Consumer Meaning Making: The Meaning of Luxury Brands in a Democratized Luxury World

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Introduction

Since the nineties, the market for luxury brands has grown considerably (Nueno & Quelch 1998; Vickers & Renand 2003). Several factors encouraged this tremendous growth, such as the rising demand for luxury from emerging luxury markets (e.g., India and China) and the expansion of the luxury category (Silverstein & Fiske 2003). An increased spending capacity also encouraged the middle classes to spend more money on luxury brands. Consequently, the luxury market is no longer the exclusive domain of the elite (Yeoman & McMahon-Beattie 2006; Wiedmann, Hennigs & Siebels 2009). This process is called the democratization of the luxury market (Dubois & Laurent 1995; Truong 2009). Due to this democratization, the nature of luxury is changing because the exclusive has become commonplace (Garland, Cornish & Bean 2008). The traditional definition of luxury as something which is out of the ordinary in terms of daily living needs is no longer tenable (Vickers & Renand 2003). The present paper therefore examines (1) consumers’ perception of luxury brands in this democratized luxury world and (2) how these perceptions are related to both individual difference variables (i.e., materialism, prestige sensitivity) and individual well-being (i.e., self-esteem, positive and negative affect, life satisfaction).

There is a lack of consensus regarding the definition of luxury brands and there is no single, definite meaning (Chevalier & Mazzalovo 2008). Although there have been numerous attempts to define luxury products and services (e.g., Phau & Prendergast 2000; Dubois & Czellar 2002; Catry 2003; Tynan, McKechnie & Chhuong 2009), these definitions remain rather vague and difficult to manage because the luxury concept is a constantly evolving and very subjective concept (Kapferer 1998). Its meaning changes according to person, place or time (Michman & Mazze 2006; Yeoman & McMahon-Beattie 2006). This paper uses insights from semiotic theory to construct a definition of luxury brands from a consumer perspective.

Semiotic theory involves the study of signs, sign systems and sign processes (Chandler, 2007). From a semiotic perspective, a sign is defined as everything to which an individual ascribes meaning. Correspondingly, a sign has no meaning in itself. This paper suggests that brands are not inherently luxurious, but are perceived as luxurious by an individual. In particular,
this paper proposes that the luxury concept can be defined as a connotation which is ascribed to material (e.g., yachts, private jets, but also clothes and accessories) and immaterial (e.g., time, experiences,…) products or services and their brands. However, it is unclear why a consumer ascribes the luxury meaning to a particular product and thus which attributes generate this luxury meaning. Moreover, the transient and subjective status of luxury brands gives the impression that not all consumers ascribe the same characteristics to luxuries (Kapferer 1997).

The current paper aims to enrich the understanding of consumers’ perception of luxury brands by identifying segments of consumers according to the meaning they ascribe to luxury brands. In addition, the current study extends previous segmentations (e.g., Dubois, Laurent and Czellar 2005) by providing a detailed profile of these segments. In particular, this study investigates (1) the extent to which these views are related to individual difference variables that are closely related to the social facet luxury consumption (e.g., exclusivity), such as materialism and prestige sensitivity (Lichtenstein, Ridgeway and Netemeyer 1993; Rindfleisch and Burroughs 2004); and (2) the extent to which these views are related to various aspects of individual well-being (i.e., self-esteem, positive and negative affect, and life satisfaction) as previous studies show that luxury consumption positively affects individual well-being (Hudders & Pandelaere 2011; Hudders & Pandelaere in press).

**Characteristics of Luxury**

Luxury brands are connected with several characteristics, such as exclusivity, uniqueness, scarcity, premium price, excellent quality and aesthetics (Allérès 1995; Kapferer 1998; Nueno & Quelch 1998; Vigneron & Johnson 2004; Mortelmans 2005; Chevalier & Mazzalovo 2008). However, not all luxury brands meet all these criteria and sometimes these criteria are not sufficient to categorize a brand as luxurious. Following the dual classification of the functions of luxury brands (i.e., expressive and impressive; Tsai 2005; Kapferer & Bastien 2009; Truong 2010; Truong, McColl & Kitchen 2010; Hudders in press) and taking the features of new luxury brands into account (Silverstein & Fiske 2003), the physical and psychosocial attributes of luxury brands can be grouped into two main categories: first, characteristics referring to exclusivity; and second, characteristics referring to excellent quality and aesthetics.
**Exclusivity**

