

Prestigious or Luxurious? Analysing Customer Perception Towards Luxury Brands

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Abstract

The study undertakes an imperative analysis of in-depth consumer interviews and explores the relation amid the idea of “Luxury” and concept of “Prestige” as applied on different elite brands. Luxury refers to benefits that result from refinement, beauty, and a lavish lifestyle, whereas prestige is founded on distinctive human accomplishment that is inherent to the brand. The findings show that prestige can be attained in many categories without the use of luxury, but people tend to see luxury as a symbol of brand status on a symbolic level. The report concludes with a discussion of managerial observations and potential future research areas.

Introduction

The chairman and CEO of the French LVMH Group, Bernard Arnault, stated during a press conference a few years ago that he disliked the word "luxury" and insisted on using the word "prestige" to describe the goods his company sells instead. The most recent version of Mr. Arnault's website describes the LVMH group as the global leader of the luxury business, with an estimated market share of roughly 15%, suggesting that he has altered his opinion. In fact, marketers frequently conflate the terms "luxury" and "prestige," a strategy that is not without risk. Lack of research on customer perceptions of these two ideas may allow brand advertising themes centred on them to stay incoherent. It is crucial to comprehend how the intended audience interprets and manipulates the terms "luxury" and "prestige" if they are to be utilised in commercials and promotional materials (Blackston, 2018; Greenberg et al., 2019).

The literature on economics (Chepchirchir & Leting, 2015; Blackston, 2018) and marketing (Hennigs et al., 2013; Chepchirchir & Leting, 2015; Fujiwara & Nagasawa, 2015; Rodrigues & Borges, 2021) also appears to be somewhat ambiguous. Luxury and prestige (Fujiwara & Nagasawa, 2015; Woo & Jin, 2016; Nuttavuthisit, 2019; Rodrigues & Borges, 2021) are by far the most frequently used terms to describe brands that have significant intangible value, although other adjectives such as "status" (Rodrigues & Borges, 2021), "Hedonic" (Dhar and Wertenbroch 2000), "top of the range" (Lu, 2021), or "signature"

(Hennigs et al., 2013) have occasionally been used in the literature. Though, "luxury" and "prestige" are typically used interchangeably it is demonstrated in this study by Bagwell and Bernheim (1996), that "prestige" and "luxury" in the perspective of the consumer cover distinct conceptual realms, with significant implications for research and practise (Fujiwara & Nagasawa, 2015; Woo & Jin, 2016; Nuttavuthisit, 2019; Rodrigues & Borges, 2021).

findings of a qualitative study is specifically describe on the basis of extensive consumer interviews. To determine the themes and experiences that are most frequently connected to the concepts under consideration, data are studied using content analysis techniques. The conclusion of the work addresses managerial implications and potential future research topics.

Research Methodology

To investigate consumer views toward prestige and luxury, a discovery-oriented strategy was adopted. In-depth interviewing was chosen as it is a qualitative technique that is frequently used to establish new concepts and models of consumer behaviour (Silverman, 1997; 2011). In the style of a "conversation with a purpose," the questionnaire was informally constructed with the goal of eliciting either direct or indirect consumer encounters with luxury or prestige. To obtain a wide range of viewpoints on the themes under consideration, informants were purposefully chosen with significant variances in socio-demographic variables. 25 individuals between the ages of 25 and 40 were questioned at either their homes or workplace. No closed-ended questionnaire was included in the exploratory interviews and thus collected answers were analysed in two ways, a) case by case finding the main themes, b) Analysing the major experiences of customers.

Results

Analysis of this research was based on theory-laden interpretation (Denzin, 2002). The fundamental idea is symbolic interactionism in social psychology (Manis and Meltzer 1978, Charon 1995).

Such a view holds that individual representations of the world are the product of the internalisation of objective and symbolic realities through social interaction (Solomon 1983, Dittmar 1992). Subjective representations of people, objects and events have therefore two sources: (1) perceptions of objective reality, that is, the representation of the world outside individuals; (2) interpretation of symbolic reality, that is, the set of socially shared symbols bearing specific meanings for all members of a group (Dittmar 1992). Space constraints prevent researchers from presenting the detailed results of the content analysis, so only the key findings are highlighted below, illustrated with excerpts from the interviews.

