



저작자표시-비영리-변경금지 2.0 대한민국

이용자는 아래의 조건을 따르는 경우에 한하여 자유롭게

- 이 저작물을 복제, 배포, 전송, 전시, 공연 및 방송할 수 있습니다.

다음과 같은 조건을 따라야 합니다:



저작자표시. 귀하는 원저작자를 표시하여야 합니다.



비영리. 귀하는 이 저작물을 영리 목적으로 이용할 수 없습니다.



변경금지. 귀하는 이 저작물을 개작, 변형 또는 가공할 수 없습니다.

- 귀하는, 이 저작물의 재이용이나 배포의 경우, 이 저작물에 적용된 이용허락조건을 명확하게 나타내어야 합니다.
- 저작권자로부터 별도의 허가를 받으면 이러한 조건들은 적용되지 않습니다.

저작권법에 따른 이용자의 권리는 위의 내용에 의하여 영향을 받지 않습니다.

이것은 [이용허락규약\(Legal Code\)](#)을 이해하기 쉽게 요약한 것입니다.

[Disclaimer](#)

경영학 석사 학위논문

# The Role of Brand Prominence in Luxury Goods

브랜드 현저성이 명품소비에  
미치는 영향 연구

2016 년 8 월

서울대학교 대학원  
경영학과 마케팅전공  
Gu Xiaoyuan

# The Role of Brand Prominence in Luxury Goods

지도교수 김 재 일

이 논문을 경영학 석사학위논문으로 제출함

2016 년 5 월

서울대학교 대학원  
경영학과 마케팅전공  
Gu Xiaoyuan

Gu Xiaoyuan의 석사학위논문을 인준함

2016 년 6 월

위원장	이 유 재	(인)
부위원장	박 기 완	(인)
위원	김 재 일	(인)

# **Abstract**

## **The Role of Brand Prominence in Luxury Goods**

Gu Xiaoyuan

Department of Business Administration

The Graduate School

Seoul National University

Luxury goods have always been related with conspicuous consumption, however nowadays in China there is an increasing trend for consumers to choose inconspicuous over conspicuous luxury goods. Therefore, this study mainly focuses on the relationship between brand prominence and purchase intention of luxury goods. Furthermore, this paper examines the mediating effect of social-evaluative concerns as well as a moderator-brand awareness. It is hypothesized that the negative effect of brand prominence on purchase intention of luxury goods might be weaker when the brand awareness is low (vs. high).

Data was gathered through an experiment of 202 Chinese participants after being exposed to logo or no-logo luxury goods stimuli. The findings indicate that high brand prominence may lead to less purchase intention of luxury goods, thus proving the hypothesized negative effect of brand prominence on purchase intention. Meanwhile, this effect is partially mediated by social-evaluative concerns over product usage. High brand prominence leads to more social-evaluative concerns, thus negatively affecting purchase intention. As the mediating effect only

exists when the brand awareness is high, more potential mediators need investigation in future research. Brand awareness moderates the relationship between the brand prominence and luxury goods purchase intention. When the luxury brand awareness is low, the negative relationship between brand prominence and purchase intention will be alleviated.

The contributions of this research are as follows. Theoretically, it deepens the understanding of inconspicuous consumption of luxury goods and provides a new explanation for the changing needs of luxury consumers nowadays in China. Practically, it provides useful suggestions for future directions of luxury goods. For well-known luxury brands in China, it is better to redesign offerings to downplay brand names and luxury products to meet the new trend. On contrary, for new emerging luxury brands, it is might be a good strategy to design their own unique and conspicuous logos on the products to impress the consumers and improve brand awareness.

**Key words:** brand prominence, luxury goods, inconspicuous  
consumption, social-evaluative concerns,  
brand awareness

***Student Number :*** 2014-25138

# Contents

<b>1. Introduction .....</b>	<b>1</b>
1.1. Background.....	1
1.2. The New Trend in Luxury Market .....	2
1.3. Reasons Behind the New Trend in Luxury Market .....	4
<b>2. Literature Review and Hypotheses .....</b>	<b>7</b>
2.1. Brand Prominence and Luxury Goods Consumption .....	7
2.2. Social-evaluative Concerns.....	10
2.3. Brand Awareness.....	12
2.4. Hypothesized Model .....	14
<b>3. Experiment .....</b>	<b>14</b>
3.1. Measures .....	14
3.2. Design and Procedure .....	15
3.3. Results and Discussion .....	18
3.3.1. Brand Prominence and Purchase Intention .....	18
3.3.2. Social-evaluative Concerns as Mediator.....	19
3.3.3. Brand Awareness as Moderator .....	19
3.3.4. Discussion.....	25
<b>4. General Discussion .....</b>	<b>25</b>
4.1. Implications .....	28
4.2. Limitations and Future Research .....	30
<b>Reference .....</b>	<b>32</b>
<b>Appendix .....</b>	<b>38</b>
Appendix A: Questionnaire (English Version) .....	38
Appendix B: Questionnaire (Chinese Version).....	43
Appendix C: Pretest Stimuli .....	49
<b>Abstract (Korean).....</b>	<b>51</b>

## **Figures**

Figure 1. Luxury Goods With Different Brand Prominence .....	8
Figure 2. Hypothesized Model .....	14
Figure 3. Perceived Brand Prominence of Luxury Goods .....	17
Figure 4. Mediation Analysis Results.....	21
Figure 5. Moderated Mediation Analysis Results .....	22
Figure 6. Purchase Intention Under Different Brand Awareness Level...	24

# **1. Introduction**

## **1.1. Background**

The term, 'luxury,' originated from the old French 'luxurie', which means "lasciviousness, sinful, self-indulgence," as well as the Latin 'luxus' defined as "excess, extravagance" (Berthon, Pitt, Parent, and Berthon, 2009). Since several decades ago scholars have tried to define luxury goods from many different perspectives. Alleres (1990) identified luxury goods as a hierarchy based on its consumer accessibility. Nueno and Quelch (1998) identified luxury brands as "those whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high". Therefore, we see that the field of luxury has always attracted scholars' attention and luxury goods have been given both negative and positive meanings. Makkar (2014) gives a conclusive meaning of luxury, "luxury entails the hedonic emotional and cognitive desires of an individual to possess items with symbolic features of exclusivity and rarity as well as tangible attributes of beauty and quality. Its main functions act internally with a satisfaction of owning a unique and exquisite item as well as externally as an extension of oneself, signaling to others the desired identity of class and fine taste" (Makkar, Gaur , and Yap, 2014).

From the definitions of luxury, we see that luxury goods have always been related with conspicuous consumption that signals social status, wealth, lifestyle or taste, however nowadays there is a global trend of inconspicuous consumption that consumers prefer inconspicuous luxury brands over conspicuous luxury brands. It means that luxury consumption is not necessary to be conspicuous and the old

definitions of luxury consumption are being challenged by the new global trend. This trend is also taking place in China recent years, just like Giana M. Eckhardt said “China was supposed to be the land of conspicuousness, but all of a sudden people were making fun of overt wealth and even taking the labels off their clothes. Luxury consumers in both developed economies and emerging markets have started to move beyond the traditional motive of conspicuously signaling status and prestige, and towards less conspicuous and more sophisticated and discreet drivers”. Confronted by such a changing market, it is crucial to understand and adapt to the changing needs and wants of consumers in China. As inconspicuous consumption of personal luxury goods usually refers to luxury goods with low brand prominence, a deep understanding of how brand prominence affects luxury goods consumption will be an urgent issue that needs deep exploration.

## **1.2. The New Trend in Luxury Market**

According to Bain & Company’s 2015 Luxury goods worldwide market study, the global luxury market exceeded €1 trillion in 2015, mainly driven by cars, hospitality and fine arts. Meanwhile, personal luxury goods ballooned to more than €250 billion in 2015, more than tripling over the past 20 years. The report also shows the growth of certain categories of luxury such as alcohol, food, travel, hotels and yachting indicate that consumer values are transitioning from having to being, from extrinsic to intrinsic and from conspicuous to meaningful, inconspicuous and personal.

The rise of inconspicuous consumption has attracted marketers and scholars attention in Europe and United States luxury market, however not until 2012

scholars confirmed the new trend of consumption was also taking place in China (Wilson J, Eckhardt G, and Belk R, 2015). Chinese consumers play a primary role in the growth of luxury spending worldwide. They are now represent about one-third of the global market, up from only 1% in 2000. According to Bain & Company's 2014 China Luxury Market Study, China's luxury market is undergoing a fundamental shift, brought on by evolving customer dynamics, an influx of new, emerging luxury labels, and an economic slow-down. In addition, according to Bain's report, their survey of 1,400 Chinese consumers found that they are increasingly likely to switch between luxury brands. 70% of respondents said they like to try different brands and styles, which has led to greater brand diversification and established greater parity between aspirational brands and established ones in terms of demand and desirability. The survey also revealed that nearly 45% of respondents plan to buy more emerging luxury brands in the next three years. Chinese customer segments are no longer clear-cut, with common behaviors observed across demographic groups; instead, there is an increased diversity of preferred brands, and exclusivity, quality and value for money without logos are becoming increasingly important in recent years. Therefore, it is important to rethink the approach to the more sophisticated and educated Chinese consumers through more fashion, design and exclusivity, and develop a regional strategy to better serve customers' new needs.

