German version because respondents mentioned it very often. Subsequently, the next factors were analysed and considered for further traits if they delivered new aspects. If a factor did not offer enough adequate words, the correlation matrix was used to identify further adjectives that describe a certain trait better. Finally, the results were **translated** from German into English based on a focus group with native English-speaking business students and reviewed by a professional translator. Thereby, the triad combinations made it easier to preserve the original meaning of the traits. The results will be illustrated in the following section.

A.2.3.8. Results

The analysis led to 49 brand personality traits, which are illustrated in figure A.2. The objective of the study was to derive a catalogue of luxury brand personality traits (still) disregarding the relationships among them. However, for the sake of clarity, each trait was assigned to the personality dimension that it fits best (which is not yet based on empirical evidence). In addition, the figure displays the binary oppositions and related single traits. For example, there is the binary opposition "past-conscious, retrospective, non-modern" vs. "future-conscious, modern, progressive" with another single trait "traditional, classic, time-honoured", which is assigned to the traditional pole. Interestingly, there are much more facets of eccentric brand personality traits than there are for decent personality traits. These results demonstrate that it is neither

possible nor useful to constrain the trait catalogue to one-to-one binary oppositions. The resulting brand personality facets can be very specific, for example “shadowy, mysterious, eerie” or “dreamy, unreal, magical”.

A.2.3.9. Discussion & Further Research

There are some **essential benefits** of RGM and the qualitative data analysis procedure. First of all, the quantitative approach is also influenced by subjective interventions of the researcher, especially by the **pre-selection** of traits and brands and by the determination of the number of factors in factor analysis. These decisions are even more difficult for the field of luxury, because researchers can rely only on its relatively small literature base. The qualitative research approach allowed exploration of the subject and the creation of a solid foundation also applicable to subsequent quantitative studies. According to the principle of consumer-orientation, respondents could select traits and brands as they desired. The set of traits certainly varies between different product categories. On the one hand, there might be important traits for a specific category, which are not included in the standard set of Aaker. On the other, the standard set probably contains traits that apply either to all or none of the brands in a specific category, which could lead to irrelevant dimensions. While the quantitative approach requires deleting ambiguous and contextual traits that load on multiple factors, RGM allowed participants to describe constructs with a group of words and the qualitative data analysis procedure allowed to decipher their varying contextual meanings for different constructs. Another advantage of RGM is that it delivers relevant **binary oppositions**, which correspond to both the human information processing and the requirements for the design of a brand identity and positioning.

The resulting trait catalogue has some **practical implications** for the luxury brand management. It offers marketers a detailed framework for the analysis of symbolic brand images and for the development of a brand personality for a start-up or an existing luxury brand.

For researchers, it offers a foundation for **further research** about luxury brand personality and to analyse its antecedents and consequences. For example, the catalogue of personality traits could be **verified with another empirical study**, potentially also for specific luxury industries, consumer segments or for different countries. Based on that, the catalogue could be adapted and extended with further personality facets. Moreover, the personality traits could be used to analyse the **dimensions of the luxury brand personality** with a quantitative consumer survey

Figure A.2.: The Luxury Brand Personality Traits – VERSION 1.0

Traditional		Modernity	Modern	
past-conscious, retrospective, non-modern vergangenheitsorientiert, zurückblickend, unmodern			future-conscious, modern, progressive zukunftsorientiert, modern, fortschrittlich	
traditional, classic, time-honoured traditionell, klassisch, althergebracht				
fashion-independent, timeless, everlasting modeunabhängig, zeitlos, unvergänglich			fashionable, trendy, hip modisch, trendy, angesagt	
calm, peaceful, balanced ruhig, friedlich, ausgeglichen			lively, dynamic, energetic lebendig, dynamisch, energiegeladen	
experienced, mature, charismatic erfahren, reif, charismatisch			young, youthful, fresh jung, jugendlich, frisch	
Decent		Eccentricity	Eccentric	
serious, respected, well-regarded seriös, respektiert, angesehen			eccentric, crazy, bizarre exzentrisch, verrückt, schräg	
down-to-earth, solid, conservative bodenständig, solide, konservativ			creative, artistic, imaginative kreativ, künstlerisch, fantasievoll	
			dreamy, unreal, magical träumerisch, unreal, märchenhaft	
			intellectual, cultured, witty intellektuell, kulturell, geistreich	
			shadowy, mysterious, eerie geheimnisvoll, mysteriös, unheimlich	
			exotic, unusual, outlandish exotisch, ungewöhnlich, fremdländisch	
decent, righteous, civilized anständig, rechtschaffen, gesittet			disobedient, naughty, dodgy ungehorsam, frech, zwielichtig	
			liberal, adventuresome, individualistic freiheitlich, abenteuerlustig, individualistisch	
innocent, pure, virtuous unschuldig, rein, brav			erotic, sexy, revealing erotisch, sexy, freizügig	
Discreet		Opulence	Opulent	
unostentatious, discreet, understated dezent, diskret, Understatement-orientiert			prestigious, representative, wealthy herrschaftlich, repräsentativ, wohlhabend	
restrained, moderate, unobtrusive zurückhaltend, maßvoll, unauffällig			glittering, glamorous, extravagant glanzvoll, glamourös, extravagant	
			pleasure-loving, sensual, hedonistic genussfreudig, lustvoll, genießerisch	
connoisseur-like, little-known, secretive kennerhaft, wenig-bekannt, verschwiegen			famous, well-known, prominent berühmt, bekannt, bedeutend	
minimalist, frugal, unadorned minimalistisch, schlicht, schmucklos			ornate, decorated, adorned verspielt, verziert, geschmückt	
Democratic		Elitism	Elitist	
broad-minded, open, approachable aufgeschlossen, offen, zugänglich			distant, cool, reserved distanziert, kühl, reserviert	
friendly, warm, personable freundlich, warm, menschlich			haughty, demanding, proud hochmütig, anspruchsvoll, stolz	
cheerful, fun-loving, jovial fröhlich, lebensfroh, heiter				

Democratic	Elitism (2)	Elitist
easygoing, casual, relaxed locker, lässig, zwanglos		elegant, noble, aristocratic elegant, nobel, vornehm
honest, authentic, natural ehrlich, echt, natürlich		perfectionist, accomplished, flawless perfektionistisch, vollkommen, makellos
Soft	Strength	Strong
female, feminine, womanly weiblich, feminin, fraulich		male, manly, masculine männlich, maskulin, mannhaft
soft, gentle, tender sanft, weich, zart		strong, assertive, resolute stark, durchsetzungsfähig, entschlossen
graceful, dainty, charming graziös, anmutig, bezaubernd		
sensuous, romantic, emotional sinnlich, romantisch, gefühlvoll		direct, clear, realistic direkt, klar, sachlich
carefree, unconcerned, happy-go-lucky sorglos, unbekümmert, leichtlebig		ambitious, successful, purposeful ehrgeizig, erfolgreich, zielstrebig

according to the approach of Aaker. In addition, the **relationships between brand personality traits** could be analysed in order to support brand managers in the selection of adequate trait combinations.

A.2.4. Conclusions

The **methodological contributions** of the paper include a specific research approach especially for the analysis of the luxury brand personality. It builds on the RGM and a qualitative data analysis procedure, which is guided from a structured, theory-based framework, but then again flexible enough to consider the ambiguous and contextual facets of brand personality. This approach is not intended to substitute, but rather compliment Aakers research methodology as it builds a fundament for quantitative empirical studies. Besides that, the paper contributed to the existing knowledge of **luxury brand management**. It offers the first comprehensive concept of personality traits conveyed by luxury brands, which helps to decode the “aura” of luxury brands and assists marketers in the analysis of symbolic brand images and the development of a luxury brand personality.

B. Prior Publications: Repeated Sections

The following paragraphs were moved into the appendix in order to avoid repetitions in the main parts.

B.1. Paper 1.2: The Concept of Luxury Brands

Areas of Research in Luxury Marketing

The proponents of a managerial understanding of luxury focus on the development of business and in particular, on marketing strategy guidance for a relatively small group of luxury product manufacturers. The areas of research can be categorized into studies focusing on LUXURY BRANDS (including products and industry segments) and on studies which rather focus on their consumers. The first group includes image analyses about luxury brands (e.g. Matthiesen and Phau 2005, Wong and Zaichkowsky 1999) and studies about the luxury brand identity (e.g. Dubois and Czellar 2002, Heine 2009a, ?, 2010b, Heine and Trommsdorff 2010a). The existing studies about LUXURY CONSUMER BEHAVIOR focus on the characteristics of luxury consumers, their consumption preferences and on environmental influences affecting luxury consumption. Studies about luxury consumer characteristics cover consumers' purchasing motives (e.g. Tsai 2005), attitudes (e.g. Dubois et al. 2005), values (e.g. Dubois and Duquesne 1993, ?, Sukhdial et al. 1995) and demographics (e.g. Dubois and Duquesne 1993). Results of these studies serve as a basis for the segmentation of luxury consumers (e.g. Dubois et al. 2005). Additionally, there are studies focusing on luxury consumer preferences (e.g. Nia and Zaichkowsky 2000, about country-of-origin preferences) and studies about environmental influences on luxury consumption incorporating the impact of reference groups (e.g. Bearden and Etzel 1982; Wiedmann et al. 2007), culture (e.g. Casaburi 2010), product types (e.g. social/private by Bearden and Etzel 1982) and situational factors (e.g. Dubois and Laurent 1996). On top of that, there is a growing interest in the phenomenon of counterfeit luxury products (e.g. Perez et al. 2010, Phan et al. 2010, Phan and Lu 2008, Phau and Teah 2008, Phau and Cheong 2009, Phau et al. 2009, Wilcox et al. 2009).

Categorization of Luxury Product Industries

There is a variety of **categorizations of luxury product industries in business and scientific literature**, which offer an initial stock of categories (e.g. Allèrès 2003a, p. 486; Bain & Company and Altagamma 2011, p. 2; Berry 1994, p. 4 et seqq.; Britt 2006, p. 2; Castarede 2003, p. 60; Giraud et al. 1995, p. 6; Heine and Trommsdorff 2010a, p. 187; McKinsey 1990, p. 15). As part of the **WLBA** (see section 1.2.2.5), these categories were adapted and complemented by analyzing the product portfolio of the selected luxury brands. Table B.1 presents the resulting categorization of luxury product industries.

