

Downward Price-Based Brand Line Extensions Effects on Luxury Brands

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Abstract: *This study tries to examine the brand concept consistency, the self-concept congruence and the resulting loyalty status of the consumers in order to evaluate whether a downward price-based line extensions in the luxury goods market has any negative or positive effect on them. By conducting focus group and in-depth interviews it was tried to filter out how brand concepts of luxury brands are perceived before and after a line extension. Results revealed that a crucial aspect for the evaluation of downward price-based line extensions is the exclusivity variable. Additionally, the research showed different modification to the brand concept consistency after an extension depending whether the brand is bought for pure hedonic or emotional reasons or actually for functional reasons. As practical implications brands appealing to hedonic/emotional motivations need to be crucially differentiated to those brands appealing to functional/rational motivations. In the case of a mixed concept an in-depth segmentation of the target markets is needed in order to successfully reach the consumers' needs.*

Keywords: Brand concept, line extension, downward price, luxury market, qualitative, loyalty.

JEL Classification: M30, M31

1. Introduction

According to Millward Brown (2014) the luxury sector grew by 12% in the year 2013, ascending its value to \$2.9 trillion, 7% more than in the previous year. In the 2007 and 2013 Top 100 Global Brands report 10 and 7 luxury brands were included respectively (Business Week 2011; Interbrand, 2013), showing astonishing brand value and supreme marketing strategies helping the brands to reach and maintain such leading positions.

By definition line extensions are a branding process whereby a current brand name is leveraged to enter a new market within the same product class through form or price changes (Nkwocha, 2000; Kirmani, Sood and Bridges, 1999). Brand and line extensions present an attractive way to leverage the equity associated with the already well-known and established brand name, to other product groups or cheaper product categories (Quelch and Kenny, 1994; Loken and Deborah, 1998; Jackson, 2004). These line extensions accordingly aim to leverage the consumer value perception of the existing brand for the new extended product line (Aaker and Keller, 1990).

This study is of value due to the apparent reliance of luxury goods companies on brand extension as a way of increasing their sales and diversifying into new cheaper consumer segments (Quelch and Kenny, 1994). However, this strategy may affect the loyalty of their

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former consumers due to a possible change in the brand concept consistency and self-image congruence. Thus, line extensions also bear risks and might harm the image of the brand in the long run (Loken and Deborah, 1998; Bottomley and Holden, 2001; Case, 2004, Meyers, 2004; Britt, 2006). According to Keller and Sood (2003), brand and line extensions can be a double edged sword, as they on the one hand can present, when managed well, a new source of revenue and help reinforce the meaning and image of the brand, but on the other hand they may harm the parent brands image and equity, if the brand becomes diluted by the extensions. Brand dilution takes place whenever the consumers no longer associate the brand with the new, extended product, and start to have a less positive attitude towards the brand (Kotler and Keller, 2006). The brand is affected by both, high and low involvement (Gurhan-Canli and Maheswaran, 1998) and ownership or degree of familiarity with the brand (Kirmani, Sood and bridges, 1999).

The luxury goods industry has undergone significant developments and the notion of luxury must now be seen in a different way, if not even in a cheapened way (Britt 2006). The developments resulted among other factors mostly from two interrelated factors (Okonkwo, 2005; Meyers, 2004). On the one hand, the middle class is increasingly able to buy more expensive merchandise, while traditional luxury marketers are expanding their brands into mass segments. On the other hand, more and more upscale luxury brands have answered to the economical trend of wealthier consumers by diversifying their product portfolio to mass market segments and continuing to launch more affordable lines (Jackson, 2004; Meyers, 2004).

Resulting from these changes the luxury market structure and its marketing is changing (Okonkwo, 2007, Kapferer and Bastien, 2009) and the definition of luxury has to be seen in a different scope (Meyers 2004). It could be argued that the exclusivity image is endangered due to the greater availability and affordability of the brands and its goods (Kirmani, Sood and Bridges, 1999) as well as which effects may have on luxury image the adaptation to virtual environment by luxury brands (Okonkwo, 2009). Consequently the whole notion of luxury is evolving and possible effects of the evolution need to be anticipated. If the myth that surrounds the luxury goods market transformed – whether positive or negative – which implications does that have for the marketing of these goods. It needs to be seen how consumers – whether former or anticipated consumers – will react to the alterations.