The concept of luxury is inherently connected with exclusivity, which implies a premium price and rarity (Nia & Zaichkowsky 2000; Vigneron & Johnson 2004; Mortelmans 2005; Chevalier & Mazzalovo 2008). Luxury brands are perceived as rare brands (Mason 1981; Dubois & Paternault 1995). Formerly, rarity referred to the use of valuable materials which were naturally scarce and not yet widely available (Catry 2003). However, next to this objective rarity, luxuries now also need to be subjectively rare (Mortelmans 2005). This implies that a consumer of luxury brands has to believe that these brands are exclusive, meaning that others cannot afford them, while the consumer belongs to the select group who can afford these brands. In line with this idea, consumers who never bought a luxury brand rate that brand as more luxurious, compared to consumers who already bought the item (Kemp 1998). Moreover, luxury brands are often perceived as exclusive brands because they are unique. Luxury brands are special and stand out. They have unique elements that cannot be found in other brands, such as the imperfections of a hand-blown crystal vase (Caniato, Caridi, Castelli & Golini 2009).

However, it is not obvious to maintain this close connection with rarity because luxury brands are now attainable for more and more people, and more and more products are categorized as luxury brands. Therefore, it is very important that marketers offer consumers the impression of scarcity, because – according to the rarity principle – luxury brands which are widely owned lose their luxury character (Dubois & Paternault 1995). In this respect, luxury brands have become virtually rare which implies that luxury manufacturers offer an impression of rarity by limiting production in order to create temporary shortages or by offering limited editions to consumers. In addition, many luxury brand companies create this impression of rarity by distributing their brands selectively (Phau & Prendergast 2000; Amaldoss & Jain 2005). This implies that luxury marketers use exclusive distribution channels and avoid the selling of these products in cheap stores (Catry 2003; Mortelmans 2005). The rarity can also be induced by setting a very high price because luxury products which are not highly priced will lose their luxury character (Dubois & Duquesne 1993; Nia & Zaichkowsky 2000).

**Excellent Quality and Aesthetic Design**

As many consumers use the price of a brand as a heuristic for its quality (Miller 1975; Corneo & Jeanne 1997), expensive luxury brands are often perceived as high quality brands. This excellent...
quality can be obtained in two ways: by using high quality raw materials, and by a detailed workmanship (Mortelmans 2005; Chevalier & Mazzalovo 2008). Luxury brands are thus perceived as fine pieces of craftsmanship with an excellent quality, performance and durability (Caniato et al. 2009). These brands are refined and elegant brands, which often have a sophisticated design and offer great comfort to consumers (Berry 1994). In the past, luxuries were often handmade, which required great precision and patience. Recently, however, many luxury manufacturers outsource the production of their brands to low labor-cost countries, such as China (Thomas 2007). In these production facilities, the brands are produced in large quantities and they are no longer handmade. To ensure the excellent quality of their brands, luxury marketers now distinguish themselves by offering a unique craftsmanship, innovativeness and sophistication to luxury brand owners (Silverstein & Fiske 2003; Chevalier & Mazzalovo 2008; Caniato et al. 2009).

Segmentation Studies in Luxury Research

Various studies attempt to segment consumers according to their ability to purchase luxuries (e.g., Silverstein & Fiske 2003; Hader 2008). While Dubois and Duquesne (1993) predict luxury penetration by combining the effects of income and attitude towards cultural change, Dubois and Laurent (1995) distinguish three different segments according to their access to luxury brands: affluent people (i.e., people with unlimited access to luxury brands), excluded people (i.e., people with no access to luxury brands) and excursionists (i.e., people with intermittent access to luxury brands). However, due to the democratization of luxury consumption, and because most luxury consumers are excursionists (Stegeman 2006), traditional segmentation methods using income as main segmentation variable are no longer sufficient. In addition, for targeting purposes, it is important for luxury marketers to distinguish different segments of consumers according to their perception of luxury brands as this determines which aspects (e.g., excellent quality or exclusivity) of luxury brands need to be emphasized in marketing campaigns.