In fact scholars and marketers have realized that inconspicuous consumption is becoming a global trend in luxury consumption, thus they have taken many strategies to meet the changing needs of consumers. Some famous luxury brands started to push the definition of what consumers consider to be luxury and

fashionable. They established more brands to invest to be perceived as more young and fashionable. For example, Valentino started to spare more investments to strengthen design and quality of their products. They expanded retail networks and leveraged fashionable store design to express Valentino fashion. Louis Vuitton launched its Me & Me accessories collection to target fashionable young consumers who pursue new and unique designs. Many luxury brands including Louis Vuitton, Michael Kors, Tesla, and Audi, have begun downsizing their logos, hiding them (for example, putting them on the lining of a handbag rather than on the exterior), or making them optional (Wilson J, Eckhardt G and Belk R, 2015). These brands hide their flashy logos and packaging in order to appeal to consumers' growing preference for inconspicuousness.

### **1.3. Reasons Behind the New Trend in Luxury Market**

According to Harvard Business Review, three reasons can explain this global trend of inconspicuous consumption in luxury market from the perspective of sociology and economics.

First, the emerging of middle class reduces consumers' desires for common luxury goods. Wharton's Jonah Berger pointed out, "If most of the buyers are merely thousandaires, rather than millionaires, the product becomes a signal of the wannabe rich." However, now that luxury brands have spread to the middle class through diffusion, accessory lines and high-quality counterfeits, so logos don't signal wealth and social status the way they once did (Wilson J, Eckhardt G, Belk R, 2015). As the number of millionaires is increasing every year, more and more consumers have access to these luxury brands much more easily than before. Thus

traditional luxury brands like Louis Vuitton, Coach, Rolex have gradually lost their signaling powers in wealth and social status. Consumers who have the need of differentiate themselves from the peers, especially those new emerging middle class, have to find a new way to signal themselves by consuming more unique and high-quality luxury goods.

Second, upper-class consumers have become intrinsically less interested in social and wealth symbolic luxury goods. The 'LV' monogram was once popular in American and European cities in 1990s, but slowly drifted away as more savvy and demanding consumers sought out less obvious brand signifiers like iconic shapes or signature design treatments (Anaya,2013). Gradually logo fatigue is actually becoming a global trend, and it is also taking place in China which is going through a society transformation in recent years. Different from a decade ago, nowadays the crush for conspicuous luxury consumption has gradually fade away with the improvement of overall economy and education level. According to Bain's 2014 luxury market study, "Chinese shoppers in Beijing and Shanghai are now truly global luxury consumers. They are shifting away from typical emerging market preference for logos and other visible signs of luxury spending, and shifting to a global mindset of uniqueness, high-quality and understatement in luxury items". Luxury products' signal function is gradually turning to communication function to fulfill their personal hedonic goals other than symbolic goals.

Third, social media have enabled the rise of niche brands (e.g. Goat women swear, Bottega Veneta leather goods, Kimpton hotels, and Blue Bottle Coffee) through which like-minded people of any socioeconomic stratum can send what Berger calls "subtle signals" to one another (Wilson J, Eckhardt G, Belk R,

2015) .“The educated elites” have a significant preference for “discreetly marked products, subtle but distinct styles, or high-end brands that fly beneath the radar,” which gives the providers of those offerings greater longevity than their “more blatant counterparts” (Berger and Ward, 2010). The educated elites who usually have low need to signal their wealth and social status prefer inconspicuous luxury products only to impress a small circle of peers who are “in the know” and differentiate themselves from the mainstream.

This paper aims to explore more in-depth motivations related with the trend of inconspicuous consumption of luxury goods in China. I will mainly discuss how brand prominence affects personal luxury goods purchase intention. The findings of this area can be also applied to other luxury experience fields like travel, education, hotel etc. The central premise of this article is that brand prominence has a effect on luxury consumption. High brand prominence may negatively affect preference for luxury goods. I also assumed that this effect may be mediated by consumers’ social-evaluative concerns and moderated by brand awareness.

Next, I will provide an overview of relevant theories. Then I will introduce a framework for understanding how will brand prominence affect consumers’ purchase intention of luxury goods. Next, I will describe the studies that test the predictions. Finally, I will discuss the implications of the findings provide future research directions for scholars and luxury marketers.

## **2. Literature Review and Hypotheses**

### **2.1. Brand Prominence and Luxury Goods Consumption**

Conspicuous consumption has drew a lot of attentions from scholars since over a century ago. Thorstein Veblen (1899) coined the phrase “conspicuous consumption” in his book “The Theory of the Leisure Class” as spending lavishly on expensive but essentially wasteful goods and services, thus it is evidence of wealth and the display of social class and lifestyle. Since Veblen, scholars have suggested that consumers choose products to communicate desired identities and characteristics (Belk 1988; Solomon 1983; Holt 1995). Due to the rarity and exclusivity of luxury, it becomes a good way to express one’ social status, wealth or taste. Luxury consumption is sometimes mix used with conspicuous consumption. However, few scholars also doubted the widely recognized characteristic-conspicuousness of luxury consumption. For example, luxury consumption can also be practiced inconspicuously such as drinking a expensive bottle of wine at home, staying at a luxury hotel during personal vacation, or using a luxury handbag with low brand prominence, apparently these luxurious experiences are luxurious but not conspicuous.

Berger and Ward (2010) defined inconspicuous luxury brands as the use of subtly marked products which are misrecognized by most observers. Han et al (2010) also identified that inconspicuous brands have low visual prominence, and use quiet or discreet signals in their design. In this study, I will empirically demonstrate the particular type of inconspicuous consumption of luxury which makes use of brand prominence in luxury goods. Brand prominence refers to a construct reflecting the conspicuousness of a brand mark or logo on a products. It

is defined as the extent to which a product has visible markings that help ensure observers recognize the brand (Han et al., 2010). As it is shown in Figure 1: (a) is a traditional Louis Vuitton handbag with quite high brand prominence that can be easily recognized by others, while (b) is a Louis Vuitton handbag with a very subtle logo on the right bottom of the bag that is very difficult to be seen by the mass. (c) is a Gucci sweater with loud logo while (d) is a Hermes sweater with quiet logo. Therefore based on high or low brand prominence level we can categorize personal luxury goods into conspicuous luxury goods and inconspicuous luxury goods.

Figure 1. Luxury Goods With Different Brand Prominence



It is commonly acknowledged that through visible logos and explicit patterns consumers are able to convey their desired identity to others. Fisman (2008) says: “For a signal to be effective, it needs to be easily observed by the people we’re trying to impress. This includes not just those near and dear to us, but also the person we pass on the street.” Thus brand prominence plays an important role in the field of luxury consumption. For example it is common to consider, when a consumer purchases a Hermes sweater, he might prefer more explicit brandings, such as obvious logos or recognizable brand names on the product thus to convey his wealth or social status to others. Researchers have proved that people may consume in conspicuous ways to communicate their identity and other personal characteristics in publicly visible domains (Veblen, 1899; Belk 1988; Berger and Heath 2007; Charles, Hurst, and Roussanov, 2007). Thus based on previous research brand prominence may have a positive relationship with product preference. However recently researchers have found that higher brand prominence may lead to less preference for luxury goods. Luxury goods with low brand prominence are perceived to be more expensive than those with high brand prominence. Patricians who possess significant wealth or consumers who possess high cultural capitals would pay a premium for low brand prominence products that serve as a horizontal signal to other patricians or like-minded peers (Berger and Ward, 2010; Han et al., 2010). It is also found among some Chinese consumers, especially well-educated consumers, obvious and flashy logos are no longer desired like before. Therefore we suppose that high brand prominence may lead to less preference for luxury goods:

H<sub>1</sub>: Brand prominence may have a negative effect on consumers' purchase intention for luxury goods.

## **2.2. Social-evaluative Concerns**

For inconspicuous consumption of luxury goods, few scholars explained why some consumers would prefer low brand prominence luxury brands. Previous research mainly focused on status or identity needs of individuals to fit in a desired reference group or dissociate themselves from undesired circle. Some researchers explained that these inconspicuous consumers favor discreet brands because they dislike pretentious ones (Davis, 1994). Han et al. (2010) found that “wealthy consumers low in need for status want to associate with their own kind and pay a premium for quiet goods only they can recognize”. Berger and Ward (2010) further studied that consumers use inconspicuous luxury brands when they want to associate with the social circle in which the peers are like-minded, and to dissociate themselves from another circle they don't want to associate with. However, this study brings up another possible explanation that consumers avoid conspicuous consumption by choosing inconspicuous luxury goods to reduce potential risk of criticism by peers and fear of social isolation.

