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Fuchs Christoph and Emanuela Prandelli and Martin Schreier and Darren W. Dahl

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# All That Is Users Might Not Be Gold: How Labeling Products as User Designed Backfires in the Context of Luxury Fashion Brands

An emerging literature stream posits that drawing on users rather than internal designers in new product creation may benefit firms because the resulting products effectively satisfy consumer needs. Four studies conducted in the context of the luxury fashion industry uncover an important conceptual boundary condition of this positive user-design effect. Contrary to extant research, the results show that being “close” to users does not help but rather harms luxury fashion brands. Specifically, the authors find that user design backfires because consumer demand for a given luxury fashion brand collection is reduced if the collection is labeled as user (vs. company) designed. The results further reveal the underlying rationale for this reversal: user-designed luxury products are perceived to be lower in quality and fail to signal high status, which results in a loss of agentic feelings for the consumer. The authors explore several strategies luxury brands can pursue to overcome this negative user-design effect. Finally, they find that negative outcomes of user design are attenuated for luxury fashion products that are not used for status signaling—that is, product categories of a luxury brand that are characterized by lower status relevance for the consumer.

*Keywords:* cocreation, fashion, luxury brands, user innovation, social comparison

It seems that harnessing users’ creative potential has come of age; if realized wisely, it might constitute a significant source of competitive advantage. Specifically, some have argued that “user design” (i.e., drawing on users’ ideas and designs for new products) can enable firms to reduce new product development (NPD) costs, improve time to market, and, most important, derive innovative products that are better at meeting consumer needs and wants (e.g., Hoyer et al. 2010; Lilien et al. 2002; Ogawa and Piller 2006; Von Hippel 2005). In the context of the baby products firm MAM, for example, research has found that user-created

ideas outperformed ideas generated by the firm’s NPD team in terms of novelty and customer benefit (Poetz and Schreier 2012). Compared with internally developed ideas, field data from the consumer goods brand Muji has further revealed that products based on user ideas actually performed better on the market in terms of aggregate sales revenues and profit margins (Nishikawa, Schreier, and Ogawa 2013).

Beyond any such promising examples of positive user-design outcomes, the final identification of who designed a given product (i.e., users versus a company’s designers) seems to have more subtle implications for the broader market as well (Fuchs and Schreier 2011; Moreau and Herd 2010). Recently, Schreier, Fuchs, and Dahl (2012) found that consumers evaluate a product more positively and indicate stronger purchase intentions if it is labeled as created by users versus the firm’s internal designers. Although the technical extent of user design might differ from firm to firm (ranging from merely pointing out ideas to submitting ready-to-make designs), the important implication for marketers in general (and our research in particular) is that the source of design can affect consumer preferences at the point of purchase. This is because consumers often can easily observe the source of design, for example, on the tag inside the product, on its packaging, and/or on the firm’s website. The apparel company Threadless features the user-designer’s name on the tag inside its T-shirts and even ships every product with a card emphasizing that like-minded others create its designs (“You are Threadless. You make the

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Christoph Fuchs is Assistant Professor of Marketing, Rotterdam School of Management, Erasmus University Rotterdam (e-mail: cfuchs@rsm.nl). Emanuela Prandelli is Associate Professor of Management, Bocconi University (e-mail: Emanuela.Prandelli@sdabocconi.it). Martin Schreier is Professor of Marketing, Vienna University of Economics and Business (e-mail: Martin.Schreier@wu.ac.at). Darren W. Dahl is Fred H. Siller Professor in Applied Marketing, Sauder School of Business, University of British Columbia (e-mail: Darren.Dahl@sauder.ubc.ca). All four authors contributed equally and are listed in random order. The authors thank three anonymous *JM* reviewers for their invaluable help with earlier versions of the article. Thanks also to Selin Atalay, Paola Cillo, Michele Filipponi, Monika Lisjak, Joe Nunes, Nailya Ordabayeva, Bram van den Bergh, Morgan Ward, and Caleb Warren for feedback on earlier drafts and to Pietro Dugato, Simin Fritz, Vittorio Genco, Rebecca Mocellin, Camille Roegiers, Valerio Romanelli, and Eduardo Safi for their support and help with the empirical work. Financial support from the Danish Strategic Research Council (research grant 09-067157) is acknowledged. Alexander Chernev served as area editor for this article.

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ideas, you pick what we sell, you're why we exist. Join us, why don't you?"). Similarly, LEGO sells user-designed toys that prominently promote the source of design on the product's packaging ("designed by LEGO fans").

In this article, we extend this line of research by testing whether the benefits attributed to the strategy of identifying products as user designed are generalizable to different product contexts. Indeed, does a user-design labeling strategy benefit all products? We empirically examine this question in the context of the fashion industry, which generates more than \$1.5 trillion in sales each year (Datamonitor 2011). Note that it is common in the fashion industry to actively market the source of design (e.g., Gucci by Tom Ford, Givenchy by Riccardo Tisci). From a substantive perspective, the fashion industry seems well suited for our study because many users are highly involved in fashion and its brands. The complexity of designing fashion items—compared with high-complexity products such as cars, aircraft, and nuclear plants—is also relatively low. Thus, the aforementioned "objective" benefits of user design appear promising.

Fashion brand managers seem to have realized this already. The handbag brand Coach, for example, recently invited its users to participate in a "Design a Coach Tote" initiative, which resulted in 3,000 user designs, the best of which were produced by the brand. Even high-end luxury brands have jumped on the user design bandwagon; fashion brands such as Oscar de la Renta, Fendi, and Anita Dongre rely on crowdsourcing to generate new product ideas and designs. Alex Bolen, chief executive officer of Oscar de la Renta, stated, "We like the idea of trying to collaborate with our fans. There are people who love our brand and have ideas about what would be beautiful" (Holmes 2012). Notable fashion magazines have also recognized the importance of this trend. In a personal conversation, Sara Maino, senior editor of *Vogue Italy*, opined, "Luxury fashion has to bring new ideas from the market inside the industry. The rules of the game have changed. Contests to identify new talents are fundamental to get fresh ideas. That's the reason why *Vogue* is deeply committed [to] sponsoring such initiatives."

Importantly, the search for better products may be just one driving motivator for fashion brands to employ user design. In addition, such brands are likely to target the broader mass of consumers by, for example, inviting them to participate in online voting processes, which may increase their involvement with (and, ultimately, their commitment to buy) the brand (Fuchs, Prandelli, and Schreier 2010; Schau, Muñoz, and Arnould 2009). Indeed, Coach's initiative produced a significant amount of online chatter; more than 100,000 customers rated the user designs, and more than 6 million page views resulted from the campaign. Similarly, Anna Rihl, a former designer for luxury brands such as Christian Lacroix, founded the label useabrand, in which fashion items created by the designer are sold next to user-designed ones. As she recently explained in an interview, "We thought about how we could make the brand more exciting.... We wanted to do something where people can codetermine and have influence on the brand" (Lea 2010).

What happens, however, in the case of observing consumers—the larger fraction of potential customers—who do not participate in any of these cocreation activities? If a given fashion item is prominently labeled as user designed, will these consumers develop a similarly positive attitude for such products, as prior research has demonstrated? In addition, what role does the underlying brand play in this context? Answers to these questions will guide fashion brands as to whether they should (continue to) rely on user-design initiatives in the first place and, if so, whether they should actively credit users as the source of design in their marketing efforts. These answers are not obvious. On the one hand, the fashion industry has always distanced itself from consumers (Kapferer and Bastien 2009b); fashion brands "are experts at controlling their image and their brand equity," and this control "implies a top-down, we-know-best-and-we-won't-listen-to-you attitude" (Colyer 2007). On the other hand, being active in the emerging Web 2.0 era seems to be an imperative for any brand. Forming stronger bonds with their user communities would enable brands to become truly customer oriented, which could positively affect purchasing behavior (Fuchs and Schreier 2011; Schau, Muñoz, and Arnould 2009). This trade-off between maintaining distance versus closeness with users prompts some "some soul-searching among [fashion] brands as to what their social personality should be" (Corcoran 2010).

Although we believe that a user-design label may benefit mainstream fashion brands, we posit that it may backfire in the context of luxury fashion brands. Luxury fashion brands are defined as brands that entail the highest level of quality and are thus premium priced (e.g., Prada, Burberry, Louis Vuitton; Berthon et al. 2010; Hansen and Wänke 2011; Silverstein and Fiske 2003). Mainstream fashion brands, in contrast, are defined as brands that entail a lower but reasonable level of quality; consequently, they are also more affordably priced (e.g., Diesel, Replay, H&M; Lee, Motion, and Conroy 2009). We developed our core prediction of a negative user-design effect in the context of luxury fashion brands by drawing on the psychological literature on social distance and comparison (e.g., Locke 2003; Wood 1996). In short, we argue that being "close" to users does not help but rather harms luxury fashion brands, because user design hinders consumers from signaling high status. Indeed, compared with products created by a company's elite product designers, we believe that user-designed products will be ineffective in creating feelings of high status, defined here as agentic feelings of being advantaged, superior, and worthy compared with others (Locke 2003).

Here, we present four experiments that conceptually extend current thinking on user design. Whereas prior research has analyzed user-design labeling strategies in the absence of high-equity brand names (e.g., Schreier, Fuchs, and Dahl 2012), we test for such user effects in the context of highly familiar brands. In addition, previous research has not addressed how user-design labeling strategies affect consumer behavior in the fashion context; our studies thus contribute to a better understanding of its impact in this multibillion-dollar industry. More generally, we also provide a first test of whether a user-design labeling strategy

affects the product's more subtle signaling qualities for the consumer.

Study 1 first demonstrates that the positive user-design effect documented in prior research replicates for established mainstream fashion brands such as Diesel, H&M, and Replay. This is encouraging news for marketers in this brand tier (i.e., market space) who are interested in pursuing user design. We also find, however, that the effect fully reverses for luxury fashion brands such as Prada, Gucci, and Louis Vuitton. Study 2 sheds light on this reversal by exploring why consumer demand for luxury fashion brand products is reduced if they are described as user designed. First, we find that the user-design cue negatively affects design quality perceptions for the consumer. Second, we find that the social signaling of user-designed luxury products fails to provide the agentic feelings characteristic of internally designed luxury products. It seems that the social distance created by high-status signaling, inherent to luxury brands, is compromised by user-designed products. Both these factors underlie the reduced demand for user-designed luxury fashion products.