Table B.1.: Categorization of Luxury Product Industries

· Fashion products	· Wristwatches	· Furnitures
· Apparel	· Jewelry	· Kitchens
· Shoes	· Pens	· Table decoration
· Underwear	· Diaries	· Silverware
· Fashion accessories	· Writing paper	· Crystal & Glassware
· Belts	· Means of transportation	· Porcelain & Stoneware
· Gloves	· Bikes	· Linens
· Scarfs	· Motorcycles	· Table linens
· Hats	· Automobiles	· Bed linens
· Ties	· Boats / Yachts	· Bath linens
· Eyewear	· Aircrafts / Jets	· Bathroom equipment
· Bags & Cases	· Delicacies	· Carpets
· Luggage	· Beverages	· Lamps
· Hand Bags	· Wines	· Interior electronics
· Wallets & Cases	· Sparkling wines	· Interior accessories
· Cosmetics & Fragrances	· Spirits	· Sports equipment
· Body decoration	· Foods	· Garden furnishing
· Mobile electronics	· Interior decoration	

In accordance with the temporal relativity (section 1.3.1.2), this categorization **does not remain stable** as there are more and more new luxury product industries emerging over time. For instance, after the mobile phone developed to become a mass-market product, Nokia used the

potential of differentiation and set up Vertu as the first luxury mobile phone brand and therewith also established a new luxury product industry segment (The Economist 2003).

The Relationships between Luxury Characteristics and Brand Identity

The constitutive characteristics of luxury products and brands form a part of the identity of luxury brands. Dependent on human identity, brands are also ascribed as having an identity. The **brand identity** comprises all brand associations that are intended by the company (Aaker 1996, p. 68). It corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the external target groups. It builds the foundation for brand positioning, which relies only on the most relevant characteristics for brand differentiation. As shown in figure 3.1 (part I, section 3), the brand image constitutes the anti-pole of the brand identity, corresponds with the public perception of a brand and is the result of marketing measures and other consumer experiences with a brand (Esch 2010, p. 90 et seq.; Kotler et al. 2009, p. 426).

The elements of common brand identity concepts can be divided into **two main components**. The first component covers the physical-functional, mainly product-related associations and the other component includes the abstract, emotional brand associations (Kapferer 2008, p. 171 et seq.).

One of the major product-related associations luxury products have is a high degree of symbolic meaning. The symbolism of luxury products and brands covers a wide variety of emotional associations, which refer to a large extent to human personality traits (Vigneron and Johnson 2004, p. 490). Therefore, the **emotional component** of the luxury brand identity corresponds largely with the concept of brand personality, which is defined by Aaker (1997, p. 347) as “the set of human characteristics associated with a brand.” The emotional component of the luxury brand identity and especially the luxury brand personality was analyzed in a study by Heine (2009b) (see also Heine and Trommsdorff 2010a, p. 458; see also Heine 2010e; Heine and Trommsdorff 2010c; Heine 2010d).

The **physical-functional component** of the luxury brand identity covers the associations between the brand's products and the products' attributes and benefits. As outlined above, luxury brands are defined by specific associations which are tied to their product characteristics. Accordingly, luxury brands convey associations about a high level of price, quality, aesthetics, etc. Therefore, the constitutive characteristics of luxury products and brands determine the foundations of the physical-functional component of the luxury brand identity. At a minimum, each luxury brand aims at evoking at least these constitutive associations within their target group. They could be referred to as the "code of luxury" that any luxury brand has to comply with (see also Kapferer and Bastien 2009b, p. 314).

According to the definition of luxury brands, a brand only qualifies as a luxury brand if it actually succeeds in evoking these associations in the minds of the consumers. As shown in figure A.1, they have to transfer their intended brand identity into the minds of the consumers without it being distorted by other external influences, such as the marketing measures of competitors. Meeting this challenge requires great expertise in adequate **marketing techniques**. As many luxury brands are true masters in influencing consumer perceptions, Catry (2003, p. 10) refers to them appropriately enough as the "great pretenders" (see chapter 1.4.2 for an overview about the luxury marketing-mix strategies).

B.2. Paper 2: Identification and Motivation of Participants for Luxury Consumer Surveys

The Definition of Luxury Products and Brands

In management literature it is accepted to distinguish necessary or ordinary products from **luxury products** by their essential characteristics. Accordingly, luxury products are characterised by their price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning.

As they are highly associated with their core products, common definitions of **luxury brands** refer to specific associations with their products. The essential characteristics of luxury brands therefore correspond largely with those of luxury products. Consequently, their definition can be derived from that of luxury products as follows: Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of further non-functional associations (Heine 2010a).

Although luxury products and brands require a relatively high rating for all the essential characteristics, a wide range of possible ratings still exists within the luxury segment. The luxuriousness increases alongside an increasing level of at least one of these characteristics. Not surprisingly, the luxury level is one of the major means of differentiation for luxury manufacturers. Accordingly, Dubois and Duquesne (1993, p. 38) suggest distinguishing between **accessible luxury products**, which are affordable for most people at least from time-to-time and **exceptional luxury products**, which are affordable only for wealthy people.

B.3. Paper 3: Practicable Value-Cascade Positioning of Luxury Fashion Brands

Sampling Procedure

The target group for the **qualitative survey** consisted of dedicated luxury consumers with a sound understanding of luxury brands and products. Therefore, selection criteria required that respondents are high net worth individuals (HNWI are defined as individuals with a net worth of at least one million euros) and that they like to consume luxury products enthusiastically. This was verified in a preliminary talk before the interview. The interviews were conducted in Berlin and Cologne by two interviewers at a time and were each approximately one to two hours long. They covered preferences for product characteristics, motives of luxury consumption and personal values of the respondents. The interviews employed repertory grid, laddering, creative interviewing and projective techniques. The sample contained 31 participants including 14 women and 17 men, mainly entrepreneurs, managers, experts from different industries and heirs. The age distribution was balanced between 20 and 70 years.

In management field it is accepted to distinguish **luxury products** from necessary and ordinary products within their category by price, quality, aesthetics, rarity, specialty and symbolism. As with the notion of luxury, all of these characteristics are relative terms. A luxury product is characterised by a high rating on each of these dimensions compared to other products of its category.

The definition of luxury products is closely related to the definition of **luxury brands**, because they are distinguished from non-luxury brands by product-related associations. The essential characteristics of luxury products therefore correspond largely with these of luxury brands and lead to the following definition: Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity and specialty (Trommsdorff and Heine 2008a, p. 1670; Heine 2009c, p. 161 et seq.; Meffert and Lasslop 2003, p. 6).

Identification of Stimuli

Positioning generally requires a **set of brands** that covers either the consideration set of target consumers or an expertise-based selection of the major competitors. For the purpose of this study, an expertise-based set of brands that represents the German luxury fashion market was developed based on the following selection criteria: a brand should either belong to the most important brands in the market regarding awareness and turnover (e.g. Hugo Boss or Louis Vuitton) or should help to complete the variety of brand images with some unique symbolic characteristics (e.g. rather connoisseur brands like Alexander McQueen, Issey Miyake or Vera Wang). The analysis was based on the qualitative survey and literature research and led to a set of 42 brands. It contains all brands that Esteve and Hieu-Dess (2005) covered in their analysis of luxury brand positioning, which is one of the few and most profound works about the subject.

B.4. Paper 4: Using Personal and Online Repertory

Grid Methods for the Development of a Luxury Brand Personality

The Status of Brand Personality in Brand Management

The modern understanding of a **brand** is consumer and identity oriented. Brands are regarded as images in the minds of consumers and other target groups. In dependence on the human identity, brands are also ascribed as having an identity. The **brand identity** comprises all associations that are intended by the company (Aaker 1996, p. 68). It corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the

external target groups. It builds the fundament for brand positioning, which relies only on the most relevant characteristics for brand differentiation. As shown in figure A.1, the **brand image** constitutes the antipole of the brand identity. It corresponds with the public-perception of a brand and is the result of marketing measures and other consumer experiences with a brand (Esch 2010, p. 91).

The **elements of common identity concepts** can be divided into two main components. The first component covers the physical-functional, mainly product-related associations and the other component includes the abstract, emotional associations of a brand (Kapferer 2008, p. 171 et sqq.). Esch (2010, pp. 91 et sqq) differentiates each of the two components again into two sub-components (see part I, figure 3.1). The **functional component** consists of Brand Attributes and Brand Benefits. Brand Attributes cover the functional characteristics of a brand or its products (such as the double-stitched seam or the big logo of a Louis Vuitton bag). The Brand Attributes lead to Brand Benefits, which include functional and psychosocial benefits (such as the longevity of a Louis Vuitton bag also because of its double-stitched seam or the possibility to demonstrate status because of its prominent logo). The **emotional component** of the brand identity is divided into Brand Tonality and Brand Symbols. The Brand Tonality covers the emotional characteristics of a brand and corresponds largely with the Brand Personality (for example, the personality of Louis Vuitton might be seen as elegant, glamorous and traditional). Brand Symbols can be described as mental images of a brand, which can relate to visual, acoustic, olfactory, gustatory and haptic perceptions. They help to create the functional and emotional brand associations (for instance, Louis Vuitton uses also its Monogram Canvas pattern to convey an elegant style). As this article concentrates on the Brand Personality, this concept will be explained in detail below.

The Concept of Luxury

In management field it is accepted to distinguish luxury products from necessary and ordinary products within their category by their **essential characteristics**. These include price, quality, aesthetics, rarity, specialty and symbolism. As with the notion of luxury, all of these characteristics are relative terms. A **luxury product** is characterised by a relatively high rating on each of these dimensions compared to other products of its category (Trommsdorff and Heine 2008a, p. 1670). The definition of luxury products is closely related to the definition of luxury brands,

because they are distinguished from non-luxury brands by product-related associations. Therefore, the essential characteristics of luxury products correspond largely with these of luxury brands and lead to the following definition: Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity and specialty (Meffert and Lasslop 2003, p. 6). Just as Dior differs from Chanel, it is essential for every luxury brand to differentiate from other peer brands. This is achieved mainly with symbolic characteristics, which are explained below.

Sampling Procedure

The investigation of luxury brand images with an open interviewing approach requires participants with a sound understanding about these brands. Therefore, only millionaires were selected (defined as individuals with a net worth of at least one million euros). The study of Dubois and Duquesne (1993, p. 42) indicates that wealthy people are not necessarily (heavy) luxury consumers. Therefore, the second selection criterion required that participants are actually consuming them enthusiastically. These criteria were verified in a preliminary talk before the interview. Besides that, the study requires a preferably heterogeneous mix of different personalities to ensure that it captures all relevant constructs. Therefore, the selection of participants followed a **snowball approach**: Initially, a very mixed group of students was selected for a seminar course at the Berlin Institute of Technology and consequently, they acquired very different interview partners mainly from their circle of acquaintances (Schnell et al. 1990, p. 280). The sample contains 31 participants including 14 women and 17 men, mainly entrepreneurs, managers, experts from different industries and heirs. The age distribution is balanced between 20 and 70 years.