Social-evaluative concerns refers to the experience of distress, discomfort, fear, anxiety, etc., in social situations; as the deliberate avoidance of social situations; and finally as a fear of receiving negative evaluations from others (Watson and Friend 1969). It contains two factors of social avoidance and distress and fear of negative evaluation. Fear of negative evaluation is the apprehension about others' evaluations, distress over their negative evaluations, avoidance of evaluative

situations, and the expectation that others would evaluate oneself negatively (Watson and Friend 1969). Miniard and Cohen (1983) also pointed out, “consumers' behavior is influenced by concerns over what others might think of them or how others might act toward them as a function of their product choice and usage”. This kind of social-evaluative concerns can lead to protective self-presentation (Arkin 1981, 1986; Wooten and Reed, 2004). Arkin, Lake, and Baumgardner (1986) describe acquisitive self-presentation style as actors' efforts to gain approval or ingratiate themselves with others by presenting themselves in the most favorable light. By contrast, the protective style reflects desires to avoid losing approval or garnering disapproval. This approach involves avoiding impressions that are likely to be negatively evaluated by target audiences or making impressions that are unlikely to be challenged, disapproved, or even noticed (Arkin 1981).

When the displays of brand logos are loud, it is much easier to attract attention and potential criticism from one's reference group. Consumers who are more sensitive to uncertain social evaluation are more likely to worry if their consumption behaviors may send wrong or negative information to others. Such individuals are anxious to protect their current social status and are not eager to improve their social status by conspicuous consumption (Kim et al., 2014) Instead of conspicuous consumption, they may choose inconspicuous consumption to play safe in their current status. Therefore I assume that conspicuous logos of luxury brands might evoke more social-evaluative concerns as they are more visible to others, thus leading to a protective style of self-presentation by choosing luxury goods with low brand prominence.

H<sub>2</sub>: Social-evaluative concerns mediate the effect of brand prominence on purchase intention of luxury goods.

### **2.3. Brand Awareness**

Brand awareness is the consumer's ability to identify a brand under different conditions (Keller, 2003). It is created and enhanced by increasing the familiarity of the brand through repeated exposure, which ultimately results in consumers having experienced the brand (Keller, 2003). Relationship has been proved to exist between the level of brand awareness and the purchase decision (Woodside and Wilson, 1985). When consumers try to buy something, they often try to minimize decision-making by using a heuristic such as "buy the brand I have heard of" or "choose the brand I know" and then purchase only familiar, well-established brands (Keller, 1993). Thus brand awareness plays a very important role in purchase decision process by influencing which brands enter the consideration set, which of these brands are used as a heuristic, and the perception of quality (Macdonald and Sharp, 2000). Brand awareness can also be affected by various brand elements, for example, name, logo symbol or packaging can be used to enhance brand awareness and to differentiate it from other brands (Keller, 2003).

The relationship between brand awareness and luxury goods purchase has also been studied by many scholars. It is widely acknowledged that higher brand awareness may lead to higher purchase intention (Keller 2003; Deeter-Schmelz et al, 2000; Oh, H., 2000). A well-known brand name carries a certain symbolic identity within a given society (Keller, 1993). Consumers use luxury brands to

classify themselves or to distinguish themselves from others (Vigneron and Johnson, 2004). Especially the name of a brand is an essential symbol of group identity in collectivistic countries such as China, and it is a way of displaying wealth and social position (Phau and Prendergast, 2001). Luxury goods with high brand awareness are perceived to have higher brand values thus evoking higher purchase intention of consumers (Deeter-Schmelz et al, 2000; Oh, H., 2000). Researches also proved that Chinese consumers hold more favorable attitudes towards high brand awareness luxury goods as they are value conscious, however when their goals of unique-seeking are more important, they hold more negative attitudes towards high brand awareness luxury goods because the best-known brands are even very popular among less wealthy consumers in China (Windle, 2005; Zhan and He, 2012).

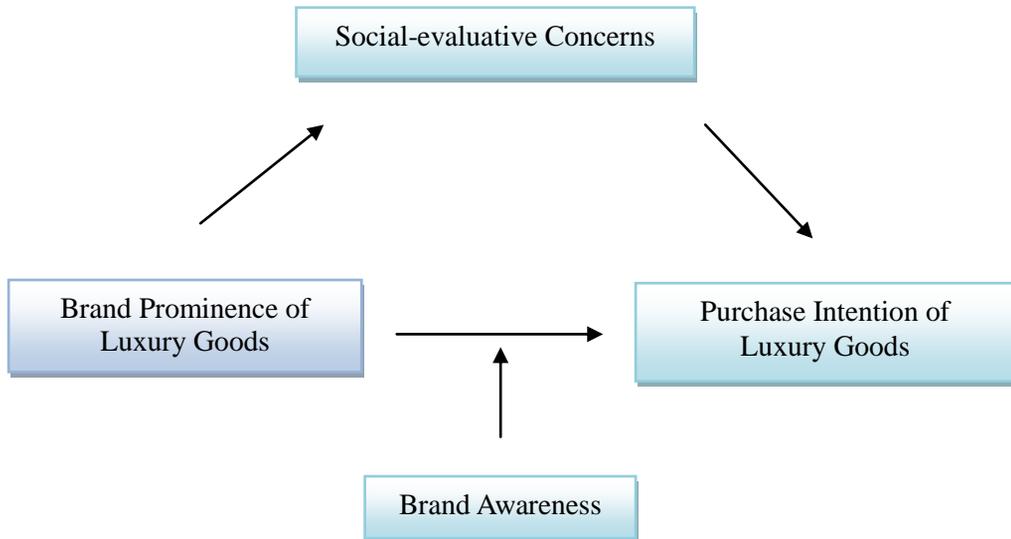
Therefore, I suppose that brand awareness is very likely to moderate the effect of brand prominence on purchase intention. Higher brand prominence may lead to high brand awareness. When a consumer is well aware of the popularity of the product, he may be much more sensitive to the brand prominence as he knows this brand is widely known by others. On the other hand, a brand name unknown to the consumer is very likely to mitigate this negative effect of brand prominence on purchase intention.

**H<sub>3</sub>:** The effect of brand prominence on purchase intention of luxury goods might be weaker when the brand awareness is low (vs. high).

## 2.4. Hypothesized Model

Following is the model of hypotheses:

Figure 2. Hypothesized Model



## 3. Experiment

This experiment firstly tested main effect by examining how brand prominence affected luxury goods purchase intention. Next the mediating effect of social-evaluative concerns was also demonstrated. Finally the hypothesized moderator brand awareness was also tested to see how would it moderate the effect of brand prominence on luxury goods purchase intention.

### 3.1. Measures

#### *Social-evaluative Concerns Measurement*

Participants' social-evaluative concerns were assessed using a 2-item scale (Watson D, Friend R, 1969 and Kim E A et al, 2014). Participants indicated their degree of agreement with items, such as, "I am concerned that others might not approve of my brand choices", "I am concerned that using this brand may might draw criticism from others". The responses, which were also given on a rating scale that ranged from 1 (strongly disagree) to 7 (strongly agree), were averaged over participants to provide a single score for each participant.

### ***Purchase intention***

Participants' preferences for luxury goods were assessed by asking their purchase intention. The responses were given on a rating scale ranged from 1 (definitely not purchase) to 7 (definitely purchase).

## **3.2. Design and Procedure**

A pretest was firstly conducted to check the manipulation of brand logo prominence. Next a main study was also conducted in form of online survey to test the three hypotheses above.

### **3.2.1. Pretest**

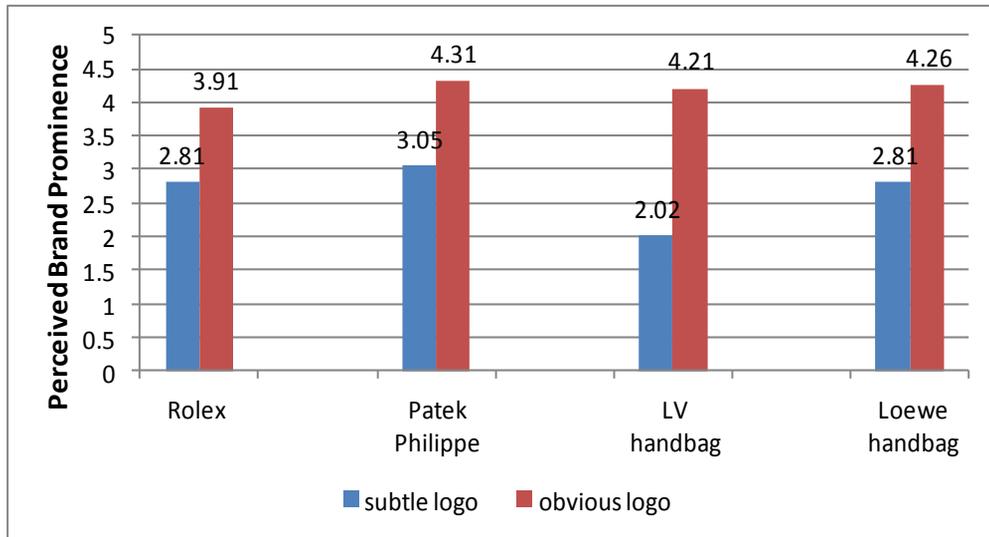
30 Chinese students participated in the pretest (83% female). The pretest's objective was to test the manipulation of logo prominence of different versions of luxury products to make sure the stimuli used in the main study will be at different logo prominence level. I selected handbag and watch two product categories as they are publicly consumed luxury goods. To minimize the influence of brand

familiarity, I selected each two brands for the two category. For luxury watch, I selected Rolex and Patek Philippe. Rolex is considered as one of the most famous luxury brands in China, however for Patek Philippe, the results of pretest showed that only 20% knew the brand. For luxury handbag, I selected Louis Vuitton and Loewe. The results showed 40.67% of the participants knew the brand Loewe. Participants were showed color pictures of the luxury products. The Stimuli for the two categories were created from the same images of actual Patek Phillipe watch and Louis Vuitton handbag, which were digitally altered to create obvious logo and subtle logo conditions (see Appendix C). Then 2 items related with brand prominence a) consciousness and b) logo noticeability were rated on a 7-Likert scale. Then the scores were averaged for perceived logo prominence of the products.