Study 3 identifies several strategies luxury fashion brands can pursue to mitigate the negative implications of user design. Specifically, we find that consumers resonate more positively with user design if the users in question have social distance from "regular" consumers. We show that communication strategies in which users are (1) legitimized by the brand's head designer, (2) described as artists, or (3) linked to celebrity status attenuate the identified negative effects of user design in the luxury fashion brand context. Finally, Study 4 demonstrates that negative user-design effects are also mitigated if the product category is characterized by lower status relevance. We define a product category here as status relevant if status considerations are important for the purchase decision and if consumers use the product for status signaling. Our findings imply that luxury fashion brands can involve their users as long as signaling high status is not integral to the product category (of the luxury brand) being purchased.

## The Negative Effect of User Design in Fashion

### *The Fashion Industry, Its Brands, and the Source of Design*

The word "fashion" is broadly defined as the style or styles of clothing and accessories worn at any given time by groups of people (see, e.g., [www.merriam-webster.com/dictionary/fashion](http://www.merriam-webster.com/dictionary/fashion)); the fashion industry per se comprises apparel and related accessories (e.g., handbags, shoes, scarves) for which the "change in the design of things for decorative reasons" is particularly important (Robinson 1961, p. 376; Sapir 1931; Sproles 1981). Thus, fashion products can be defined as products for which the design, aesthetics, and style hold primary importance for the consumer (see, e.g., [www.businessdictionary.com/definition/fashion-goods](http://www.businessdictionary.com/definition/fashion-goods)). Note that we do not equate "product" with "brand"; whereas the product is the specific item being purchased (e.g., pants), the brand is the umbrella label under which the

product is marketed (e.g., Prada). Although fashion brands may differ on multiple dimensions, we differentiate them for our research purpose along the extent to which they offer luxurious products.

Luxury is derived from the Latin word *luxus*, which translates to "excess"; luxury products in general thus refer to products that lead to a condition of abundance, things that provide pleasure or comfort but are not absolutely necessary (see <http://www.merriam-webster.com/dictionary/luxury>). Thus, as noted previously, we define luxury fashion brands as brands that offer premium-priced products that entail the highest level of quality (e.g., Prada, Burberry, Louis Vuitton; Berthon et al. 2010; Hansen and Wänke 2011; Silverstein and Fiske 2003). In contrast, mainstream fashion brands are brands that offer products of a lower but reasonable level of quality. Consequently, they are also more affordably priced (e.g., Diesel, Replay, H&M; see Lee, Motion, and Conroy 2009).

Although luxury brands are typically perceived to have "better" internal professionals (i.e., product designers; Dubois, Laurent, and Czellar 2001), brands in both fashion tiers traditionally rely on internal experts to conceive new product designs. We define a product created by an internal product designer as one for which a professional employed by the brand conceives the original design. In contrast, a user-designed product refers to one that has been created by a user who resides outside the contractual boundaries of the firm. A "user" is a consumer or community member who primarily realizes a product's benefits by using it (Von Hippel 2005).

As we noted previously, the technical extent of user design in practice may differ from firm to firm; the important implication for our research, however, is the mere *labeling* of the source of design, which is independent of the actual extent of user design. Note that in both cases—user design and internal design—it is the firm that ultimately translates any given design into a marketable product. Thus, attributes that contribute to final product quality beyond the aesthetic design appeal (e.g., materials, manufacturing quality) are not affected by the mere source of design.

In the following conceptual discussion, we focus on luxury fashion brands and their products to develop the prediction of a reversal of the previously identified positive user-design effect (Schreier, Fuchs, and Dahl 2012). We note, however, that we integrate mainstream fashion brands as an empirical benchmark in Study 1.

### *Quality Perceptions and the Source of Design*

Would consumers evaluate the same product differently if it were described as user designed versus created by internal designers (i.e., company designed)? At first sight, consumers can readily observe and assess the aesthetic appeal of a given product, marketed under the umbrella of a given brand, and any secondary information, such as the source of design, should not be relevant. Yet we argue that such a bias may exist, particularly in the case of luxury fashion brands, which possess the highest level of design equity (i.e., an established reputation for design quality, innovation, and functional excellence; Bruce and Kratz 2007; Dubois, Laurent, and Czellar 2001; Okonkwo 2007). Whereas fashion



brands and their internal experts have continuously “proven” their skills and ability to conceive high-quality designs, consumers may perceive users to lack the related expertise. As Moreau and Herd (2010, p. 807) note, “Professionals often have a significant advantage, either real or perceived, over consumers, in terms of their knowledge, training, and experience.” Similarly, Ulrich (2007, pp. 5–6) argues that firm professionals “have acquired skills and capabilities that allow them to perform most design tasks ... at a higher level of quality.” Even compared with professionals employed by an unknown brand (“Company X”), Schreier Fuchs, and Dahl (2012, p. 23) find that consumers associate users with lesser design expertise. For our research, we thus argue that users would likely not be perceived as having the artistic skill to create high-quality fashion or to possess the authority to determine what constitutes the next fashion trend.

This line of reasoning seems particularly likely to hold for brands that are strongly driven by their founding head designers (e.g., Giorgio Armani for Armani, Domenico Dolce and Stefano Gabbana for Dolce & Gabbana). However, due to their existing brand equity, it should also hold for luxury fashion brands whose head designers are less prominent or even unknown to lay consumers (e.g., Burberry, Hermès, Louis Vuitton). In summary, we propose that people will evaluate the quality of a given luxury fashion product less favorably if it is described as user (vs. company) designed and that this bias will negatively affect consumer demand for user-designed fashion products.

### ***Symbolic Signaling and the Source of Design***

In addition to buying fashion products for the sake of their functional and aesthetic design qualities (Rucker and Galinsky 2009), extant research suggests that a second independent driver of consumer behavior may be the fashion products’ “symbolic significance for the expression of the ego” (Sapir 1931, p. 144); in other words, and as stated by nineteenth-century writer Gottfried Keller ([1874] 1929; and Shakespeare before him), “Clothes make the man.” Fashion products are thus highly identity relevant; they help develop and form a person’s self-concept and communicate it to others (e.g., Escalas 2004; Fournier 1998; Goffman 1959; Richins 1994; Robinson 1961). From this perspective, which can be traced back to Veblen’s ([1899] 1994) seminal work in *The Theory of the Leisure Class*, buying and using fashion products serves as a vehicle for consumers to signal to themselves and others who they are or who they want to be (e.g., Douglas and Isherwood 1979; Fournier 1998; Schmitt and Simonson 1997; Wernerfelt 1990). Fashion can thus be regarded as a “costuming of the ego” (Sapir 1931, p. 143).

Conceptually, the signaling motivation that underlies luxury fashion consumption can be understood with the help of psychological literature on social distance and comparison (e.g., Locke 2003; Wood 1996). Social comparison is defined as the “process of thinking about information about one or more other people in relation to the self” (Locke 2003, p. 619). A fundamental dimension of social comparison is status or vertical comparison—that is, whether “a comparison target is perceived as standing

above the self (an upward comparison) or below the self (a downward comparison)” (Locke 2003, p. 619). People typically perform such vertical comparisons along characteristics that share a common basis for evaluation, such as wealth, academic standing, or physical appearance, given that most people prefer to have lots of money, good grades, and good looks (Festinger 1954; Locke 2003).

Psychologists have found that people feel better when making downward versus upward comparisons—that is, when they perceive themselves to be superior versus inferior to others (Giordano, Wood, and Michela 2000; Locke and Nekich 2000; Olson and Evans 1999; Wheeler and Miyake 1992). More specifically, vertical comparisons are predictive of feelings of status (agentic feelings): in the case of downward comparisons, for example, people tend to feel confident, advantaged, superior, and worthy (Locke 2003).

A natural correlate of this discussion is the facilitation of comparison through the fashion industry’s effective brand positioning, known simply as the “fashion pyramid” (Kapferer 1992). High-end luxury brands such as Prada are at the narrow summit of the pyramid, positioned around a narrow, wealthy customer segment, and the pyramid progressively enlarges in diffusion and clientele, comprising mainstream labels such as H&M. The narrow target of fashion luxury brands (Kapferer and Bastien 2009b; Silverstein and Fiske 2003), however, does not fully explain the more than \$200 billion that these brands generate globally each year (Datamonitor 2011). Instead, people “outside” their core target segment account for a significant portion of luxury brands’ sales: while “luxury products are the ordinary products of extraordinary people,” they are also “the extraordinary products of ordinary people” (Kapferer 2010, p. 44). Because luxury brands are positioned around a wealthy, upper-class segment, displaying such possessions might enable consumers to signal a high rank in society and, consequently, to have high status (Belk, Bahn, and Mayer 1982; Berger and Ward 2010; Han, Nunes, and Drèze 2010; Silverstein and Fiske 2003). Luxury brands thus stimulate vertical comparisons, create social distance, and facilitate a downward comparison accompanied by a boost in agentic feelings (e.g., feeling superior to others). Note that status signaling, however, is not a definitional component of luxury fashion brands. Although signaling may be important to some, it is not critical for all consumers (Rucker and Galinsky 2009).

For our research, this implies that the mere source of design (users vs. internal designers) may influence the signaling qualities regarding vertical comparisons. In particular, we predict that the same fashion brand’s product will be less effective in enabling a downward comparison along the vertical status dimension if it is described as user (vs. company) designed, because the brand becomes naturally intertwined with or contaminated by users (Argo, Dahl, and Morales 2006)—a population, compared with a firm’s elite experts, that is unlikely to be associated with high status. Indeed, the popular press and fashion firms themselves have effectively linked fashion designers directly to status and wealth (e.g., Bye 2010; Manlow 2009; Tungate 2008), whereas a stereotypical user has been framed as an everyman in press coverage related to user design (e.g., Finkel-

stein 1996). Thus, it follows that user-designed products of luxury fashion brands would be less capable of generating agentic feelings for the consumer (compared with company-designed products) in social comparison. In summary, both different design quality perceptions and different signaling qualities underpin the expectation that consumers' demand for a luxury fashion brand is reduced if the brand is described as user (vs. company) designed.