Interviewing Procedure

The interviews were conducted in Berlin and Cologne by two interviewers at a time and took in each case about one to two hours. They started with an open discussion (free elicitation) with the participants according to Dubois et al. (2001, p. 7). At the beginning, the interview referred to fashion and later shifted also to another category that was chosen by the participants. Subsequently, brand associations were investigated according to the RGM procedure, which was complemented with the **preference differences technique** (Reynolds and Gutman 1988, p. 14). It required participants to expatiate in detail upon the differences in their preferences

for luxury brands. Subsequently, participants were faced with print adverts of their selected brands to stimulate them further. In addition, **projective techniques** were deployed to also capture brand characteristics that are subject to social bias. Participants were asked to describe characteristics that would be important to other types of luxury consumers (Fisher and Tellis 1998, p. 566; Haire 1950, p. 651 et sqq.).

Data Analysis

All interviews were audio-taped and transcribed leading to some hundred pages of verbatim. Then, a content analysis was conducted according to (Mayring 2002, p. 114 et sqq.). At the beginning, the associations were roughly arranged into some main categories. It followed an iterative process of reviewing and adapting these categories until a reasonable system of categories was identified and all associations were assigned to a category (Reynolds and Gutman 1988, p. 18 et seq.). In addition, results were compared and consolidated with the results of another researcher, who conducted an independent content analysis (Dubois et al. 2001, p. 7). The results were translated into English based on intense discussions with an English native speaker.

B.5. Paper 5: The Personality of Luxury Fashion Brands

Extended Abstract

The focus of brand differentiation is shifting increasingly to symbolic benefits mainly because of changing market conditions and consumer preferences. On the one hand, the functional benefits of many products on the market today become increasingly equivalent and exchangeable. On the other hand, an increasing number of consumers engage in symbolic consumption and decide for a product mainly due to the congruity between their personality and the symbolic personality of the product or brand. These trends lead to an increased interest in the brand personality concept, which offers a systematic approach to create symbolic benefits.

Although luxury brands are characterised with strong symbolic benefits that often even exceed their functional benefits and that refer to a large extent to human personality traits, there exists only a small literature base about the symbolic meaning of luxury brands and no specific brand personality framework. This paper sets a foundation for a luxury brand personality framework with an investigation of personality traits as the basic elements of a brand personality. More specifically, its objective is to uncover the entire universe of personality traits that luxury brands represent in the eyes of their consumers based on two empirical studies. These studies focus on luxury fashion brands as this industry covers the biggest variety of brand images. As a prerequisite, this paper defines luxury brands as the objects of investigation, explains the concept of brand personality and its common research methodology and outlines the requirements and selection criteria for luxury brand personality traits.

The brand personality refers to the set of human characteristics associated with a brand. Aaker developed the most established theoretical framework of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality dimensions. More than 600 U.S. respondents rated on a five-point Likert scale a subset of 37 general brands of varying categories on 114 personality traits. Aaker consolidated the personality traits by factor analyses to five distinct dimensions. This paper proposes a research methodology specifically for the investigation of luxury brand personality traits. It builds on a consumer-oriented qualitative approach using the repertory grid method (RGM), which is constrained by a conceptual framework of guidelines and selection criteria, but remains flexible enough to consider the ambiguous and contextual aspects of brand personality. While the quantitative approach requires deleting ambiguous and contextual traits that load on multiple factors, RGM allows respondents to describe constructs with a group of words and enables researchers to decode their varying contextual meanings for different constructs. In addition, RGM matches the consumer-orientation in brand management as the resulting sets of traits and brands originate directly from the respondents. A major modification to the common research approach is that each trait has to consist of three adjectives. While a single adjective can be very ambiguous, word combinations become more precise as people can rely on their overlapping meaning.

The first study covers in-depth interviews with about 50 luxury consumers about their associations with luxury brands according to the RGM and led to a set of 49 personality traits and five major personality dimensions. These dimensions include modernity, eccentricity, opulence,

elitism, and strength. Modernity describes the temporal perspective of a brand, which can lie either in the past or in the present or future. Eccentricity describes the level of discrepancy from social norms and expectations. Opulence refers to the level of conspicuousness of the symbols of wealth. These symbols cover a wide range of associations including ostentatious logos and valuable materials. Elitism covers the level of status and exclusivity that is displayed by the brand. Finally, strength describes the level of toughness and masculinity of a brand. The validity of results improves if they are replicated with other studies and with varying research methodologies. To this end, the resulting set of personality traits was tested and adapted with a complementary study that includes face-to-face interviews with about 60 luxury insiders, who were asked to describe their associations with several luxury brand print adverts first in their own words and then with the help of the pre-existing personality traits.

Results include the first comprehensive overview of luxury brand personality traits categorized by the five major personality dimensions. Altogether, there are 52 luxury brand personality traits including for example “traditional, past-conscious, non-contemporary” and “modern, future-conscious, progressive”. For researchers, these findings offer a foundation for further research on luxury brand personality and analyzing its antecedents and consequences. Because of the focus on Germany, the complexity of the subject and changes in the luxury symbolism over time, the resulting set of traits cannot be seen as a generally applicable, static and final solution. For example, the trait catalogue could be verified and adapted by additional empirical studies for specific luxury industries, consumer segments or for other countries. In addition, the set of traits provides a basis for the verification of the personality dimensions with a quantitative consumer survey according to the approach of Aaker and for analyses about specific trait combinations, binary oppositions or comprehensive personality profiles. The categorization of luxury brand personality traits provides marketers a framework for the analysis of emotional luxury brand images and the development of a luxury brand personality, so to say its “aura”, “magic” or “DNA”.

Definition of Luxury Products and Brands

In management literature it is accepted to distinguish necessary or ordinary products from luxury products by some essential characteristics. These include price, quality, aesthetics, rarity, speciality and symbolism. As with the notion of luxury, all of these characteristics are rela-

tive terms. A **luxury product** is characterised by a high rating on each of these dimensions compared to other products of its category.

The definition of luxury products is closely related to the definition of luxury brands, as they are distinguished from non-luxury brands through product-related associations. The essential characteristics of luxury products therefore correspond largely with those of **luxury brands** and lead to the following definition: Luxury (fashion) brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity and specialty (Heine 2009b, p. 28; Heine et al. 2010).

The Status of Brand Personality in Brand Management

The modern understanding of a **brand** is consumer and identity oriented. Brands are regarded as images in the minds of consumers and other target groups. The **brand identity** comprises all associations that are intended by the company (Aaker 1996, p. 68). It corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the external target groups. It builds the foundation for brand positioning, which relies only on the most relevant characteristics for brand differentiation. The **brand image** constitutes the antipole of the brand identity. It corresponds with the public perception of a brand and is the result of marketing measures and other consumer experiences with the brand (Esch 2010, p. 91).

The **elements of common brand identity concepts** can be divided into two main components. The first component covers the physical-functional, mainly product-related associations and the other component includes the abstract, emotional associations of a brand (Kapferer 2008, p. 171 et sqq.). Esch (2010, pp. 91 et. sqq.) differentiates each of the two components again into two sub-components (see A.1). The **rational component** consists of brand attributes and brand benefits. Brand attributes cover the functional characteristics of a brand or its products (for example the double-stitched seam or the big logo of a Louis Vuitton bag). The brand attributes lead to brand benefits, which include functional and psychosocial benefits (such as the longevity of a Louis Vuitton bag because of its double-stitched seam or the possibility to demonstrate status because of its prominent logo). The **emotional component** of the brand identity is distinguished into brand tonality and brand symbols. The brand tonality covers the emotional characteristics of a brand and corresponds largely with the brand personality (for example, the personality of

Louis Vuitton might be seen as elegant, glamorous and traditional). Brand symbols can be described as mental images of a brand, which can relate to visual, acoustic, olfactory, gustatory and haptic perceptions. They help to create the functional and emotional brand associations (for instance, Louis Vuitton uses its Monogram Canvas pattern to convey an elegant style). As this article concentrates on the brand personality, this concept will be explained below.

The Brand Personality Concept by Aaker

According to Aaker (1997, p. 347), the brand personality refers “to the set of human characteristics associated with a brand.” Aaker developed the most established theoretical framework of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality dimensions. In contrast to previous studies, she followed a structured approach to generate a set of personality traits. She collected stimuli such as “trendy” or “intelligent” from personality scales from psychology, personality scales used by marketers, and a qualitative consumer survey and reduced the resulting 309 items to a more manageable number of 114 traits with another qualitative study. Subsequently, more than 600 U.S. respondents rated on a five-point Likert scale a subset of 37 general brands of varying categories on these personality traits. Aaker consolidated the personality traits by factor analyses to five distinct dimensions and a total of 15 personality facets. Figure 4.1 (part III, paper 4) gives an overview about the major dimensions and some representative brands.

While the framework claims general applicability across product categories, the dimensions might not be very descriptive for other cultures or specific categories (Austin et al. 2003, p. 81). Therefore, other studies followed in recent years, which usually replicated Aakers’ procedure to develop specific concepts for other cultures (e.g. for Germany by Mäder 2005) and particular categories (e.g. for restaurants by Siguaw et al. 1999).

Sampling Procedure

The investigation of the symbolic meaning of luxury brands with an open interviewing approach requires respondents with a sound understanding of these brands and their specific meanings. Therefore, the **target group** of the study consists of heavy luxury consumers and young professionals. Heavy luxury consumers were selected based on two criteria. First, they had to be millionaires (defined as individuals with a net worth of at least one million euros). The study of

Dubois and Duquesne (1993, p. 42) indicates that wealthy people are not necessarily (heavy) luxury consumers. Therefore, the second selection criterion required that participants are actually consuming them enthusiastically. These criteria were verified in a preliminary talk with potential respondents. In order to cover a large array of personality types, the selection of participants followed a snowball approach: Initially, a mixed group of students was selected for a seminar course at the Berlin Institute of Technology and consequently, they acquired very different interview partners mainly from their circle of acquaintances. The sample contains 31 respondents including 14 women and 17 men, mainly entrepreneurs, managers, experts from different industries and heirs. The age distribution was balanced between 20 and 70 years. As many of them were connoisseurs who had already outgrown their period of conspicuous consumption, the sample was extended to include aspiring and often more conspicuous **young professionals**, who also had to be seriously interested and active in luxury consumption. The sample contains 20 young professionals from a variety of industries including 12 women and 8 men between 25 and 35.

Interviewing Procedure

The **interviews** were conducted by two interviewers at a time and took about one to two hours each. The respondents' associations about luxury brands were investigated according to the **repertory grid method** (Kelly 1955). RGM assumes that people attribute meaning to something and understand something (also a person, event, etc.) by comparing it with other things they already know. A repertoire of **personal constructs** helps them to group everything according to its similarity and dissimilarity in order to reconstruct reality and their position within that. The **objective of RGM** is to uncover the repertoire of personal constructs. The **challenge** is that they are often difficult to express in verbal distinctions, due to the fact that a great deal of these constructs are subconscious. According to its theoretic base, RGM elicits personal constructs with an **iterative process** that requires respondents to compare different triad combinations of stimuli, to express their constructs and to relate the stimuli to the construct poles. Irrespective of its specific version, RGM leads to **structured data** that facilitate elaborate analysis and interpretation (Eden and Jones 1984; Fromm 2004). The RGM was complemented with the **preference differences technique** (Reynolds and Gutman 1988, p. 14). It required participants to expatiate in detail the differences in their preferences for luxury brands. Subsequently, par-

ticipants were faced with print adverts of their selected brands to **stimulate them** further. In addition, **projective techniques** were deployed to capture brand characteristics that are subject to social bias. Participants were asked to describe characteristics that would be important to other types of luxury consumers (Fisher and Tellis 1998, p. 566; Haire 1950, p. 651 et sqq.).