Figure 3 shows the results of pretest that luxury goods with obvious logos were perceived with higher brand prominence than those with subtle logos in general. I used one way ANOVA to check the manipulation of the stimuli, and results showed that for Rolex watch, the average perceived logo prominence are 2.81 and 3.91 separately ( $F(1,29)=3.48, p>0.05$ ); for Patek Phillipe watch, the average perceived logo prominence are 3.05 and 4.31 separately ( $F(1,29)=5.88, p<0.05$ ); for Louis Vuitton handbag, the average perceived logo prominence are 2.02 and 4.21 separately ( $F(1,29)=41.66, p<0.01$ ); and for Loewe handbag, the average perceived logo prominence are 2.81 and 4.26 separately ( $F(1,29)=9.95, p<0.05$ ). Thus except for Rolex watch, manipulations of other products were successful. The failure may due to the reason that handbags have much bigger size than watches, and they are consumed more publicly and visibly. Based on the results of pretest, I will select

handbag category as stimuli in this paper, while for male who don't usually carry handbags as female do, I will use wallet as stimuli instead.

Figure 3. Perceived Brand Prominence of Luxury Goods



### 3.2.2. Main Test

202 participants from China took part in the main study (female 65.5%), aged from 20 to 40 (87.8% 20-30 years old). The study was performed by online questionnaires<sup>1</sup> (see Appendix A for the English version, and Appendix B for Chinese version).

Participants were first randomly assigned into two conditions of high brand prominence or low brand prominence. Then they were asked to indicate their knowledge and preference for the luxury brand Louis Vuitton. For female they were showed color images of Louis Vuitton handbags with obvious logo or subtle

<sup>1</sup> <http://www.sojump.com/jq/8376981.aspx>

logo which manipulations were checked in the pretest. For male, they were showed Louis Vuitton wallet with obvious logo or subtle logo. Next participants were asked to rate their social-evaluative concerns about using the products showed as well as purchase intention for the luxury goods.

To exam the moderating effect of brand awareness on the relationship between brand prominence and consumers' purchase intent, I also manipulated the brand awareness by using a actual and a fictitious luxury brand. I chose a actual brand Louis Vuitton which is well-known in China as the high brand awareness group stimuli. Then I used a fictitious brand "Calina" as the low brand awareness group stimuli. I also told the participants that this brand was a famous French luxury brand which was not well-known to most of Chinese consumers, however actually it was as prestigious as Louis Vuitton. I checked the manipulation by asking participants' knowledge and preference for the brand. Participants also assessed their social-evaluative concerns and purchase intention of the products.

Finally all participants personal information like age, education level and income level were collected in the end of questionnaire.

### **3.3. Results and Discussion**

#### **3.3.1. Brand Prominence and Purchase Intention**

A one-way ANOVA of brand prominence on participants' purchase intention for luxury goods (Louis Vuitton) indicated a significant main effect of the brand logo prominence level. As we can see in the table below, the average purchase intention

of subtle logo goods is significantly higher than that of obvious logo goods ( $M_{logo}=2.98$ ,  $M_{no\ logo}=4.71$ ;  $F(1,201)=62.83$ ,  $p<0.01$ ). Meanwhile I tested if the preference and brand knowledge for the brand affected participants' purchase intention for luxury goods. Regressing scores of purchase intention for luxury goods on brand preference, brand knowledge and brand prominence resulted in significant of two factors, brand preference ( $\beta = .295$ ,  $p < 0.05$ ) and brand prominence ( $\beta = -1.749$ ,  $p < 0.01$ ), except brand knowledge ( $\beta = -.033$ , n.s.). Although preference for the brand has positive effect on purchase intention, the results still supported hypothesis 1 that brand prominence negatively affect purchase intention for luxury goods. Therefore, for a well-known luxury brand like Louis Vuitton, higher brand prominence can lead to lower purchase intention.

**Table: Participants' Purchase Intention for Louis Vuitton**

Brand prominence	Mean	Std. Deviation	N
Subtle logo	4.71	1.42	101
Obvious logo	2.98	1.23	101
Total	3.99	1.32	202

### **3.3.2. Social-evaluative Concerns as Mediator**

To test the mediation effect of social-evaluative concerns I used two methods to analyze the effect. One is simple mediation analysis that shows the relationship of brand prominence and purchase intention through the effect of social-evaluative concerns. The other one is a moderated mediation that shows the mediation effect under the presence of moderator brand awareness.

### ***Mediation Effect Analysis***

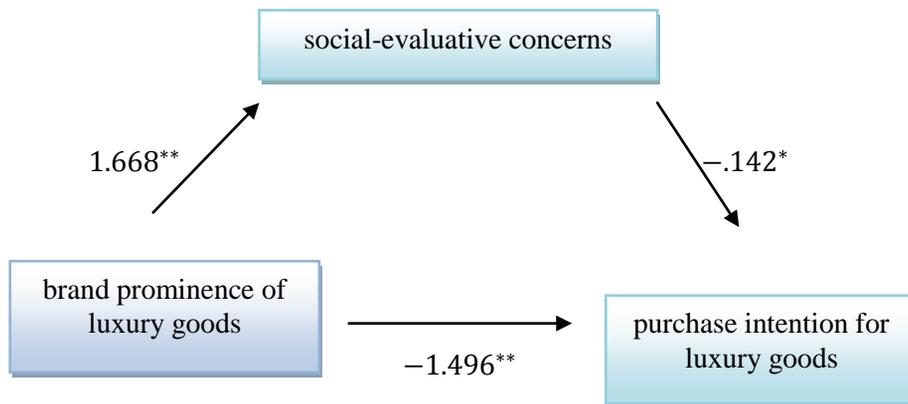
To test whether the effect of brand prominence on purchase intention for luxury goods can be mediated by social-evaluative concerns, I performed the mediation analysis for the purchase intention. 2 items were used to measure participants' social-evaluative concerns separately for logo and no-logo conditions ( $M_{no\ logo}=2.04$   $\sigma=.92$ ;  $M_{logo}=3.71$ ,  $\sigma=.93$ ). The average scores of social-evaluative concerns were relatively low. This may be due to the limitation of the experiment by just showing color pictures of luxury goods as stimuli to participants or the characteristics of participants which I will discuss later.

To verify the simple mediation, Baron and Kenny (1986)'s three steps method was used. First, I regressed scores of purchase intention on brand prominence, and the results showed a significant effect ( $\beta = -1.733$ ,  $p < 0.01$ ). Next regressing scores of social-evaluative concerns on brand prominence also resulted in a significant effect ( $\beta = 1.668$ ,  $p < 0.01$ ). Next I regressed scores of purchase intention on both brand prominence and social-evaluative concerns. The results showed that the effect of social-evaluative concerns was significant ( $\beta = -.142$ ,  $p < 0.05$ ). Meanwhile the brand prominence effect was still significant ( $\beta = -1.496$ ,  $p < 0.01$ ). Therefore the coefficient of brand prominence changed significantly from -1.733 to -1.496 due to the mediation effect of social-evaluative concerns. It is proved that high brand prominence can lead to more social-evaluative concerns, thus reducing participants' purchase intention. The results supported hypothesis 2 that the effect of brand prominence on purchase intention for luxury goods was partially mediated by participants' social-evaluative concerns.

To make sure the results of mediating effect, I also retested the results by using

SPSS PROCESS MODEL 4 (Hayes 2013; Preacher, Rucker, & Hayes 2007). The results showed same results as the three step method. A 95% confidence interval for the direct effect was significant and excluded zero ( $\beta = -1.4960$ , 95% CI (-1.9741, -1.0178)), the CI for the indirect effect was also significant and excluded zero ( $\beta = -.2367$ , 95% CI (-0.4919, -.0126)), which proved that social-evaluative concerns is a mediator to the effect of brand prominence on purchase intention.