With this study it will subsequently be tried to examine the effect of brand line extensions into cheaper segments upon the loyalty of luxury brand consumers. The purpose of the study is therefore to investigate any negative or positive relationship between line extensions and the brand concept consistency on the one hand and consumer self-identity congruence on the other hand. Having evaluated this relationship it will then be seen what implications these two factors have upon consumer loyalty, in order to enable marketers to adapt their brand and extension strategies accordingly.

As the consumer of luxury brands is therefore the core part of this study and as such a deep insight into the consumers' psychological motivations and emotions needs to be taken. Accordingly the study will evolve around qualitative research as a first step. With the qualitative method, the underlying facets are being examined and may subsequently be taken as a basis for developing a quantitative research as a second step. However, research which actually evaluates how consumers are affected by the current developments in their identification and purchase behaviour towards the brand has been limited.

2. Literature Review and Hypotheses

2.1. Brand Concept Consistency

Luxury goods can be said to be purchased for emotional and symbolic motives, as their main purchase or usage purpose is not functional, but psychological and social. Luxury goods are purchased for reasons of their status image and the possibility to display ones position in society with them (Han, Nunes and Drèze, 2010). For that reason the importance of luxury goods lies in its symbolic and emotional attributes and its potential to develop positive relationships between consumers and brands (Choo, Moon, Kim and Yoon, 2012). If consumers of luxury goods do not consider the brand's symbolic characteristics and image to be important though, there is subsequently a strong likelihood that they will not perceive such brand to possess status or to be suitable for conspicuous consumption (Edell and Burke, 1987). According to Okonkwo (2005) these symbolic attributes or associations have the ability to convey upon the consumer an extra-added psychological value of esteem, prestige and status sense, which differentiates them from the masses.

As the underlying characteristics or personality for which luxury goods are purchased are exclusivity, uniqueness and novelty value (Haasler, 2006; Phau and Pendergast, 2000), the motivation to buy luxury goods is thus driven by an intrinsic desire to fulfil needs for self-esteem and recognition (Kotler and Kettler, 2006). Brands that are positioned to maintain exclusivity communicate the prestige, status and roles position of the user of that brand (Zinkham and Prenshaw, 1994) and thus will be bought by consumers trying to show their status in society.

Brand concept consistency has a significant effect in brand evaluations (Sweeny and Bao, 2009) and seems to predispose consumers' reaction to brand line extensions (Park, Milberg and Lawson, 1991). A brand concept is the mean with which a product is positioned in the mind of consumers and differentiated from other brands in the same product category (Park, Jaworski and MacInnis, 1986). The concept consist of brand-unique, abstract meanings and associations that have their origin in certain product features such as price and/or status image (Park et al 1991). Brand concept consistency therefore exists in the extended product line, if it shares the same meanings to the consumer as the parent brand. The research undertaken by Park et al. (1991) suggests that prestige or luxury brand extensions may be positively evaluated as long as the extended product lines share the luxury concept.

Cheaper versions of the brands products might not fit within the brand associations of expensive product and high status and then it could affect the overall brand concept. Therefore it may be presumed that the further a brand extends downward to reach cheaper consumer segments, the less consistent the overall brand concept will remain. Following from this, hypothesis 1 can be stated as:

H1: The greater the downward price-based line extension of a luxury brand, the less consistent consumers will perceive the overall brand concept.

2.2. Self-Congruity

The stimulus to convey one's own self is often the critical factor driving consumers to purchase certain goods (Sirgy, 1986) and accordingly goods are purchased to act as an instrument to express their identity (Aaker, 1996). Also, it is assumed that products and

brands on their own assert an image. This image often reflects the stereotype image of the typical user of the brand – the brand user image (Kressmann, Sirgy, Herrmann, Huber, Huber and Lee, 2006). Consumers are therefore often not induced to purchase a good or brand solely by its functional attributes, but by the symbolic elements that create the identity or image of the product (Levy, 1959; Park, Jaworski and MacInnis, 1986). Self-congruity or brand user congruity is defined as the degree of perceived similarity by the potential consumer between the typical user of the brand –brand user image- and him or herself (Sirgy, 1982, 1986; Sirgy, Grewal, Mangleburg and Park, 1997).

The product image interacts with the consumer's self image and generates a subjective experience referred to as self-image/product-image congruence or self-congruity (Sirgy, Grewal, Mangleburg and Park, 1997). The greater the congruence between the meaning of the symbols of the brand or the brand image and the consumer's actual and ideal self concept, the more likely that consumer will be motivated to believe that the purchase of that particular brand will meet his need for self esteem (Kressmann et al., 2006; Liu, Olaru, and Li, 2008).

