



Vaasan yliopisto
UNIVERSITY OF VAASA

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Consumers' Experiences of Luxury – Interpreting the Luxuriousness of a Brand

ACTA WASAENSIA 323

BUSINESS ADMINISTRATION 133
MARKETING

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Julkaisija
Vaasan yliopisto

Julkaisupäivämäärä
Toukokuu 2015

<p>Tekijä(t) Linda Lisa Maria Turunen</p>	<p>Julkaisun tyyppi Artikkeliväitöskirja</p>	
<p>Yhteystiedot Vaasan yliopisto Kauppatieteellinen tiedekunta Markkinoinnin yksikkö PL700 65101 VAASA</p>	<p>Julkaisusarjan nimi, osan numero Acta Wasaensia, 323</p>	
	<p>ISBN 978-952-476-607-4 (painettu) 978-952-476-608-1 (verkkojulkaisu)</p>	
	<p>ISSN 0355-2667 (Acta Wasaensia, painettu) 2323-9123 (Acta Wasaensia, verkkojulkaisu) 1235-7871 (Acta Wasaensia. Liiketaloustiede 133, painettu) 2323-9735 (Acta Wasaensia. Liiketaloustiede 133, verkkojulkaisu)</p>	
	<p>Sivumäärä 154</p>	<p>Kieli Englanti</p>
<p>Julkaisun nimike Tulkintoja luksuksesta – Brändin ylellisyys kuluttajan kokemana</p>		
<p>Tiivistelmä</p> <p>Vaikka luksus on käsitteenä kiehtonut tutkijoita jo pitkään, ei luksuksen määritelmä ole saavuttanut yhtenäistä sisältöä. Käsitys luksuksesta on jatkuvassa muutoksessa saaden erilaisia merkityssisältöjä eri aikakausina, eri konteksteissa ja eri ihmisten tulkintojen kautta. Tässä tutkimuksessa tarkastellaan luksusbrändien merkityksellistymistä kuluttajille rakentaen ymmärrystä luksuksen olemassaolon ehdoista erityisesti muotibrändien kentällä. Tutkimus koostuu kolmesta artikkelista, jotka lähestyvät luksuksen merkityksiä kuluttajan näkökulmasta, haastaen perinteisen luksuskuluttamisen muotoja.</p> <p>Ensimmäisessä artikkelissa tarkastellaan luksustuotteiden ja luksusvääreännösten merkityseroja ja pyritään rakentamaan ymmärrystä siitä, mikä erottaa luksusbrändätyt tuotteet muista tuotteista. Artikkelit paljastaa paitsi tuotteen aitouden tärkeyden tulkinnoissa, myös luksuksen fragmentoituneen kentän osoittaen moninaisia luksuksen tasoja ja muotoja. Toinen artikkeli pureutuu ratkomaan kriteereitä, joilla kuluttaja kategorisoi luksusmuotibrändien hajanaista kenttää, ja luo ymmärrystä siitä, mikä määrittää brändätyn tuotteen koettua ylellisyyttä. Kuluttaja tulkitsee brändin ylellisyyttä suhteessa omiin kulutuskokemuksiinsa sekä reflektoi sosiaaliseen kontekstiin. Kolmas artikkeli puolestaan tuo näkökulmaa luksukseen käytettyjen luksustuotteiden kautta. Artikkelit syventää käyttö- ja kulutuskokemuksen tärkeyttä luksuksen määrittäjänä, ja painottaa yksilön keskeistä roolia brändin ylellisyyden tulkitsijana.</p> <p>Väitöskirja tuo yksilön tulkinnan ja kokemuksen tieteellisen keskustelun keskiöön haastamalla luksusmääritelmien tuotekeskeistä ja brändilähtöistä kriteeristöä relativistisella ja tulkitsevalla lähestymistavalla. Artikkeleiden löydöksistä voidaan nostaa neljä luksuksen monimuotoisuutta ja kuluttajan näkökulmaa painottavaa ja keskinäisessä vuorovaikutuksessa olevaa elementtiä, joiden kautta brändin luksusta tulkitaan: koettu aitous, ainutlaatuisuus, kontekstikeskeisyys sekä kuluttamisen kautta saavutettu laajennettu käsitys tuotteen ylellisyydestä. Kokemus luksuksesta syntyy siis elementtien tulkinnasta, mutta kunkin elementin suhteellinen painoarvo riippuu niin kuluttajasta, kontekstista kuin tulkinnan kohteena olevasta brändätyistä tuotteista.</p>		
<p>Asiasanat Luksus, brändit, merkitykset, kuluttaminen</p>		

Publisher Vaasan yliopisto	Date of publication May 2015	
Author(s) Linda Lisa Maria Turunen	Type of publication Selection of articles	
	Name and number of series Acta Wasaensia, 323	
Contact information University of Vaasa Faculty of Business Studies Department of Marketing P.O. Box 700 FI-65101 VAASA FINLAND	ISBN 978-952-476-607-4 (print) 978-952-476-608-1 (online)	
	ISSN 0355-2667 (Acta Wasaensia, print) 2323-9123 (Acta Wasaensia, online) 1235-7871 (Acta Wasaensia. Business Administration 133, print) 2323-9735 (Acta Wasaensia. Business Administration 133, online)	
	Number of pages 154	Language English
	Title of publication Consumers' Experiences of Luxury – Interpreting the Luxuriousness of a Brand	
Abstract <p>Despite the concept of luxury has been an object of growing research interest, the lack of a clear conception of luxury is still evident. Luxury has received different meanings at different times, in different contexts and among different people. This dissertation seeks to contribute to the literature by providing insight into what constitutes luxury and how it is determined by consumers. This research challenge is scrutinized in three articles approaching the luxury concept from the symbolic interaction perspective, in order to offer understanding about the terms and elements through which consumers interpret the luxuriousness of a brand.</p> <p>The first article aims to examine the boundaries of luxury by distinguishing the meanings and attributes attached to luxury goods and counterfeits. The findings point out that luxury goods and counterfeits are not regarded as being at opposite ends of a continuum. The luxury concept can be seen as heterogeneous and as consisting of different degrees of luxuriousness. The second article pursues to shed light on how consumers categorize the different degrees and forms of luxury fashion brands. It proposes that consumers make sense of and determine luxury brands through characteristics that become meaningful for consumers through personal consumption experiences and when reflected against social contexts. While two of the articles focus on brand-new luxury goods, the third article seeks to extend this understanding examining the meanings of luxury items bought as second-hand. The article highlights consumers' active role in interpreting the luxuriousness of a brand in varied usage situations.</p> <p>Building on the findings of the articles, this dissertation research develops a conceptual model suggesting that consumers' experiences of luxury are constructed through four interactive elements: perceived authenticity, extended product (value in use and consumption), perceived uniqueness and context specificity. These four interactive elements may have different emphasis depending on the interpreter, context and branded product in question. This dissertation seeks to advance scholarly conversations concerning luxury brand marketing and management by empirically examining consumers' interpretations and experiences of luxury.</p>		
Keywords Luxury, brands, meanings, consumption		

ACKNOWLEDGEMENTS

This work is my diamond, but without all of you, it wouldn't shine this bright.

First and foremost I want to express my deepest thanks to my supervisor, Professor Pirjo Laaksonen. I am grateful to Professor Martti Laaksonen as well, although some of your comments are still too abstract for me to understand. Luckily I have had Pirjo as my supervisor, as she is an expert in translating them for me. You two are a brilliant team who has worked hard to see this day come. I am grateful for your trust; you gave me an opportunity to fulfill my dreams. You were there to enlighten my path and encourage me to carry on even when I was doubtful. Pirjo and Martti, you are the high pressure that has shaped this diamond.

I am grateful to the official pre-examiners of the thesis, Professor Outi Uusitalo from the University of Jyväskylä and Professor Pekka Tuominen from the University of Tampere, for devoting their time to my manuscript. Your precious comments have given a beautiful cut to this diamond. Thank you for your wise words. Your comments have challenged my thinking.

I would also like to thank Professors Jorma Larimo, Harri Luomala, Arto Rajala, and Peter Gabrielsson for your support and motivation throughout my research process.