There are some essential **benefits** of RGM: it allows to explore the area of research on luxury symbolism and to create a sound foundation for subsequent quantitative studies. While the quantitative approach requires deleting ambiguous and contextual traits that load on multiple factors, RGM allows respondents to describe constructs with a group of words and enables researchers to decode their varying contextual meanings for different constructs. In addition, RGM matches the consumer-orientation in brand management as the resulting sets of traits and brands originate directly from the respondents.

Results: Personality Traits and Dimensions of Luxury Fashion Brands

The results suggest that consumers perceive that luxury brands have five distinct personality dimensions. They are illustrated in figure 4.2 (part III, paper 4) and include the following:

1. **Modernity:** This dimension describes the temporal perspective of a brand, which can lie either in the past or in the present or future.
2. **Eccentricity:** This dimension describes the level of discrepancy from social norms and expectations.
3. **Opulence:** This dimension describes the level of conspicuousness of the symbols of wealth. These symbols cover a wide range of associations including ostentatious logos and valuable materials like gold and diamonds.
4. **Elitism:** This dimension describes the level of status and exclusivity that is displayed by the brand. The post-modern, democratic perspective is limited insofar that luxury is by definition exclusive.
5. **Strength:** This dimension describes the level of toughness and masculinity that is displayed by a brand.

The **literature supports the results** and therewith also the applicability of RGM. There are similarities to **psychological concepts**, for example to the Big Five model of personality between “openness to experiences” and modernity and between “agreeableness” and elitism (John and Srivastava 2001, p.105). There are also some similarities to the **brand personality framework** by Aaker (1997, p. 352), specifically between “ruggedness” and strength, and also between “excitement” and modernity. However, there are also major differences. For instance, there are two counterparts for the dimension “sophistication” from Aaker as luxury consumers differentiate between opulence and elitism. These constitute the major speciality of luxury brand-specific personality dimensions. Then again, there is no counterpart for Aaker’s dimension “competence” as this might be regarded as a general characteristic of all luxury brands. Furthermore, there are similarities to findings in the **luxury literature**, for instance between the dimension “excentrique“ by Esteve and Hieu-Dess (2005) and eccentricity and between “glamour vs. understatement luxury” by (Kisabaka 2001, p. 130 et sqq.) and opulence.

B.6. Paper 6: Dimensions of the Luxury Brand Personality

The Concept of Brand Personality

Aaker developed the **most established theoretical framework** of brand personality dimensions and a scale to measure them by drawing on research about the Big Five human personality dimensions. In contrast to previous studies, she followed a structured approach to generate a set of personality traits. She collected stimuli such as “trendy” or “intelligent” from personality scales from psychology, personality scales used by marketers, and a qualitative consumer survey and reduced the resulting 309 items to a more manageable number of 114 traits with another qualitative study. Subsequently, more than 600 U.S. respondents rated on a five-point Likert scale a subset of 37 general brands of varying categories on these 114 personality traits. Aaker consolidated these traits by factor analyses to five distinct dimensions and a total of 15 personality facets. Figure 4.1 (part III, paper 4) gives an overview about the major dimensions and some representative brands.

Dimensions of the Luxury Brand Personality

Due to the small literature base about the symbolic meaning of luxury brands, the pre-studies employed a qualitative approach in order to explore the emotional associations with luxury brands and **their major personality dimensions**. The sample of the first study includes 31 heavy luxury consumers who are characterised by a very high purchasing power and experience (all respondents possess a net worth of at least one million Euros) and a sound understanding about luxury brands and their specific meanings. The study relies on in-depth interviews according to the **Repertory Grid Method**. The content analysis of the interview transcriptions led to five major luxury brand personality dimensions, which are illustrated in figure 4.2 (part III, paper 4; Heine 2009b, p. 6).

Identification of Luxury Brand Personality Traits

For the purpose of this study, a **brand personality trait is defined** as a basic characteristic of a person or its style associated with a luxury brand. Each trait consists of three adjectives, which is a major modification to common practice. While single traits can be very ambiguous, **triad combinations** of similar words overlap in their meaning and share a more generally accepted common core. The interviews with heavy luxury consumers also established some evidence that these triad combinations allow to draw a clearer and more meaningful picture of a personality facet. The objective of this stage of research is to uncover the **entire universe of personality traits** that luxury brands represent in the eyes of their consumers based on two empirical studies. In order to adapt the common methodology to the growing consumer-orientation in marketing research, the traits should originate from the consumer as much as possible. The study of heavy luxury consumers was extended with another study of 20 young professionals. Both surveys delivered the data base for a **content analysis**, which led to a set of 49 personality traits. These traits were tested with a **complementary study** about consumers' associations with luxury print adverts. Based on the analysis of 63 interviews with luxury consumers, 17 traits were improved, four traits were added, and one trait was eliminated. The traits were translated from German into English based on a focus group with native English-speaking business students and reviewed by a professional translator. Thereby, the triad combinations made it easier to preserve the original meaning of the traits. Results offer a comprehensive overview of luxury brand personality traits,

which includes 52 traits such as “cheerful, fun-loving, jovial” or “haughty, lofty, proud” (for full list see Heine 2010e).

Sampling and Survey Procedure / VPA

The application of viral marketing for participant acquisition leads to **Viral Participant Acquisition (VPA)**, which consists of three major principles (Heine 2010b, p. 8). The first principle requires **attracting the target group** with eye-catching teasers. For this purpose, a set of seven teasers was created and included in email invitations and postings in Internet forums, social networking platforms, and newsgroups. Attention was also attracted with a press release of the university and articles in major German magazines about the study including a link to the questionnaire. The second principle requires **creating a benefit** that makes people willing to participate in their own interest. This principle was implemented with a detailed **personalized evaluation** at the end of the questionnaire about the respondents’ luxury style and brand personality preferences. The third principle requires **triggering a network virus** by motivating respondents even to recruit others. Therefore, the questionnaire was complemented also with a **recommendation form** that allows respondents to invite their friends to the study.

Selection of Stimuli

In contrast to the common approach, the set of brands originates also from the consumers. The stimuli were selected from all the brands mentioned in the previous study of heavy luxury consumers based on the following criteria: A brand should either belong to the most important brands in the luxury fashion market regarding awareness and turnover such as Hugo Boss or Louis Vuitton, or it should help to complete the variety of brand images with some exceptional symbolic characteristics, which is the case for rather connoisseur brands such as Issey Miyake or Patrizia Pepe. In order to ensure that the set of stimuli contains the **most important brands**, all brands were selected that Esteve and Hieu-Dess (2005) used in their analysis of luxury brand positioning, which is one of the few and most profound works about the subject (these brands are marked in italic in table 6.1). In order to cover the **variety of brand images**, the set of stimuli was checked to contain several representative brands for each luxury brand personality dimension as perceived by the respondents of the previous study (c.f. Aaker 1997, p. 349).

C. Prior Publications: Abstracts

C.1. Paper 1.1/b: The Definition of Luxury Products by their Constitutive Characteristics

Presented at: KAMS Fall Conference, Seoul, 27 November 2010. **Co-authors:** Katharina Kübrich and Prof. Dr. Michel Phan.

Abstract: To this day, there is an ongoing discussion in the business literature about the definition of luxury products, which is rooted in some major misunderstandings. The objective of this paper is to address these problems and to develop a consistent definition of luxury products that builds on the existing luxury definitions. Therefore, it outlines the definition approaches and explains the adequacy of a consumer-oriented approach that is constrained by a conceptual framework, which constitutes the major benefit compared to the existing concepts. The framework includes a specification of the managerial luxury understanding and a set of requirements for the identification of luxury product characteristics. On this basis, the luxury product characteristics were identified from a literature analysis and a study of 31 German millionaires with high spending on luxury products. The results suggest that consumers distinguish luxury products using six major characteristics including a high level of price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning. The paper concludes with a discussion about further research opportunities and practical implications for the management of luxury brands.

C.2. Paper 1.1/c: Luxury & Sustainability: Implications of a Consumer-oriented Concept of Luxury Brands

Presented at: ITU-TUB Joint Conference, Istanbul, 10-12 November 2010.

Extended Abstract: While a VW Polo could be a luxury for a student, a Mercedes S-Class might be just an ordinary car for a wealthy heir. This demonstrates that **luxury is a relative term that could refer to almost anything or nothing** depending on whom you ask. In addition, luxury has today become an inflationary used and worn out label for almost anything. For instance, some discount supermarkets' and beer brands claim to sell "luxury for everyone". On the contrary, most luxury brands refrain from declaring their products explicitly as luxury and at the same time they actually sell more and more non-luxury products. In addition, there are non-luxury brands that try to sell "Masstige" with (at least) some feeling of luxury.

These confusions are reflected in the management literature. Although a variety of definitions already exists for luxury products and brands, there is still primarily a consensus in the literature that there is actually **no consensus about the definition of luxury products and brands** and that the existing concepts remain a little bit blurry. However, there is an increasing demand for a consistent definition in both the scientific and the business community. A growing number of researchers concentrate on luxury products and brands, but they require a consistent definition to conceive various future research opportunities. In addition, there are more and more promising premium brands and entrepreneurs in old markets such as Germany and in new markets such as China that strive to develop luxury brands, but they require a sound knowledge about their essential characteristics.

The ongoing discussion and the inconsistencies of the existing definitions can be explained by the nature of the term luxury and its recent popularity as an all-purpose-label, but also by some major misunderstandings due to the frequent lack of a conceptual base. Consequently, the **objective of this paper** is to address these problems and to develop a consistent definition of luxury brands that builds on the existing definitions. As they are highly associated with their core products, common definitions of luxury brands refer to specific associations about their products. The essential characteristics of luxury brands therefore correspond largely with those of luxury products. Consequently, the definition of luxury brands firstly requires the definition of luxury products.