Figure 4. Mediation Analysis Results



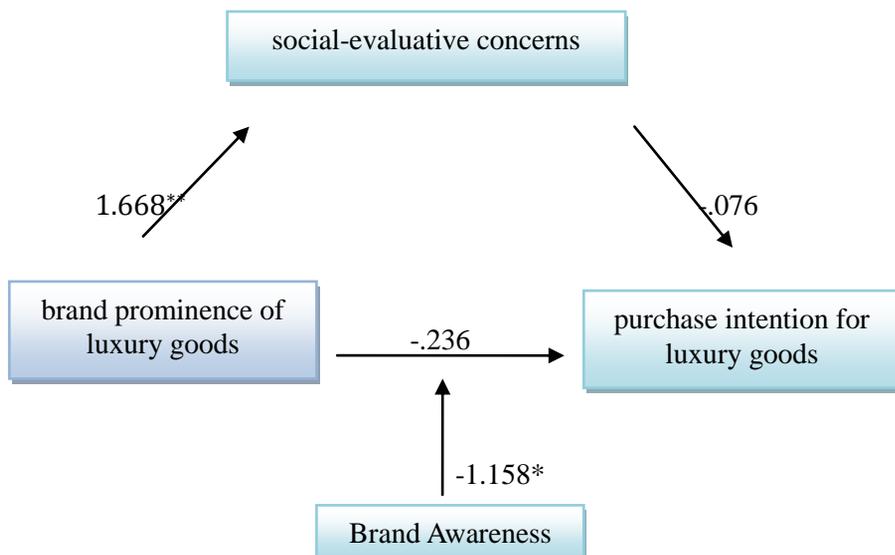
Note: \*Significant at the 0.05 level; \*\*significant at the 0.01 level

### ***Moderated mediation analysis***

The moderated mediation effect was tested by SPSS PROCESS MODEL 5 (Hayes 2013). A 95% confidence interval for the indirect effect was not significant and included zero ( $\beta = -.1261$ , 95% CI (-.3424, .0799)). The results showed that the hypothesized mediator can not completely mediated the main effect, and there might exist other more suitable mediator in case of the moderator brand awareness, and I will discuss other possible explanations in the general discussion part.

Although the overall moderated mediation is not significant, the moderated mediation also showed some meaningful results that supported the hypothesis. When the brand awareness is low, 95% confidence interval for the conditional direct effect was not significant and included zero ( $\beta = -.2362$ , 95% CI (-.9157, .4432)), however when the brand awareness is high, 95% confidence interval for the conditional direct effect was significant ( $\beta = -1.3941$ , 95% CI (-2.0756, -.7126)). This indicates that when brand awareness is high, the social-evaluative concerns can serve as a mediator, however when the brand awareness is low, there are other powerful mediators other than social-evaluative concerns. Therefore based on the analysis of the simple three steps method and moderated mediation analysis, we can draw the conclusion that hypothesis 2 is partly supported and the moderated mediation effect doesn't exist in this study. Social-evaluative concerns can only partially mediate the effect of brand prominence on luxury goods purchase intention.

Figure 5. Moderated Mediation Analysis Results



### 3.3.3. Brand Awareness as Moderator

A 2 (obvious logo, subtle logo)  $\times$  2 (high brand awareness, low brand awareness) between subject ANOVA on participants' purchase intention for luxury goods was conducted. Brand Louis Vuitton was used as high brand awareness stimuli, while fictitious brand Calina was used as low brand awareness stimuli. 6 participants were eliminated from the study as they answered in the questionnaire that they knew about the brand Calina.

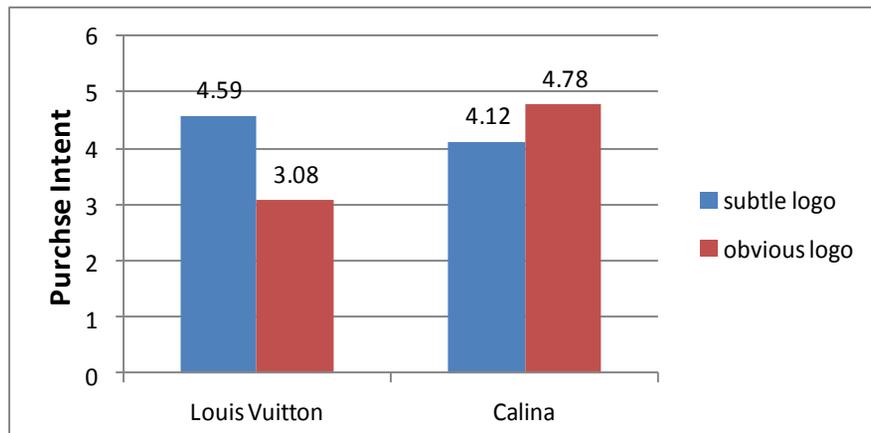
The Univariate ANOVA used on participants' purchase intention for luxury goods yielded a significant moderating effect of brand awareness ( $M_{high\ brand\ awareness}=3.85$ ,  $M_{low\ brand\ awareness}=3.96$ ,  $F(1,201)=6.16$ ,  $p<0.05$ ) and it indicated that consumers' preference for luxury goods differs across different brand awareness level. As Figure 6 shows for luxury goods with low brand prominence, the purchase intention showed no significant difference across high brand awareness and low brand awareness group ( $M_{LV}=4.59$ ,  $M_{Calina}=4.12$ ;  $F(1,100)=.22$ , n.s.). For luxury goods with high brand prominence, the purchase intention of low brand awareness group was significantly higher than that of high brand awareness group ( $M'_{LV}=3.08$ ,  $M'_{Calina}=4.78$ ;  $F(1,100)=32.96$ ,  $p<0.01$ ). Next I also did a regression of purchase intention for luxury brand Calina on brand preference, brand knowledge and brand prominence resulted in significant of only brand preference ( $\beta = .255$ ,  $p < 0.05$ ), however brand prominence ( $\beta = -.13$ , n.s.) and brand knowledge ( $\beta = -.113$ , n.s.) had no significant effect on purchase intention, which was consistent with the moderation analysis.

To make sure the results of moderating effect, I also retested the results by using

SPSS PROCESS MODEL 1 (Hayes 2012). The results showed that the interaction between brand prominence and brand awareness is significant. For low brand awareness condition, there is no significant purchase intention difference between high brand prominence group and low brand prominence group ( $\beta=-.3703$ , 95% CI (-1.0052, 0.24647), n.s.). However, for high brand prominence group there is significant purchase intention difference between high brand prominence group and low brand prominence group ( $\beta=-1.5118$ , 95% CI (-2.1595, -.8642),  $p<0.01$ ).

From the findings, we can draw the conclusion that the effect of brand prominence on purchase intention of luxury goods is moderated by the brand awareness level. More specially, when the brand awareness is low, the effect of brand prominence on purchase intention is much weaker than that when the brand awareness is high.

Figure 6. Purchase Intention Under Different Brand Awareness Level



### **3.3.4. Discussion**

The results above show that the hypothesis 1, 2 and 3 are partly supported by the experiment. The study firstly demonstrated that high brand prominence has negative effect on consumers' purchase intention for luxury goods. This effect is partially mediated by consumers' social-evaluative concerns over the product usage. when the brand awareness is high, brand prominence can lead to more social-evaluative concerns, thus reduce luxury goods purchase intention, however, this mediation effect doesn't exist when the brand awareness is low. It also proves that brand awareness moderates the effect of brand prominence on purchase intent. Compared to high awareness luxury brands, low awareness luxury brands weaken the main effect. Next I will explain more possible reasons about the outcomes in the general discussion part.

## **4. General Discussion**

Nowadays in China there is an increasing trend of inconspicuous luxury goods consumption. Luxury goods with low brand prominence are becoming more popular than those with high brand prominence. Researchers have examined how publicly visible consumption fuel consumers' desire to keep up with desired reference group. In contrast, the current research examines how brand prominence negatively affects consumers' purchase intention for luxury goods as well as possible underlying mechanism and moderators of the effect. I assumed in the paper that for well-known luxury brands, brand prominence negatively affects

consumers' purchase intention (hypothesis 1), and this effect is mediated by consumers' social-evaluative concerns (hypothesis 2). Meanwhile brand awareness might moderate the effect of brand prominence on purchase intention (hypothesis 3). The results of the experiment supported hypothesis 1 and hypothesis 3 completely and hypothesis 2 partly.

In the experiment participants showed less purchase intention for luxury goods with high brand prominence. That means for some well-know luxury brands like Louis Vuitton, Coach or Gucci, Chinese young consumers prefer inconspicuous ones over conspicuous ones. This attitude change for luxury goods is becoming a global trend that need attention from scholars and marketers. Brooks (2001) indicates that the moneyed elites prefer items the lower classes could never purchase (e.g., yachts and caviar), educated elites often select the same items that the working class buys but in rarefied form (e.g., free range chicken legs or heirloom potatoes from France). In doing so, the educated elite distinguish themselves from both moneyed elite and working class. Therefore, the participants in this study who are well-educated may choose luxury goods that differentiate from the moneyed elite who prefer flashy and big logos.