H<sub>1</sub>: Labeling a luxury fashion brand's product as user (vs. company) designed reduces consumer demand for that product (the "negative user-design effect").

H<sub>2</sub>: The negative user-design effect is due to (i.e., is mediated by) a reduction in both (a) perceived design quality and (b) agentic signaling qualities for the luxury fashion brand's product.

### **Mitigating the Negative Implications of User Design**

If negative implications for user design are validated in the luxury fashion context but luxury brands still seek to pursue user design (e.g., because of potential positive effects on *objective* product qualities and brand involvement among participating users, as noted previously), one might ask what strategies the firms could use to avoid negative outcomes. Guided by our proposed process account (H<sub>2</sub>), we test three strategies that have the potential to increase social distance between the consumer and the identified user-designer. We argue that creating distance with respect to status hierarchy (i.e., making the user-designer unique or special in some way) will (1) enable the social distance that facilitates downward comparison, (2) better fit the luxury moniker of the fashion brand, and (3) produce design quality perceptions and agentic feelings on the part of the consumer.

One strategy is to "legitimize" the winning user-designers by launching communication campaigns that proclaim approval from the company's internal design authorities. If, for example, Prada's head designer signals approval of the user-designers by overseeing the selection process and/or by reflecting on their great potential, these winning users may become distanced from ordinary users. Indeed, this validation may lead to a boost in their perceived positioning on the respective skill and status ladder. Consumers might even prefer people with high potential—particularly if they are accredited by an accepted authority—over experts that have already realized their potential. This is consistent with recent research in social psychology demonstrating that people often prefer "potential" over (realized) "achievement" when evaluating others in domains such as sports (athletes), entertainment (comedians), and academia (graduate students; Tormala, Jia, and Norton 2012). We therefore suggest that some form of firm-sponsored legitimization may positively affect both perceived design quality perceptions and agentic feelings associated with the fashion brand. It follows that communicating this legitimization would likely attenuate the negative implications of user design in the luxury fashion context.

A second strategy involves simply avoiding the word "user" in a firm's communication efforts. The word "user" presumably activates associations with ordinary consumers. This, in turn, may negatively affect design quality percep-

tions as well as agentic feelings; as Groucho Marx put it, "I refuse to join any club that would have me as a member." If the firm instead described user-designers as "artists," the negative effects might be attenuated. Note that this idea is not unethical: an artist is defined as "one ... who is able ... to create works of aesthetic value" (Free Online Dictionary [<http://www.thefreedictionary.com/Artist>]). By definition, a winning user-designer meets this criterion. Note that some user-driven firms already use this strategy. Threadless, for example, markets user-designed T-shirts and features winning user-designers' biographies under the title "Artist Stories: Meet the masterminds behind the designs!"

Although consumers may think of laypeople when reflecting about users, they may do so to a much lesser extent when reflecting about artists. In the case of artists, consumers may more readily activate favorable associations similar to those linked to luxury brand designers (particularly regarding skill and status). Essentially, the words "luxury" and "arts" are conceptually interlinked (Hagtvedt and Patrick 2008); branding scholars (Kapferer and Bastien 2009a, p. 74) even recommend that managers of luxury brands "cultivate closeness to the arts for [luxury] initiatives." Indeed, luxury brands often market collections designed by artists (e.g., tattoo artist Scott Campbell or modern artist Takashi Murakami for Louis Vuitton; artist Irena Komadinic codesigning a collection of couture dresses for the luxury fashion brand Breeyn McCarney). Importantly, the specific artists are often not well known to the general public before the initiative, but it seems that being labeled as an artist is sufficient to stimulate favorable consumer reactions. For our study context, we thus predict that if user-designers are described as artists, the negative effects of user design may be attenuated.

A third strategy involves carefully selecting the user population invited to participate in product design. In particular, luxury brands may decide to involve only celebrity users. Celebrities typically hold an elevated status, and although the reason for this status differs from that of fashion designers, the social distance achieved by this population in an unrelated context is likely to transfer to the fashion brand (Bye 2010; Okonkwo 2007). Indeed, we argue that status per se will enable social hierarchy for user design and facilitate the downward social comparisons that underlie luxury fashion brands. Luxury brands that have recently involved celebrities in product design with successful outcomes (e.g., Nicky Hilton for Samantha Thavasa, Rihanna for Giorgio Armani; Okonkwo 2006) demonstrate face validity for this logic. Thus, we predict that celebrities constitute a potential user population that creates social distance, activates perceptions of design quality, and enables agentic feelings, thereby mitigating the negative outcomes of user design. In summary, we predict the following:

H<sub>3</sub>: The negative user-design effect is attenuated if users (a) are legitimized by the firm, (b) are described as artists, or (c) are celebrities.

### **Status Relevance and Product Category**

Do the identified negative implications of user design hold for all product categories marketed under a fashion luxury

brand? At first glance, one might argue that this effect should hold universally across the brand's entire product range. Indeed, it is the specific luxury brand (e.g., its image, its logo), and not the product category per se, that boosts agentic feelings (e.g., Berger and Ward 2010; Han, Nunes and Drèze 2010). However, one might counterargue that it is the specific interplay between brand and product category that determines the extent to which a given product-brand bundle is instrumental in effective status-based social comparison. In other words, consumers may perceive variance in status relevance across a luxury fashion brand's products. Whereas a dress shirt or a pair of leather shoes, for example, may be adequate to signal high status, a T-shirt or a pair of sneakers may be less instrumental in achieving vertical status comparisons. Luxury brands sell product categories that range from exclusive fashion for formal events (e.g., evening gowns) to staples (e.g., underwear) and accessories (e.g., belts) that represent more accessible products for the consumer. More formally, we define a product category here as status relevant if status considerations are important for the purchase decision and if consumers use the product for status signaling.

This discussion is not only of theoretical interest; luxury brands regularly sell both types of products (Kapferer and Bastien 2009b). Indeed, market research studies have documented that the financial well-being of luxury brands depends heavily on the sales of more mainstream staples that are likely to be less status relevant (<http://www.euromonitor.com/luxury-goods>). Thus, an important boundary condition for our predicted main effects may be the status relevance of a given product category. We argue that variation in status relevance, with respect to the ability of

the branded product category to facilitate social comparisons, moderates the extent to which consumers perceive design quality and experience agentic feelings. We expect that for low-status-relevant product categories, the specific source of design should have less severe consequences on the product's signaling qualities (i.e., the reduction in demand for a user-designed item will be attenuated for these types of products). Formally<sup>1</sup>:

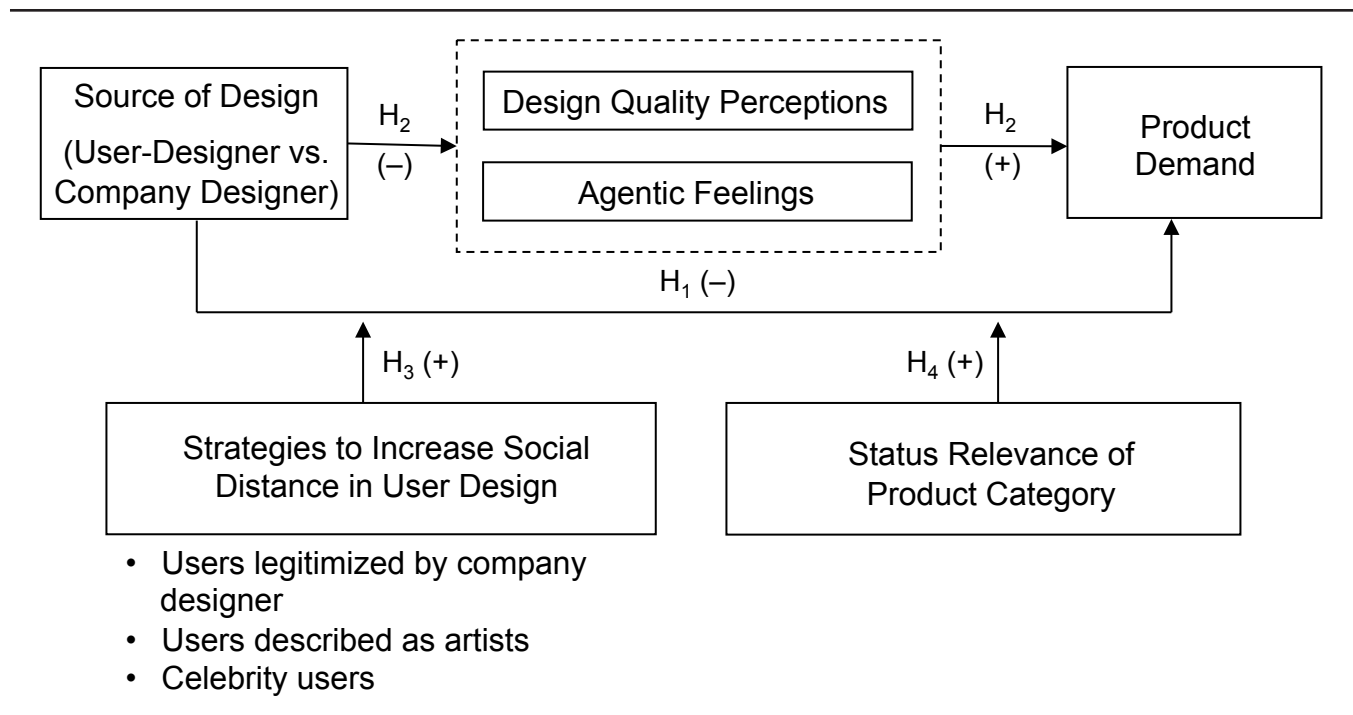
H<sub>4</sub>: The negative user-design effect is attenuated for low- (vs. high-) status-relevant products.

## Overview of Studies

Four experiments test our conceptual framework (see Figure 1). Study 1 validates the negative implications of user design for luxury fashion brands (H<sub>1</sub>). Study 2 provides a replication using full brand collections and establishes the role of design quality perceptions and agentic feelings in underlying these effects (H<sub>2</sub>). Study 3 then tests the postulated strategies firms can pursue to overcome negative outcomes from user design in the luxury fashion context (H<sub>3</sub>). Finally, Study 4 explores whether variance in the status relevance of specific product categories (within a luxury

<sup>1</sup>A validation of this prediction speaks against tautological concerns regarding H<sub>1</sub>. If the relationship were purely tautological, any product of a given luxury fashion brand labeled as user designed would necessarily lead to negative demand effects. If the negative user effect can be attenuated along the lines suggested in H<sub>4</sub>, however, the tautology argument is mitigated. A similar argument can be made in the validation of H<sub>3</sub>.