On this line it can be concluded that consumers will buy luxury goods, if their image is consistent with what the consumers perceives of himself and wishes to portray to the public. Therefore, luxury goods are purchased for their status image associations and differentiating ability, which match the consumers self image.

Luxury consumers buy prestige brands primarily for hedonic reasons, fulfilling their need for conspicuous consumption and self-esteem. Affluent consumer can be said to be motivated to buy luxury goods, as they believe that those brand personalities and association best portray their own self-image. Subsequently it is interesting to research whether this belief will still be realized when the luxury brand extends into cheaper segments and becomes as well a brand for other market segments. This changes the brand personality and the match between product user image/consumer-self-concept and product image/associations. Therefore the second hypothesis is stated as follows:

H2: The greater the downward price-based line extension of a luxury good, the weaker the consumer perceived congruence between brand image and consumer self-image – self congruity.

2.2. Consumer Loyalty

Emotions towards the luxury brand can play an important role in brand loyalty, trust and satisfaction (Song, Hur and Kim, 2012; Han and Jeong, 2013). However this research only lies on the attitudinal and behavioural components of brand loyalty (Oliver, 1999; Neal and Strauss, 2008). Oliver's definition of loyalty accentuates two components: attitudinal and behavioural (see Oliver, 1999:34). Brand loyalty thus drives to behaviour, which in turn is rooted in a positive attitude towards a specific brand. In some cases –i.e. luxury brands- this indicates that consumers become loyal to a brand if the brand is able to convey a unique benefit that cannot be found elsewhere. Some brands have invested in marketing communication strategies to develop in the long term a brand personality with which they acquire a character similar to that of a person. This brand personality is also a brand strategy to target consumers and to build relationships with them that result in brand loyalty (Aaker, 1996).

Research carried out by Kumar, Luthra and Datta (2006), has shown that brands with a clearly communicated and consistent personality, meaning that the brands are shown in the market continuously with the same associations and attributes, have a greater number of consumers who are loyal to the brand than brands that redefine themselves continuously or portray an inconsistent image. Brand identification, meaning that the consumers are able to identify themselves with the attributes and value of the brand serves as a vital function towards a loyal attitude to the brand (Liu et al., 2008; Liu, Li, Mizerski and Soh, 2011). The symbolism of the brand is supposed to emphasize to others a certain uniqueness possessed by the owner of the brand (Oliver, 1999).

Relating this with the notion of luxury, which implies unique brand personalities and differentiation ability, it can be presumed that the more consistent and differentiated from non-luxury goods the personality of the brand is the greater the ability of the brand to gain loyal luxury consumers. Consumers that are loyal to a brand evolve in continuous purchasing because they perceive some unique attributes in the brand that no other alternative can provide. That uniqueness often derives from a more favourable affect or emotion when the consumer uses it (Chaudhuri and Holbrook 2001).

Former research has proven the direct and indirect effects of self-image congruence on brand loyalty (Kressman et al., 2006; Sirgy et al., 2008; Liu et al., 2011)) and the role of brand concept consistency in the consumer evaluation of brand extensions (Park et al., 1991). Taken together these two aspects play a vital role in the overall success of a company to gain and sustain a loyal consumer base. It follows that if consumers perceive the overall concept of the brand to be inconsistent after a downward price-based line extension and correspondingly do not recognize a prevailing congruence between their self-concept and the image of the brand anymore, they might be presumed to become less loyal to the brand.

Resulting from this the third hypothesis is stated as:

H3a: The weaker the consumer perceived luxury brand concept consistency, the smaller the loyalty of consumers to the luxury brand.

H3b: The weaker the resulting self-image congruence, the smaller the loyalty of consumers to the luxury brand.

3. Methodology

In order to be able to test the hypothesis, the study needed to investigate consumer's feelings and thoughts about a brand concept before and after a price-based line extension. Additionally the respective self-image congruence, made up of the actual and ideal self-image in comparison to the brand image or brand-user image also need to be researched

As a first research step qualitative techniques –i.e. focus group and in depth interview– were applied. A group or a person to person dialogue enabled participants to discuss the brand concepts and changes occurring through the extensions, taking into account other opinions and commenting on them. The participants were able to elaborate, which helped to reveal the nature and origins of their thinking on the particular issue (Bader and Rossi, 2007) – in this case on the issue of luxury goods, their line extensions and the effects of this strategy.

For hypotheses testing¹ purposes, the objectives of the focus group were the following: a) understand the consumers' perception about luxury goods and revealing important brand personality traits and brand associations, which define luxury for the consumers; b) identify the underlying motivations why luxury goods are bought and what value proposition they offer to the consumer; c) comprehend and evaluate how consumers attach their own personality to the luxury goods they buy and, trying to reveal the consumers' emotions and attitudes towards price-based brand line extensions in connection to their self-image and the overall brand concept.