This research also revealed that one of the underlying mechanism of this new trend can be consumers' social-evaluative concerns about conspicuous luxury consumption. Well-known luxury goods with high brand prominence are more likely to rise consumers' social-evaluative concerns about using the goods, thus leading to their avoidance of high brand prominence luxury goods and greater purchase intention for low brand prominence luxury goods. However, this mediation effect is only partly supported for the reason that when the brand

awareness is low, the effect is not significant. There may be several possible explanations for the results. First, participants in the study are among 20 to 30 years old who are the new generation of China. Most of them are the only children in Chinese family and they are found to be more self-centered, open, adventurous, uniqueness-seeking, gregarious (Li, X. et al, 2001). They may have the tendency not to care much about what others think when making decision, and the average scores of social-evaluative concerns are very low in the study as well. This may lead to the failure of mediation effect. Second, as low brand awareness luxury goods are not widely known by the mainstream, the signaling power is much weaker, thus consumers may not care about brand prominence or others' opinions about usage. social-evaluative concerns can not be a mediator when the brand awareness is low.

A moderator identified in this study is brand awareness of luxury goods. By displaying a fictitious luxury brand Calina, it showed that when a luxury product is of low brand awareness, consumers' negative attitudes towards conspicuous luxury goods will be alleviated, thus high brand prominence will not negatively affect purchase intention. This may due to the weaker signaling effect of low brand awareness luxury goods. As the brand awareness is low, they are not that popular as the famous ones, thus the mainstream will not recognized it at first glance. Luxury goods with high brand awareness are also negatively associated with uniqueness because the best-known brands are those that are very popular among less wealthy consumers in China (Windle, 2005). Therefore, luxury brands with low awareness might be considered as low profile but unique luxury goods. In the case of low brand awareness, loud brand logos are no longer the signs of being common or

conspicuous, and consumers will not have negative feelings towards conspicuous brand logos, instead the logos can be seen as unique symbols that differ themselves from others. Thus need for uniqueness may be one potential reason to cause the moderation effect of brand awareness.

## **4.1. Implications**

The current research contributes to both theoretical and managerial aspects. Conspicuous consumption has been studied by scholars from many perspectives a century ago, and luxury consumption is always related with conspicuous consumption which is a tool of presenting wealth, social status or fine taste. However, the increasing consumers' needs for luxury goods with low brand prominence or private luxury experience indicate that luxury consumptions has not always to be conspicuous. Thus this paper attributes to the understanding of a particular type of inconspicuous consumption-the use of low brand prominence in luxury goods. Besides motivations like need for status (Han et al., 2010) and need for association with like-minded peers (Berger and Ward, 2010), this paper also provides a potential explanation that consumers may just choose inconspicuous luxury goods due to potential risk of criticism by peers and fear of social isolation, especially when the luxury brands are widely known by the mainstream or of high brand prominence.

The findings also provide numerous implications for managers in the luxury market. First it is necessary for luxury managers to notice and take actions to adapt to the new trend of inconspicuous luxury consumption among young Chinese consumers. The "educated elite" who are well-educated Chinese young generation

and have basic knowledge about luxury will gradually become the main force in luxury goods consumption, thus it is important to have a deeper understanding of their preferences and needs of luxury goods.

Second, the findings provide some future marketing strategies for well-known luxury brands. In China, especially in big cities, some luxury brands like Louis Vuitton, Coach, Gucci have been widely known by the mainstream. However, recent years crush for these luxury goods has gradually fade away, and traditional luxury brands are experiencing a sales decrease in China. “The educated elites” have a significant preference for “discreetly marked products, subtle but distinct styles, or high-end brands that fly beneath the radar (Berger and Ward, 2010). Actually some luxury brands like Louis Vuitton, Audi, Tiffany have already downsized their logo, hidden them or make them optional. Therefore for the luxury brands with high brand awareness, redesigning offerings to downplay brand names and luxury products to adapt to the changing needs of consumers could be a good marketing strategy to increase sales.

Third, this paper also indicates some marketing strategies for new emerging luxury brands. As the findings show that high brand prominence have no significant negative effect on purchase intention of low brand awareness luxury brands, on the contrary, consumers’ average purchase intention for low brand awareness luxury goods with high brand prominence is even higher than that with low brand prominence. Meanwhile, consumers also hold positive attitude to new luxury brands and they are willing to try various brands besides the common ones, like LV or Coach. Therefore it is might be a good strategy for new emerging luxury goods to design their own unique and conspicuous logo on the products to impress

the consumers and improve brand awareness at the early stage.

## **4.2. Limitations and Future Research**

This research is not without limitations. First, I used color images of luxury brands as stimuli in the experiment rather than actual products. Consumers value sensory evaluation through the process of purchasing thus this may lead to low preferences for the luxury goods stimuli in the experiment. Secondly, the participants are not conclusive. Most of the participants of the experiments are 21 to 30 years olds students in China. Their income or allowance per month is between 0-10000 RMB, thus most of the participants in the study are low income consumers who may not have much experience in purchasing luxury goods. This may also influence the results of the study, however, as these participants are very likely to become the main force of luxury goods consumers in few years, the study is worth doing. Thirdly, hypothesis 3 is only partly supported by the experiment results. More potential mediators should be discussed in future research, like need for uniqueness.

There are several directions for future research in inconspicuous luxury consumption. As nowadays in China consumers are becoming much more rational about luxury consumption and showing an increasing preference for various inconspicuous luxury goods, it is necessary to explore more about the underlying mechanism for this new trend. In this paper, although I demonstrated a potential mediator social-evaluative concerns of purchase, it can only partly explain the preference for inconspicuous luxury goods. Future research should examine more about the mediating process from other possible perspectives.

Second, more possible influential factors can be examined in the future research. Demographic factors like age, gender, education, income, geography, ethnicity and culture may also affect the purchase intention for luxury goods and need to be tested in the future. Meanwhile this research only examined a single category of luxury goods-Louis Vuitton handbag/wallet. A broader variety of products and brands could be examined to generalize the results of study.

Third, it is interesting to think about how will brand prominence affect luxury brand value. As luxury goods with subtle logos are perceived to be more expensive than those with obvious logos (Han, 2010), it is maybe a good marketing strategy to extend higher class product lines by using low brand prominence. For example, Coach is considered to be affordable luxury. It is also easy for consumers to relate a Coach product with big logo and its recognizable design, thus whether downsizing the logo of Coach to extend a more prestigious product line can improve Coach into a more prestige luxury brand or not? Will consumers change their initial impressions about Coach? These problems are worth exploring.

Fourth, inconspicuous consumption is still a field that has not received enough attentions from scholars and marketing managers. In fact not only inconspicuous luxury goods, some inconspicuous luxury service or experience are also becoming more and more popular among Chinese consumers. The growth of certain categories of luxury such as alcohol, food, travel, hotels and yachting indicates that consumer values are transitioning from having to being, from extrinsic to intrinsic and from conspicuous to meaningful, inconspicuous and personal. Therefore, more empirical research into inconspicuous luxury consumption is needed in the future.

## Reference

- Arkin, R. M. (1981), "Self-presentation styles," *Impression management theory and social psychological research*, 311, 333.
- Arkin, R. M., Lake, E. A., and Baumgardner, A. H. (1986), "Shyness and self-presentation," In *Shyness* (pp. 189-203). Springer US.
- Belk, R. (1988), "*Possessions and self*," John Wiley and Sons, Ltd.
- Berger, J., and Ward, M. (2010), "Subtle signals of inconspicuous consumption," *Journal of Consumer Research*, 37(4), 555-569.
- Berger, J., and Heath, C. (2007), "Where consumers diverge from others: Identity signaling and product domains," *Journal of Consumer Research*, 34(2), 121-134.
- Berthon, P., Pitt, L., Parent, M., and Berthon, J. P. (2009), "Aesthetics and ephemerality: observing and preserving the luxury brand," *California management review*, 52(1), 45-66.
- Brooks, D. (2010), "*Bobos in paradise: The new upper class and how they got there*," Simon and Schuster.
- Charles, K. K., Hurst, E., and Roussanov, N. (2007), "*Conspicuous consumption and race* (No. w13392)," National Bureau of Economic Research.

- D'Arpizio, C. (2013), "Luxury goods worldwide market study," *Bain & Company's report*, October, 28.
- Davis, F. (1994), "*Fashion, culture, and identity*," University of Chicago Press.
- Deeter-Schmelz, D. R., Moore, J. N., and Goebel, D. J. (2000), "Prestige clothing shopping by consumers: a confirmatory assessment and refinement of the PRECON scale with managerial implications," *Journal of Marketing Theory and Practice*, 8(4), 43-58.
- Eckhardt, G. M., Belk, R. W., and Wilson, J. A. (2015), "The rise of inconspicuous consumption," *Journal of Marketing Management*, 31(7-8), 807-826.
- Fisman, R. (2008), "Cos and Effect: Bill Cosby may be right about African-Americans spending a lot on expensive sneakers—but he's wrong about why," *Slate Magazine*.
- Geiger-Oneto, S., Gelb, B. D., Walker, D., and Hess, J. D. (2013), "Buying status by choosing or rejecting luxury brands and their counterfeits," *Journal of the Academy of Marketing Science*, 41(3), 357-372.
- Han, Y. J., Nunes, J. C., and Drèze, X. (2010), "Signaling status with luxury goods: The role of brand prominence," *Journal of Marketing*, 74(4), 15-30.