My precious colleagues. You are the light that makes this diamond twinkle: Hanna, Henna, Jenniina, Minna-Maarit, Karita, Anu, Katarina, Päivi, Ari, Minnie, Mara and Lotta, and all my colleagues over the years. Thank you for listening and listening ... and listening and actually understanding me. Many times it's me who is knocking on the door and asking for a minute of your time. Just to talk about the challenges that I face in my research. I want to thank you for your HOURS of patience. Thank you for your wise words and crucial discussions that have helped me progress further along my path and this diamond factory. Especially, I want to thank Hanna Leipämaa-Leskinen, who showed me how enjoyable and effective co-writing an article can be. It was truly a pleasure to work with you. Moreover, I hope you all know that you are not THAT old although I'm always joking about it – actually, I myself feel as old as you are – so we must be young, right? Yet, I really appreciate the wisdom you have gained over the years.

Special thanks also go to Kirsti Lindberg-Repo – you are the most exceptional roommate I have ever had. Around you, it is impossible to be negative or inefficient. The sun is always shining in Vaasa when you are here. In addition, I feel privileged to have Petra Berg in my life. The discussions we have had are maybe not always the most academic, but they have challenged my inner self, which is

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also reflected in this thesis. You have encouraged me to listen to my heart and to follow my own path.

So, my dear Vaasa-colleagues, I hope you all are aware of the important roles you play in my life and see the contribution you have made to this doctoral thesis you are now holding in your hand. You are the reason I chose to move back to Vaasa, and the thing I miss most from Vaasa when I'm not around. You are the ones who make me smile and laugh over coffee on Monday mornings. You are the ones who made the dissertation process enjoyable.

In addition, I want to express my gratitude to all my colleagues around the world during my research process. This diamond twinkled with international nuances thanks to Institute Supérieur du Commerce de Paris (Paris, France), CFK – Centrum för Konsumtionsvetenskap (Gothenburg, Sweden), and University of West Georgia (Georgia, USA). Thank you for your hospitality and making my research process the greatest adventure.

You also need good tools to shape and polish diamond crystal. Without financial support, this dissertation wouldn't be here in your hands. You've made it happen. Maybe this has not given me the luxurious lifestyle I was searching for... but as the findings of this dissertation suggest, luxury is not just monetary value. To be honest, I have actually felt very privileged to have the opportunity to do research full-time and without economic stress – from that point of view, it can be regarded as luxury, right? For giving me good tools to shape and polish this diamond, I want to thank the Foundation for Economic Education (Liikesivistysrahasto), Evald and Hilda Nissi Foundation, Jenny and Antti Wihuri Foundation, the South Ostrobothnia Cultural Foundation, The Finnish Graduate School of Marketing (FINNMARK), the Graduate School of the University of Vaasa (Vaasan yliopiston Tutkijakoulu), the Vaasa University Foundation (Vaasan yliopistosäätiö) and HEKO Helsingin Ekonomit ry.. Last but not least, I want to thank the Olga and Vilho Linnamo Foundation, which had faith in me all the way from my studies at the master level until this day.

Luxury or love. Until today, I've chosen luxury. During the process it's been either or. But now, when looking back, I understand that I actually have had both all the time. It depends on the way I look at my life. For me, this doctoral thesis is more or less like a spouse. You need to have a lot of love towards a topic in order to carry out a research project. In addition, it has taught me a lesson of love: how to love and accept it as it is, with all its beautiful flaws. Nobody is perfect. Besides this kind of love, the most important thing is the love that has supported me. Family and friends, you are the essence and heart of this diamond. If the core ma-

terial is not of a high quality, it is no use trying to produce a diamond with good tools and high pressure.

My family – Daddy (Papukka), Mom (Mummu), and my three brothers Tatu, Tomas and Teo – you have taught me the most important lessons: How to survive in life and argue for your opinions successfully. How to fight for and defend your own position. Dear brothers, thank you for never questioning my shine and glamour. I know I have not always been the most loveable sister, but because I am your only one, I know I'm the most important. Furthermore, this eternal passion towards huge projects must be genetic or at least the result of upbringing. I want to thank my parents for the perseverance and positive attitude towards hard work that they have planted into me. In addition, my godmother Raisu has provided great support thanks to our fascinating and motivating discussions. So, my dearest family, thank you for always being proud and encouraging of all my choices and my work. I know that if I fall, I have the greatest safety net to catch me.

In addition, one of the biggest resources during my hard times has been my fatty four-legged doggy friend, Luca. You are the one who has seen me crying, and the one who has come to console me with your drooly kisses. You are the one who has always been happy when I come home. Actually, you are the one and only reason I come home (instead of working 24/7), and the one who makes me enjoy the moments, weekdays and routines. All the years we have had together, you have loved me unconditionally. You've been there for me all the years I've lived in Vaasa.

I want to thank you, Reetta Autio. I hope you know how important you've been to me during my life in Vaasa. You have pushed me forward and questioned some of the ideas that preoccupied my mind. However, you have never questioned my capability to survive this project. Your support has contributed greatly to enabling me to stand on my own feet again.

During my dissertation journey, I've often faced an agonizing question: How is it going with your doctoral thesis? Are you graduating soon? I know you all have good intentions and just want to show your interest and care toward my work. I want to thank you, my precious girlfriends – all of you, Ladies, who are reading this. You know in your heart that it's you I am grateful for. In addition, special thanks to Heini, Kaisa, Elina, Lulu and Martina. Thanks for being there for me. You have always been interested in what I do and how I'm doing. I am very happy that I have so many good listeners who also want to discuss and debate my topic.

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Lastly, I want to express my gratitude to my hardworking self as well. Without my own faith in myself (which flickered greatly every now and then), determination and my passion towards luxury I wouldn't have found this diamond. This has been a journey that has taught me a lot about myself, and helped me to grow and to choose my own path. God has been there for me, as well as my Angel Army. Without Higher Powers, I'm sure I would not have made it.

Somewhere¹ during my spring adventures in 2015

Bisous,

Linda Lisa Maria Turunen

¹ i.e., on a night train crossing Thailand, during a flight above the Atlantic Ocean, and on Miami South Beach moments after sunrise.

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Abbreviations

BLI	Brand Luxury Index –scale
SI	Symbolic Interactionism

Articles

The dissertation is based on three appended articles:

- [1] Turunen, L. & P. Laaksonen (2011). Diffusing the boundaries between luxury and counterfeits. *Journal of Product and Brand Management* 20: 6, 468–474.² 89
- [2] Turunen, L. (forthcoming 2015). Challenging the hierarchical categorizations of luxury fashion brands. *Nordic Journal of Business* 64: 2.³ 96
- [3] Turunen, L. & H. Leipämaa-Leskinen (2015). Pre-Loved Luxury: Identifying the meanings of second-hand luxury possessions. *Journal of Product and Brand Management* 24: 1, 57–65.⁴ 130

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*To accomplish great things
we must not only act, but also dream;
Not only plan, but also believe.*

Anatole France

/ to my family

1 INTRODUCTION

Luxury goods have always been there – at least in some form. (Berry 1994; Kapferer & Bastien 2009.) Luxury goods have been important objects of consumption for decades. They have shaped fashion and trends, and formed the consumption culture as a whole, as there often seems to be a definite connection between a branded product being a luxury and it being an object of dreams and desire. (Berry 1994.) Therefore, what is regarded as *luxury* is a profound question; what is luxury today may be tomorrow's necessity.

Currently, research on luxury goods, brands and consumption is in vogue. However, luxury as a subject of research is nothing new; in 1899 Thorstein Veblen introduced the concept of conspicuous consumption in his book *The Theory of the Leisure Class*. The focus of conspicuous consumption was on wasteful, superfluous goods with no useful value. At that time, these kinds of unnecessary goods constituted the core of 'luxury' (Sekora 1977: 23). The goods enabled the ostentatious display of wealth for the purpose of acquiring or maintaining status or prestige at the societal level (Veblen 1912; Mason 1981). Luxury was defined and reflected through necessity: luxury goods were objects of desire that exceeded basic needs. Of course, regarding something as unnecessary or superfluous has to be set in the context of what society considers necessary, which makes 'luxury' a relative and dynamic term (Berry 1994).