**FIGURE 1**  
**Conceptual Framework**



brand product portfolio) can moderate the identified effects (H<sub>4</sub>).

## Study 1

### Objectives

The objective of Study 1 is to provide a preliminary test of our prediction that user- (vs. company-) designed luxury branded fashion products will lead to reduced consumer demand (H<sub>1</sub>). We calibrate consumers' demand for user-designed luxury products against mainstream branded products. In contrast to luxury brands, user-designed products of mainstream brands may resonate positively among consumers (Schreier, Fuchs, and Dahl 2012). First, mainstream brands are typically not positioned around upper-class clientele; therefore, status signaling and agentic feelings are typically less relevant to the respective purchase decision. Second, mainstream brand customers may appreciate user design because it could make them feel closer to like-minded others, thus triggering communal feelings (e.g., Han, Nunes, and Drèze 2010; Locke 2003; Ordabayeva and Chandon 2011). Third, the respective design equity of mainstream brands is typically lower than that of luxury brands, which suggests that people may perceive user-designers to be more comparable to mainstream designers with respect to ability and output.

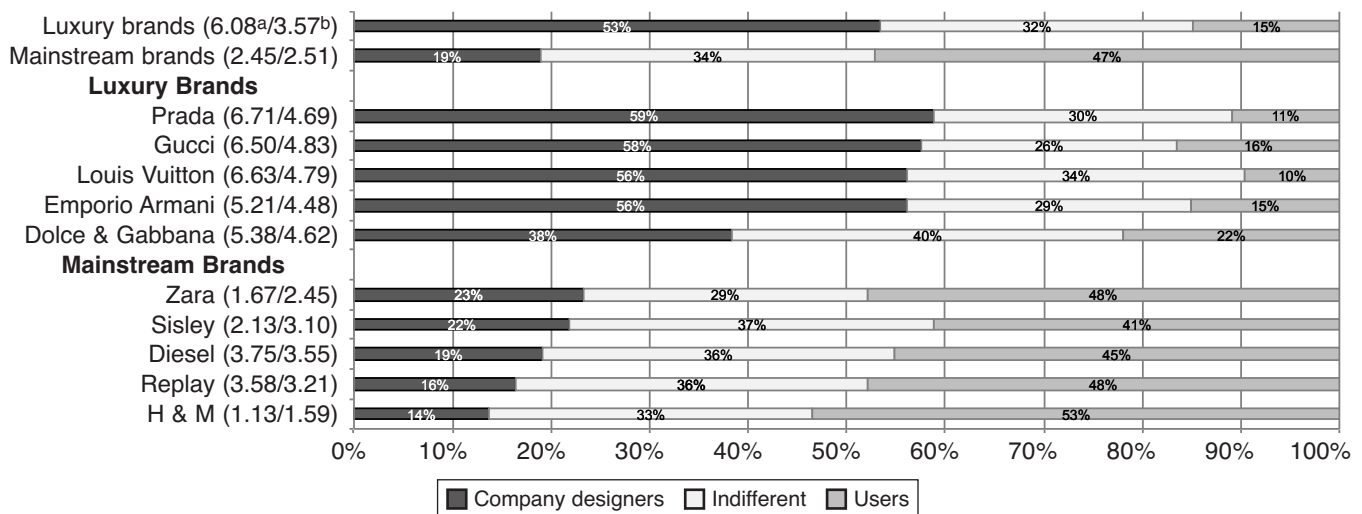
### Method

Participants in each of the reported studies were recruited at Bocconi University in Milan, Italy. Study 1 is a scenario-based experiment with a 2 (brand tier: luxury vs. mainstream) × 5 (brand replicates) within-subject design. We

exposed participants (n = 73 students; M<sub>age</sub> = 23 years; 62% female) to five representative luxury brands (Louis Vuitton, Prada, Emporio Armani, Gucci, and Dolce & Gabbana) and five mainstream brands (Sisley, Diesel, Zara, Replay, and H&M; all brands were presented in random order, and no order effects were noted). A pilot study validated the brand positioning as perceived by an independent sample of consumers drawn from the same population (n = 24). A repeated-measures analysis of variance (ANOVA) on brand luxury perceptions (1 = "mainstream brand," and 7 = "luxury brand") with the ten brands nested in their respective tiers revealed a significant main effect of the brand factor (M<sub>Luxury</sub> = 6.08 vs. M<sub>Mainstream</sub> = 2.45; F(1, 23) = 1,501.45, p < .001). Although there was some variance within the brand tiers, the lowest mean in the luxury tier was still significantly and substantially higher (M<sub>E. Armani</sub> = 5.21) than the highest mean in the mainstream tier (M<sub>Diesel</sub> = 3.75; for individual brand means, see Figure 2).

A second pilot study (n = 29 students) assessed the different signaling qualities of luxury versus mainstream brands. Participants indicated the extent to which fashion items of the ten brands triggered agentic feelings. Following the preamble ("How would owning and wearing a product of [brand] make you feel?"), participants completed a single-item scale for each brand ("I would have high status, I would feel better off than others"; 1 = "strongly disagree," and 5 = "strongly agree"; Locke 2003). A repeated-measures ANOVA on this item with the ten brands nested in their respective tiers revealed a significant effect of the brand factor. Consistent with our conceptualization, luxury brands are viewed as substantially more instrumental in agentic signaling (M<sub>Luxury</sub> = 3.57 vs. M<sub>Mainstream</sub> = 2.51; F(1, 28) = 17.39, p < .001; both means are significantly different from

**FIGURE 2**  
Demand for User- Versus Company-Designed Products Across Fashion Brands (Study 1)



<sup>a</sup>Brand position rated by independent sample (n = 24), where 1 = "mainstream brand" and 7 = "luxury brand."

<sup>b</sup>Brand position rated by independent sample (n = 29); "How would owning and wearing a product of [brand] make you feel? I would feel to have high status; I would feel better off than others"; 1 = "strongly disagree," and 5 = "strongly agree."

Notes: Brands were presented in random order.



the scale midpoint;  $ps < .05$ ). Although there was again some variance within the brand tiers, the lowest agentic mean in the luxury tier was still higher than the highest mean in the mainstream tier ( $M_{E. Armani} = 3.28$  vs.  $M_{Diesel} = 3.07$ ; for individual brand means, see Figure 1). In summary, the results of the two pilot studies validate the appropriateness of the selected brands in the two tiers and their related signaling qualities.

Participants in the main study were asked to imagine that they would find two items of the respective fashion brands to be similarly attractive: one that had been created by the designers working for the respective firm and one that had been designed by users. They were also told that a consumer report had assessed both items to be very fashionable and “in line” with the brand’s values, style, and personality. We operationalized product demand, our dependent variable, by asking participants to indicate which item they would choose to buy: the product created by company designers or the one created by users (or to report if they had no preference). Each respondent completed this scenario for the ten brands.

### Findings

A  $2 \times 5$  repeated-measures ANOVA on product demand ( $-1 =$  company designed,  $0 =$  indifferent,  $1 =$  user designed) revealed a significant main effect of the brand factor: consumers indicated reduced demand for user-designed products of luxury brands ( $M_{Luxury} = -.39$ ) compared with user-designed products of mainstream brands ( $M_{Mainstream} = .28$ ;  $F(1, 72) = 46.96, p < .001$ ). Furthermore, both means are significantly different from zero, indicating that consumers are not indifferent in terms of their preferences ( $t_{Luxury}(72) = 5.98, p < .001$ ;  $t_{Mainstream}(72) = 4.37, p < .001$ ). Only 15% of respondents chose the user-designed product marketed under the label of luxury brands, whereas 47% did so for mainstream brands. A proportion test further confirms that user-designed products experience significantly lower (higher) demand under the label of luxury (mainstream) brands ( $z = 9.45, p < .001$ ). Although there was some variance within brand tiers, the luxury brand with the strongest demand for the user-designed product (Dolce & Gabbana: 22%) had a user share that was only approximately half the share of the weakest mainstream brand (Sisley: 41%; for individual brand results, see Figure 2).

### Discussion

Study 1 suggests that demand for fashion products of a given brand depends on the communicated originator of the design: user versus internal designer. Notably, on average, only 33% of participants indicated indifference in choosing between a user-designed item and a company-designed item, even though both products were described as being aesthetically similarly attractive. Importantly, the direction of this demand depends on the brand’s positioning. Whereas mainstream brands experience an elevated demand for user- (vs. company-) designed products, this effect reverses for luxury brands, which provides preliminary support for our main prediction ( $H_1$ ). In Study 2, we extend these findings by also testing the process that under-

lies the negative effects of labeling a luxury fashion brand’s product as designed by users ( $H_2$ ).

## Study 2

### Objectives

The objective of Study 2 is to test  $H_1$  in a setting that comes closer to the point of purchase by exposing participants to actual fashion collections of luxury brands for which the source of design is manipulated between subjects. We further aim to test whether the different design quality perceptions and signaling qualities (agentic feelings) associated with user- versus company-designed items mediate the negative effects of user design ( $H_2$ ).

### Method

*Participants, procedures, and stimuli.* Participants were 222 students ( $M_{age} = 22$  years; 56% female) who participated in a concept test study of new fashion collections for the upcoming season. The study used a  $2$  (source of design: user vs. company)  $\times 3$  (luxury brand replicates: Gucci, Hermès, Armani) mixed-model design experiment in which the design source was a between-subjects factor and the luxury brand replicates were a within-subject factor. Brand selection was guided by a pretest in which respondents were provided with a definition of luxury brands and asked to indicate brands they liked in this tier. We selected top-of-mind brands for this and the following studies.

Participants were first informed that we were seeking “feedback on upcoming collections of three established luxury fashion brands.” They were then told that they would see “pictures of new fashion products of these brands that will be marketed in the upcoming season.” Participants were next provided with their respective design source treatment (which remained constant across brands within condition), after which they were exposed to the first brand and its collections. Immediately after product exposure, participants completed the appropriate questionnaire, after which they were exposed to the next two brand replicates repeating the procedure for each brand.