- Hayes, A. F. (2012), "PROCESS: A Versatile Computational Tool for Observed Variable Mediation, Moderation, and Conditional Process Modeling," Manuscript Submitted for Publication, <http://www.processmacro.org/>.
- Holt, D. B. (1995), "How consumers consume: A typology of consumption practices," *Journal of consumer research*, 22(1), 1-16.
- Keller, K. L. (1993), "Conceptualizing, measuring, and managing customer-based brand equity," *the Journal of Marketing*, 1-22.
- Keller, K. L., Parameswaran, M. G., and Jacob, I. (2003), "*Strategic brand management: Building, measuring, and managing brand equity*," Pearson Education India.
- Kim, E. A., Ratneshwar, S., Roesler, E., & Chowdhury, T. G. (2014), "Attention to social comparison information and brand avoidance behaviors," *Marketing Letters*, 1-13.
- Li, G., Li, G., & Kambele, Z. (2012), "Luxury fashion brand consumers in China: Perceived value, fashion lifestyle, and willingness to pay," *Journal of Business Research*, 65(10), 1516-1522.
- Li, X., Zhang, Y., Zhang, Z., Shen, X., Wang, L., Yang, L., and Wang, K. (2001), "Shanghai Archives of Psychiatry," 01: 22-24.

- Makkar, M., and Gaur, S. S. (2014), "The commoditization of luxury," In *Commodity Marketing* (pp. 477-498), Springer Fachmedien Wiesbaden.
- Nueno, J. L., and Quelch, J. A. (1998), "The mass marketing of luxury," *Business Horizons*, 41(6), 61-68.
- O'Cass, A., and McEwen, H. (2004), "Exploring consumer status and conspicuous consumption," *Journal of Consumer Behavior*, 4(1), 25-39
- Oh, H. (2000), "The effect of brand class, brand awareness, and price on customer value and behavioral intentions," *Journal of Hospitality & Tourism Research*, 24(2), 136-162.
- Phau, I., and Prendergast, G. (2000), "Consuming luxury brands: the relevance of the 'rarity principle'," *The Journal of Brand Management*, 8(2), 122-138.
- Radder, L., & Huang, W. (2008), "High-involvement and low-involvement products: A comparison of brand awareness among students at a South African university," *Journal of Fashion Marketing and Management: An International Journal*, 12(2), 232-243.
- Shukla, P. (2011), "Impact of interpersonal influences, brand origin and brand image on luxury purchase intentions: Measuring inter- functional interactions and a cross-national comparison," *Journal of world business*, 46(2), 242-252.

- Solomon, M. R. (1983), "The role of products as social stimuli: A symbolic interactionism perspective," *Journal of Consumer research*, 319-329.
- Truong, Y., Simmons, G., McColl, R., & Kitchen, P. J. (2008), "Status and conspicuousness—are they related? Strategic marketing implications for luxury brands," *Journal of Strategic Marketing*, 16(3), 189-203.
- Vigneron, F., and Johnson, L. W. (1999), "A review and a conceptual framework of prestige-seeking consumer behavior," *Academy of Marketing Science Review*, 1999, 1.
- Vigneron, F., and Johnson, L. W. (2004), "Measuring perceptions of brand luxury," *The Journal of Brand Management*, 11(6), 484-506.
- Wooten, D. B., and Reed, A. (2004), "Playing it safe: Susceptibility to normative influence and protective self-presentation," *Journal of Consumer Research*, 31(3), 551-556.
- Watson, D., and Friend, R. (1969), "Measurement of social-evaluative anxiety," *Journal of consulting and clinical psychology*, 33(4), 448.
- Wilcox, K., Kim, H. M., and Sen, S. (2009), "Why do consumers buy counterfeit luxury brands?," *Journal of Marketing Research*, 46(2), 247-259.

Wilson, J., Eckhardt, G., and Belk, R. (2015), "Luxury branding below the radar," *Harvard Business Review*, 26-27.

Windle, C. (2005), "China luxury industry prepares for boom," *BBC News*, September, 27.

Woodside, A. G., and Wilson, E. J. (1985), "Effects of consumer awareness of brand advertising on preference," *Journal of Advertising Research*, 25(4), 41-48.

Zhan, L., and He, Y. (2012), "Understanding luxury consumption in China: Consumer perceptions of best-known brands," *Journal of Business Research*, 65(10), 1452-1460.

## Appendix

### Appendix A: Questionnaire (English Version)

Thank you very much for participating in this survey.

I am a graduate student in Seoul National University Business Administration majoring in Marketing Management. This questionnaire is about consumer behavior in purchasing luxury goods, aiming to collect data for my graduation paper.

All the information gathered in this survey will only be used for academic research of my graduation paper and will be kept anonymous. I appreciate your participation very much!

Thank you!

May 2016

Researcher: Gu Xiaoyuan

E-mail: cdguxiaoyuan@126.com

1. What is your gender?

- ① Female            ② Male

2. Do you know the luxury brand Louis Vuitton?(1=I don't know it at all, 7=I know it very well)

- ①            ②            ③            ④            ⑤            ⑥            ⑦

3. What is your preference for the luxury brand Louis Vuitton?(1=extremely unfavorable, 7=extremely favorable).

- ①            ②            ③            ④            ⑤            ⑥            ⑦

4. **(Female Version)** Imagine you are going to buy a Louis Vuitton handbag in the department store. The sales assistant tells you that handbag A and B has almost the same design except for the prominence of logo. As you can see handbag A has an obvious logo, however, B just has a subtle logo on the accessory of the handbag.



**(Male Version)** Imagine you are going to buy a Louis Vuitton wallet in the department store. The sales assistant tells you that wallet A and B has almost the same design except for the prominence of logo. As you can see wallet A has an obvious logo , however, B just have a subtle logo on it.



4-1. Now rate your purchase intention for the two products(1 = “would definitely not purchase,” and 7 = “would definitely purchase”).

Purchase intention for A:

①      ②      ③      ④      ⑤      ⑥      ⑦

Purchase Intention for B:

①      ②      ③      ④      ⑤      ⑥      ⑦

4-2. Please indicate your degree of your agreement or disagreement with the following statements about A (1=strongly disagree, 7=strongly agree).

I am concerned that others might not approve of my brand choices.

①      ②      ③      ④      ⑤      ⑥      ⑦

I am concerned that using this brand may might draw criticism from others.

①                      ②                      ③                      ④                      ⑤                      ⑥                      ⑦

4-3. Please indicate your degree of your agreement or disagreement with the following statements about wallet B (1=strongly disagree, 7=strongly agree).

I am concerned that others might not approve of my brand choices.

①                      ②                      ③                      ④                      ⑤                      ⑥                      ⑦

I am concerned that using this brand may might draw criticism from others.

①                      ②                      ③                      ④                      ⑤                      ⑥                      ⑦

5. Do you know the luxury brand Calina?(1=I don't know it at all, 7=I know it very well)

①                      ②                      ③                      ④                      ⑤                      ⑥                      ⑦

6. What is your preference for the luxury brand Calina?(1=extremely unfavorable, 7=extremely favorable).

①                      ②                      ③                      ④                      ⑤                      ⑥                      ⑦

7. **(Female Version)** Imagine you are going to buy a handbag in the department store. The sales assistant tells you that there is a French luxury brand-Calina which is not well-known by most of Chinese consumers, however actually it is as prestigious as Louis Vuitton. Handbag A and B has almost the same design except for the prominence of logo. As you can see handbag B has an obvious logo and special mark , however, A have no obvious logo on it.

A



B



**(Male Version)** Imagine you are going to buy a wallet in the department store. The sales assistant tells you that there is a French luxury brand-Calina which is not well-known by most of Chinese consumers, however actually it is actually as prestigious as Louis Vuitton. A and B has almost the same design except for the prominence of logo. As you can see wallet B has an obvious logo and special mark , however, A have only a subtle logo on it.



7-1. Now rate your purchase intention for the two products(1 = “would definitely not purchase,” and 7 = “would definitely purchase”).

Purchase intention for A:

①      ②      ③      ④      ⑤      ⑥      ⑦

Purchase Intention for B:

①      ②      ③      ④      ⑤      ⑥      ⑦

7-2. Please indicate your degree of your agreement or disagreement with the following statements about wallet A(1=strongly disagree, 7=strongly agree).

<p>I am concerned that others might not approve of my brand choices.</p> <p style="text-align: center;">①      ②      ③      ④      ⑤      ⑥      ⑦</p>
<p>I am concerned that using this brand may might draw criticism from others.</p> <p style="text-align: center;">①      ②      ③      ④      ⑤      ⑥      ⑦</p>

7-3. Please indicate your degree of your agreement or disagreement with the following statements about wallet B(1=strongly disagree, 7=strongly agree).