To begin with, three **major problems** of the existing definitions were identified: First, many authors **do not distinguish between different understandings of luxury**, which differ by the area of research and its varying research objectives. They range from a very broad scope that

also covers resources such as time or space to a very narrow scope that includes only the best products of a category such as Louis Vuitton bags. However, it is impossible to develop a specific definition for products such as Louis Vuitton bags that also covers resources such as time. Consequently, many definitions are inconsistent or not specific enough, i.e. they include inappropriate characteristics or miss out some essential characteristics. In addition, many authors develop a definition **not just for luxury products, but more specifically for the typical luxury product**. These authors include more characteristics than are necessary as they regard accessory characteristics that only apply to a certain segment of luxury products as constitutive characteristics. Finally, many authors also **mix different approaches to definition**. Their definitions of luxury products include some of their essential characteristics, but also purchasing motives, consumer preferences or even marketing measures. However, it complicates the analyses of purchasing motives or marketing strategies for luxury products if they are already part of their definition.

In order to dissolve the misunderstandings about the definition of luxury products, the paper goes back to the elementary meaning of luxury and presents a **basic definition of luxury** that is widely accepted across all research disciplines. Accordingly, luxury is considered as anything that is desirable and more than necessary and ordinary. However, this is relative and depends on the regional, temporal, economic, cultural and situational perspective. As a general rule, luxury is defined from a global perspective, for the present and for normal conditions. The desirability of resources and the appearance of luxury are determined by the ruling classes and what is more than necessary and ordinary is decided from the perspective of the entire society of developed countries. Still, this leaves scope for a wide range of different understandings of luxury.

The literature analysis of luxury definitions suggests differentiating them by the area of research into three major **understandings of luxury**. The philosophic-sociological understanding covers the widest scope and includes virtually all resources, which are considered desirable and more than necessary and ordinary, for instance free time and musical talent. The microeconomic understanding includes only goods, which are more than necessary and ordinary and suitable for exchange on the market. In microeconomics the term luxury goods often refers to the level of product categories. While toasters are generally considered as ordinary, barbecue and golf equipments are (still) considered as luxury goods. According to the managerial understanding, a luxury product refers to branded commodities, which are more than necessary and ordinary

compared to the other products within the same category. Examples include Louis Vuitton bags and Rolls-Royce automobiles. Overall, luxury products constitute a **subset** of luxury goods, which, in turn, form a subset of luxury resources. This differentiation of luxury understandings helps to further limit the scope of luxury for the purpose of managerial research. However, there are several approaches to distinguish between luxury and non-luxury products within the managerial understanding.

According to an analysis of the existing **definition approaches** of luxury products and brands, they can be differentiated by the level of abstraction into the characteristics-based and the consequences-based approach and by the source of information into the consumer-based and the expert-based approach. The paper explains the adequacy of the characteristics-based and consumer-oriented approach. As the first of its kind, it combines the consumer-oriented research approach with a structured conceptual framework that limits the influence of social bias. Consequently, the identification of luxury product characteristics relies on a literature analysis and a luxury consumer survey. In contrast to previous work, the empirical data is consolidated with the existing literature.

The investigation of luxury product characteristics requires respondents with a sound understanding of luxury products and brands. Therefore, the **survey relies on a sample of 31 German millionaires** with high spending on luxury products. In contrast to most of the existing studies that are based solely on unstructured interviews, the study relies on elaborate methodology such as the repertory grid method (RGM), which has never been used for the analyses of luxury product characteristics despite its advantages. The data was content-analysed employing the data analysis software MAXqda.

The **study results** suggest that luxury consumers perceive that there are six major dimensions that determine the luxuriousness of a product and that help them to distinguish luxury from non-luxury products. These dimensions are price, quality, aesthetics, rarity, extraordinariness, and symbolic meaning. The paper explains the characteristics in detail. There are some major improvements to the existing definitions: First of all, it is defined consistently by the same criteria, i.e. product characteristics, and not mixed up with their consequences such as purchasing motives or with preferences, attitudes or even marketing measures. In addition, it differentiates between concrete and abstract characteristics and extends the common definitions with a set of

sub characteristics for product quality. On this basis, the following definition of luxury brands was derived: Luxury brands are regarded as images in the minds of consumers that comprise associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional associations.

The resulting concept of luxury brands has some implications for the societal trend and need for **sustainable development**. The ancient picture of luxury was rather negative and associated with superfluity and profusion of resources, which has been gradually changing for some decades to a more positive and differentiated view. In accordance with this development, the study demonstrates that luxury does not necessarily contradict sustainability. The majority of respondents judges the quality of luxury products by their durability and expects them to be especially long-lasting. Durability covers the aspiration of luxury product manufacturers to create everlasting products, which won't be disposed even after long utilization or defect, but will rather be repaired and even gain value over time so that consumers can even leave them to their grandchildren. A large proportion of the respondents prefer to purchase a few long-lasting luxury products instead of many non-luxury products that need to be replaced more frequently by new products. They believe that "buying cheap means buying expensive in the end" and that many luxury products eventually offer a better value for money and a long-term investment. Some respondents emphasize especially how they have saved time and stress on shopping. As a consequence, today the boot is on the other foot for a growing segment of luxury product consumers who associate not luxury, but non-luxury products with profusion of resources.

For researchers, the concept of luxury brands offers a basis for **further research** about the characteristics of luxury products and brands and its antecedents and consequences. For example, the characteristics could be verified and adapted with further empirical studies for specific consumer segments or specific luxury product categories or especially for luxury services. In terms of antecedents, future research could develop strategies for the creation of images in the minds of consumers that comprise associations about a high level of the constitutive characteristics, i.e. to influence their perception of the luxuriousness of products and brands. In terms of consequences, researchers could investigate further the relationships between the luxury product characteristics and higher-level constructs of the means-end chain such as purchasing motives and consumer values.

There are also some **practical implications** for the management of luxury brands. The results offer marketers an overview of the constitutive characteristics that their luxury brands have to express to their target group. This prevents them from losing sight of the essential DNA of luxury in their daily business or during a brand repositioning. In addition, the results offer marketers some guidance for the improvement of mass market to luxury products.

C.3. Paper 1.1/d: A Theory-based and Consumer-oriented Concept of Luxury Brands

Presented at: In Pursuit of Luxury Conference, London, 18 June 2010.

Abstract: Not only is luxury a relative term that could refer to almost everything; depending on whom you ask, it also has become a worn out label for almost everything. While many luxury brands refrain from calling their products luxurious, some discount supermarkets and beer brands do. Moreover, luxury brands increasingly sell non-luxury products, while some non-luxury brands try to sell the feeling of luxury. So what does "luxury" mean today? These confusions help to explain why there is still no recognized concept of luxury in the business literature. However, the definition of luxury brands relates to the definition of luxury products, which again relates to the way luxury is defined. Consequently, the goal of the article is to develop a comprehensive concept of luxury for brand management. The first section of the article therefore works on building a theoretic framework that is then completed in the second part with an empirical study of luxury consumers. Despite the confusions, the first part reveals a basic understanding of luxury that is generally accepted across all research disciplines. It discusses the temporal, economic, regional, cultural, situational and - as luxury is not equally luxurious – the hierarchical relativity of luxury. Based on that, the article distinguishes three major perspectives on luxury including the philosophic-sociological, the micro-economical and the managerial concept of luxury, which are clarified with their common research interests, major representatives and specific definitions of luxury. According to an analysis of the existing definitions of luxury products, they are differentiated by the level of abstraction into the characteristics-based and the consequences-based approach and by information source into the consumer-based and the expert-based approach. The article demonstrates, however, that a consumer-oriented approach needs to be constrained by a theoretic framework. The literature analysis identified a list of

deficits with regard to existing concepts, leading to a set of requirements for the current study. This includes preventing a mix-up between characteristics and preferences, characteristics and motives or between constitutive and accessory characteristics. Subsequently, the article presents the first empirical survey about the luxury understanding of heavy luxury consumers with a sample of 31 millionaires. A specific methodology was developed for this study based on the repertory grid method and complemented with the preference differences technique and projective and creative interviewing techniques. A content analysis of the data led to five essential characteristics of luxury products including price, quality, aesthetics, rarity, extraordinariness and symbolism as well as further sub-dimensions. These characteristics are explained in detail with reference to the existing literature. Based on that, the definition of luxury brands was derived and the concept of luxury was integrated into the luxury brand identity concept. The results offer marketers a guideline for the upgrade of their products and brand communications to the luxury segment and researchers a foundation for further analysis, for instance about the relationship between the means (product characteristics) and ends (motives, values) of luxury consumption.

C.4. Paper 5/b: The Universe of Luxury Brand Personality Traits

Presented at: Global Marketing Conference, Tokyo, 9-12 September 2010. **Co-author:** Prof. Dr. Volker Trommsdorff.

Abstract: Although luxury brands are characterised with strong symbolic benefits that often even exceed their functional benefits and that refer to a large extent to human personality traits, there exists only a small literature base about the symbolic meaning of luxury brands and no specific brand personality framework. Therefore, the paper concentrates on personality traits as the basic elements of luxury brand personality. More specifically, its objective is to uncover the entire universe of personality traits that luxury brands represent in the eyes of their consumers based on two empirical studies. These studies focus on luxury fashion brands as this industry covers the biggest variety of brand images. The paper proposes a research methodology specifically for the identification of luxury brand personality traits, which combines a theory-based

framework of guidelines and selection criteria and a consumer-oriented qualitative approach using the Repertory Grid Method (RGM). The first study covers in-depth interviews with over 50 luxury consumers about their associations with luxury brands according to the RGM and leads to a set of 49 personality traits. This set was tested and adapted with a complementary study that includes face-to-face interviews with over 60 respondents, who were asked to describe their associations with several luxury brand print adverts, first in their own words and then with the help of the pre-existing personality traits. Results offer the first comprehensive overview of luxury brand personality traits, which includes 52 traits such as “friendly, warm, personable” or “haughty, lofty, proud”. These findings provide researchers a foundation for further, also quantitative research on luxury brand personality and assist marketers in developing a luxury brands’ “DNA”, “aura” and “magic.”

D. Further Publications

D.1. Lectures about Luxury Brand Management

Research results were disseminated and discussed also through the completion of the following lectures and courses:

- **Technische Universität Berlin**, Germany, October 2006 until now, "Luxury Brand Management", regular project seminars, in 2006 the first course about luxury marketing at a German university; other courses include "Luxury Consumer Behaviour: The Millionaire Survey", "Luxury Consumer Behaviour in China", "The Personality of Luxury Brands", "Social Media and Luxury" and "The World Luxury Brand Analysis."
- **Warsaw School of Economics (SGH)**, Poland, 30 November 2011, "The Identity of Luxury Brands", guest lecture.
- **TU Berlin Summer School in cooperation with the Tecnológico de Monterrey, Mexico**, August 2010 & 2011, "International Marketing Strategies: The Case of Luxury Brands", two-week courses, lectures in Athens, Berlin, London, and Paris.
- **ESSEC**, Paris, France, 22 April 2011, "The German Luxury Industry" & "Luxury Market Research", guest lectures.
- **Berliner Technische Kunsthochschule (BTK)**, Germany, the marketing lecturer of BTK from October 2007 to August 2010, "Entrepreneurial Marketing" & "Strategic Marketing", case studies of luxury brands, one-semester courses.
- **Deutsches Verpackungsinstitut / German Packaging Institute**, Berlin, Germany, "Packaging as a Marketing Tool", case studies of luxury brands, two-day management training courses.
- **Berlin School of Economics and Law (HWR)**, Berlin, Germany, October 2009 to February 2010, "Entrepreneurial Marketing", case studies of luxury brands, one-semester course.
- **University of Stellenbosch**, Cape Town, South Africa, 5 October 2009, "The Personality of Luxury Brands", guest lecture.
- **University of Namibia**, Windhoek, 28 September 2009, "The Luxury Brand Identity: The Case of Mont Charles de Monaco", guest lecture.