In total 6 people attended the Focus Group and their respective profiles can be seen in Table 1, below:

Table 1. Focus Group Participants' Profiles

Sex	Age	Occupation	Consumer of following luxury brands
Female	32	Journalist	Gucci, Valentino, LVMH, Prada
Female	39	Lawyer	Gucci, LVMH, Mulberry, Chanel,
Female	47	License Manager	Chanel, Valentino, Boss
Female	60	House-Wife	Strenesse, Gucci, Lancome, Valentino, Dior
Male	41	Entrepreneur	Porsche, Mercedes, Gucci
Male	57	General Manager	Porsche, Mont Blanc, Boss, Dior

Source: the author themselves

The choice of the participants was dependent on the specific luxury brand and the respective product category of the brand of which they were a consumer of. The reasoning behind this was that the brands and respective product categories needed to be already established in order for consumers' tastes and preferences to be acquainted and not evolving (Kumar, Luthra and Datta, 2006). The brands were chosen taking into account both their symbolic personality/image associations and their prestige value-creating attributes, which are most likely to influence the brand loyalty of the consumer (Kumar et al, 2006). Part of this value-creating attributes had to be the conspicuousness of the brand, in order to secure an evaluation of the brand on the grounds of symbolic criteria as opposed to functional ones (Kressmann et al., 2006).

The Focus Group took place in August 2007 in Hamburg, a city in the north of Germany and it was held on a weekday night at eight p.m. The session was taped with a voice recorder, as 2 participants did not feel comfortable being filmed and did not want to be recognized. The participants were only told though that the research was conducted in order to expose consumers' attitudes towards luxury goods and the underlying motivations for buying them. The exact details about the brand concept issues, self-concept matters and loyalty were not directly mentioned though to prevent from biased answers.

To evaluate the brand concept and the self-image congruity (actual and ideal self-congruity), the brand personality framework developed by Aaker (1997), was applied. Brand personality was defined as the set of human characteristics associated with a brand (Aaker, 1997). The brand personality measure consists of 15 personality traits, which in turn reveal five major personality dimensions (Aaker, 1997). The framework is illustrated in Table 2.

Grounding on these personality traits and dimensions, it was tried to capture the self-image and the brand concepts as perceived by the participants before and after a fictitious

¹Hypotheses testing have to be validated applying a quantitative approach allowing statistical extrapolation for the variables involved, its relations and effects. Some of these variables are identified along the qualitative stage.

downward price-based line extension as well as to evaluate the effects of the extension on them. In order to achieve this, it first had to be tried to establish the current brand concept of the luxury brands and the current self-image – actual and ideal – of the participant, so that a basis for comparison was necessary to develop.

To do so, two in-depth interviews were carried out to uncover deeper insight into the research topic and the findings of the focus group discussions. This was done through concentrating on the specific issues of importance revealed by the focus group. The in-depth interviews allowed exploring the contextual boundaries of the focus group to uncover understandings about the nature (Malhotra and Birks, 2007: 207) of luxury brands.

Table 2. Aaker's brand personality measures

Brand Personality Components	Personality Dimensions
<ul style="list-style-type: none"> • Down-to-earth • Honest • Wholesome • Cheerful 	<ul style="list-style-type: none"> • Sincerity
<ul style="list-style-type: none"> • Daring • Spirited • Imaginative • Up-to-Date 	<ul style="list-style-type: none"> • Excitement
<ul style="list-style-type: none"> • Reliable • Intelligent • Successful 	<ul style="list-style-type: none"> • Competence
<ul style="list-style-type: none"> • Upper Class • Charming 	<ul style="list-style-type: none"> • Sophistication
<ul style="list-style-type: none"> • Outdoorsy • Tough 	<ul style="list-style-type: none"> • Ruggedness

Source: Aaker (1997)

The objectives for the in-depth interviews were the followings: a) verify the understanding of consumers' perception about luxury goods and important brand personality traits/brand associations as revealed by the focus group discussion; b) reassure the motivations underlying a purchase of luxury goods on a one-to-on basis; c) intensify the knowledge about self-image congruence on the basis of the information found out in the focus group and, d) extending the knowledge about consumers' emotions and attitudes towards downward price-based line extensions in connection with the brand concept consistency and repurchase intention. Two in-depth interviews were held also in August 2007 on two days in Hamburg, Germany (see Table 3).