The desire to engage in conspicuous consumption goes back to the core function of symbolic manifestation. On the one hand, symbolic signals were targeted at others in order to gain 'invidious distinction', honor, and prestige within the community. On the other hand, the luxury goods were symbolic to self: material ownership helps to define who we are through social stratification and class hierarchies (Belk 1988; Solomon 1983; McCracken 1986; Levy 1959). Although the goods that are consumed and regarded as possessing luxury status have changed since Veblen wrote his book, the core function of symbolic content has remained essentially the same (Page 1992).

In the mid-20th century, the shift from simple products to brands offered more fine-grained ways to differentiate and to be positioned in the social hierarchy. A shift occurred from the abundance and quantity of goods to specific status signaling brands. Ostentation and superfluousness shifted to the more defined signals and meanings of brands. This also led to a growing level of literature on brand marketing and management (Truong et al. 2008), particularly aiming to uncover the nature and definition of luxury brands (e.g., Vigneron & Johnson 1999; 2004; Vickers & Renand 2003; Kapferer 1997a; Wiedmann et al. 2009).

Now, in a time of abundance, we seek more experiential ways of enjoying luxury. We possess more than we need, and even brands may not fulfill our symbolic hunger. In comparison to previous generations, material comfort has evolved, and as a result people aspire for personal fulfillment through experiences (Yeoman 2011). Extravagant travelling and superior service experiences that are consumed at a specific time shed light on a more subjective perspective on luxury. Luxury is more than concrete goods and the manifestation of social status through brands. The financial crisis has forced consumers to re-examine their priorities, which has led to changing attitudes and behaviors towards luxury (Yeoman 2011). Personal experiences are valued more than concrete products (Holbrook & Hirschman 1982; Hirschman & Holbrook 1982; Holt 1995; Schmitt 1999); consumers crave freedom that they can achieve by making considerate choices and owning fewer possessions. Basically, this is a reaction towards the conspicuous consumption generally attached to luxury goods. Meanings traditionally attached to luxury have changed and evolved over time (Berry 1994).

The 'shifts' – consumption of conspicuous goods, utilization of brands' fine-grained symbolic signals and quest for more subjective experiences – can be seen to follow each other when examined from a historical perspective. However, the dimensions are cumulative and do not exclude each other; different features constituting luxury have been emphasized at different times (Mason 1981; Veblen 1912). The definition of luxury in this specific time consists of both symbolic and experiential dimensions, which are parallel instead of linear, and exist both at the societal and individual level. What is regarded as luxury in a specific social context describes the society and time: Depending on the context and the people concerned, different consumers may consider different products to be appealing and luxurious at different times (Berthon et al. 2009; Kapferer and Bastien 2009). For example, a mobile phone was regarded as a rare status object only a few years back, while nowadays a mobile phone is more or less a commodity for everyone in western countries. At the individual level, luxury is interpreted from one's own premises. Luxury is the dream, the object of desire. For example, some might regard a Chanel handbag as luxury, while some consider it mundane, dreaming instead of an unattainable Hermés bag. Is the price the definer of the degree of luxury? Does a more expensive price tag always indicate a higher level of luxury? Who defines the degree of luxury in the end? All in all, the handbag and mobile phone examples tell a story about the relativity and subjectivity of luxury as a concept: an individual is seen to construct the understanding of luxury in an interaction between physical product, social context and personal experiences (Berthon et al. 2009). The temporal aspects and social context are emphasized in interpretations of luxury. As luxury is regarded as something that an individual does not have, it reflects the dream that he or she pursues. Acknowledging that

the content of the concept has had different emphases in different times and among different researchers, it is interesting to ask what is currently going on in this field. How is luxury perceived at the brand level and what kinds of interpretations do consumers associate with luxury today?

Setting the stages

Despite the economic downturn, the luxury market is strongly alive and booming. Boston Consulting Group (2014) suggests that the luxury market is valued at €1.3 trillion worldwide. The market can be divided into three categories: ‘personal luxury goods’ (e.g., apparel, leather goods and accessories, watches and jewelry and cosmetics), which are worth €85 billion. ‘Luxury cars’ represent a €20 billion share of the market. Finally, ‘experiential luxury’ is worth €15 billion and consists of arts, home and furniture, technology, alcohol and food, travel and hotels, yachting and spas.

This study focuses on luxury branded products, particularly the category of ‘personal luxury goods’. This category is accessible to a wide range of people due to its more affordable price range. The target group for experiential luxury and yachting or luxury cars is considerably more limited – this small group of elite, ‘luxury consumers’ has often been defined through its lavish lifestyle and economic situation. Consumers who have access to goods in the ‘personal luxury goods’ category represent a more heterogeneous group of people from a diverse economic background.

‘Personal luxury goods’ are also closely related to the fashion industry and fashion brands. The close relationship between luxury and fashion is contradictory: on the one hand, luxury brands are regarded as the dream – they set the benchmark by introducing haute couture collections, maintaining exclusivity, social elevation and timelessness. On the other hand, fashion represents the opposite: innovative and changing collections that reflect the present day and keep the wheel turning through social imitation and belonging. (Kapferer & Bastien 2009; Chevalier & Mazzalovo 2012.) Luxury and fashion feed each other reciprocally: fashion needs to aspire to the benchmark provided by luxury, whereas luxury needs fashion as a comparison point to elevate itself from the masses.

The never-ending play of belonging and differentiating makes the consumption of luxury branded products an intriguing research field. Besides traditional luxury consumption, luxury goods are nowadays present in different settings. For instance, counterfeits reflect luxury. A taste of luxury can be discovered in democratized, lower-priced luxury fashion brands. Co-creation of luxury can be sensed in second-hand treasures that reflect the spirit of the past and authenticity.

Firstly, one of the settings where *luxury* exists and plays a central role is *counterfeits*. The existence of luxury counterfeits tells a story about desire and the success of the brand being counterfeited. Unfortunately, the numbers are stark: The global market for counterfeits represents an estimated 5% to 7% of global trade, and hits the luxury fashion (apparel and accessories) industry particularly hard (Anti-counterfeiting 2013). Counterfeits are usually contrasted with luxury (Nia & Zaickowsky 2000), and are even regarded as a travesty of luxury.

But is the division between luxury and non-luxury as straightforward as luxury counterfeits and authentic luxury goods suggest? Straightforward or not, it has been argued that the term 'luxury' has lost its luster due to overuse (Thomas 2007). This is possible, but the argument might also indicate that the term 'luxury' has received diverse and fragmented interpretations that blur and confuse the boundaries of what is regarded as luxury. Consumers understand luxury differently, and reflect it against the specific time, context and personal consumption experiences (Berthon et al. 2009). The definition and content of the term 'luxury' is no longer the same as it was at the beginning of the 20th century. Traditional characteristics attached to this complex term may have become diffuse as a result of the interpretations of contemporary consumers.

The fashion field is particularly rich with vertical extensions – exclusive parent brands and cheaper sister brands – that challenge the definition of luxury. Luxury is not a homogenous concept; instead, the field of luxury brands contains different shades and forms. Researchers and marketers have sought to specify the variety of different levels by introducing new terms, such as *masstige*, *super premium* and *accessible luxury*. Besides counterfeits, luxury brands have faced other challenges: 'democratization' of luxury refers to the expanded boundaries of so-called *luxury*. The fragmented field of different degrees of luxury is the second research setting this study addresses. The intermediate categories and parallel terms challenge the core of luxury by forcing it to be defined in relation to others: What is luxury if it is available to all in some form? What distinguishes the different levels of luxury and how is the luxuriousness of brands determined?

In the brand management literature, the degree of luxury has often been evaluated through the product and brand characteristics (e.g., Dubois et al. 2001; Keller 2009; Kapferer 1997b). However, the price, quality or accessibility of the product do not solely ensure or create the perception of luxury. Luxury needs more than a collection of product attributes to exist. (Berthon et al. 2009.) For example, all expensive and high-quality goods are not regarded as luxury. Instead, previous literature suggests that perceived luxury value is regarded as a combination of dimensions – such as social value, individual value, functional value and financial

value – coming into existence through consumption (e.g., Wiedmann et al. 2007). This leads to the third research setting through which the nature of luxury is challenged and examined: the second-hand luxury context. Traditionally, high price, exceptional quality and exclusive service are characteristics associated with luxury goods without exception. These are also the characteristics that are lacking in second-hand luxury. Therefore it is reasonable to ask what constitutes the perception of luxury in the second-hand context – could a product be regarded as luxury if it is bought from a second-hand store at a more affordable price and it has been previously used? What kinds of challenges do consumers face when defining the luxuriousness of a brand and what means do they use to do so?