Some studies indeed started to segment consumers on the basis of their perception of (Kapferer, 1998; Wiedmann et al. 2009) and their attitude towards luxury (Dubois, Czellar & Laurent 2005). Dubois and Duquesne (1993) suggest that the market for luxury brands might be divided into two segments: while some luxury brands act as standards of excellence other luxury brands act as social symbols. Kapferer (1998) distinguishes four consumer segments that differ
from each other in the relative importance they attach to each luxury brand characteristic. The first segment attaches great importance to the beauty of the object, the excellence of the products and its uniqueness. For this segment Rolls Royce is a prototypical luxury brand. The second segment underscores the importance of creativity and sensuality and perceives Gucci as a prototypical luxury brand. The third segment attaches great importance to the beauty and magic of the product and its classic value; they view Louis Vuitton as a prototypical luxury brand. The fourth segment lists the uniqueness and the exclusivity of the product as the most important components and perceives Chivas as a prototypical luxury brand.

SRI consulting business intelligence (Gardyn 2002) has identified three groups of consumers who can be classified on the basis of what luxury means to them. The functional group buys luxury for its superior quality and functionality. The reward group buys luxury brands because these brands are perceived as status symbols that symbolize success and wealth. Finally, the indulgence group buys luxury brands for the emotional benefits. These studies suggest that consumers of luxury brands might have a different perception of the characteristics of luxuries. Based on a scale to measure consumers’ attitudes towards luxury consumption, Dubois et al (2005) distinguish three segments that appear to have a different attitude concerning luxury consumption. The first segment, the elitists, believes that luxury is preserved for the happy few that are able to own luxury brands and additionally possess the requisite cultural capital to fully appreciate those luxuries. The second segment, the democrats, believes that luxury might be attained by many people. The third segment, the distance segment, believes that luxury is a different world to which they do not belong. This distinction between democrats and elitists suggests that consumers indeed differ in their opinion about the attributes that characterize luxuries.

Finally, Wiedmann et al (2009) use a combination of both buying motives and attitudinal items to construct luxury value dimensions. They distinguish four types of values consumers often link to luxury brands: functional, financial, social and individual value. In addition, they use these value types to segment consumers. In particular, they distinguish four segments that differ in the values ascribed to luxuries. First, materialists attach most importance to the materialistic – possessions as status signal – and usability value of luxury goods. Second, rational functionalists attach most importance to the quality, uniqueness and self-identity value. Third, extravagant prestige seekers attach most importance to the social value – possessions as symbol of
membership to reference groups – aspects of luxury consumption. Finally, *introvert hedonists* attach most importance to the hedonic value aspects of luxury consumption. However, these studies did not make a psychological profile of the target groups.

**Research Aims**

To enrich the understanding of luxury brand meaning and investigate its importance, the current study extends the above-mentioned segmentations by identifying segments of consumers according to the meaning they ascribe to luxury brands and by providing a detailed profile of these segments. Important is that this study distinguishes buying motives and attitudinal items (for profiling) from luxury brand attributes (for segmentation; Heine 2009). This paper thus first investigates *if a more general population of consumers can be segmented on the basis of their perception of luxury* (RQ 1). More specifically, the study measures to what extent consumers differ from each other for the attributes they ascribe to luxury brands. Second, this paper provides a detailed *socio-demographic and psychographic profile* of these segments by linking these segments to various buying motives, attitudinal items, psychographic variables and socio-demographic factors (RQ 2).

In particular, this paper investigates to what extent these different views are related to individual difference variables that are closely connected to luxury consumption. In this respect, this paper proposes that the segments will differ in their level of *materialism* as materialists readily engage in conspicuous consumption, the overt display of expensive luxury brands, because they believe that possessions signal success (Rindfleisch & Burroughs 2004). This may imply that materialistic consumers may link luxury brands more often to expressive facets than to impressive facets (Hudders in press). This might also be the case for highly *prestige sensitive consumers* as they attach a lot of importance to high priced possessions because they believe that these brands are functioning as signals for success and status (Lichtenstein, Ridgeway & Netemeyer 1993). Second, this paper investigates to what extent these different views are related to various aspects of individual well-being (i.e., self-esteem, positive and negative affect, and life satisfaction) as previous studies showed that luxury consumption may generate more positive and less negative feelings, enhance one’s satisfaction with life and his/her level of self-esteem (Mandel, Petrova & Cialdini 2006; De Leire & Kalil 2010; Sivanathan & Pettit 2010; Zhong & Mitchell 2010; Hudders & Pandelaere 2011; Hudders & Pandelaere in press).
Method

Participants and Procedure

This study uses a quota sample (i.e., proportional representation in terms of gender and age) of Flemish consumers (i.e., Dutch-speaking part of Belgium) to investigate consumers’ perception of luxury brands. 1308 respondents participated in this study (655 males; $M_{age} = 41.1; SD = 17.6$).