Prestige and Luxury: Individual Perceptions of the Reality

Prestige

A subjective assessment of the high social status of individuals or inanimate items like brands is called prestige. Evaluative judgments (appraisals) are frequently followed by emotional responses, according to affect research. This is the case in our interviews, where informants discuss their feelings of admiration, awe, and liking for eminent individuals or things. The notion of a great accomplishment that can be respected is the fundamental predicate of prestige judgments. Instead of the interpretation of symbols, this exceptional achievement results directly from the perception of objective reality (Horoszko et al., 2018; Greenberg et al., 2019). To give an example, the following excerpt features a spontaneous explanation from one informant:

"Prestige is related to admiration. If it is the prestige of an object, admiration is directed toward the object. If it is the prestige of a person, admiration is directed toward the person for what they have accomplished, their success, or who they are."

Another respondent mentioned that "prestige is a social honour."

Brands deserving of such respect may belong to a variety of product or service sectors. Sportswear (such as Nike), automobiles (such as Aston Martin, Ferrari), wristwatches (such as Patek Philippe, Blancpain), and educational institutions (such as Harvard, Sorbonne) are a few examples given by the respondents. In product categories, an inherent, distinctive know-how—which may be concerned with either a particular attribute or the overall quality and performance of the product—is the key criterion for a brand to be considered prestigious (Sung & Phau, 2016). This exceptional achievement, for a firm, might be the price of the product, as demonstrated by the following quote from an interview:

"Watches, hotels, handbags, fashion accessories, mobiles can be as expensive or maybe as cheap. The human limit, or what individuals are capable of, is what really astounds me "

Another respondent said that "if everyone owns a particular brand, it is no more prestigious" and one other depicted in his statement that "prestigious products are generally high-involvement decision making products and it is assumed that prestige products are infrequently purchased, require a higher level of interest and knowledge, and strongly relate to the person self-concept."

Luxury

Luxury, in contrast to prestige impressions, which derive from a distinctive accomplishment that is inherent to the brand, is seen differently by our informants. Self-indulgence, whether personal or public, is at issue (Lu, 2016; Vigneron & Johnson, 2017). Luxury is related to individual perceptions of ease, beauty, and opulent living in an objective world. One of our informants, who just recently bought a home in a wealthy neighbourhood of a big city, makes it clear that for him, luxury equals comfort:

"I have the garden, the house, all this is beautiful. A villa with private pool in capital of the nation ... For me, I assimilate it [luxury] to comfort."

Another man of age 28 mentioned, "luxury is something that comes from some specific brands like Zara, H&M, Gucci etc, irrespective of any functional utility."

goods for which the mere use or display of a particular branded product brings prestige to the owner, apart from any functional utility

According to a different respondent, "luxury denotes everything that is more than one needs." Brands that meet these criteria are inevitably distinguished by a high price. These results are consistent with Berry's notion of luxury, which contrasts luxury with necessity (Berry 1994). The findings also support earlier research findings that the authors acquired using a different collection of interviews.

Compared to those recalled for prestige, the goods and service categories associated with luxury are more constrained. These subcategories are all associated with ease, elegance, and beauty. The catering sector (five-star hotels, fine dining establishments), the fashion and beauty industries (such as Chanel, YSL), and the jewellery industry (such as Cartier, Bulgari) are the most frequently mentioned by the informants. In fact, these categories have historically been associated with the luxury industries.

Therefore, luxury and prestige are separate facets of brands, in accordance with our informants. A brand is only considered respectable if its distinctive accomplishments are recognised. Since luxury refers to the

Hedonic benefits of the brands related to a self-indulgent refined lifestyle, which need not be exceptional, luxury does not necessarily require such a criterion.

Additionally, prestige is always viewed favourably, although too flashy luxury can be viewed negatively. One of our sources claims that "luxury isn't always necessary, but prestige must be earned."