Table 3. In-Depth Interview Participants' Profile

Sex	Age	Occupation	Consumer of following luxury brands
Female	48	Senior Brand Manager	Chanel, LVMH, Valentino, Dolce & Gabbana
Male	54	Ophthalmologist	Porsche, Versace, Bang and Olufsen

Source: the author themselves

Similarly to the focus group discussion, the actual known and purchased luxury brands of the participants were taken as main stimulus in order to establish the necessary familiarity with the brand and the image of the particular brand. When talking about luxury brands the participants were told to refer to their own past experiences and opinions about luxury brands with which they are accustomed with. This was an important prerequisite, as the participants needed to be able to refer back to their established emotional feelings about the brands on a symbolic level. Brand that are not known or purchased are often not evaluated on emotional grounds as the consumers' then do not have an emotional attachment to them. An already acquainted engagement between brand user and the brand was necessary.

As mentioned above, to be able to measure the brand concept-consistency and the self-image congruence, the brand personality framework developed by Aaker (1997), as suggested by Kressmann et al (2006) was employed, (see Table 2).

Focus group and in-depth interviews passed by the following steps: introduction; warm-up (writing down 3 to 5 words participants associate to luxury and discussion); projective (arrange those words according their importance in concentric circles being the core one the most important and discussion); open-ended questions and discussion; brand extension explanation and discussion.

4. Results and Hypotheses Testing²

The conducted research clearly supported the three conditions that predisposition the success of line extensions as put forward by Reast (2005). These are the characteristics of the parent brand, the characteristics of the line extension and the consumers' characteristics. As stated by the participants of the research, the attitude towards a line extension varies according to the following three variables: a) whether the brand is bought for symbolic – image-, emotional motives or rational –quality- motives (these can be seen as differential attributes of the parent brand); b) how far the new line enters a cheaper segment and how differentiated the branding of the new line is from the parent brand (the characteristics of the extension line) and, c) whether the consumer is still able to identify him or herself with the new typical user of the brand after the extension has occurred -the consumers' characteristics.

In this research the emphasis was put on downward price-based line extensions, in which a luxury goods brand extended their lines into cheaper segments. In accordance with Kirmani and Zeithaml (1993) and Park, Jaworski and MacInnis (1986), who stated that a prevailing association of luxury brands is often the price, because of the inference about the prestige and exclusivity level that the consumer draws on the basis of that price, all hypothesis were based upon a price based extension. Without regard or judgement to the individual hypothesis though, it can already be seen, especially by the collage exercises undertaken in the research, that the actual price or expensive attribute of a luxury good is indeed taken into considerations by consumers but it is not at all always the determining and prevailing characteristic that makes a brand to become a real luxury brand.

More important seemed to be the availability element' in the overall concept of the luxury brands. It was revealed that the greater the accessibility to merchandise of the brand,

²*Hypotheses testing is related to qualitative results, so generalization is nor possible nor accurate. This testing process has to be validated and taken as a conceptual and relevant variable identification basis for quantitative research. The quantitative research is proposed as future research in the conclusions epigraph.*

the less exclusive and thus the less luxurious the brand will be perceived by consumers. Resulting from this, it can be said that if a price-based line extensions of a luxury brand results in an increased availability - which is more than likely the greater the extension will be - the likelihood of an inconsistent overall brand concept will increase. This variable supports hypothesis 1, but it has to be pointed out that if the availability of the brand is not affected by the line extension, hypothesis 1 would not be supported. Thus, Hypothesis 1 is only partially supported.

In addition to that the branding of the new line plays a vital role as well. As mentioned by the focus group participants, the inconsistency of the overall brand concept depends on whether or not a clear differentiation between the parent brand and the extended brand is possible. If there is no clear cut between the cheap and expensive line -for example through an obvious differentiated brand name- the overall brand concept is more likely to be perceived to be inconsistent.

An additional factor which affects to hypothesis 1 lies in the assumption that luxury goods are bought more for emotional, symbolism or hedonic motives than for functional ones. This idea was to some extent discarded by the participants, as they revealed that for buying a luxury good often a prime motivation is the superior quality, a rational one. This variable affects to hypothesis 1 to the extent that if the extension does not diminish the quality of the extended and original product, the downward price-based line extension would not affect the perceived consistency of the overall brand concept of a superior quality offering.