Measures

Sixteen physical and psychosocial attributes are selected that are frequently associated with luxury brands in various conceptual (e.g., in definitions of the luxury concept; Berry 1994; Kapferer and Bastien 2009; Wiedmann, Hennigs & Siebels 2009) and empirical studies (Vigneron & Johnson 2004; Dubois et al 2005; Tsai 2005; Tynan et al 2009): rarity, excellent quality, refinement, craftsmanship, uniqueness, durability, exclusivity, inaccessibility, expensiveness, conspicuousness, elegance, sophistication, creativity, innovativeness, comfort and handicraft. For each attribute, respondents indicated on a seven-point likert-scale (ranging from 1 = not at all to 7 = very much) measures the extent to which they ascribe this attribute to luxury brands. As suggested in the literature section, people differ in the extent to which they view particular attributes as central in their definition of luxury brands. The ratings for the 16 attributes allows segmenting respondents into clusters with similar definitions of luxury brands.

The current study also measures some additional variables that should enable us to further characterize the different clusters obtained. First, several items probed respondents’ attitude to and consumption of luxury products. We measured the frequency of luxury brand consumption on a six-point likert-scale ranging from 1 (never) to 6 (always). In addition, respondents had to indicate on a 1 (never) to 6 (always) scale to which extent they choose for luxury brands in three experiential product categories (i.e., wine, food and travel; $\alpha = .68$) and five material product categories (i.e., clothes, cars, home decoration, watches and accessories; $\alpha = .79$). We measured respondents’ attitude towards luxury brands using a shortened version (i.e., eight items, cf. infra: Table 2) of the scale of Dubois et al (2005), on a 1 (strongly disagree) to 7 (strongly agree) scale.

Because luxury consumption is associated with materialism and prestige sensitivity, we measured these constructs using existing scales (18-item Richins & Dawson materialism scale 1992, $\alpha = .83$; 9-item Lichtenstein et al 1993 prestige sensitivity scale, $\alpha = .83$). In addition, we measured various well-being variables that may be affected by luxury consumption (see Hudders...
& Pandelaere, 2011 and Hudders & Pandelaere, in press). In particular, we measured self-esteem (Rosenberg 1965, $\alpha = .88$), satisfaction with life (5 items, Diener, Emmons, Larsen & Griffin 1985, $\alpha = .80$) and positive (10 items, $\alpha = .80$) and negative (10 items, $\alpha = .81$) affect (PANAS; Watson, Clark & Tellegen 1988).

Finally, respondents had to indicate their gender, age, marital status, income level, place of residence (city or countryside) and education level.

**Results**

*Perception of Luxury Brands*

Many respondents perceive luxury brands as refined, elegant, comfortable, exclusive, and premium priced brands with an excellent quality and durability and which are the result of craftsmanship (see Figure 2). In the sample, luxury brands are not strongly linked to conspicuousness, handicraft and inaccessibility.

A PCA factor analysis using Varimax rotation revealed that the sixteen attributes can be grouped into three factors explaining 48.2 % of the variance (see Figure 1). The first factor covers the *expressive* facet of luxury brand meaning and refers to the exclusivity of luxury brands. This factor contains the items uniqueness, exclusivity, expensiveness, inaccessibility, rarity and conspicuousness ($\alpha = .72$). The second factor covers the *impressive-functional* facet of luxury brand meaning and refers to the premium quality of luxury brands. This factor contains the items excellent quality, craftsmanship, refinement and durability ($\alpha = .72$). The third factor covers the *impressive-emotional* facet of luxury brand meaning and refers to the aesthetic aspects of luxury brands. This factor contains the items sophistication, innovativeness, creativity, elegance, comfort and handicraft ($\alpha = .69$).