As described above, the concept of luxury has taken on different forms and manifestations in contemporary society. Consumption of luxury goods is not limited to ‘traditional’ luxury consumption with exclusive service and prestigious product attributes. The definition has gained diverse contents in different times and contexts (e.g., Yeoman 2011; Kapferer and Bastien 2009). The uniting factor in all these research settings is consumers’ active role in determining and negotiating, perceiving and interpreting the luxuriousness of a brand. The experience of luxury comes into existence through consumption.

This study is designed to benefit both marketing academics and practitioners. For marketing academics, this study brings a conceptual understanding by proposing the elements through which consumers construct the experience of luxury. These insights also offer a basis that should be taken into account when seeking to establish and sustain the luxuriousness of a brand, and thus these findings are valuable for marketing practitioners as well.

1.1 Purpose of the study

The aim of this study is to provide an insight into *what constitutes luxury and how it is determined by consumers*. In other words, this study seeks to provide an understanding about the terms and elements through which luxury comes into existence for a consumer. To this end, four specific research questions are pinpointed.

1. What differentiates luxury from counterfeits?

The most fundamental division between luxury and non-luxury is at the core of this question, and discussion will be generated by confrontation of luxury goods and counterfeits. By this, I seek to deepen the understanding of the meanings attached to luxury and pinpoint the meanings that distinguish luxury from non-luxury. The first research question will be addressed in the first article.

2. What kind of connecting and disjunctive characteristics do consumers apply when structuring the heterogeneous field of luxury fashion brands, and how do the distinguishing characteristics become meaningful for consumers?

Juxtaposition of luxury and counterfeits reveals a variety of shades inside the luxury category: not all luxury brands are deemed to be equally prestigious. The fragmented field of luxury brands consists of different degrees of luxury at the brand level, which has blurred the boundaries of luxury, thereby creating confusion in consumers' minds. This objective demands that luxury must be clarified at the brand level by examining the fine-grained ways whereby consumers make sense of and categorize the fragmented field of luxury brands. I seek to uncover how consumers categorize the heterogeneous field of luxury fashion brands, and how these characteristics become meaningful for consumers. The second research question will be addressed in the second article.

3. What kinds of meanings are attached to second-hand luxury possessions in the context of fashion, and specifically in the case of luxury accessories?

This objective challenges the existence of luxury by examining how luxury is interpreted in the context of used luxury goods. The aim is to analyze the multiple meanings attached to acquiring and owning a second-hand luxury product. However, as uncovered earlier, 'luxury' is not inherent in an object, which problematizes the existence of luxury in the second-hand context: Can the product still be perceived as luxury even though it lacks the traditional attributes attached to luxury goods, such as exclusive service, high price and flawless quality? The consumer's central role as interpreter will be emphasized in the third article. The third research question will be addressed in the third article.

4. How does luxury come into existence for the consumer?

The fourth objective combines the three research questions that are discussed above and answered in the dissertation articles. Through the fourth objective, I aim to develop a conceptual model building on the findings of the articles to shed light on the experience of luxury. The conceptual model suggests four interactive elements that enlighten the ways through which consumers interpret and construct their understanding about luxury. The fourth research question will be addressed in the discussion and conclusions part (chapter 5) of the dissertation.

These four objectives are illustrated in Figure 1. Each article aims to answer one objective. The fourth objective is to draw conclusions and point out the connective features of the three articles. Based on the findings highlighted in the three articles, this study seeks to uncover the elements through which luxury comes into existence for a contemporary consumer.

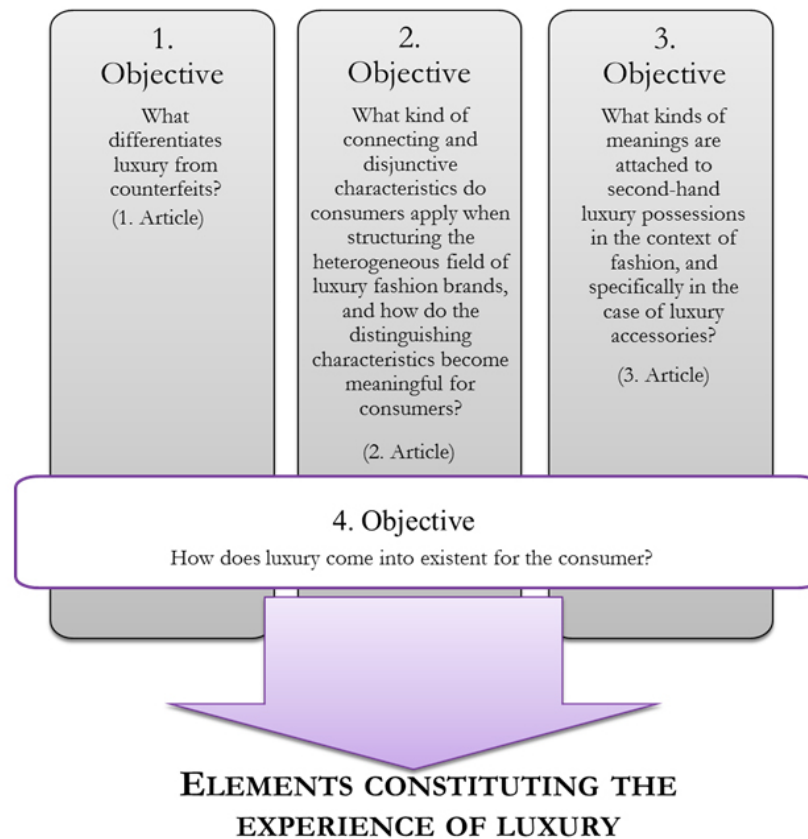


Figure 1. The objectives of this study.

1.2 Positioning the study

The concept of *luxury* has been an object of growing research in the marketing literature (e.g., Truong et al. 2008; Tynan et al. 2010; Vigneron & Johnson 2004; Kapferer 1997a; Vicker & Renand 2003). Nevertheless, the question of what constitutes a luxury brand still has various definitions. The great body of literature has improved knowledge of luxury brands, but also provided evidence of a lack of a clear definition of the concept of luxury (Berthon et al. 2009). This study is positioned in the interface of brand management literature, consumer research and symbolic interaction research. The positioning of the study is illustrated in Figure 2.

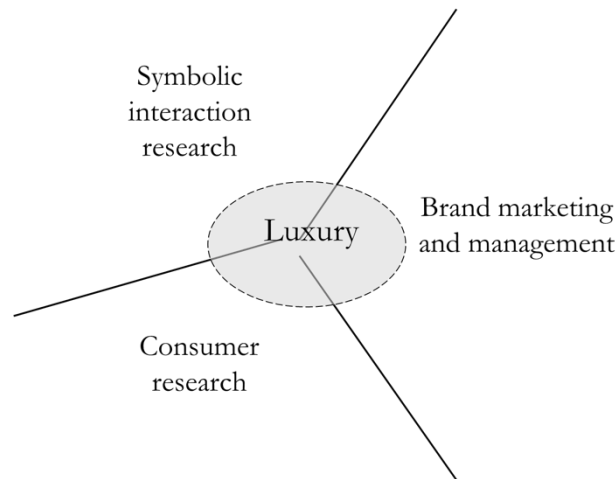


Figure 2. Positioning of the study.

In the marketing field, luxury has been a subject of discussion particularly in the *brand marketing and management literature*. Generally, luxury brands exist at the high end of the product and brand continuum, with superior product and brand characteristics (Kapferer 2008; Vigneron & Johnson 1999). This study contributes to the marketing field, especially brand management literature, by integrating a consumer perspective as its core. In the brand management literature, there are various approaches ranging from consumer-based brand management to the economic and cultural approaches (Heding et al. 2008: 84).

As the economic approach to brand management is primarily focused on the sender end of brand communication, it supposes that the marketer can influence brand value creation through components of the traditional marketing mix. In the consumer-based approach, the individual consumer and his/her mind is emphasized as the research unit and focus. (Heding et al. 2008.) In this study, the consumer is seen to construct an understanding of the brand through his or her interpretations. The abstract brand meanings derive from the sensory brand experience.