It was also revealed also that consumers might perceive a luxury brand that extends to a cheaper segment as dishonest and not trustworthy. Brands are often felt to have given a promise about their value proposition towards the consumer. In the case of luxury brands this promise is about their exclusive image and giving the consumer the feeling of owning something special among other emotional engagements with the brand. This promise is felt as being broken, if a brand suddenly engages in the mass market. In other words, consumers who trusted in a brand value promise feel betrayed.

Nevertheless, between the lines it could be seen that the respondents thought of themselves as hard workers and accordingly worth a luxury good. Following from this it can be concluded that the match in this case was obvious between the actual and ideal self, the way in which a person would like to perceive him or herself and would like to be seen by society (Sirgy, 1982) and the image of the brand. Sirgy (1982: 289) concluded in his research of various self-concept literatures that consumers will be stimulated to purchase a positively valued product to maintain a positive self-image (positive self-congruity) or to enhance herself by approaching an ideal image. Exactly this could qualitatively be witnessed by this research, as the participants thought of themselves being worth a luxury good due to their hard working life style.

After presenting the fictitious line extension, the image of the brand mostly changes through the changing image of the typical user of the brand. This can be said to be corresponding to a changing brand image, as Kressmann et al., (2006) have concluded that the brands image is often found in the stereotype image of the typical user of the brand. A consensus among the participants was that they would not like to be identified with or compared to a person who buys cheaper luxury goods only to be part of a certain kind of class. They did not like to be matched to the typical brand user of an extended line, which can

also be translated into incongruence between the brand image of the extended luxury good and the consumers' self-image. On this basis hypothesis 2 was supported by the research participants who perceived the match between their image and the image of the typical user of the extended brand as non coherent, due to the downward price-based line extension.

It again needs to be mentioned though that the support for hypothesis 2 is also only partially. It is only in place if there is no clear possibility to differentiate the typical users of the extended line and the original expensive luxury brand. If there is a clear branding separation, the typical users will not be interchangeable and accordingly a downward price-based line extension would not result in a weakened perceived congruence between the brand image and the consumer's self-image.

Research undertaken by Kressman et al. (2006) and Park et al. (1991) has proven the direct and indirect effects of self-image congruence on brand loyalty and the role of brand concept consistency in the consumers' evaluation of brand extensions. Consumers are said to be inclined to consume brands with a stable brand concept and a consistent match between this concept and ones own personality and decline to consumer those which are not (Foxall, 1980). Considering the results of this research, these statements can be proved for goods that are solely bought for image reasons to satisfy hedonic, symbolic or emotional needs, such as the majority of luxury good brands. Due to the resulting transformation of the typical user image, which is obvious to occur after a brand line extension penetrates a mass market the concept of the entire brand - according to the participants - is being altered. The fit between the image of the consumer and the image of the typical user cannot be matched anymore. It means, according to participants, that repurchase intentions are brought down which may be translated into a weaker loyalty.

Hypotheses 3a and 3b are thus supported for luxury goods that are solely bought because of the image, emotional and prestige value proposition given by the brand. If consumers perceive the concept of the entire brand to be inconsistent and not clear anymore, their emotions towards the brand may change and attitudinal loyalty diminishes resulting in a weakened behavioural loyalty, which supports hypothesis 3a. Similarly and in support for hypothesis 3b, if the consumers' perceived self-image is not congruent anymore with that of the brand, their repurchase behaviour becomes less predictable.

According to the findings of this research, goods that are bought for functional reasons or rational motives –i.e. because a superior quality-, have to be taken into account differently. It was argued that if the quality of the extended and original product stays the same, a question about the repurchase decision would be answered with yes if the brand is bought for quality attributes. In this case the concept of the entire brand evolves mostly around the superior quality offering as value proposition and not around any symbolic, emotional or hedonic attributes. Therefore, if the quality of the good stays the same, the brand concept is not altered. If the quality instead would diminish due to an extension, the quality concept of the overall brand would also suffer and a repurchase would not be as likely as before. Hypotheses 3a and 3b are thus supported by the findings.

As summarized in Table 4 in which relevant variables identify in the qualitative research are in the middle column, hypothesis 1 was supported for luxury goods that are solely bought for emotional or symbolic motives. Here the downward price-based line extension most likely increases the availability of the brand, which in turn diminishes the exclusivity character and thus alters the brand concept, resulting in an inconsistent brand

concept from the viewpoint of the consumer. Luxury goods that fall out of the pure image associations, i.e. brands that are bought for their superior quality, do not suffer from an inconsistent brand concept after a price-based line extension as this does not automatically diminish the quality proposition or promise of the brand towards the consumer. For this reason and only for functional brands hypothesis 1 is not entirely supported.