- **University of Malta**, 24 February 2009, "Building a Luxury Brand Identity: The Case of Chanel", guest lecture.
- **International University of Monaco**, 21 April 2008, "Building a Luxury Brand Personality based on Constructs of the Consumer BehaviourThe Case of Mont Charles de Monaco", guest lecture.
- **École Supérieure de Commerce de Toulouse (ESCT)**, France, May 2007 & March 2008, "International Luxury Goods Marketing", one-week courses.
- **Academy of Business Administration and Public Management (VWA)**, Berlin, Germany, 2007-2009, lectures about consumer behaviour, market research and strategic marketing, case studies of luxury brands.
- **Tongji University**, Shanghai, China, October 2007, "Strategic Marketing and Luxury Brand Management", one-week course.
- **University of Cape Town**, South Africa, 30 March 2007, "Luxury Goods Marketing: The Positioning of Luxury Brands", guest lecture.

D.2. In the Press with Luxury

Research results were disseminated within the general public through the publications in the press (in the electronic version of this paper, most titles of press articles are linked to scans of the articles):

- **Manager Magazin**, "Luxus 2012 - Wahre Waren", 11/2012, p. 169, by Dr. Michael Kroeher, citations about trends in luxury consumption.
- **Focus**, "Mein Luxus heisst Ikigai", 7 November 2011, No. 45, p. 142, interviewer: Sabrina Hoffmann, interview about trends in the luxury industry and characteristics of German luxury.
- **VR Future**, magazine of the Volks- und Raiffeisenbanken, "Von der Lust auf Luxus: Klaus Heine, Marketingforscher der TU Berlin, hat mit einem Forscherteam das Konsumentenverhalten der Luxus-Shopper im Kontext ihrer Persönlichkeitsmerkmale analysiert", July-September 2011, No. 3, p. 48, by Stefan Kesselhut, interview about luxury definitions and luxury consumer behaviour.

- **Pure**, Zeitschrift für Nachhaltigkeit, "Luxus ist Respekt", July 2011, p. 79-80, by Petra-Anna Herhoffer, citations about the German luxury industry.
- **Die Sonntaz & taz.de**, "Internationaler Luxusmarkt: Glamour ist Handwerk", in print on 1 May 2011 and online on 29 April 2011, by Brigitte Werneburg, www.taz.de/%2169893/, citations about the German luxury industry.
- **Bayerischer Rundfunk** (radio), "Kulturwelt", 15 April 2011, moderator: Knut Cordsen, interview about the definition of luxury and the Luxury Business Day 2011.
- **Munich Business School & Inlux**, press release, "Raus aus der Luxusfalle! / Luxury Business Day am 15. April in München", 30 March 2011, by Petra-Anna Herhoffer and Martin Fiedler, www.presseanzeiger.de/meldungen/handel-wirtschaft/462110.php, citations about the German luxury industry.
- **Brigitte Woman**, "Luxus... Der Wirtschaftswissenschaftler", December 2010, p. 40, by Sonja Niemann, article about my research in luxury brand management.
- **Zeit Online**, "Traumfabrik Mode: David Lynch führt Regie für eine Dior-Tasche: Mit aufwendig inszenierten Werbefilmen wollen Luxusmarken ein modernes Markenimage im Internet kreieren," 18 August 2010, by Yoko Rückerl, www.zeit.de/lebensart/mode/2010-08/mode-videos/, citations about advertising movies and social media strategies for luxury brands and about the Chinese luxury market.
- **SWR 4** (radio), "Luxus heute", 30 August 2010, moderator: Rainer Nitschke, interview about trends in luxury.
- **Sonntag Aktuell**, "Die Prada-Psyche", 15 August 2010, p. 7, by Sandra Müller, article about the luxury brand personality.
- **SWR 2** (radio), "Geld, Markt, Meinung, Bling-Bling, Protz und Opulenz - Das Geschäft mit Luxusgütern", 7 August 2010, moderator: Sina Rosenkranz, interview about motives of luxury consumption and about the German luxury industry.
- **SWR 1** (radio), Der Abend, "Luxus - von der Notwendigkeit des Überflüssigen", 2 August 2010, moderator: Andreas Doms, interview about the definition of luxury, motives of luxury consumption and trends in luxury.

- **Rheinpfalz am Sonntag**, "Die Prada-Psyche: Krise? Welche Krise? Die Zahl der Millionäre steigt, auch hierzulande. Warum sie ihr Geld in Produkte von Dior, Chanel oder doch lieber Prada stecken, weiß Deutschlands erster Luxusforscher. Er untersucht die Persönlichkeit der Luxusmarken", 25 July 2010, p. 16, by Sandra Müller, article about the luxury brand personality, luxury consumer behaviour and trends in the luxury industry.
- **Tagesspiegel**, "Die Lust am Luxus", 28 April 2010, No. 20 601, p. B4, by Andrea Puppe, article about the millionaire survey and the luxury brand personality.
- **Handelsblatt**, "Deutschlands Millionären in die Psyche geschaut: Der Markt für Luxus zeigt sich krisenfest. Über die Käufer wissen Marketing-Experten aber nur wenig. Ein Berliner Forscher liefert nun erste Daten.", 8 April 2010, No. 67, p. 22, article about the millionaire survey and luxury consumer behaviour.
- **Süddeutsche Zeitung Online**, "Marketingforschung: Die Marke und ich: Wer seinen Porsche streichelt, hat nun so etwas wie den wissenschaftlichen Segen dafür: Luxusmarken haben eine "Persönlichkeit", fanden Marketingforscher heraus", 15 March 2010, by Berit Uhlmann, www.sueddeutsche.de/wissen/728/505914/text/, article about the luxury brand personality.
- **Märkische Allgemeine**, "Warum Millionäre Luxusmarken mögen: Marketing-Forscher suchen die Aura edler Ware," 25 February 2010, p. V4, by Gerald Dietz, article about the millionaire study and the luxury brand personality.
- **Manager-Magazin**, "Luxusmarken sind Labertaschen", 22 February 2010, by Maren Hoffmann, www.manager-magazin.de/lifestyle/artikel/0,2828,679092,00.html, interview about luxury consumer surveys and the luxury brand personality.
- **Frankfurter Rundschau**, "Jil oder Louis Vuitton?: Berliner Forscher fahnden nach Luxus-Typen", 20/21 February 2010, Vol. 66, No. 43, p. 21, by Yvonne Globert, article about the millionaire study and segments of luxury consumers.
- **Deutschland Magazin**, a publication by the German Federal Foreign Office, "German Fashion: The Power of Restraint", February 2010, No.1 , p. 28, by Joachim Schirmacher, www.magazin-deutschland.de, cited regarding the Berlin luxury study.
- **TU Berlin**, Press Release, "Auch Luxus hat eine Persönlichkeit", 17 February 2010, No. 48/2010, www.pressestelle.tu-berlin.de/medieninformationen/2010/februar/, article about

luxury consumer surveys and the luxury brand personality.

- **Die Zeit Online**, "Mein Freund, die Marke", 15 January 2010, by Carolin Ströbele, www.zeit.de/lebensart/mode/2010-01/mode-social-networks, citations about the luxury brand personality and social media.
- **Süddeutsche Zeitung**, "Schöne neue Welt: Doch, Luxus hat eine Zukunft – und zwar im Internet. Eindrücke von einer Fachkonferenz mit internationalen Markenchefs und Modemachern in Berlin", 20 November 2009, p. 8/9, by Claudia Fromme, article about luxury consumer surveys and my presentation at the International Herald Tribune Luxury Conference in Berlin.
- **Süddeutsche Zeitung Online**, "Der Luxus lebt: Schöne neue Welt" (see above), <http://www.sueddeutsche.de/leben/der-luxus-lebt-schoene-neue-welt-1.141398>.
- **Berliner Morgenpost**, "Berliner Luxus ist nicht elitär, sondern demokratisch: Doktorand der TU hat ihn erforscht. Mode-Expertin Suzy Menkes lädt zur Konferenz ins Ritz Carlton", 16 November 2009, p. 13, by Alexandra Maschewski, article also about my presentation at the International Herald Tribune Luxury Conference in Berlin.
- **Handelsblatt**, "Die Lust, anders zu sein: Die Vorstellungen von Luxus wandeln sich. In der Wohlstandsgesellschaft taugt Protzerei nicht mehr zur Selbstdarstellung", 16 October 2009, No. 199, p. 7, by Martin Roos, article about several luxury consumer surveys, luxury consumer segmentation and the luxury brand personality.
- **Einsteins**, Journal des Luxus und der Moden, "Der Konsum-Kenner", February 2009, by Tanja Kössler, Katholische Universität Eichstätt-Ingolstadt, <http://compute.ku-eichstaett.de/einsteins2009/guthaben/interview/was-sein-luxus-ueber-einen-menschen-verraet.html>, interview about luxury marketing.
- **Profil**, "Forschungsprojekt: Ganz wie Coco: Im Rahmen einer großen Umfrage wird erstmals im deutschen Sprachraum das Profil von Luxusconsumenten untersucht", November 2007, p. 103, by Gabriele Rabl, article about the quantitative luxury consumer survey in 2007.