We exposed participants to two different collections per brand, labeled “Collection A” and “Collection B,” to solicit their demand for one versus the other. The product pictures used for the two collections were taken from a business-to-business database from the brands’ real collections (pictures of actual items from the upcoming collections, which were unknown to participants at the time of the study). We created the two product sets (comprising high-end fashion items such as dresses, pants, and suits) after a careful pretest to derive two different but similarly liked collections for each brand. We presented the three within-subject brand replicates in random order.

Before the specific collections were presented, participants were informed that they would see two collections of each brand “coming from two different design paradigms.” We implemented the design source manipulation as follows: In the “User A” condition, Collection A was described as the user-driven collection (“products have been externally designed: they are designed by users identified

through the underlying firms' community network") and Collection B as the collection created by company designers ("products have been internally designed: they are created by designers employed by the underlying firms"). In the second condition ("Company A"), the description was reversed (i.e., Collection A was described as the company-driven collection and Collection B as the collection designed by users). Thus, participants in both conditions saw the exact same product stimuli. The only difference between them is the labeling manipulation of Collection A and Collection B (User A condition: Collection A user designed, Collection B company designed; Company A condition: Collection A company designed, Collection B user designed). We can thus test variability in consumer demand for the same collection if described as user versus company designed ( $H_1$ ).

*Measures.* Immediately after product exposure of each brand, participants were asked from which of the two collections they would buy a product, if they wanted to purchase an item from the brand (1 = Collection A, 0 = Collection B). This enabled us to test whether consumer demand for a given collection varies as a function of our design source manipulation (test of  $H_1$ ). In the "Findings" section that follows, we focus on presenting the choice share of Collection A for expository reasons. Specifically, we contrast demand for Collection A between the User A and Company A conditions. Naturally, the findings for Collection B are simply the inverse of Collection A (i.e., choice share of Collection B = 1 – choice share of Collection A). We created a collection demand index by adding the scores of the binary choice measure for the three brands [0; 3], which serves as our dependent variable. Next, we captured our process variables: design quality perceptions and agentic feelings. We measured design quality with a single item on a continuous five-point scale (see Fuchs and Diamantopoulos 2012; Rossiter 2002): "The product designs of the collection are of high quality" (1 = "Collection B," and 5 = "Collection A"). We captured agentic feelings with three items on five-point scales adapted from Locke (2003), with the preamble "How would you feel to own and wear a product from this collection?" The items were "I would feel better off than others," "I would feel I had high status," and "I could signal more prestige" (1 = "true for Collection B," and 5 = "true for Collection A";  $\alpha = .88$ ). Note that any variations in degrees of freedom reported in the following analyses (for this and the following studies) stem from missing participant responses.

## Findings

*Preliminary analyses.* First, we tested whether respondent reactions to individual brands interacted with the source of design. A repeated-measures ANOVA on our dependent variable reveals that the two-way interaction between the source of design and brand replicate factor proved insignificant ( $F < 1$ ). This finding indicates that the individual luxury brands do not respond differently to the design source manipulation, which gives us confidence that any observed effects cannot be attributed to idiosyncratic brand characteristics. We therefore collapsed the data across the brand replicates.

*Test of  $H_1$ .* An ANOVA on the aggregated demand index reveals a significant main effect of the design source factor ( $M_{User A} = 1.33$ ,  $M_{Company A} = 1.77$ ;  $F(1, 220) = 14.98$ ,  $p < .001$ ) such that the same collection (i.e., Collection A) is chosen substantially less frequently if it is described as designed by users than by company designers (choice share Collection A<sub>User A</sub> = 44% vs. Collection A<sub>Company A</sub> = 59%;  $z = 3.77$ ,  $p < .001$ ; Armani: 48% vs. 62%; Hermès: 43% vs. 58%; Gucci: 42% vs. 57%). Because the product collections were objectively identical across the design source conditions, this effect can be considered substantial given that the treatment caused an average demand change of 15 percentage points (relative change: 34%). In summary, these findings support  $H_1$ : labeling a luxury fashion brand's products as user (vs. company) designed reduces the respective consumer demand. We thus find evidence for a negative user-design effect.

*Test of  $H_2$ .* An ANOVA on design quality perceptions reveals a similar pattern of results; participants evaluated the same collection significantly more favorably when it was described as designed by internal company designers ( $M_{User A} = 2.68$  vs.  $M_{Company A} = 3.33$ ;  $F(1, 219) = 47.04$ ,  $p < .001$ ). Similarly, an ANOVA on agentic feelings reveals that participants associated the same collection more strongly with agentic feelings when it was described as company (vs. user) designed ( $M_{Company A} = 3.32$  vs.  $M_{User A} = 2.82$ ;  $F(1, 218) = 39.80$ ,  $p < .001$ ). To understand the specific demand pattern in greater detail, we performed a series of mediation tests. In  $H_2$ , we state that lower design quality perceptions as well as lower levels of agentic feelings will explain the negative user effect in the context of luxury brands. Consistently, we find that the significant negative effect of the design source factor on demand becomes insignificant ( $F_{Treatment} < 1$ ) if we enter design quality perceptions and agentic feelings as covariates in the ANOVA; at the same time, both process variables are significant predictors of demand and thus mediate the negative user effect ( $F_{Quality}(1, 215) = 10.81$ ,  $p < .001$ ;  $F_{Agentic}(1, 215) = 12.35$ ,  $p < .001$ ). Bootstrapping analyses further support mediation (95% confidence interval [CI]<sub>Quality</sub>:  $-.18, -.03$ ; 95% CI<sub>Agentic</sub>:  $-.17, -.03$ ; Preacher, Rucker, and Hayes 2007). Study 2 thus provides evidence for  $H_2$ .

## Discussion

Study 2 extends our previous findings in several important ways. First, we replicate the identified negative influence of user design ( $H_1$ ) in a setting that comes closer to the point of purchase. Even if participants were exposed to real and directly observable product stimuli of luxury fashion brands, we find that a given fashion collection experiences a significant decrease in demand if it is described as user designed (vs. company designed). Second, we shed light on the effect's underlying process. Specifically, user-designed products of luxury fashion brands are attributed lower design quality perceptions as well as weaker agentic signaling qualities, which, taken together, fully mediate the negative user-design effect on consumer demand ( $H_2$ ). From this process account, Study 3 tests the postulated strategies firms can pursue to overcome negative outcomes from user design ( $H_3$ ).

## Study 3

### Objectives

The primary objective of Study 3 is to explore strategic alternatives that luxury brands can pursue to mitigate the negative perceptions of user design in this product context. In particular, we test whether consumers resonate more positively with user design if the winning users are legitimized by the brand's head designer ( $H_{3a}$ ), are described as artists ( $H_{3b}$ ), or are linked to celebrity status ( $H_{3c}$ ).

### Method

*Participants, procedures, and stimuli.* Participants were 705 students ( $M_{\text{age}} = 21$  years; 60% female). The basic experimental setup was identical to that in Study 2, with the following exceptions. First, we used three different luxury brand replicates to add generalizability (Louis Vuitton, Burberry, and Versace; we again took pretested product pictures from the brands' collections from the upcoming season). Second, we added three experimental conditions to the two used in Study 2 for a total of five separate conditions.

The first two conditions were identical to those used in Study 2 (User A and Company A). A comparison of demand for Collection A between these two conditions again serves as a test of  $H_1$ . In a third condition ("Legitimized User A"), we added a legitimacy cue to all three brands when presenting Collection A as the user-designed collection. (As in the User A condition, Collection B was portrayed as being created by internal designers in this and in the subsequent conditions.) Specifically, respondents were informed that the respective brand's head designer had selected the winning user-designers and legitimized their design capabilities (e.g., "The head designer-in-chief of the brand personally selected the winning users: 'We identified some extraordinary creative talents. They are the next generation of fashion designers!'"). Using the User A condition as a benchmark, we can thus test whether adding a legitimacy cue to the user-designed collection significantly increases its demand (and thus mitigates the negative user effect).

In a fourth condition ("Artist A"), we changed the wording for Collection A from designed by "users" to designed by "artists" ("products have been externally designed: they are designed by artists identified through the underlying firms' community network"). Finally, in a fifth condition ("Celebrity A"), famous celebrities rather than mere users were identified as the external designers of Collection A ("Products have been externally designed: they are designed by selected celebrities"). We used three celebrities (George Clooney, Claudia Schiffer, and Emma Watson) who were successfully pretested for relevance and celebrity status. The matching of celebrities to the three brands was counterbalanced among participants.

*Measures.* As in Study 2, immediately after the product exposure of each brand, participants were asked from which collection they would buy a product (1 = Collection A, and 0 = Collection B). We again created a demand index by summing the scores of the binary choice measure for the three brands [0;3]. This was followed by the items capturing design quality and agentic feelings ( $\alpha = .83$ ).

### Findings

*Preliminary analyses.* To justify collapsing data across brand replicates, we first tested whether the brand replicates interacted with the manipulated factor on our dependent variable. We did this for all conditions. Our results revealed that the two-way interaction between the brand replicate factor and the source of design proved insignificant throughout ( $F_s < 1$ ). The individual brands thus did not respond differently to the design source manipulation, which gives us confidence that any observed effects cannot be attributed to idiosyncratic brand characteristics. Furthermore, a series of ANOVAs points to differences between groups for all variables of interest ( $F_{\text{Demand}}(5, 699) = 4.81, p < .001$ ;  $F_{\text{Quality}}(5, 696) = 22.37, p < .001$ ;  $F_{\text{Agentic}}(5, 698) = 30.50, p < .001$ ). We proceed by presenting the results for each research objective in sequence.