This connects the study to *consumer research*. Hence, the perspective is that of the individual consumer when trying to capture the essence of luxury. As discussed earlier, the luxury concept could also be approached from the societal and sociological perspective as well (e.g., Veblen 1912). Here, the starting point is the individual as a consumer who consumes goods for what they mean to him/her personally. The meanings derive from an interpretation process that combines consumers' perceptions and interpretations and thereby experiences (Prus 1996). *Perceptions* are regarded as the 'process of becoming aware of something through senses' (Arnould et al. 2005: 299). Perception is often seen as the ground for in-

terpretation, which instead is sense-making or giving meaning to sensory stimuli (perception) through reflection. Perceptions become meaningful through consumers' interpretations that are construed in relation to personal premises (such as previous experiences and thoughts) and in relation to social context. This study refers to 'perceived authenticity', 'perceived uniqueness' or 'perceived luxury value'. In this sense, the actual sensations are at the root of these judgments, but are transformed, i.e., interpreted by thoughts and in relation to previous experiences. (Arnould et al. 2005: 299.)

Closely attached to the perceptual process, *interpretation* is a conscious process of comprehension and sense-making. The interpretation depends on the consumer's knowledge structures, expectations and previous experiences. (Arnould et al. 2005: 341.) *Experiences*, in turn, combine the physical, cognitive and emotional interactions with an environment. Experiences are defined by Schmitt (2010: 6) as 'perceptions, feelings and thoughts that consumers have when they encounter products and brands in the marketplace and engage in consumption activities'. In that sense, experience is used in this study to refer to more holistic insights and understandings by combining sensations, such as feelings, with cognitive constructions when compared to perceptions and interpretations. Understanding consumer experiences is therefore a core task for consumer research. (Schmitt 2010.)

In addition to the brand management perspective and consumer research, the study is located at an interface of symbolic consumption research. Symbolic consumption has been addressed primarily in consumer studies, but also in marketing, anthropology, sociology, economics and social psychology (Krogman 2011). In the symbolic consumption literature, goods and brands are treated as carriers of meanings and as means of conveying messages (Douglas and Isherwood 1996; Levy 1981; McCracken 1986). Thus, symbolic consumption research concentrates on manifesting to others (social-symbolism) or to oneself (self-symbolism) about the existing or ideal position (Rosenbaum-Elliott et al. 2011). The symbolic content and signaling functions are particularly emphasized among luxury brands. Since the consumer is in the center of this study, the experiential aspects of luxury will also be considered to play a central role. In that sense, symbolic interaction research lies at the core of this study.

Symbolic interaction research emphasizes the ways consumers make sense of themselves through interpretation in relation to others and the social context (Blumer 1986). The meanings are regarded as being created in an interaction, and goods on their own do not inherently possess these meanings. Symbolic meanings are not imparted by products in isolation; instead, the meanings are derived from

the product constellations (product in relation to other products), social context and individuals' interpretations (Blumer 1986; Prus 1996).

1.3 Structure of the study

This dissertation is structured in two parts; the first part consists of an introduction followed by a chapter on the theoretical background, after which the methodology applied in the articles will be discussed. Short summaries of the articles will be provided, after which the findings of these three articles will be elaborated further in the discussion and conclusions. The first part aims to provide an understanding of the definitions and forms of consumption related to luxury branded products, which will be reflected more precisely in the second part, in the individual dissertation articles. Article 1 is co-authored by Turunen and Laaksonen. Article 2 is sole authored. Article 3 is co-authored by Turunen and Leipämaa-Leskinen. Turunen is the lead author in all of the articles, and has had the main responsibility for planning, data collection, analysis, writing, and managing the review processes.

2 DETERMINING THE DIMENSIONS OF LUXURY BRANDS

Luxury, that elusive and intangible concept, has often been a subject of discussion (e.g., Kapferer 1997a; 2008; Vigneron & Johnson 1999; 2004; Vickers & Renand 2003; Berthon et al. 2009, etc.). However, in spite of all the researchers' efforts, there is still no commonly accepted definition for luxury due to the multidimensional nature of the phenomenon. It has been argued that conditions such as sociocultural context, time liability, consumer's subjective perceptions and product features influence the qualities regarded as luxury (e.g., Berthon et al. 2009). Thus, the concept of luxury is not an absolute category, but rather a relative group that connects specific products, brands, and services. The connecting feature characteristic of luxury is the relative positioning: products, brands, and services regarded as luxury exist at the far end of the continuum, manifesting superior features (Vigneron & Johnson 2004). However, the cues and criteria defining its contours are relative in nature, since evaluation depends on the context and the people concerned. What is luxury for some may not be luxury for others. (Kapferer & Bastien 2009: 38.)

This chapter seeks to make sense of the ways that luxury has been defined in previous literature. The theoretical framework will be built on the premises of symbolic interaction and meaning creation in the field of luxury branded products. To uncover the meanings attached to luxury branded products, the characteristics constituting luxury brands will be discussed, after which the forms of consumption of luxury brands are explored. I aim to build a theoretical framework to make sense of how luxury, particularly at the brand level, is seen to be constructed by a consumer.

2.1 Characteristics of luxury branded products

“A brand is a complex symbol. It is the intangible sum of a product's attributes, its name, packing and price, its history, reputation and the way it is advertised. A brand is also defined by consumers' impressions of the people who use it as well as their own experience.”

David Ogilvy

As David Ogilvy notes in the above quote, the brand – and luxury brand – is more than the sum of a product's attributes. The product is a physical embodiment of a luxury brand, which creates perceptions of luxury by leveraging the specific characteristics – such as high price, excellent quality, authenticity, history and tradition, scarcity – in the material world. However, product attributes are seldom suf-

ficient to deliver and hold luxury on their own (Berthon et al. 2009), and since a luxury branded product is more than a set of physical attributes, not all rare, expensive and handmade designer products with high quality are regarded as luxury goods. *Symbolic aspects* are an integral part of brands, reaching beyond the tangible object. Symbolic aspects capture the fundamental value and desirability of luxury brands (Dubois et al. 2001), but to reach that status, the social context assumes considerable importance in creating symbolic meanings, because the signals need to be recognized by others (see Berthon et al. 2009; Ligas & Cotte 1999; Vickers & Renand 2003).

Much of the previous research attempts to define what constitutes a luxury brand (e.g., Atwal & Williams 2009; Keller 2009; Berthon et al. 2009; Kapferer & Bastien 2009, etc.). However, there is a lack of congruity in the evolving definitions. Table 1 summarizes the characteristics and definitions associated with luxury brands. As can be noted from the table, luxury brands have, on the one hand, defined through concrete product attributes – such as high price – but on the other hand, there are intangible components that call for consumers’ interpretation, such as beauty and sensuality of the branded product.

Table 1. Characteristics and criteria defining luxury brands.

Kapferer (1997a)	Luxury brands include attributes such as quality, high price, sensuality, beauty, exclusivity, history and uniqueness.
Phau & Prendergast (2000)	Luxury brands evoke exclusivity, have high brand awareness and well-known brand identity, possess high quality and customer loyalty.
Dubois et al. (2001)	Six characteristics constituting luxury brands: (1) excellent quality, (2) high price, (3) scarcity and uniqueness, (4) aesthetics, (5) history and heritage, (6) superfluosity.
Alleres (2003)	Luxury brands have six elements: (1) the creators of the brand, (2) the locations, (3) the creations, (4) recognition of symbols, (5) history, (6) brand name.
Okonkwo (2007)	Luxury brands are highly visible, have a distinct brand identity, a global reputation, emotional appeal, are innovative, creative and unique. In addition, they deliver premium quality, high price and controlled distribution.
Keller (2009)	Ten defining characteristics of luxury brands: (1) premium image, (2) intangible brand associations, (3) quality of products and services, (4) tangible brand elements (e.g., logos, symbols and packaging designs), (5) secondary associations from linked personality and countries, (6) controlled distribution, (7) premium pricing, (8) brand architecture and its management, (9) broad definition for competition, (10) legal protection and trademarks.
Fionda & Moore (2009)	Luxury brands consist of nine components: (1) clear brand identity, (2) luxury communication strategy, (3) product integrity, (4) design signature, (5) premium price, (6) exclusivity, (7) heritage, (8) luxury distribution and service, (9) organizational luxury culture.