E. Results of Literature Analysis

Table E.1.: Results of Literature Analysis: The Characteristics of Luxury Products

Characteristics	Quotations	References
Price	higher price	Bagwell and Bernheim (1996, p. 350)
	vielfachen Preis	Belz (1994, p. 646)
	requiring significant resources to acquire	Berthon et al. (2009, p. 59)
	price	Beverland (2005, p. 1006)
	hoher Preis	Büttner et al. (2006, p. 12)
	chère	Castarede (2003, p. 3)
	expensiveness	De Barnier et al. (2006, p. 12)
	hoher Preis	Dohrn-van Rossum (2002, p. 98)
	[consumers are] ready to pay the price for the differentiation	Dollet and Matalobos (2010, p. 67)
	expensive	Dubois and Duquesne (1993, p. 36)
	very high price	Dubois et al. (2001, p. 9)
	importance of price	Fionda and Moore (2009, p. 357)
	price is high	Geerts and Veg (2010, p. 2)
	le luxe c'est cher	Giraud et al. (1995, p. 1)
	very expensive nature	Gistri et al. (2009, p. 365 et seq.)
	expensive	Glamheden (2006, p. 79 et seqq.)
	prestige pricing	Groth and McDaniel (1993, p. 11)
	price-quality relationship is the highest on the market	Kapferer (1997, p. 77)
	Preisunterschied	Kapferer (2001, p. 320)
	significantly more expensive than equivalent products from other sources	Kapferer and Bastien (2009b, p. 320)
	strongest quality cue [...] is the price itself,	Keller (2009, p. 292)
	höheres Preisniveau	Lasslop (2002, p. 331)
	grand prix/objets de valeur	Lipovetsky and Roux (2003, p. 22 et seq.)
	produits cher, prix élevé	Lombard (1989, p. 4, 14)
	costs more	Mandel et al. (2006, p. 57)
	high price	McKinsey (1990, p. 16)
	hoher wahrgenommener Preis	Meffert and Lasslop (2003, p. 5)
	pricey without exception	Mortelmans (2005, p. 506 et seq.)
	high-priced	Mutscheller (1992, p. 65)
	expensive	Nia and Zaichkowsky (2000, p. 486)
	significant price premiums	O'Cass and Frost (2002, p. 72)
	premium pricing	Okonkwo (2009a, p. 304)
	premium-pricing	Okonkwo (2009b, p. 287 et seq.)
	erheblich teurer	Sihler (2002, p. 177)
	premium priced	Stegemann (2006, p. 60)
	price premiums	Truong et al. (2009, p. 379)
	höchster Preis, Preispremium	Valtin (2004, p. 110, 186)
	prix assez élevé	Vernier and Ghewy (2006, p. 4)
	extremely high priced	Vickers and Renand (2003, p. 463)
	extremely expensive	Vigneron and Johnson (2004, p. 487)
price value, not affordable	Wiedmann et al. (2007, p. 5, 7)	
financial investment	Wiedmann et al. (2009, p. 645)	
premium pricing	Yeoman and McMahon-Beattie (2006, p. 326)	
Quality, general	quality	Anurit et al. (1997, p. 5)
	quality	Atwal and Williams (2009, p. 339)
	exceptional quality, consistent quality	Beverland (2004, p. 21)
	quality	Beverland (2005, p. 1006)
	hohe Produktqualität	Büttner et al. (2006, p. 12)
	quality	Catry (2003, p. 10)
	uncompromising quality	Csaba (2008, p. 20)
	premium quality	De Barnier et al. (2006, p. 11)
	excellent quality	Dubois et al. (2001, p. 8)
	höchste Qualität	Führer (2008, p. 208)

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Characteristics	Quotations	References
	quality products	Geerts and Veg (2010, p. 2)
	high quality	Gistri et al. (2009, p. 365)
	high quality	Glamheden (2006, p. 79 et seq.)
	higher quality products	Husic and Cicic (2009, p. 235)
	excellence of its products	Kapferer (1998, p. 45)
	Produkte höchster Qualität	Kotler et al. (2007, p. 642 et seq.)
	höhere Produktqualität, überragende Qualität	Lasslop (2002, p. 331, 342)
	la qualité plutôt que la quantité	Lipovetsky and Roux (2003, p. 48)
	haute qualité	Lombard (1989, p. 5)
	Produktqualität	Meffert and Lasslop (2003, p. 3 et seq.)
	high standard of luxury	Mortelmans (2005, p. 505)
	luxuries are quality products	Mutscheller (1992, p. 64)
	premium quality	Nueono and Quelch (1998, p. 62)
	higher perceived quality	O' Cass and Frost (2002, p. 72)
	high quality	Okonkwo (2009b, p. 287 et seq.)
	perceived quality	Phau and Prendergast (2000, p. 124)
	high-quality products	Schiereck and Königs (2006, p. 2)
	höchstmögliche Qualitätsstufe	Sihler (2002, p. 177)
	high quality	Stegemann (2006, p. 61)
	perceived quality	Truong et al. (2008, p. 191)
	in qualitativer Hinsicht auf höchstem Niveau	Valtin (2004, p. 28)
	excellente qualité	Vernier and Ghewy (2006, p. 4)
	quality value	Vigneron and Johnson (1999, p. 1)
	best quality	Vigneron and Johnson (2004, p. 487)
	quality value	Wiedmann et al. (2007, p. 5)
	superior quality	Wiedmann et al. (2009, p. 645)
Quality, Expertise of manufacturer	Kompetenz des Herstellers	Belz (1994, p. 648)
	specialist	Beverland (2005, p. 1006)
	expertise involved	Dubois et al. (2001, p. 8)
	creative intent	Kapferer (1996, p. 251)
	savoir-faire	Kapferer (1998, p. 45)
	handwerkliches Geschick	Lasslop (2002, p. 342)
	savoir-faire des couturières	Lipovetsky and Roux (2003, p. 48)
	génie créateur	Lombard (1989, p. 5)
	Expertise, erhöhte Anstrengungen für technische und stilistische Weiterentwicklungen	Meffert and Lasslop (2003, p. 2 et seq.)
	creative power	Mutscheller (1992, p. 222)
	ability to time design shifts; achieve legitimacy and fashion authority	Nueono and Quelch (1998, p. 63)
	savoir faire artisanal	Vernier and Ghewy (2006, p. 4)
	leading companies	Vigneron and Johnson (2004, p. 487)
Quality, Expertise of manufacturers	superior, cutting-edge technology	Aiello et al. (2009, p. 235)
	technology	Anurit et al. (1997, p. 5)
	specialized artisans	Mortelmans (2005, p. 505)
	originality and creativity in product and retail conceptualisation	Okonkwo (2009a, p. 304)
Quality, Manufacturing complexity	handwerkliche Arbeit, dauert lange	Dohrn-van Rossum (2002, p. 98)
	handmade	Fionda and Moore (2009, p. 357)
	craftsman-like production process	Kapferer (1998, p. 45)
	the object or part of it must be handmade	Kapferer and Bastien (2009b, p. 315)
	aufwendige Verarbeitungsverfahren, vertikale Qualitätskontrollen	Kisabaka (2001, p. 91)
	weniger automatisierte Fertigung	Lasslop (2002, p. 331)
	le fait main	Lipovetsky and Roux (2003, p. 48)
	techniques les plus modernes / méthodes artisanales du passé	Lombard (1989, p. 13)
	substantial human efforts in its creation	McKinsey (1990, p. 14)
	heritage of craftsmanship	Nueono and Quelch (1998, p. 62)
	Handarbeit bzw. Manufakturware	Valtin (2004, p. 186)
	exquisitely hand crafted	Vickers and Renand (2003, p. 469)
	crafted	Vigneron and Johnson (2004, p. 487)

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Characteristics	Quotations	References	
Quality, Material & Components	exquisite quality of materials	Berthon et al. (2009, p. 46)	
	exceptional nature of the ingredients or components used	Dubois et al. (2001, p. 8)	
	Materialqualität	Führer (2008, p. 208)	
	finest materials	Kapferer (1997, p. 83)	
	hochwertiges Material	Kisabaka (2001, p. 85)	
	matériaux délicats	Lipovetsky and Roux (2003, p. 168)	
	hinsichtlich der eingesetzten Materialien	Meffert and Lasslop (2003, p. 5)	
	raw materials can be chosen carefully	Mortelmans (2005, p. 505)	
	materials used	Mutscheller (1992, p. 64)	
	Verfeinerung des Stoffes	Sombart (1922, p. 85)	
Quality, Construction & Function principle	exquisite materials	Thomas (2008, p. 332)	
	Verarbeitung edelster Materialien	Valtin (2004, p. 186)	
	materiaux nobles	Vernier and Ghewy (2006, p. 4)	
	aufwändige Komplikationen, zuweilen aus über tausend Einzelteilen	Dohrn-van Rossum (2002, p. 97)	
	tous les details comptent	Dubois (1992, p. 31)	
	nouveauté technologique	Lombard (1989, p. 4)	
	innovative Technologien, technische Feinheiten	Valtin (2004, p. 26)	
	Quality, Workmanship	objet parfait	Allèrès (2003a, p. 48)
		Perfektion	Belz (1994, p. 647)
		craftsmanship	Berthon et al. (2009, p. 46)
skilled craftsmanship		Csaba (2008, p. 20)	
superb craftsmanship		Dollet and Matalobos (2010, p. 66)	
perfection		Dubois et al. (2001, p. 8)	
Verarbeitungsqualität		Führer (2008, p. 208)	
excess of detail		Kapferer (1997, p. 82)	
das höchste Niveau der Perfektion		Kapferer (2001, p. 321)	
vermuteten hohen Sorgfalt		Meffert and Lasslop (2003, p. 5)	
Quality, Features	detailed workmanship	Mortelmans (2005, p. 505)	
	detailed workmanship	Mutscheller (1992, p. 64)	
	craftsmanship and precision	Okonkwo (2009a, p. 304)	
	von höchster Perfektion	Valtin (2004, p. 28)	
	anything optional or added on for 'normal' brands is the norm for luxury brands	Kapferer (1997, p. 83)	
	weitere Eigenschaften hinzugefügt	Kotler et al. (2007, p. 634)	
	lots of accessories and special features	Vickers and Renand (2003, p. 471)	
	Quality, Service	excellent services	Dollet and Matalobos (2010, p. 66)
		delivering services	Dubois et al. (2001, p. 8)
		superior service	Fionda and Moore (2009, p. 357)
make service an integral part of their offer		Kapferer (1997, p. 83)	
exclusive services are a sine qua non part of luxury management		Kapferer and Bastien (2009b, p. 316)	
personalised customer service and generous warranties		Keller (2009, p. 292)	
Zuschnitt auf den Kunden		Kisabaka (2001, p. 103)	
produktunterstützende Dienstleistungen		Kotler et al. (2007, p. 642)	
begleitende Serviceleistungen		Valtin (2004, p. 109)	
accompagné d'un service lié à cet objet		Vernier and Ghewy (2006, p. 4)	
Quality, Durability & Value	reliability, durability	Aiello et al. (2009, p. 235)	
	reliability, durability	Anurit et al. (1997, p. 5)	
	items that last	Berthon et al. (2009, p. 51)	
	valeur sûre	Castarede (2003, p. 3)	
	reliability, durability	Dubois et al. (2001, p. 9)	
	Langlebigkeit	Kisabaka (2001, p. 95)	
	Haltbarkeit, Zuverlässigkeit	Lasslop (2002, p. 342)	
	longévité	Lombard (1989, p. 14)	
	extended durability	Mutscheller (1992, p. 65)	
	durability	Vickers and Renand (2003, p. 469)	
Quality, Comfort & Usability	precious	Vigneron and Johnson (2004, p. 487)	
	comfort	Anurit et al. (1997, p. 5)	
Quality, Functionality & Performance	confort supérieurs	Lombard (1989, p. 14)	
	performance, efficiency	Anurit et al. (1997, p. 5)	