*Test of  $H_1$  and  $H_2$ : User A versus Company A.* Parallel to Study 2, we again find evidence for  $H_1$ : demand for Collection A is reduced when it is described as designed by users versus company designers ( $M_{\text{User A}} = 1.09, M_{\text{Company A}} = 1.60$ ;  $F(1, 232) = 19.65, p < .001$ ; choice share Collection A<sub>User A</sub> = 36% vs. choice share Collection A<sub>Company A</sub> = 53%;  $z = 4.50, p < .001$ ). Thus, the source of design manipulation again caused a notable average demand change for the same luxury brand collection of 17 percentage points (relative change: 47%). We also conducted ANOVAs on our two process measures, design quality perceptions and agentic feelings. First, we find a significant effect on design quality perceptions ( $F(1, 232) = 101.67, p < .001$ ): Collection A receives lower evaluations if described as user designed versus company designed ( $M_{\text{User A}} = 2.54$  vs.  $M_{\text{Company A}} = 3.35$ ). Second, we also find a significant effect on agentic feelings ( $F(1, 232) = 97.59, p < .001$ ): Collection A is rated lower on status associations if it is described as user designed versus company designed ( $M_{\text{User A}} = 2.65$  vs.  $M_{\text{Company A}} = 3.34$ ). Finally, an ANOVA on the demand index that also included design quality perceptions and agentic feelings as covariates produces two significant main effects of quality ( $F(1, 230) = 7.56, p < .01$ ) and agentic feelings ( $F(1, 230) = 20.42, p < .001$ ), whereas the treatment effect became insignificant ( $F < 1$ ). Bootstrapping analysis demonstrates that the two mediators fully account for the treatment demand effect (95%  $CI_{\text{Quality}}$ : .06, .40; 95%  $CI_{\text{Agentic}}$ : .20, .53). These findings again support  $H_2$ : user-designed products of luxury fashion brands are attributed lower design quality perceptions as well as weaker agentic signaling qualities, which, taken together, mediate the negative user-design effect on consumer demand.

*Test of  $H_{3a}$ : User A versus Legitimized User A.* Consistent with  $H_{3a}$ , we find that Collection A experiences increased demand in the legitimized user condition compared with the ordinary user condition ( $M_{\text{Leg. User A}} = 47\%, M_{\text{User A}} = 36\%$ ;  $z = 2.87, p < .01, F(1, 229) = 8.50, p < .01$ ). The effect size is notable: demand increases by 11 percentage points (relative change: 31%). Furthermore, the legitimization treatment affects our proposed process variables: respondents rated Collection A higher on design quality ( $M_{\text{Leg. User A}} = 2.71, M_{\text{User A}} = 2.54$ ;  $F(1, 229) = 4.36, p < .05$ ).



.05) and agentic feelings ( $M_{\text{Leg. User A}} = 2.79$ ,  $M_{\text{User A}} = 2.65$ ;  $F(1, 229) = 4.49$ ,  $p < .05$ ) when the brand's head designer legitimized the user-designers. Mediation analyses demonstrate that both design quality perceptions and agentic feelings mediate the effect on product demand (ANOVA:  $F_{\text{Quality}}(1, 227) = 10.81$ ,  $p < .001$ ;  $F_{\text{Agentic}}(1, 227) = 19.27$ ,  $p < .01$ ;  $F_{\text{Treatment}}(1, 227) = 4.00$ ,  $p < .05$ ; bootstrapping: 95%  $CI_{\text{Quality}}$ : .002, .03; 95%  $CI_{\text{Agentic}}$ : .001, .04).

*Test of  $H_{3b}$ : User A versus Artist A.* Consistent with  $H_{3b}$ , we find that the artist manipulation positively affects consumers' demand for Collection A ( $M_{\text{Artist A}} = 46\%$ ,  $M_{\text{User A}} = 36\%$ ;  $z = 2.65$ ,  $p < .01$ ,  $F(1, 235) = 6.79$ ,  $p = .01$ ). Simply framing the user-designers behind Collection A as artists rather than users caused a sizable demand change of 10 percentage points (relative change: 28%). Furthermore, we find that respondents also rated Collection A significantly higher on design quality ( $M_{\text{Artist A}} = 2.76$ ,  $M_{\text{User A}} = 2.54$ ;  $F(1, 235) = 6.82$ ,  $p = .01$ ) and agentic feelings ( $M_{\text{Artist A}} = 2.87$ ,  $M_{\text{User A}} = 2.65$ ;  $F(1, 235) = 9.42$ ,  $p < .01$ ) when it was described as designed by artists (vs. users). Follow-up analyses also confirm mediation (ANOVA:  $F_{\text{Quality}}(1, 233) = 5.37$ ,  $p < .05$ ;  $F_{\text{Agentic}}(1, 233) = 21.42$ ,  $p < .001$ ;  $F_{\text{Treatment}}: -1.64$ ,  $p = .20$ ; bootstrapping: 95%  $CI_{\text{Quality}}$ : .003, .06; 95%  $CI_{\text{Agentic}}$ : .02, .11).

*Test of  $H_{3c}$ : User A versus Celebrity A.* Consistent with  $H_{3c}$ , we also find that labeling Collection A as celebrity designed (vs. user designed) significantly increases its demand ( $M_{\text{Celebrity A}} = 44\%$ ,  $M_{\text{User A}} = 36\%$ ;  $z = 2.03$ ,  $p < .05$ ,  $F(1, 229) = 3.85$ ,  $p = .05$ ). The effect size is again notable: celebrity-designers boost demand for Collection A by 8 percentage points (relative change: 22%). Moreover, respondents rated Collection A significantly higher on agentic feelings ( $M_{\text{Celebrity A}} = 2.81$ ,  $M_{\text{User A}} = 2.65$ ;  $F(1, 229) = 4.67$ ,  $p < .05$ ) but not on design quality ( $M_{\text{Celebrity A}} = 2.65$ ,  $M_{\text{User A}} = 2.54$ ;  $F(1, 229) = 1.66$ ,  $p = .20$ ) when it was described as having been designed by celebrities (vs. users). Follow-up analyses again confirm mediation (ANOVA:  $F_{\text{Quality}}(1, 227) = 4.66$ ,  $p < .05$ ;  $F_{\text{Agentic}}(1, 227) = 11.81$ ,  $p = .001$ ;  $F_{\text{Treatment}}(1, 227) = 1.66$ ,  $p = .20$ ; bootstrapping: 95%  $CI_{\text{Quality}}$ : -.001, .16; 95%  $CI_{\text{Agentic}}$ : .001, .03). Taken together, these findings confirm  $H_3$  and indicate that the negative user-design effect can be attenuated if the company effectively invokes a user label that provides some form of social distance between the designer and the consumer.

*Legitimized User A versus Artist A versus Celebrity A.* Finally, we also contrasted the legitimized user, artist, and celebrity conditions with one another. We note, however, that the three conditions do not differ in terms of product demand, design quality perceptions, or agentic feelings ( $F_s < 1.4$ ). Note also that we cannot formally compare the choice share of Collection A in the Company A condition (53%) with the Legitimized User A (47%), Artist A (46%), or Celebrity A (44%) conditions. This is because in the Company A condition, Collection B was framed as user designed, whereas Collection B was framed as company designed in the latter three conditions.

## Discussion

Study 3 replicates the findings reported in Study 2 using different brand stimuli. More important, Study 3 also validates the strategic alternatives that luxury fashion brands can pursue to mitigate the negative perceptions of user design. Specifically, we find that participants resonate more positively with user design if the winning users are legitimized by the brand's head designer ( $H_{3a}$ ), described as artists ( $H_{3b}$ ), or linked to celebrity status ( $H_{3c}$ ). We show that these strategies facilitate quality perceptions and agentic feelings, which are critical in driving consumer demand for luxury fashion. As we have argued, these potential efforts create social distance from ordinary users and reestablish the status differential of the brand. In the following study, we explore whether variance in the status relevance of specific product categories (within a luxury brand product portfolio) further moderate the identified effects ( $H_4$ ).

## Study 4

### Objectives

The previous studies presented luxury brand fashion items (e.g., dresses, pants, suits) that were either described as having been designed by users or company designers. These product categories are characterized by high status relevance—in other words, status considerations are highly relevant to the purchase decision for these products. In Study 4, we test whether the identified negative perceptions attached to user-designed luxury products are attenuated if the focal product category is less status relevant to consumers ( $H_4$ ).

### Method

*Participants, procedures, and stimuli.* Ninety-four students ( $M_{\text{age}} = 21$  years; 46% female) participated in a 2 (low vs. high status relevant product)  $\times$  3 (product category replicates) within-subjects design experiment. Participants were asked for feedback on upcoming collections of the luxury brand Prada. Specifically, respondents were told that they would be exposed to six special Prada collections that will be released over the next year. The collections were described as containing products stemming from two different "design paradigms": products that were created either by Prada designers or by members of Prada's user community. After this initial information, respondents viewed the product collections one at a time, which included pictures of 12–14 items per collection (collections contained both female and male models to make the collections usable and appealing to both female and male respondents). Unlike Studies 2 and 3, products were not explicitly labeled as stemming from the user- versus company-designed paradigm.

Product categories were yoked for similarity across high versus low status relevance (e.g., footwear: leather shoes vs. sneakers) to minimize confounding effects from non-status-related sources. Participants saw all six product categories in random order, including high (low) status-relevant products: leather shoes (sneakers), dress shirts (T-shirts), and handbags (messenger bags). Products were successfully pretested to validate the categorization of high versus low



status relevance (i.e., whether the product category had the potential to communicate status to others). We kept prices explicitly constant within the first two product category pairs (shoes: €350; shirts: €150); however, due to external validity considerations, we set the price for handbags (€500) higher than the price for messenger bags (€400).

Immediately after each collection exposure, participants indicated whether they would prefer a Prada product from the Prada designer-created category or the user-designed category. We captured all process measures after participants had completed the choice task for all six categories, to avoid demand effects. At the end of the study, participants completed an open-ended suspicion probe. Only three respondents correctly guessed that the research involved consumer preferences for user- versus company-generated products and that this preference might depend on the product category. However, none of these respondents indicated the hypothesized direction of the effect, and we therefore retained them in the sample.