It must be noted that the characteristics presented in the table yield an understanding about what constitutes luxury from the brand literature perspective. These product-related criteria are attached to *luxury brands*, which should thus not be confused with the term *brand luxury* (Vigneron & Johnson 2004; Christodoulides et al. 2009; Miller & Mills 2012). The former refers to a brand that meets the characteristics pointed out by brand managers, and is positioned at the high end of the brand continuum in terms of societal level. The latter, in turn, refers to perceived degree of luxuriousness. Brand luxury is thus a more subjective evaluation attached to luxury brands discussed by scholars such as Vigneron & Johnson (2004), Christodoulides et al. (2009) and Miller & Mills (2012). Next, the characteristics that denote luxury in a brand will be specified and discussed in greater detail.

2.1.1 High price and excellent quality

High price and excellent quality have usually been emphasized when describing characteristics of luxury branded products (Kapferer 1997a; Phau & Prendergast 2000). *Quality* comprises exceptional materials and high-level manufacturing expertise, resulting in reliable and durable products. The materials used often have a *high price* as well. Dubois et al. (2001) suggest that an extravagant price and the exceptional quality of products are regarded as intrinsic characteristics of luxury goods.

However, premium pricing and excellent quality do not create luxury goods alone – they create premium (Heine 2012). Premium goods are expensive variants of commodity goods. The main difference between premium and luxury is – surprisingly – price; among luxury goods, the price is not related to performance, but to scarcity and symbolic aspects created through brand and storytelling, whereas premium goods are priced based on functionality and quality. (Kapferer and Bastien 2009.)

Craftsmanship is regarded as a fundamental quality of luxury goods (Amatulli & Guido 2011; Vigneron & Johnson 2004; Nueno & Quelch 1998). Craftsmanship is closely linked to history and heritage, scarcity and uniqueness, quality, as well as the artistic content of a brand (Chevalier & Mazzalovo 2012; Kapferer 1997b).

2.1.2 Scarcity and rarity

High price may be one of the characteristics that make a product inaccessible to most people, conveying *rarity* – an important characteristic of luxury highlighted

by Phau and Prendergast (2000). Kapferer (1998) defines rarity as having a limited number of consumers who own or are able to own the brand's products. As a concept, it is parallel to perceived exclusivity, which is something special and out of the ordinary (Keller 2009). It is often linked to perceived uniqueness and is therefore a more subjective and relative perception than scarcity. A company creates and maintains scarcity by limiting supply (limited editions) or distribution, thereby creating a perception of higher value, exclusivity and prestige. (Chevalier & Mazzalovo 2012.) In contrast to mass-market brands, luxury brands need to limit their production; their products should not be available at all times or places (Heine 2012).

'Rare' and 'exclusive' are the opposites of 'common' and 'easily accessible'. The greater accessibility of goods has been created by increasing the number of luxury categories in diverse price and quality ranges; besides product extensions, step-down brand extensions have also made 'luxury' available to a larger group of consumers. As the rarity principle is regarded as a characteristic of luxury, it is even argued that this 'democratization' and assimilation into the larger consumer society have caused luxury to lose its luster (Thomas 2007). For example, many have noted that Louis Vuitton handbags, for example, are now mass-produced (Twitchell 2002), which seemingly contradicts the view that luxury brands must have rarity value (Phau and Prendergast 2000).

However, being rare or exclusive is pointless if the good is not desirable. Yet, being desirable is relative and depends on the context and individual in question (e.g., Kapferer 2008: 96). Heine (2012) divides relativity of luxury into five types: regional, temporal, economic, cultural and situational relativity. *Economic relativity* reflects the consumers' wealth and income and therefore access to resources (Vickers & Renand 2003; Kapferer 2008). Economic relativity is about consumers' views on perceived price level, as discussed earlier. *Regional relativity*, in turn, refers to local availability: Some goods and items are available and common in some regions, whereas they are rare in others – pure drinking water, for instance. *Temporal relativity* relates to the changing perceptions of luxury and what is regarded as luxury in a specific time. What is desirable reflects the context, time and availability; for example, a product like soap was a real luxury in the Middle Ages, but today it is commonplace and has therefore ceased to be luxury in our eyes (Chevalier & Mazzalovo 2012). Besides desirability at the product level, at the brand level some brands may be regarded as being more exclusive in different times – fashion, consumers' subjective perceptions, as well as given context contribute to temporal relativity. Luxury is not stable, but is instead complex and in constant change (Kapferer 2008: 96). *Situational relativity* emphasizes the circumstances; it arises through the consumption experience and calls for

subjective perception and interpretation. For instance, some brands may lose their luster if used daily, but may remain extravagant if consumed more rarely or on special occasions. *Cultural relativity* refers to desirability in a specific cultural context: what is regarded as luxury in European countries may not reach luxury status in Asia, for example. In addition, culture-specific symbols differ in subcultures; symbols are used as means of social distinction and stratification (Bourdieu 1994; Kapferer & Bastien 2009). For example, some loud luxury fashion brands featuring conspicuous logos might be regarded as desirable among certain groups of people (this also relates to economic aspects and both temporal and situational relativity), while others may not find distinctive logos desirable.

Perceived desirability – which depends on the relative aspects described above – may be influenced by rarity and inaccessibility. The characteristics constituting rarity are also diverse; besides economic aspects, i.e., price of the product and restricted distribution, also craftsmanship, authenticity and the history behind the branded product influence perceived rarity and are associated with luxury (Kapferer 1997a; Beverland 2006).

2.1.3 History and heritage

History and heritage are associations with a brand's past and noteworthy events in its history, which provide an authentic aspect and unique brand identity (Keller 2009). Many brands regarded as luxury have long traditions and heritage that contribute to the perception of authenticity as well (Beverland 2006). The history and heritage of a brand convey expertise, reliability and durability. A long tradition narrates iconic investment.

Besides long history and expertise, the challenge luxury brands need to respond to is the ability to combine classic and contemporary designs (Keller 2009). Thus, the challenge facing a luxury brand consists of maintaining a balance between the brand's tradition, timelessness and innovation, which are reinterpreted and reflected in the contemporary context. Long history and tradition combined with the reinterpretation of its creations against the context may lead to top iconic designs.

Classics earn their value over time, which connects luxury to the discussion on vintage. Vintage refers to an authentic and rare piece that represents and is linked to a specific style of couturier or era (Gerval 2008). Thus, history may have an influence at both the brand and product level: On the one hand, luxury brands are anchored in the past, and the elaborated designs should respect tradition (Dubois et al. 2001). On the other hand, the products' own previous life cycle could generate additional perceived value to luxury branded products. Thanks to their high

quality, luxury branded products have a long life cycle. A Chanel bag that is a few decades old could be perceived as more valuable because it embodies the spirit of the past. It represents uniqueness, handcraftsmanship and rarity at the time when it was made. Nowadays, Chanel bags are more or less mass-produced.

2.1.4 Aesthetics

Distinctive design combined with timelessness and the brand's own history leads to *aesthetics*, a characteristic associated with luxury (e.g., Holbrook 1999; Dubois et al. 2001; Chevalier & Mazzalovo 2012). Kapferer (2008: 98) argues that aesthetics is one of the characteristics that differentiate luxury from non-luxury, but also distinguishes different degrees of luxuriousness of a brand. Kapferer (2008) places the *griffe* – a unique luxurious item engraved with the creator's signature – at the top of the pyramid; he describes a *griffe* as pure creation and art.

Integrity and stylistic consistency have been regarded as components of aesthetic appeal, which Dubois et al. (2001) highlight as characteristic of luxury brands. They discuss aesthetics through polysensuality: besides being beautiful to look at, luxury should also be pleasant to hear, smell, taste and touch, and therefore offer sensual pleasure. Thus, aesthetics is not only linked to well-designed objects, but is also extended to the experiential dimension provided by the service experience.

As a parallel concept to aesthetics, Kapferer and Bastien (2009) suggest that the beauty of an object is a characteristic of luxury. This poses an interesting question: how should one define the beauty of an object? There is no universal truth about what is regarded as beautiful. Instead, it highly depends on the individual, the social context and situation, as well as the object in question. (Chevalier & Mazzalovo 2012.)