Table 4. Illustration of Research Result Discussion and Hypothesis Testing

Hypotheses	Results or variables identify in qualitative research to be used in quantitative research	Hypothesis Test*
1. The greater the downward price-based line extension, the less consistent the perceived overall brand concept	- price if not prevailing determining attribute of luxury brand - if downward price-based extension increases availability of brand, clear inconsistency with brand concept (+) - difference between pure image-brands and functional-brands bought for quality (-)	Partially supported
2. The greater the downward price-based line extension, the weaker the perceived congruence between brand image and consumer self-image	- no identification potential with prevailing typical user image of extended lines (+) - incongruence between self-image of former consumer and typical user image of extended line (+) - congruence between self-image and typical user image of overall brand depends on extend of differentiated branding (-)	Partially supported
3a. The weaker the perceived brand concept consistency, the smaller the loyalty to the luxury brand	- loyalty for luxury goods that are solely bought for hedonic reasons negatively affected by weakened brand concept consistency (+) - loyalty for luxury goods that are bought for functional reasons not affected, as long as quality promise is being upheld, but this in turn implies the consistency of the brand concept (+)	Supported
3b. The weaker the consumers' self-image congruence, the smaller the loyalty to the luxury brand	- loyalty status of consumers negatively affected by incongruent fit between self-image and image of brand after line extension (+) - incongruent self-image' mostly due to changing typical user image of extension line - significance of negative effect dependent on magnitude and distance of extension	Supported

Source: the author themselves

*Pending validation using quantitative research

Hypothesis 2 is supported if the differentiation potential between the two brands -the extended brand and the parent brand- is minimal. This lack of differentiation may result in a mismatch between the new typical user image of the brand and the self-image of the former

consumers. If the branding of the new extension line clearly differentiates between the two users - the typical user of the cheap line and the typical user of the old expensive line - the self-image of the former consumers is still congruent with the image of the parent brand, which, in this case, does not support hypothesis 2.

Taken together, if both an inconsistent brand concept (H3a) occurs due to a downward price-based line extension and a resulting incongruent self-concept or mismatch between the consumers' image and the image of the brand (H3b), loyal attitudes towards the luxury brand will diminish and consumer repurchase behaviour will diminish also. These results support H3.

5. Conclusions, Managerial Implications and Limitations

The first objective of the current study was to research on affected variables by brand line extensions in the luxury goods market. All hypotheses were based on the price variable, which according to the literature reviewed seemed to be a crucial characteristic of luxury goods. However it was seen that the price is actually only an instrument to keep the availability of the brand and its goods restricted and therefore not the dominant variable characterising luxuries. The most affected variable in this research was the exclusivity image of the luxury brand, which makes it unique and special to the consumers.

In their research Kirmani, Sood and Bridges (1999) conclude that the consumers' evaluation of line extensions based on price depends on a function between the brands image, which in the case of this study was called the brand concept, the stretch direction and the ownership status. These three already developed aspects were set as predispositions for this research. The study was manipulated with the concept of the brand -a luxury goods brand- the stretch direction, which in this case was set to be a downward price-based stretch and finally the ownership status, as only consumers of luxury brands took part in the study.

After examining the results of the research, which validated the three mentioned aspects, the list can now even be added by two further attributes which influence the consumers' evaluation of price based line extensions. These attributes identify in the qualitative step are actually variables to take into account when researching in the quantitative step which has to follow in future research (see table 4). These two aspects are the actual magnitude of the extension -how far into the mass market the extension goes or how much the availability of the brand is increased- and the branding strategy or how differentiated in their name and concept the extended line and the parent brand are. Marketers who consider extending their brand need to be aware of these five aspects that predisposition the consumers' evaluation of line extensions based on price. As seen by the research, if the mentioned variables are not managed correctly, consumers may perceive the concept of the brand as inconsistent and not matching their own self-image anymore resulting in a declines attitude towards the brand. If nothing in exchange for this lost is then offered, former loyal consumers may apart from the brand and focus their purchase intentions on brands that do still offer their wanted value propositions.

Therefore it can be said that attitude towards a luxury brand and its extension is affected by brand availability. The more available a luxury brand is, the less favourable the consumers' attitude towards the overall brand is. Also, emotions towards the brand may be altering. This went as far as refusing to buy the brand if too many people owned the brand already. Consequently when considering to extend a luxury brand a prevailing exclusivity

character needs to be maintained, whether through a superior price (if the extension is not based on the price) or through other variables, such as limited distribution through exclusive dealers. Otherwise, the further the downward price-based line extensions will enter the mass market segment, the more inconsistent the overall brand concept will become and the less identification potential of the consumer with the brand image will be left resulting in an incongruent self-concept.