A repeated measures ANOVA to investigate the relative importance of these three facets reveals that luxury brands are more often linked to the impressive-functional ($M = 5.8$) and the impressive-emotional ($M = 4.8$) facets than to the expressive facet ($M = 4.4$, $F(2, 2187) = 831, p < .001$) of luxury brand meaning (RQ 1).
Segmentation of Consumers According to their Perception of Luxury

A cluster analysis reveals individual differences between respondents for their perception of luxury brands based on the three facets of luxury brand meaning. The objective of cluster analysis is to group cases on the basis of a number of characteristics. The primary goal is to group cases in such a way that there are little differences between respondents within a cluster for the selected characteristics, while the differences between respondents of different clusters are maximized (Hair, Anderson, Tatham & Black 1998). However, there is no objective selection procedure to determine the number of clusters. Therefore, a hierarchical cluster analysis using Ward’s method gives an indication of the number of clusters. The cluster solutions provide evidence for a three cluster solution although cluster solutions with two, four or five clusters are also acceptable (see Figure 3).

Four cluster solutions using K-Means clustering are computed to determine the best solution. K-Means clustering shows that the solution with three clusters produced the most stable and interpretable results. Based on this cluster solution the following three segments can be distinguished: an expressive segment, an impressive segment and a mixed segment (RQ 1; see Figure 4).

First, the impressive group (N = 373; 29.3 %) perceives luxury brands as high quality, refined, elegant, sophisticated, creative and innovative brands which offer a lot of comfort. They consider luxury brands as durable brands which are the result of craftsmanship. Strikingly, this segment attaches less importance to the expressive facet of luxury brands. This group may also be perceived as the new luxury consumers. Second, the expressive segment (N = 341; 26.8 %) perceives luxury brands as unique brands which are rare, exclusive, conspicuous, inaccessible and very expensive. This group attaches least importance to the impressive-emotional facet of
luxury brands. These consumers may be perceived as the old luxury consumers. Finally, the mixed segment is the largest segment (N = 561; 44 %). This group thinks luxury brands should be exclusive and should have an excellent quality and a high aesthetic value (see Table 1). This group attaches a lot of importance to both expressive and impressive facets of luxury brand meaning.

Profiling: Relationship between Luxury Perceptions and Individual Difference Variables and Individual Well-Being

Individuals who perceive luxury brands as exclusive and premium quality brands with a high emotional value are more materialistic and more prestige sensitive than individuals in the other two segments (see Table 2). Possessions have a central place in the lives of this segment and they believe that possessions indicate success and lead to happiness more than the other two segments do. While the impressive and expressive segment put (luxury) possessions equally central in their lives, the expressive segment believes more than the impressive segment that possessions are the road to happiness and indicate success. This segment is also more sensitive to prestige than the impressive segment.

The three segments do not differ for the number of positive feelings they’ve experienced the last month and their general satisfaction with life. However, the expressive segment experienced more negative feelings the past month and a lower self-esteem score compared to the impressive segment.

When comparing the three segments on the attitude scale of Dubois et al (2005), the impressive segment has a more democratic vision and perceives luxury brands as brands which are not preserved for the minority. Both the mixed and the expressive segment have a more elitist vision on luxury and they believe luxury brands should be inevitably very expensive and cannot be mass produced. Moreover, they believe that those people who buy luxury products are refined people.
The clusters also differ from each other for the frequency they purchase luxury brands. The expressive segment tends to purchase less often luxury brands than the impressive and mixed segment. This might be because this segment perceives luxury brands as very exclusive and expensive brands and thus they are less able to purchase such brands. Second, these clusters differ for the frequency they choose luxury brands in both experiential and material product categories. The expressive segment tends to choose less luxury brands in experiential product categories than the other two segments, while the mixed segment tends to choose more luxury brands in material product categories than the other two segments.

The segments significantly differ from each other according to their age ($F_{(2, 1269)} = 7; p < .001$). The expressive group is slightly younger ($M_{age} = 38.1$) than the impressive ($M_{age} = 42.9$) and mixed segment ($M_{age} = 41.2$). Next, the segments differ from each other according to their place of residence ($\chi^2(2) = 10, p = .006$). As such, more respondents in the mixed segment live in the city (54.2 %) compared to respondents living on the countryside (45.8 %), while more respondents in the impressive segment live on the countryside (56.6 %) compared to respondents living in the city (43.4 %). There are no differences in place of residence for the expressive segment (city = 50.1 %, countryside = 49.9 %). Finally, the segments do not significantly differ from each other for their level of income ($\chi^2(2) = .137, p = .934$), marital status ($\chi^2(8) = 12, p = .142$), education level ($\chi^2(10) = 8, p = .554$) and their gender ($\chi^2(2) = 4, p = .130$).