*Measures.* As in the previous studies, we operationalized product demand as choice: “Now consider that you find two [products] of this product collection which you find aesthetically similarly attractive—one designed by users and one by designers. Would you rather choose the product designed by Prada designers or by users?” (−1 = “product designed by Prada designers,” and 1 = “product designed by users”). A single item measured on a continuous five-point scale captured agentic feelings for each product category, which asked respondents whether a user- versus company-designed item of the focal category would give respondents more status (“We are interested in how much status you would obtain by wearing such Prada products designed by users vs. designers: i.e., with which item

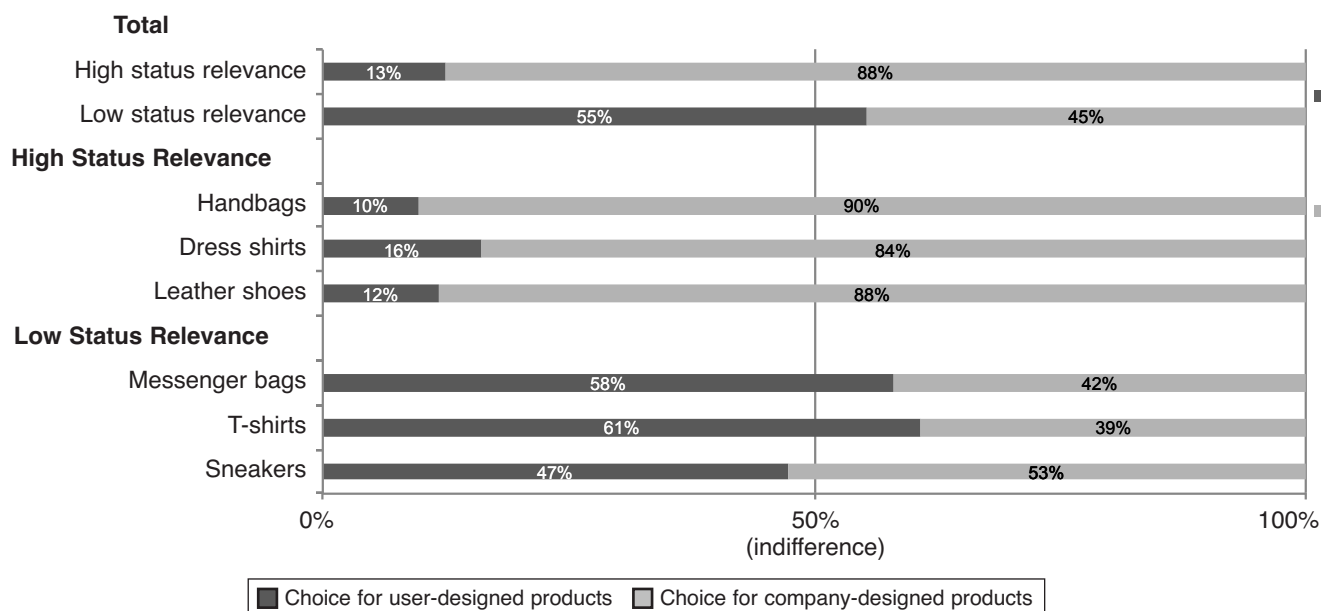
would you feel to have high status, signal high prestige, and feel better off than others?” [1 = “user-designed item,” and 5 = “designer-designed item”). We employed the same measure used previously to capture design quality perceptions of the individual products (“Which design mode—design by users or designers—would give you the feeling that the products are of higher quality?” [1 = “designed by users,” and 5 = “designed by Prada designers”). Given the nature of the study design (i.e., the process measures taken after exposure to all product replicates), we opted for single-item measures here (Fuchs and Diamantopoulos 2012; Rossiter 2002). Finally, as a manipulation check, we assessed the extent to which participants perceived the product categories to be status relevant: “How important are status motives (having high status, signaling high prestige, etc.) when considering buying these branded products?” (1 = “not important at all,” and 5 = “very important”).

### Findings

*Preliminary analyses.* To confirm that the selected product categories are associated with different levels of status relevance, we submitted the participants’ perceived status relevance scores to a 2 (low vs. high status relevance of product) × 3 (product category replicates) repeated-measures ANOVA. As we expected, respondents rated the products nested in the low-status-relevance factor lower on status importance than the ones nested within the high-status-relevance factor ( $M_{Low} = 2.71$ ,  $M_{High} = 4.08$ ;  $F(1, 91) = 172.03$ ,  $p < .001$ ). Thus, we collapsed the data across replicates (for individual choice shares per product, see Figure 3).

*Test of  $H_4$ .* Consistent with  $H_4$ , we find that product demand for user- (vs. company-designed) products depends on the status relevance of the category. For high-status-

**FIGURE 3**  
Demand for User- Versus Company-Designed Products Across Products with High Versus Low Status Relevance (Study 4)



relevant products, we find that 88% of respondents prefer the company-designed item (which provides convergent evidence for  $H_1$ ). We find this preference pattern to be significantly different from 50%, which indicates that respondents are, in aggregate, not indifferent to whether a product is designed by users or company product designers ( $z = 9.50, p < .001$ ). Notably, the negative implication of user design is not visible for low-status-relevant products. Only 45% of respondents indicated a preference for the company-designed item; in other words, for low-status-relevant product categories, respondents (in aggregate) seem to be indifferent to whether an item is user versus company designed ( $z = -1.27, p = .20$ ). Thus, the negative user-design effects found for high-status-relevant products (88% designer preference) is attenuated for low-status-relevant products (45% designer preference;  $z = 10.68, p < .001$ ). The results are parallel if we subject an additive demand index  $[-3; 3]$  for high- versus low-status-relevant products to a repeated-measures ANOVA. Respondents demonstrate a significantly stronger demand for company-designed items if the product category is characterized by high (vs. low) status relevance ( $M_{\text{High}} = -2.24$  vs.  $M_{\text{Low}} = .35$ ;  $F(1, 91) = 97.90, p < .001$ ). In summary, these findings support  $H_4$ : the negative user-design effect is attenuated for low- (vs. high-) status-relevant products.

*Supporting evidence: agentic feelings.* For high-status-relevant products, we find that company-designed items lead to more agentic feelings compared with user-designed items ( $M_{\text{High}} = 4.34$ ). A one-sample t-test confirms that this mean is significantly different from the midpoint of the scale ( $t(92) = 16.83, p < .001$ ). For low-status-relevant products, however, this effect is attenuated, and the mean ( $M_{\text{Low}} = 2.93$ ) is not different from the scale midpoint ( $t(91) = -.85, p = .40$ ). A repeated-measures ANOVA confirms that the agentic feelings mean for high- versus low-status-relevant products is significantly different ( $M_{\text{High}} = 4.34, M_{\text{Low}} = 2.93$ ;  $F(1, 91) = 180.72, p < .001$ ), indicating that the negative user-status effect is robust across the individual product replicates.

*Design quality perceptions.* For design quality perceptions, we also find that company-designed high-status-relevant products are evaluated more favorably compared with user-designed ones ( $M_{\text{High}} = 4.57$ ). A one-sample t-test confirms that this mean is significantly different from the midpoint of the scale ( $t(93) = 29.62, p < .001$ ). For low-status-relevant products, however, this effect appears to be attenuated somewhat, and the mean is closer to the scale midpoint ( $M_{\text{Low}} = 3.42$ ;  $t(93) = 4.45, p < .001$ ). A repeated-measures ANOVA confirms that the design quality mean for high- versus low-status-relevant products is significantly different ( $M_{\text{High}} = 4.57$  vs.  $M_{\text{Low}} = 3.42$ ;  $F(1, 93) = 153.81, p < .001$ ). Although there is some variation between the product types in terms of design quality perceptions ( $F(2, 186) = 15.41, p < .001$ ;  $M_{\text{Bags}} = 4.04, M_{\text{Shoes}} = 4.15, M_{\text{Shirts}} = 3.80$ ), the two-way interaction again proves insignificant ( $F < 1$ ).

## Discussion

Consistent with  $H_4$ , our findings indicate that for products with high status relevance, consumers demand company-

designed items more strongly than user-designed ones. In contrast, this effect is attenuated for products with low status relevance, even if the underlying luxury brand is the same. To explore this account further in more general terms, we can use respondents' average status relevance perceptions across the six product categories to test whether higher status importance perceptions moderate the identified effects. This would provide convergent evidence for our conceptualization and add important substantive insights: it would suggest that individual-level differences would qualify the negative effects of user design. To accomplish this, we ran a regression with the demand index across the six product categories as the dependent variable and the averaged status importance index as the independent variable. Consistent with our account, we find that the higher the status importance respondents assign to Prada products on average, the stronger their preference for company-designed items ( $\beta = -.26, t = -2.48, p < .05$ ).

To visualize the related effects' strength, we reran this analysis using a between-subjects ANOVA that contrasted respondents to whom status concerns are of high versus low importance (median split). Parallel to the regression results, we find that high-status-importance respondents demonstrate a significantly higher demand for company-designed items ( $M_{\text{High}} = -2.64$ ) compared with low-status-importance respondents ( $M_{\text{Low}} = -1.11$ ;  $F(1, 90) = 6.73, p = .01$ ). Consistently, we also find that high-status-importance respondents scored designer-designed items as significantly more instrumental in producing agentic feelings ( $M_{\text{High}} = 3.85$  vs.  $M_{\text{Low}} = 3.40$ ;  $F(1, 90) = 13.71, p < .001$ ). If we add agentic feelings (and design quality) as covariates to the ANOVA on the additive demand index, we find that the main effect of the median split becomes insignificant ( $F < 1$ ), and agentic feelings are significantly related to demand ( $F(1, 86) = 12.30, p < .001$ ; quality:  $F < 1$ ). These findings highlight that both the negative effects of user design and the importance of agentic feelings in company design are more pronounced in people who value high status.

## General Discussion

### *Theoretical Contributions and Managerial Implications*

The generation of ideas and designs for new products—a task that used to be performed exclusively within the boundaries of the firm—is now being increasingly taken over by users. One major promise of user design is to generate objectively better products (e.g., Von Hippel 2005). Extant research has also argued that consumers may exhibit stronger demand for products labeled as designed by users versus company designers (e.g., Schreier, Fuchs, and Dahl 2012). These findings bear important implications, because consumers can easily observe the source of design given that firms prominently label such products as “designed by users” (visible on the product, its packaging, and/or the firm's website).

In this article, we extend this line of research by testing whether the benefits attributed to labeling products as user designed are generalizable to all product contexts. Drawing

on psychological research on social distance and comparison (e.g., Locke 2003; Wood 1996) to motivate our predictions, we identify an important conceptual boundary condition of the positive user-design effect. We find that for high-status-relevance products (i.e., products of luxury fashion brands), user design backfires because user-designed items provide the wrong signal in the marketplace. Indeed, user design fails to provide consumers with agentic feelings (e.g., “I am better than others”) and a signal of product quality, which are both central to the appeal of luxury fashion brands.