Interpretation of Symbols: Luxury as a Symbol Of Prestige

The notion of a genuine, exceptional accomplishment is not the sole factor in brand prestige. Sung & Phau (2016), noted that prestige by affiliation is a significant source of judgments of prestige. This implies that customers may understand brand symbols, which stand for a socially shared meaning, from a symbolic interactionist point of view. Several prestige symbols, such as a name, a high price, events, and individuals connected to a brand, were alluded to by the informants in the important occurrences of our interviews. The symbolism of luxury has developed as a form of prestige. Informants viewed certain brands' high levels of luxury as status markers. An example of this is an Aston Martin sports car, which an informant thought to be prestigious due to its exceptional driving characteristics (Lau & Phau, 2009). The perceptions of high luxury resulting from comfort and beauty serve to support this prestige assessment even more.

Also keep in mind that prestige takes time and effort to earn (Lau & Phau, 2009). However, if symbols of luxury are not supported by notions of objective reality connected to actual achievement, it is simple to lose. One bad experience is all it takes for a brand to lose its status if it lacks distinctive expertise. This point can be best shown with a tale from an interview. An informant had high expectations for a restaurant in the city because everybody around him raved about it, but after visiting it, he realised his expectations had been unjustified (Horoszko et al., 2018). The location was still opulent, but its reputation had vanished completely:

"For me a luxury restaurant is not at all prestigious." Because when I go to a five- or seven-star hotel/restaurant, I generally find the taste bad. An extra expensive service, disastrous with very medium menu, not worth the price I paid." Everything is made to be comfortable, yes, it's more in the appearances. The prestige, it's really in the art of cooking, and there you'll find none of it."

In this case, the backdrop makes the venue appear expensive, but the cuisine itself is insufficient to qualify as renowned due to its inability to demonstrate a noteworthy achievement.

The respondent's accounts also reveal the opposite circumstance: a brand can be prestigious without being expensive. Luxury is not always a sign of prestige. In the case of technology or athletic brands, the apparent singular human achievement is based on technical achievement or physical prowess. Consider the following excerpt from the verbatim as an example:

"I would link prestige to sport. When thinking about prestige, my mind only relates to sport brands like Nike. For me, prestige insinuates with performance. Luxury is more of a story about beauty and prestige is not exactly like that, because for me, athletics is not beautiful."

In conclusion, our interpretative analysis demonstrates that consumers' positive perceptions of brands are influenced by their perceived status. It may be impacted by a brand's distinctive accomplishment or by status symbols connected to the brand. On the other hand, luxury is associated with ideas of ease, beauty, and a lavish way of life. Consumers may see luxury as the brand's prestige symbol on a symbolic level. Nevertheless, without the perception of any inherent objective achievement in the brand, prestige judgments cannot be sustained by a sole reliance on symbolic reality.

Managerial Visions and Future Research

Our findings imply that building brand prestige is a difficult management process in which the product's or service's opulent features may function as a symbolic lever. Consumers' perceptions of the prestige of a brand may be influenced by technological advancement, great performance, or the exclusivity of certain features. Therefore, a strongly differentiating proposition must serve as the foundation of the marketing mix for prestige companies.

Particularly, communication strategies should highlight the great accomplishment that is built into the brand. One instance given in the interviews was Nike, whose recurrent marketing theme is great athletic performance, as evidenced by the brand emblem, which stands for triumph, and catchphrases like "Play on, Player" (www.nike.com). It also seems appropriate to utilise prestige iconography, such as luxury, to support the idea of genuine achievement. According to our findings, the consistent usage of symbols without concrete proof of distinctive expertise jeopardises brand equity over time. The qualitative study produced several questions that deserve further empirical investigation. First, only a small sample of informants participated in our study, which was conducted. Replications are required to evaluate the reliability of our findings in particular consumer segments. Second, notions of luxury and distinction may be very culturally specific. Therefore, it would be beneficial to repeat our qualitative research in other, quite diverse cultural contexts, such as those of Asia. Third, the paper did not concentrate on any specific brands or product categories in our analysis. As a result, it is still unclear how customer expectations and brand knowledge frameworks affect how well-known a brand is. Specifically designed comparative studies should be undertaken to explore the sources of prestige- and luxury variations in function of the product or service category.

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