**Discussion and Conclusions**

In the past, luxuries were preserved for very rich people. They did not hesitate to spend large sums of money on exclusive luxury products. However, recently, luxuries became more commonplace (Silverstein & Fiske 2003). More and more brands receive a luxury status and more and more people can now afford a luxury brand. Consequently, the nature of luxury is constantly changing and this makes it difficult to formulate a universal definition of luxury brands (Frank 1999; Mortelmans 2005; Thomas 2007). The current paper aims to contribute to the existing literature on luxury by adopting a consumer-oriented and semiotic approach to develop a definition of the luxury concept. In particular, the luxury concept is defined as a connotation which is ascribed to material (e.g., yachts, private jets, but also clothes and accessories) and immaterial (e.g., time, experiences,…) products or services and their brands.
However, for now, it remained unclear which aspects elicit this luxury meaning and to what extent consumers differ from each other for the meaning they ascribe to luxuries.

Before segmenting consumers according to their perception of luxury brand meaning, this paper first identified the major facets of luxury brand meaning as perceived by consumers. In particular, sixteen attributes, such as exclusivity, innovativeness, sophistication and excellent quality are selected on the basis of an extensive literature review and presented to a large sample of Flemish (i.e., Dutch-speaking region of Belgium) consumers. The respondents had to indicate to what extent they ascribe these attributes to luxury brands. The results of this study reveal that luxury brand meaning consists of three major facets.

First, the impressive-functional facet refers to the excellent quality of luxury brands. Brands are perceived as luxurious by individuals if they offer them a high perceived quality, durability, refinement and craftsmanship. Second, the impressive-emotional facet refers to the aesthetic qualities of luxury brands. Brands are perceived as luxury brands by individuals if they are perceived as highly sophisticated, innovative, creative, elegant, handcrafted and comfortable. Finally, the expressive facet refers to the exclusivity of luxury brands. Brands are perceived as luxury brands by individuals if they are perceived as highly unique, scarce, conspicuous, exclusive and inaccessible.

These facets can be linked to the six luxury facets Dubois, Laurent and Czellar (2001) distinguished. The impressive-functional facet corresponds to the excellent quality and ancestral heritage facets. The impressive-emotional facet corresponds to the aesthetics and poly-sensuality facet. Finally, the expressive facet corresponds to the premium price, superfluousness and scarcity and uniqueness facets. Moreover, these facets can be linked to previous segmentations. In this respect, the functional group distinguished by SRI consulting attaches a lot of importance to the impressive-functional facet of luxury brand meaning, the reward group attaches a lot of importance on the expressive facet and the indulgence group attaches a lot of importance to the impressive-emotional facet (Gardyn 2002). Similarly, while democrats attach least importance to expressive facets of luxury brand meaning, elitists attach least importance to impressive facets (Dubois et al 2005).

In general, this study reveals that luxury brands are most often linked to both impressive facets. Although precisely these facets are often forgotten in previous studies, they appear to be more important than ever in the contemporary luxury world. As the luxury market is
democratized and many new luxuries appeared which are defined as well-designed and well-crafted goods that are produced in larger volumes, excellent quality and aesthetically appealing design are now basic characteristics of luxury brands for many consumers.

However, the results of this survey study also provide further evidence for the subjective nature of the luxury concept as not all consumers ascribe the same meaning to luxury brands. Therefore, this paper relies on semiotic theory that argues that a brand is not inherently luxurious, but receives the luxury meaning indicating that luxury brand meaning is context-dependent. This theory can account for the fact that some brands are perceived as luxury brands by some individuals but not by others (e.g., Diesel) and that some products are perceived as luxurious in earlier times, while they are not perceived as luxurious anymore in contemporary times (e.g., spices, such as salt and pepper). Following this line of thought, this study distinguished three segments of consumers who differ from each other for the meaning they ascribe to luxuries: the expressive segment, the impressive segment and the mixed segment. The impressive group considers luxury brands as high quality brands which are elegant, sophisticated, refined and comfortable. These consumers attach a lot of importance to both impressive facets when defining luxury brands. These results suggest that this impressive segment consumes luxury brands to indulge rather than to fulfil extrinsic needs.