Four studies conducted in the context of the fashion industry offer noteworthy theoretical insights and practical implications. Study 1 first demonstrates that the previously identified positive outcomes of user design replicate for mainstream brands such as Diesel, H&M, and Replay. The managerial implication is straightforward: for brands in this fashion tier, user design constitutes a promising strategy for marketers because consumers tend to prefer products described as designed by users over products described as designed by a company’s internal designers. Thus, managers could not only employ user design to obtain fresh user input for new products but also consider mass marketing the source of design prominently to consumers. Study 1 also reveals, however, that this relationship fully reverses for luxury brands such as Prada, Gucci, and Louis Vuitton; for these brands, consumers prefer company designers over user-designers. Study 2 provides further understanding of why luxury fashion brands exhibit negative outcomes for user design. We find that in the luxury context, user design cues negative quality perceptions. Second, user-designed luxury products fail to exhibit the signaling qualities consumers want from high-end fashion brands. Whereas luxury brands serve as signals of having high status, user-designed products of such brands experience a sharp decrease in related agentic feelings.

The managerial implications of these findings are critical. They constitute a strong warning for luxury brands, many of which are currently experimenting with more actively involving users in their value creation process. However, user design offers other potential positive outcomes (e.g., generating objectively valuable new products, greater brand involvement among participants in user-design initiatives), and luxury fashion brands are likely to pursue it in one form or another moving forward. Thus, can firms manage the negative perceptions and outcomes identified in this research? In Study 3, we validated three potential strategies developed using the identified drivers of the negative user-design effect (i.e., design quality perceptions and agentic feelings). Specifically, we find that consumers resonate more positively with user design if the users (1) are legitimized by the brand’s head designer, (2) are described as artists instead of users, or (3) are celebrities rather than ordinary users. These findings provide direct counsel to fashion firms regarding how to communicate user-design initiatives to the broad mass of consumers. Indeed, they show that framing user design with some form of social distance ensures that consumers can experience

the agentic feelings they require from luxury fashion brands. Thus, our findings point to specific population segments that managers can target for user-design campaigns. Instead of inviting ordinary people to participate, they can carefully select and involve only users that have some form of status elevating them over the targeted consumer.

Finally, Study 4 demonstrates that negative outcomes realized in user design in the luxury fashion brand context are also attenuated if the product category is of lower status relevance. This finding offers direct implications for marketers: luxury brands can directly involve their users at low risk, as long as signaling high status is not integral to the purchase decision of the product category (e.g., T-shirt vs. dress shirt, sneakers vs. leather shoes, messenger bag vs. handbag). Importantly, this distinction offers luxury brand managers an important path for creating user-design strategies—namely, the cultivation of user-design activities in nonstatus product categories with the goal of building brand relationships. Such relationships would then hypothetically transfer to more status-relevant product categories and produce both financial and brand community benefits for the firm.

### ***Speculations and Opportunities for Further Research***

First, to isolate the impact of design labeling (designed by users vs. internal product designers), it was important to keep the “objective” design quality constant across the experimental conditions we used. It would be worthwhile, however, also to explore potential “real” differences between fashion items designed internally versus by users. Are user-designed products systematically different from internally designed ones? If so, along what dimensions? Are they, for example, in line with the brand’s image, personality, and style? In the “Hacking Couture” community, for example, users and fashion experts join forces to “hack” and document the “code” of established fashion identities of brands such as Chanel to allow for a democratic access that might serve as a nest for promising new ideas (see [www.hacking-couture.com](http://www.hacking-couture.com)). Thus, it seems at least possible that users could create fashion items that are objectively aligned with the brand’s personality, but more research is needed toward that end. Such research efforts may be valuable because it is of utmost importance that luxury brands maintain their sartorial “DNA”; any innovation efforts must be balanced by preserving the brand’s unique style and design aesthetics (Cappetta, Cillo, and Ponti 2006; Davis 1994; Postrel 2003).

Second, some might ask whether the findings we report here are relevant to marketing managers outside the fashion industry. We believe they are. The conceptual underpinnings of identified negative outcomes of user design should also hold for other luxury brands that possess high design equity and for branded products that are purchased to signal high status. Consider wristwatches as an example. Although it seems possible that consumers might enjoy buying a watch “designed by users” for popular mainstream brands such as Swatch, it is unlikely that a positive user-design effect would occur for Rolex or Patek Philippe. Similarly,

the recent relaunch of the Italian Fiat 500 car—imbued with user design—was a great success. However, an upscale Mercedes or Jaguar labeled as “user designed” would likely resonate substantially less positively among consumers. This is speculative, however, and more research is needed to better understand whether and to what extent user design produces negative (positive) outcomes in branded luxury (mainstream) fields beyond fashion.

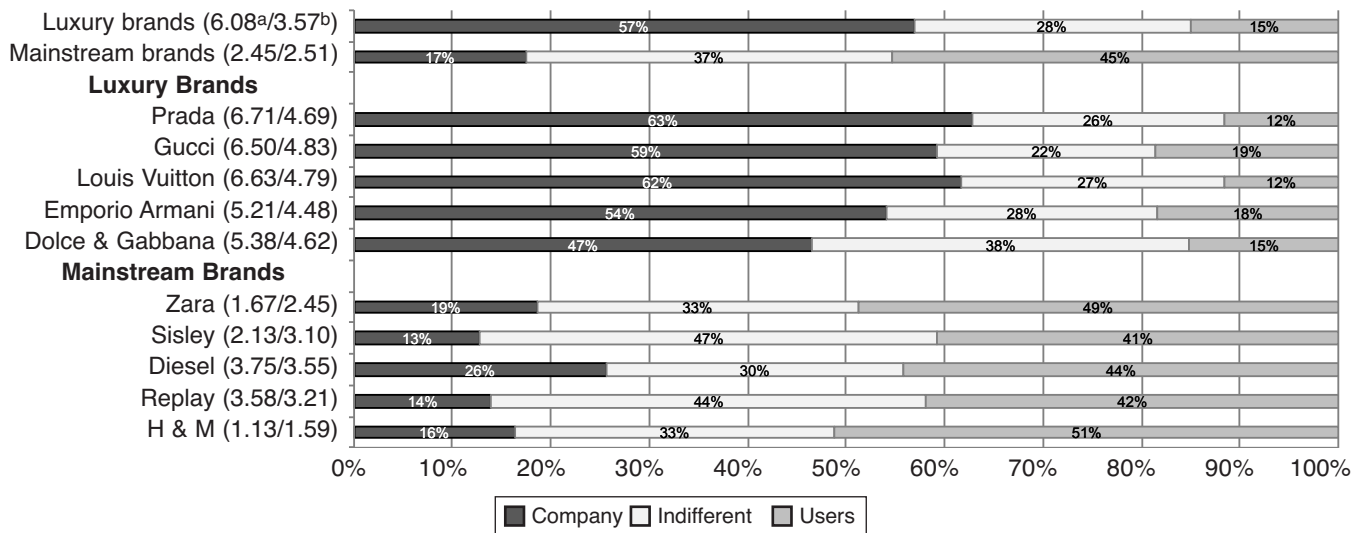
Third, involving users in new product design is only one strategy to shift power from the firm to its users. Indeed, users are also frequently empowered at later stages of the NPD process—for example, during product selection, in which users vote on available product concepts (designed by a firm’s NPD team). Massi, a luxury jewelry and accessories brand, empowers fans to vote for their favorite Massi products on Facebook (for similar initiatives, see luxury brands Derek Lam and Telfar Clemens). Mirroring a direct democratic decision-making process, the firm ultimately produces the concepts that receive the highest user scores (Fuchs, Prandelli, and Schreier 2010; Hoyer et al. 2010; Ogawa and Piller 2006). Would observing consumers be similarly affected (as we report in the current research) if they became aware that users rather than internal product designers decided which products should be produced?

An add-on study (n = 87) suggests that this might indeed be the case. Participants were informed that users selected (rather than designed) fashion products to be marketed by established brands to the general public; other than that, we used the same methods as in Study 1. A 2 × 5 repeated-measures ANOVA on product demand (−1 = company selected, 0 = indifferent, 1 = user selected) again reveals that consumers’ demand for luxury brand products

was significantly reduced ( $M_{\text{Luxury}} = -.42$ ) when users were involved in the selection process. In contrast, for mainstream brands, consumers again tend to have a stronger demand for items selected by users ( $M_{\text{Mainstream}} = .28$ ;  $F(1, 84) = 58.87, p < .001$ ; one-sample t-tests:  $t_{\text{Luxury}}(84) = -7.46, p < .001$ ;  $t_{\text{Mainstream}}(84) = 5.39, p < .001$ ). Overall, 45% of respondents preferred items selected by users in the mainstream brand condition (37% indifferent), but only 15% reported to do so in the luxury brand condition (28% indifferent;  $z = 9.67, p < .001$ ; see Figure 4). Notably, this finding suggests that our conceptualization might also be applied to customer empowerment strategies that extend beyond user design. Further research might build on these initial findings to explore whether and to what extent luxury brands should *at all* try to get “closer” to customers through Facebook, Twitter, and other social networking and media sites—a question that concerns the executive suites of many prominent fashion and luxury brands (Corcoran 2010).

Finally, we only considered consumer demand for fashion brands’ user-designed products. To obtain a more complete theory of the promise and pitfalls of user design for established brands, it is also important to study potential longer-term effects on variables such as brand image and brand equity. More broadly, this research highlights the nuanced nature of user-design outcomes. The identification of an important boundary condition for the previously identified positive effect of user design (Schreier, Fuchs, and Dahl 2012) validates the complexity of this phenomenon. In addition, it points to the need for additional understanding and the careful consideration required when pursuing this consumer-based strategy.

**FIGURE 4**  
Demand for User- Versus Company-Selected Products Across Fashion Brands (Add-On Study)



<sup>a</sup>Brand position rated by independent sample (n = 24) where 1 = “mainstream brand,” and 7 = “luxury brand.”

<sup>b</sup>Brand position rated by independent sample (n = 29); “How would owning and wearing a product of [brand] make you feel? I would feel to have high status; I would feel better off than others”; 1 = “strongly disagree,” and 5 = “strongly agree.”

Notes: Brands were presented in random order.



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