2.1.5 Authenticity

Many luxury brands have a long history, which contributes to the *authenticity* of the brand (Jackson 2001; Beverland 2006) and is considered as one of the hallmarks of a luxury brand (Hanna 2004). Authenticity is often regarded as a self-evident characteristic associated with luxury branded products (e.g., Tynan et al. 2010; Fionda & Moore 2009), and is not pinpointed separately as a characteristic determining a luxury brand. Authenticity is generally defined as dichotomic and oppositional in that it juxtaposes the authentic and inauthentic, which generates an oversimplified understanding of the concept.

Authenticity has been a problematic topic particularly in the luxury fashion field, which has turned out to be a battlefield of authenticity (e.g., Wilcox et al. 2009; Nia & Zaichkowsky 2000). Luxury fashion brands struggle with the phenomenon of counterfeiting – which, in a sense, refers to products bearing a trademark that is identical to a trademark registered to another party (Bian & Moutinho 2009). Counterfeits manifest the lack of object-related authenticity. However, luxury brands are not immune from this; due to their greater availability, their perceived authenticity has also received diverse contents. Step-down luxury brand extensions of a different price and quality level make consumers question the perceived authenticity of a brand (e.g., Beverland and Farrelly 2010; Beverland 2004; Spiggle et al. 2012).

Authenticity as a characteristic of luxury brands is often understood as an object-related attribute, which refers to the perceived originality of a product (Chronis & Hampton 2008; Peterson 2005). Originality is an absolute, often company-driven criterion. Grayson & Martinec (2004) refer to indexical authenticity, as no reproduction can attain authentic status. In the context of luxury branded products, the company plays a central role as the definer of authenticity. In addition to the objective/indexical form of authenticity, it is also defined from different premises: authenticity can be seen as an existential or constructive/iconic construct (Leigh et al. 2006). Existential authenticity emphasizes the postmodern consumers' interpretation. This means that existential authenticity is a contrivance rather than reality (Wang 1999; Brown et al. 2003). The more authentic a representation looks and feels, the more real it is considered (Rose & Wood 2005).

Constructive authenticity in turn emphasizes the social context and active role of the consumer in authenticity creation: A consumer needs to have prior knowledge, as his or her interpretations of reality are constructed based on perceptions of objects. Such interpretations are socially constructed, and therefore emerge in a specific time and place. (Grayson & Martinec 2004; Liu et al. 2015.) Unlike objective authenticity, reproductions can be regarded to represent constructive authenticity, which Grayson and Martinec called iconic authenticity (2004).

In line with the extended understanding of authenticity construction, in previous literature authenticity has even been identified in the patently fake (Brown 2001), obvious reproductions (Bruner 1994) and mass-market objects, e.g., luxury diffusion brands (Miller 2008). Thus, one may ask whether a product has to be regarded as authentic in order to be seen as luxurious. In other words, can a counterfeit, for example, be regarded as luxury in some cases – for example through forms of existential or constructive authenticity conception?

2.1.6 *Superfluosness*

Berry (1994) contrasted necessities with luxuries in order to make the luxury concept more evident. Dubois et al. (2001) also suggest that *superfluosness* is one of the characteristics of luxury products, indicating that the value of a luxury product is not centered on functional characteristics, but on social, psychological or other such benefits.

Superfluosness and uselessness are often examined in the light of perceived necessity. A luxury is something that is more than necessary; it is characterized as a non-necessity and superfluity (De Barnier et al. 2012; Dubois et al. 2001). The distinction between necessity and luxury is often based on availability of resources (Bearden & Etzel 1982). While necessities are available virtually to everyone, luxury is only for a select few. However, not everything that rises above necessity and ordinariness is regarded as luxury; luxury also has to have a “dream” aspect (Dubois & Paternault 1995). For example, while an iPad might be regarded as a superfluous and non-necessary item, it might not be regarded as luxury.

2.1.7 *Combination of luxury brand characteristics*

The characteristics discussed above derive from previous literature concerning luxury brands. These are the characteristics that are considered to differentiate luxury from non-luxury brands; however, they do not directly separate the different degrees of luxuriousness inside the category of luxury brands. Luxury brands are not a homogenous group of brands; there are more shades and degrees of luxuriousness than a simple division between luxury and non-luxury.

Objectively existing product attributes are not as important as consumers’ subjective perceptions and interpretations of characteristics (Heine 2012; Phau & Prendergast 2000; Catry 2003; Kapferer 1997b). For example, a consumer’s judgment about quality depends on the comparison between product expectations and perceived attributes (e.g., Kotler 2007, 633). These expectations differ between consumers, situations and social contexts. Therefore not all characteristics constituting luxury have to be at their maximum level. For instance, a branded product might be regarded as luxury, even if its price is not exclusively high. This is the case in the product category of perfumes and cosmetics: Chanel No 5 perfume is accessible in terms of its price, but the aesthetics of the bottle, sensual pleasure and superfluosness of perfume may create the perception of luxuriousness. Moreover, it might be positioned at the higher end of the brand luxury continuum when considering it in relation to other perfumes.

Focusing on product features tells only part of the story: a luxury brand is more than a collection of product attributes and evaluation of the brand characteristics. Including symbolic and experiential dimensions in the definition of luxury expands our understanding of luxury. In addition to responding to consumers' desire for high quality and handcrafted creations (object-related aspects), it has been suggested that luxury brands contain social meanings (e.g., they function as status symbols) and personal value (e.g., hedonic pleasure). (Vigneron & Johnson 2004; Berthon et al. 2009; Vickers & Renand 2003.) Next, the ways through which the characteristics of luxury brands receive symbolic meanings through consumption will be discussed. The experiential dimension of luxury brands will then be reviewed.

2.2 Symbolic drivers behind consumption of luxury goods

The collection of product characteristics alone does not constitute the luxury in a brand. Moreover, these characteristics are attributes that can be pointed out from any product, even those that are not regarded as luxury. These characteristics are thus not luxury *per se* (Okonkwo 2009; Berthon et al. 2009); they are not meaningful for the consumer, i.e., creating a perception of luxury, if they are not interpreted and reflected in a specific social context. These characteristics offer the basis for consumers' perception and thus interpretation of luxury. The characteristics become meaningful for the consumer and receive their symbolic importance through consumption. The symbolic aspects in particular distinguish luxury from non-luxury goods.

Social importance and status manifestation have generally been highlighted in definitions related to luxury goods: Luxury products are seen as status symbols. However, this covers only a part of the phenomenon (e.g., Phau & Prendergast 2000; Dubois & Duquesne 1993). The symbolic drivers behind consumption of luxury goods are twofold: symbolic to self and symbolic to others (Kapferer & Bastien 2009).

When approaching the definition of luxury from the consumption perspective, the previous literature is rich with terms describing the forms of consumption related to luxury goods: *luxury*, *status* and *conspicuous consumption*. This has resulted in confusion, as these terms have been used almost interchangeably to refer to the same issue in question, just emphasizing different aspects of consumption. Next, the forms of consumption related to luxury branded products will be discussed in

order to make sense of what kinds of symbolic functions are associated with the consumption of luxury branded products.

2.2.1 Desire for status – symbolic to others

“Status is the position or rank in a society or group awarded to an individual by others” (Eastman et al. 1999: 42). Three different kinds of status have been distinguished: (1) status by definition or assignment (e.g., royalty), (2) status by achievement (e.g., hard work or better job compared to others), and (3) status by consumption (Hayakawa 1963; Brown 1991). In terms of this division, the focus in this study is on social status acquired through possessions and consumption.

Status seeking consumption refers to purchasing, using, displaying, owning and consuming goods and services for the purpose of gaining a superior status position (Veblen 1899; Mason 1981). However, since status is granted by others, certain preconditions have to be met: there must be some degree of mutual understanding in the consumption context about the rankings among individuals concerning the desirability or status of products and brands (e.g., status symbols). In addition, such consumption must be socially visible. (Eastman et al. 1999.)

Status seeking consumption is often related to striving for status or position in society (Eastman et al. 1999). Thus, it is often linked to nouveau riche consumers, who are keen to display and establish their new position. This differs from ‘*status consumption*’, which is defined as “owning status-laden possessions, which may or may not be publicly displayed” (O’Cass and Frost 2002). The most fundamental difference is that status consumption relates to consumption typical of one’s current position (rather than the pursuit of the position). Such consumers represent “Old Money” and, consequently, public display is not inevitable.