The expressive segment, on the other hand, considers luxury brands as unique brands which are very expensive, exclusive and conspicuous. This segment attaches a lot of importance to the expressive facet when defining luxury brands. The results suggest that this expressive segment consumes luxury brands to impress others, express their identity to others, conform to group norms or dissociate from others rather than to fulfil intrinsic needs. Finally, the mixed segment, which is the largest segment, thinks luxury brands must have an excellent quality which renders into both indulgence and distinction characteristics. Accordingly, this segment attaches a lot of importance to all three facets of luxury brand meaning.

Moreover, this study shows that these groups with a different perception of luxury brands also have a different level of materialism and prestige sensitivity on the one hand and individual well-being on the other. In particular, although both expressive and impressive segments attach equal importance to possessions, the expressive segment sees possessions as an indicator for success and a road to happiness more than the impressive segment does. Furthermore, the mixed segment appears to be more materialistic and more prestige sensitive than the expressive and
impressive luxury segment. This implies that individuals with a different perception of luxury brands also have a different purchase motive. Future research should investigate if other variables are related to these luxury perceptions. As Rucker and Galinsky (2009) suggest that high powered individuals have a stronger preference for quality appeals, while low powered individuals, who are generally younger than high powered individuals, have a stronger preference for status appeals, it might for instance be interesting in future studies to investigate the relationship between power and perceptions of luxury brand meaning.

Moreover, the study shows that although the three groups do not differ in their level of positive affect and satisfaction with life, they do differ in their level of self-esteem and negative affect. The impressive luxury segment, for instance, reported higher self-esteem levels and experienced less negative feelings the past month compared to the other segments. As previous studies show that luxury consumption might have positive consequences for one’s well-being level (e.g., Hudders & Pandelaere 2011), it might be interesting to investigate in future studies whether differences in luxury perception moderate the positive effect of luxury consumption on well-being.

Moreover, the three segments differ from each other for the frequency they purchase luxury brands and their attitude towards luxuries. The expressive segment, for instance, purchases luxury brands less frequently than the other two segments. This may be caused by the fact that they have a very elitist vision on luxuries and they perceive such brands as very expensive and exclusive brands. Therefore, it is possible that they are not able to purchase such expensive brands as the three segments do not differ from each other for their level of income.

The current paper provides further evidence for individual differences in perception of luxury brands. However, this paper has also several limitations. First, the current study did not make a distinction between different product categories when measuring the attributes of luxuries. It might be interesting to investigate if for example luxury cars are connected with different attributes compared to luxury food or cosmetics. Next, the survey is conducted in Belgium, a Western European country. Future research should extend the present research in other countries and continents, such as Asia because previous research showed cultural differences in the motives for luxury consumption (Wong & Ahuvia 1998). Consequently, cultural differences might exist in the perception of luxury brands.
Finally, the results of this study also have some practical implications for luxury companies and marketing practitioners. As such, it is important to understand how consumers perceive luxuries and why they perceive a certain brand as a luxury brand to be able to successfully posit a brand as luxury brand and accordingly, to develop successful marketing campaigns (Bain & Company, 2011). As many ordinary brands try to take advantage of the dream value of luxury brands and the high profits in this sector by associating their brand with luxury (e.g. Nivea, generally perceived as a non-luxury cosmetics brand, put the Nivea Visage Expert Lift Day and Night Cream in a white gold jar, set with 441 diamonds), real luxury brands have to develop effective strategies to come out on the right side (Kapferer and Bastien, 2009). This specificity of luxury brand management is emphasized by Patrick Heiniger, the CEO of Rolex: ‘Why do I need to know how the watch market is doing, I’m in the business of luxury’. Luxury companies need to take the three facets into account when positioning their brand as a luxury brand. If a brand scores high on perceived functional and emotional value, and on perceived exclusivity, it is more likely to be perceived as a luxury brand by consumers.

The current segmentation might be used to develop effective marketing strategies for luxuries, because each of these segments has a different perception of luxury. For expressive luxury consumers, for example, it is important to emphasize exclusivity, while impressive luxury consumers prefer aesthetic and high quality luxuries. This way, impressive luxury consumers might be convinced to purchase luxuries with large advertising campaigns which are emphasizing the excellent quality or aesthetic value of the brands, while expressive luxury consumers might be more effectively reached by using exclusive distribution channels and by emphasizing the uniqueness and exclusivity of the brands. In future research, it would be interesting to examine which strategies are preferred by the different segments identified in the current research.
References