Also, from the research results consumers seems to have the desire of something special, whether it is a unique good or a special service or lifestyle. Thus, is important for marketers to sustain the perception of exclusivity portraying something special around luxury in order to keep their consumers. If an extension into mass markets is planed as part of the marketing strategy to increase sales, an alternative for the current affluent consumers needs to be developed. This may take the form of a special new product tailored for the need of the affluent consumers, or a specialist service surrounding the purchase experience of the luxury good.

A further research objective was to gain an insight into the psychological motivations and emotions of luxury goods consumers in order to explore the role of brand concept consistency and self-image congruence in maintaining brand loyalty. Although in general, it can be said that the theory of conspicuous consumption is somehow still valid, the results of this research suggest some new insights on motives to buy luxury brands. Consumers still buy goods for expressive reasons to build an image of themselves to the outside world, but more over even in order to reward themselves for their achievements - thus an intrinsic self-esteem motivation. This is important information for brand managers to meet the consumer's self-image with the concept or image of the brand, as the consumer likes to reward him by merchandise that is perceived to be exclusive. This exclusiveness though does not depend on the price of the goods, but more on the availability of the brand. In considering extending a luxury goods line therefore, it is of significance to keep certain exclusivity through a restrictive availability of the core brand. From the outset a restrictive availability and a extension into the mass market seems to be contradictory, but the solution behind this lies in the branding or managed differentiation between the extended sub-line and the parent brand. Managers of luxury brands need to be aware of the magnitude and distance of the extension they are going to introduce to the market. How far into the cheaper market the brand will be extended and accordingly how excessive its availability will be – the magnitude - and how differentiated the extended line will be from the parent brand - the distance of the extension. Only if the branding strategy of the extended line clearly denotes a difference to the parent brands attributes and value propositions will the brand concept be in place and a congruence between the consumer self-image and the image of the brand will happened.

A relevant implication in respect to the motivations of consumers to buy luxury goods was found in the actual functional attributes of the goods. Although it was stated that most consumers are not functionally oriented but only affected by symbolism associated to brands, the results of this study have shown that a condition for the purchase of luxury goods is also the functional attribute of quality. For this reason the marketing between brands appealing to hedonic, emotional or symbolism motivations needs to be crucially differentiated to those brands that have built up their brand concept mostly on functional attributes such as a superior quality offering. In the case of a mixed concept between emotional and functional value propositions an in-depth segmentation of the target markets according to either of the two value propositions is advisable to marketers in order to successfully reach the consumers needs.

This research has to be seen as a preliminary stage in the entire research process about this topic, as all data found out in this research is of qualitative nature. The sample size used was also limited. Only one focus group discussion and two in-depth interviews were utilized to collect relevant data. This again limits the research and future research could extend and corroborate the findings by increasing the qualitative sample. This is a limitation to the current research as the data may not be generalized as such due to the missing quantitative support.

Although the results do give important insights into the effects of downward price-based line extensions, the actual magnitude of the effects may vary across different brands of luxury goods and services such as Hotel and travel, spa and resorts, technology or furniture and decorations, and other variables such as nationality. This research was only undertaken in one country, which again limits the ability to generalize the findings across other countries. Luxury goods may have a totally different status and image in different countries depending on the ethnicity, religion or culture of people and as a result the findings of the study may be different (see Shukla, 2011). An interesting study approach would thus be for example to compare the research results of a European country with those of Russia or an Asian country, where luxury goods play a totally different role in society and the class differences amongst the people are a lot more portrayed and noticeable. Through the findings of such a comparison research especially international brand marketers could be helped to market their brands in accordance to the different demands around the world.

Additionally, future research regarding this topic should try to concretise the meaning of luxury even further, as it was sometimes challenging in this current study to find a consensus among the participants as to what kind of luxury was subject of the study. In this case the word "Luxury" was often taken as a generalized concept and it was seen that it is a very objective phenomenon. What some people refer to as luxury does not necessarily by all means to luxury to other people. Future research should try to test the findings of this study with concrete narrowly defined luxury concepts of specific brands in order to give the research a more tangible basis.

Finally some problems with the Aaker (1997) framework appeared to limit the research to a certain extend. The participants had difficulties applying the concept of Aaker (1997) to the personality of their ideal luxury brand as the framework did not include all traits from participants. Due to this the evaluation of the match between the consumers' self-image and the luxury brands personality turned out to be more difficult than expected.

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