<p>I am concerned that others might not approve of my brand choices.</p> <p style="text-align: center;">①      ②      ③      ④      ⑤      ⑥      ⑦</p>
---

I am concerned that using this brand may might draw criticism from others.

- ①            ②            ③            ④            ⑤            ⑥            ⑦

### **Personal information**

1. What's your age?

- ① 20 and below      ② 21 to 30      ③ 31 to 40      ④ 41 and above

2. What's your education level?

- ① High school and below      ② Associate degree  
③ Bachelor degree      ④ Master degree and above

3. What's your income level per month? (Student choose your disposable allowance per month)

- ① 5000 RMB and below      ② 5000 to 10000 RMB  
③ 10000 to 20000 RMB      ④ 20000 to 40000 RMB  
⑤ 40000 RMB and above

**End of Questionnaire**  
**Thank you for your participation!**

## Appendix B: Questionnaire (Chinese Version)

首先，非常感谢您在百忙之中抽空完成该问卷。

我是韩国首尔大学市场营销硕士专业的学生。该问卷是为了完成研究生毕业论文而设的调查问卷，目的是调查中国消费者的奢侈品消费现状。

问卷采取匿名的形式，所有结果只用于学术论文研究。十分感谢您的配合和支持！谢谢！

2016年5月

研究员：谷笑媛

联系方式：cdguxiaoyuan@126.com

1. 你的性别是？

- ① 女          ② 男

2. 你是否了解 LV(路易威登)这个奢侈品品牌?(“1”表示“完全不了解”，“7”表示“非常了解”)。

- ①          ②          ③          ④          ⑤          ⑥          ⑦

3. 你对于 LV(路易威登)这个奢侈品品牌的喜好度?(“1”表示“非常不喜欢”，“7”表示“非常喜欢”)。

- ①          ②          ③          ④          ⑤          ⑥          ⑦

4. (女性版) 想像打算买一款 LV 的手包，于是你去了商场 LV 专卖店购买。这时候导购员向你推荐了两款 LV 的手包 A 和 B。她介绍说 A 和 B 的价格是一样的，设计也几乎完全相同，唯一的差别就是 A 款包右下角有明显的 LV 标志，B 款包只在拉链处有不明显的 LV 标志。假设你的预算完全充足，且你打算在

A 和 B 中选择一款购买。请回答以下相关问题。



(男性版) 想象你打算买一款 LV 的钱包，于是你去了商场 LV 专卖店购买。这时候导购员向你推荐了两款 LV 的钱包 A 和 B。她介绍说 A 和 B 的价格是一样的，设计也几乎完全相同，唯一的差别就是 A 款钱包右下角有明显的 LV 标志，B 款钱包在右下角有不明显的 LV 标志。假设你的预算完全充足，且你打算在 A 和 B 中选择一款购买。请回答以下相关问题。



4-1. 你对于A和B的购买意向分别为(“1”表示“绝对不会购买”，“7”表示“绝对会购买”)。

A的购买意向为:

①      ②      ③      ④      ⑤      ⑥      ⑦

B的购买意向为:

①      ②      ③      ④      ⑤      ⑥      ⑦

4-2. 关于A款包，请根据你的实际情况选择代表你看法的数字（“1”表示“非常不赞成”，“7”表示非常赞成）。

我担心其他人会不喜欢的我使用A款包。
①      ②      ③      ④      ⑤      ⑥      ⑦
我担心其他人会对我使用A款包有负面评价。
①      ②      ③      ④      ⑤      ⑥      ⑦

4-3. 关于B款钱包，请根据你的实际情况选择代表你看法的数字（“1”表示“非常不赞成”，“7”表示非常赞成）。

我担心其他人会不喜欢的我使用B款钱包。
①      ②      ③      ④      ⑤      ⑥      ⑦
我担心其他人会对我使用B款钱包有负面评价。
①      ②      ③      ④      ⑤      ⑥      ⑦

5. 你是否了解 Calina 这个奢侈品品牌?(“1”表示“完全不了解”，“7”表示“完全了解”)。

①      ②      ③      ④      ⑤      ⑥      ⑦

6. 你对于 Calina 这个奢侈品品牌的喜好度?(“1”表示“非常不喜欢”，“7”表示“非常喜欢”)。

①      ②      ③      ④      ⑤      ⑥      ⑦

7. (女性版) 想象你打算买一款奢侈品手包，于是你去了商场选购，你走进了一家叫 Calina 的奢侈品店，这时候导购员向你推荐了两款手包 A 和 B。她介绍说 Calina 是一款和 LV 同级别的法国奢侈品品牌，但是绝大部分国人还

不了解这个品牌。两款手包 A 和 B 的价格是一样的，设计也几乎完全相同，唯一的差别就是 A 款包只在拉链处有不明显的 Calina 标志，B 款包右下角有明显的 Calina 标志。假设你的预算完全充足，且你打算在 A 和 B 中选择一款购买。回答以下相关问题。



（男性版）想象你打算买一款奢侈品钱包，于是你去了商场选购，你走进了一家叫 Calina 的奢侈品店，这时候导购员向你推荐了两款钱包 A 和 B。她介绍说 Calina 是一款和 LV 同级别的法国奢侈品品牌，但是绝大部分国人还不了解这个品牌。两款钱包 A 和 B 的价格是一样的，设计也几乎完全相同，唯一的差别就是 A 款只在右下角有不明显的 Calina 标志。B 款右下角有明显的 Calina 标志。假设你的预算完全充足，且你打算在 A 和 B 中选择一款购买。请回答以下相关问题。



7-1.你对于A和B的购买意向分别为(“1”表示“绝对不会购买”，“7”表示“绝对会购买”)。

A的购买意向为:

①      ②      ③      ④      ⑤      ⑥      ⑦

B的购买意向为:

①      ②      ③      ④      ⑤      ⑥      ⑦

7-2. 关于A款包，请根据你的实际情况选择代表你看法的数字（“1”表示“非常不赞成”，“7”表示非常赞成）。

我担心其他人会不喜欢的我使用A款包。

①      ②      ③      ④      ⑤      ⑥      ⑦

我担心其他人会对我使用A款包有负面评价。

①      ②      ③      ④      ⑤      ⑥      ⑦

7-3. 关于B款钱包，请根据你的实际情况选择代表你看法的数字（“1”表示“非常不赞成”，“7”表示非常赞成）。

我担心其他人会不喜欢的我使用B款钱包。

①      ②      ③      ④      ⑤      ⑥      ⑦

我担心其他人会对我使用B款钱包有负面评价。

①      ②      ③      ④      ⑤      ⑥      ⑦

## 个人信息

1. 你的年龄是?

①20岁以下      ②21- 30岁      ③31- 40岁      ④ 41岁以上

2.你的学历程度是?

- ①高中及以下    ②专科                      ③大学本科                      ④ 研究生及以上

3.你的收入水平?(学生可选择每月可支配零用钱数)

- ①5000及以下    ②5000-1万    ③1万-2万    ④2万-4万    ⑤4万及以上

问卷结束 谢谢参与!

## Appendix C: Pretest Stimuli

### Watch Category: Rolex

---

**A: obvious logo**



**B: subtle logo**



### Watch Category: Patek Philippe

---

**A: subtle logo**



**B: obvious logo**



## Handbag Category: Louis Vuitton

---

A:obvious logo



B:subtle logo

---



## Handbag Category: Loewe

---

A: subtle logo



B:obvious logo

---



## 국문초록

최근 몇년간에 중국은 세계에서 최대의 명품 소비국이 되었다. 과거의 과시적인 명품보다 비과시적인 명품을 더 선호하는 추세가 보이고 있다. 본 연구는 비과시적인 소비에 대한 이해를 넓히고 브랜드 현저성 (brand prominence)이 중국인 명품 소비에 어떤 영향을 미치는지에 초점을 맞추었다. 실험은 중국인 202명을 대상으로 진행되었으면 참가자에게 브랜드 현저성이 높거나 낮은 가상 유인물을 접하게 하여 구매의향에 대한 영향을 측정했다. 연구 결과에 의하면 루이비통 (Louis Vuitton) 제품의 브랜드 현저성이 높을 수록 소비자의 구매의향이 더 낮다는 것을 밝혔다. 즉, 명품 브랜드 현저성이 소비자 구매의향에 부정적인 영향을 끼칠 수 있다는 결론이 나왔다. 사회적 평가 관심 (social-evaluative concerns)의 매개효과를 부분적으로 확인했다. 명품 브랜드 현저성이 높을때 참가자의 사회적 평가 관심이 더 크기 때문에 과시적인 명품보다 비과시적인 명품의 구매의향이 더 컸다. 또 브랜드 인지도의 조절효과를 측정했으면 브랜드 현저성의 부정적인 영향을 약화시키는 조절효과가 나타났다. 브랜드 현저성이 높을때 브랜드 인지도 높으면 참가자의 구매의향이 더 낮다는 조절효

과를 확인했다.

핵심단어: 브랜드 현저성, 비과시적 소비, 명품 소비, 사회적 평가 관심,

브랜드 인지도

학번: 2014-25138