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Characteristics	Quotations	References
	impressive performance	Berthon et al. (2009, p. 46)
	performance, superior functionalism	Vickers and Renand (2003, p. 469 et seqq.)
	gebrauchstechnische Qualität	Vukelic (2000, p. 39)
	usability value	Wiedmann et al. (2007, p. 5)
	Leistungsqualität	Leitner (2009, p. 24 et seqq.)
Quality, Safety	Safety, security	Anurit et al. (1997, p. 5)
Aesthetics	design (style, elegance and balance)	Aiello et al. (2009, p. 235)
	un style, une allure	Allières (2003a, p. 62)
	style, visual impact	Anurit et al. (1997, p. 5)
	aesthetic nature	Atwal and Williams (2009, p. 343)
	appreciation of beauty and refinement	Berthon et al. (2009, p. 51)
	Ästhetik	Büttner et al. (2006, p. 12)
	bon goût	Castarede (2003, p. 4)
	aesthetics	De Barnier et al. (2006, p. 8)
	aesthetics and polysensuality	Dubois et al. (2001, p. 12)
	le luxe c'est de l'art	Giraud et al. (1995, p. 3)
	design	Glamheden (2006, p. 79 et seqq.)
	fancy packaging	Husic and Cicic (2009, p. 235)
	sophisticated, references of good taste	Kapferer (1996, p. 253)
	luxury defines beauty	Kapferer (1997, p. 78)
	beauty of the object	Kapferer (1998, p. 45)
	Differenzierung durch gutes Design	Kotler et al. (2007, p. 642 et seq.)
	Design	Lasslop (2002, p. 342)
	Design und Eleganz	Leitner (2009, p. 24 et seqq.)
	esthétique	Lipovetsky and Roux (2003, p. 158 et seq.)
	esthétique particulière, 'look' reconnaissable	Lombard (1989, p. 14)
	appealing to the senses	McKinsey (1990, p. 14)
	Ästhetik	Meffert and Lasslop (2003, p. 5)
	unique design	Mortelmans (2005, p. 505)
	recognizeable style or design	Nueono and Quelch (1998, p. 62)
	good taste	O'Cass and Frost (2002, p. 72)
	highly aesthetic, creative	Okonkwo (2005, p. 1)
	recognizable style	Okonkwo (2009b, p. 287 et seq.)
	höhere ästhetische Gestalt	Sihler (2002, p. 177)
	Verfeinerung der Form; was Auge, Ohr, Nase, Gaumen und Tastsinn reizt	Sombart (1922, p. 85 et seq.)
	beautiful handcraftsmanship	Thomas (2008, p. 332)
	in ästhetischer Hinsicht auf höchstem Niveau	Valtin (2004, p. 26 et seqq.)
	ästhetische Qualität	Vukelic (2000, p. 40)
Rarity	exclusiveness	Aiello et al. (2009, p. 235)
	exclusivity	Atwal and Williams (2009, p. 339)
	degree of exclusivity	Bearden and Etzel (1982, p. 184)
	ihrem Wesen nach exklusiv	Belz (1994, p. 649)
	exclusivity, very rare	Berthon et al. (2009, p. 59)
	Einzigartigkeit	Büttner et al. (2006, p. 12)
	rare	Castarede (2003, p. 3)
	limited editions, scarcity, rarity, exclusive	Catry (2003, p. 10 et seqq.)
	exclusivity	Dall'Olmo Riley et al. (2004, p. 41)
	exklusiv, Einzelstücke, Limitierung	Dohrn-van Rossum (2002, p. 98)
	exclusivity	Dollet and Matalobos (2010, p. 66)
	limited diffusion level	Dubois and Laurent (1995, p. 71)
	scarcity	Dubois et al. (2001, p. 11)
	element of exclusivity	Fionda and Moore (2009, p. 357)
	Exklusivität	Führer (2008, p. 216)
	exclusivity	Geerts and Veg (2010, p. 2)
	le luxe c'est rare	Giraud et al. (1995, p. 3)
	exclusivity	Gistri et al. (2009, p. 365)
	exclusive	Glamheden (2006, p. 79 et seqq.)
	exclusive	Groth and McDaniel (1993, p. 11)
	réalisées à petite échelle	Gurvierz and Besson (2000, p. 2)

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Characteristics	Quotations	References
	by definition exclusive	Husic and Cicic (2009, p. 235)
	personalisation	Kapferer (1997, p. 83)
	feeling of exclusiveness	Kapferer (1998, p. 45)
	distributing rarity	Kapferer and Bastien (2009b, p. 318)
	retail distribution is usually highly selective and controlled	Keller (2009, p. 292)
	objektive und subjektive Seltenheit	Kisabaka (2001, p. 96)
	geringere Produktionsvolumina	Lasslop (2002, p. 331)
	Einzigartigkeit	Leitner (2009, p. 24 et seq.)
	des choses rares, matériaux sont rares, sur-mesure	Lipovetsky and Roux (2003, p. 22, 48, 168)
	rareté naturelle / industrielle	Lombard (1989, p. 4, 15)
	Diffusions-/Knappheitsgrad; geringere Produktionsvolumina	Meffert and Lasslop (2003, p. 4, 15)
	scarcity, subjectively rare, limited in production and distributed highly selectively	Mortelmans (2005, p. 505)
	rarity	Mutscheller (1992, p. 65)
	exclusive, rarity	Nia and Zaichkowsky (2000, p. 486)
	exclusivity, limited production run	Nueono and Quelch (1998, p. 62)
	exclusive	Nyeck (2004, p. 1)
	exclusivity	O'Cass and Frost (2002, p. 72)
	exclusivity and limit in access	Okonkwo (2009a, p. 304)
	exclusivity	Okonkwo (2009b, p. 287 et seq.)
	exclusivity	Phau and Prendergast (2000, p. 123)
	exclusivity	Schiereck and Königs (2006, p. 2)
	rare, exclusive	Seringhaus (2002, p. 30)
	Exklusivität	Sihler (2002, p. 177)
	small scale production	Thomas (2008, p. 332)
	Rareté dans l'offre	Vernier and Ghewy (2006, p. 4)
	rare, exquisite, very exclusive	Vigneron and Johnson (2004, p. 487)
	uniqueness value, not owned by everyone	Wiedmann et al. (2007, p. 5, 7)
	exclusivity	Wiedmann et al. (2009, p. 645)
Extraordinarity	das Spezielle	Belz (1994, p. 646)
	uniqueness	Catry (2003, p. 17)
	uniqueness	Dubois et al. (2001, p. 11)
	unique	Geerts and Veg (2010, p. 2)
	stands out	Kapferer (1997, p. 78)
	Kunst, Schöpfung, Inspiration	Kapferer (2001, p. 321)
	novel, unique product or service features	Keller (2009, p. 291)
	image unique	Lipovetsky and Roux (2003, p. 162)
	uniqueness, special products	Mutscheller (1992, p. 64)
	uniqueness	Nueono and Quelch (1998, p. 63)
	separation from the ordinary	Schiereck and Königs (2006, p. 2)
	an aura of the extraordinary	Seringhaus (2002, p. 5)
	ein einmaliges, von einem Schöpfer kreiertes Objekt	Valtin (2004, p. 28)
	styling is distinctive; engineered like no other	Vickers and Renand (2003, p. 471)
	unique value	Vigneron and Johnson (1999, p. 1)
	uniqueness	Vigneron and Johnson (2004, p. 487)
Symbolism	objet symbolique, objet culturel ou polyculturel	Allières (2003a, p. 48)
	signal wealth	Bagwell and Bernheim (1996, p. 350)
	carefully crafted symbols, to invoke a world of dreams, images, signs, and motifs; social mystique	Berthon et al. (2009, p. 45, 59)
	les signes, les rêves	Castarede (2003, p. 4)
	emotion	Catry (2003, p. 10)
	stroke of magic	Csaba (2008, p. 20)
	influenced primarily by brand and status, while functionality is assumed	Dall'Olmo Riley et al. (2004, p. 42)
	symbolischer Wert	Dohrn-van Rossum (2002, p. 110)
	share a symbolic identity	Dubois and Laurent (1995, p. 73)
	symbolic value	Dubois et al. (2001, p. 23)
	symbolic function	Fionda and Moore (2009, p. 349)
	emotional und intellektuell aktivierenden und inspirierenden Erlebnisse [...]	Führer (2008, p. 208)
	create a desire, phantasm, make people dream	Geerts and Veg (2010, p. 2)

E. Results of Literature Analysis

Characteristics	Quotations	References
	ensemble de représentations	Giraud et al. (1995, p. 3)
	signal status through the use of a luxury good	Han et al. (2010, p. 18)
	appetite for symbolic meanings, using status goods as symbols	Husic and Cicic (2009, p. 234)
	embody certain ideas	Kapferer (1997, p. 78)
	magic	Kapferer (1998, p. 45)
	social stratification; restratifies our so-called classless society	Kapferer and Bastien (2009b, p. 314 et seq.)
	image, symbolic value	Keller (2009, p. 291)
	symbolique; séduction, émotions; bénéfices symboliques	Lipovetsky and Roux (2003, p. 25, 128, 158)
	le rêve, magie	Lombard (1989, p. 5)
	dominierende Markenfunktion; ideeller Nutzen	Meffert and Lasslop (2003, p. 5)
	distinctive signs of their social position	Mortelmans (2005, p. 510)
	appealing to emotions rather than to rationality	Mutscheller (1992, p. 65)
	emotional appeal	Nueono and Quelch (1998, p. 63)
	important social symbols	O' Cass and Frost (2002, p. 73)
	emotional appeal	Okonkwo (2009a, p. 304)
	enhanced emotional and symbolic associations	Okonkwo (2009b, p. 287 et seq.)
	symbolisch-emotionale Eigenschaften	Reich (2005, p. 35)
	emotional benefit	Schiereck and Königs (2006, p. 2)
	psychological values: symbolic and hedonic	Stegemann (2006, p. 60)
	symbolische Qualitäten	Valtin (2004, p. 23, 116)
	dimension subjective liée à son aura	Vernier and Ghewy (2006, p. 4)
	symbols of personal and social identity	Vickers and Renand (2003, p. 465)
	symbolic benefits	Vigneron and Johnson (2004, p. 490)
	psychological needs	Wiedmann et al. (2009, p. 627)
	more than monetary value	Yeoman and McMahon-Beattie (2006, p. 320)

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G. Eidesstattliche Erklärung

Ich erkläre hiermit an Eides statt, dass ich die vorliegende Doktorarbeit selbständig und ohne unerlaubte Hilfe angefertigt, andere als die angegebenen Quellen und Hilfsmittel nicht benutzt und die den benutzten Quellen wörtlich oder inhaltlich entnommenen Stellen als solche kenntlich gemacht habe.

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