As in status seeking consumption, the evident display of expensive possessions also plays a central role in conspicuous consumption (Truong et al. 2008). *Conspicuous consumption* is defined as “satisfaction derived from audience reaction not to the positive attributes of the good or service in question, but to the wealth displayed by the purchaser in securing the product for consumption” (Mason 1981: viii). Conspicuousness is related to signaling high income and thereby to achieving greater social status. Thus, in the core of conspicuous consumption is the price of the product and perceptions of other people, through which the status is derived, whereas a desire for status involves buying something that represents status to both the individual and surrounding significant others. (Truong et al. 2008.)

Individuals who consume conspicuously emulate the consumption patterns of the people who are socially situated directly or considerably above them (Mason 2001). Han et al. (2010) introduce the construct of “brand prominence” as a variation of conspicuousness. Brand prominence is defined as “the extent to which a product has visible markings that help ensure observers recognize the brand”. In other words, the brands can be divided into “loud” or conspicuous and more “quiet” or discreet brands. Loud signaling is often directed vertically: consumers signal upward in order to be associated with those above them, and downward to separate or dissociate themselves from less affluent people. Han et al. (2010) also take luxury counterfeit consumers into account by suggesting that they have a high need for status, but cannot afford true luxury, which is why they may use loud counterfeits to emulate those they recognize as wealthy. Loud and visible luxury brand logos often relate to the aspiration to gain social status and upward mobility. Horizontal signals are often quieter and aim to establish a connection with others at the same level – to belong to a group and to be distinguished from the masses. (Han et al. 2010; Wilcox et al. 2009; Phau & Cheong 2009.) Horizontal signals can be regarded as being typical of status consumption, whereas vertical signaling is characteristic of status seeking consumption and conspicuous consumption.

Further confusing the functions of symbolic consumption, Vigneron & Johnson (1999) suggest that all consumption related to exclusive brand categories – namely luxury brands, premium brands and upmarket brands – can be included in the framework of *prestige seeking consumption*. According to the framework presented by Vigneron & Johnson (1999), prestige seeking consumption is differentiated from conspicuous and status consumption by the means of consuming: conspicuousness and status seeking consumption are based on public consumption and communicating social relationships and position (Dittmar 1994), whereas prestige seeking consumption also takes the private and personal meanings of consumption into account. They include both conspicuous and status consumption as part of prestige seeking consumption. Thus the question arises if Vigneron & Johnson (1999) are using the misleading term ‘prestige’ to describe the multidimensional framework of consumption related to prestigious brands. ‘Prestige’ is connected to social respect, reputation, acceptance and admiration gained from others (Husic & Cicic 2009).

The prestige seeking consumption framework offers a more comprehensive understanding of consumption related to luxury goods, which will be discussed later in Chapter 2.4. Both elements of this framework, conspicuous consumption and status seeking consumption, describe how consumers use products for social status purposes. The main difference between these is that conspicuous consumption

emphasizes ostentation and superfluousness, whereas status seeking consumption involves a clear pursuit to manifest one's status position. To contrast, status consumption may refer to more silent forms of consumption preferences that are congruent with the consumer's current social standing.

2.2.2 *To belong and to be distinguished – symbolic to self*

Leibenstein (1950) elaborated upon Veblen's work, arguing that fashion goods in particular exert two types of status consumption effects: the snob effect and bandwagon effect. These effects are closely linked to vertical and horizontal signaling directed either downwards or at others at the same level, as discussed by Han et al. (2010).

The *bandwagon effect* relates to consumers who acquire status benefits by imitating, i.e., consumers buy because others are buying the same goods. People's desire to possess luxury brands may serve as a symbolic marker of group membership; consumers try to imitate stereotypes of affluence to conform with and/or to be distinguished from the non-prestige reference group (Sirgy 1982; Dittmar 1994; McCracken 1986; Belk 1988). This raises a question about the motives and drivers behind luxury counterfeit consumption and consumption of luxury diffusion brands; as highlighted earlier, consumers who cannot afford authentic luxury, but who still want to feel that they belong to the group might decide to buy counterfeits. It is also argued that vertical luxury brand extensions that differ from their core brands in terms of price and quality may generate associations and signals to the consumer about the core brand s/he wants to be associated with (e.g., Kim et al. 2001; Hennigs et al. 2013; Phau & Cheong 2009.)

The *snob effect* has both interpersonal and personal effects (meanings) as it takes into consideration the emotional desire when purchasing prestigious goods, but is also influenced by others' consumption preferences (Mason 1981). The snob effect refers to consumers who acquire and display material possessions for the purpose of feeling differentiated from other people, i.e., if too many people own certain goods, these snob consumers do not want to buy them.

The snob effect has its roots in individuals' *need for uniqueness*, which derives from Snyder and Fromkin's (1977) theory of uniqueness. A consumer's need for uniqueness is defined as "an individual's pursuit of differentness relative to others that is achieved through acquisition, utilization, and disposition of consumer goods for the purpose of developing and enhancing one's personal and social identity" (Tian et al. 2001: 50). The need for uniqueness is an outcome of social comparison (Festinger 1954), where an individual aims to be different from oth-

ers, and to become distinctive among a larger group. For this reason, the material objects need to be publicly consumed and recognized as symbols; otherwise such objects cannot elicit the desired evaluations from others.

Three different manifestations through which individuals seek differentness relative to others can be pointed out (Tian et al. 2001): (1) Avoidance of similarity (i.e., staying ahead in the realm of fashion trends (Thompson and Haytko 1997: 22), searching for new trends and disposing of goods that become too popular), (2) creative choice (i.e., using commonplace goods by mixing them creatively), (3) unpopular choice (i.e., choosing goods that few are willing to copy). Thus, the need for uniqueness is often studied in the fashion field, with a focus on luxury brands due to the rarity, exclusivity and uniqueness attached to luxury.

Need for uniqueness is about the consumer's loss of interest if the product becomes too commonplace, since consumers aim to create distinctive self-images and social images through differentness. There are different levels of intensity in consumers' need for uniqueness, and the boundary between the bandwagon and snob effects is fickle: for some, the need for uniqueness means owning one-of-a-kind possessions (e.g., second-hand goods, vintage pieces), whereas for some it is enough to stand out from the masses and belong to a specific group of people (e.g., luxury brands in general).

Tian et al. (2001) point out the differences between status related consumption behavior and need for uniqueness: In status seeking and conspicuous consumption, the aim is to be perceived as belonging to and being positioned in a certain level in society, but the need for uniqueness emphasizes the individual's own feeling of being different and distinctive despite his or her perceived status position in society. In addition, status and conspicuous consumers highlight exclusively the social meanings and interpersonal valuation, whereas consumers who have a need for uniqueness also rely on personal meanings and intrinsic reasons.

To conclude, the snob and bandwagon effects interactively complement each other: consumers aim to differentiate themselves (snob) from others in order to belong (bandwagon) to the desired group through their consumption choices. Not only do consumers manifest their status to others through their consumption choices, the goods they acquire have personal symbolic meanings.

2.3 Experiential dimension of luxury brands

Besides the symbolic meanings and functions of luxury branded products, the hedonic nature of luxury brands encompasses the experiential value dimension,

which is closely attached to the consumption of luxury goods as well. The experiential nature of brands comes into existence through perception, its interpretation from personal premises, and reflection against the social context. In that sense, the experiential dimension is the realm of subjective value attached to a branded product, and differs from individual to individual. (Holbrook and Hirschman 1982.)

Emotional value can be enhanced through consumers' sensory pleasure derived from the purchase experience and exclusive service (e.g., Fionda & Moore 2009) or from perceived product attributes (e.g., aesthetic beauty, flawless quality and materials) that become meaningful through the consumption experience and actual use of luxury goods (e.g., Arnould et al. 2005: 347).

Generally, an extravagant service experience and flawless product have been seen traditionally as preconditions for constructing the 'luxury experience'. (Hagtvedt and Patrick 2009.) Also Dubois and Laurent (1994: 275) suggest that luxury brands are desired because of their hedonic potential and promise of pleasure: "one buys luxury goods primarily for one's pleasure". It has been argued that consumers have a passion for self-indulgence, which is transforming the luxury market from its 'old' conspicuous consumption model highlighting self-manifestation to more individualistic types of luxury consumers, who desire experiences (Atwal & Williams 2009). Yet, the experiential aspects of luxury brands are often related to hedonic and emotional pleasure derived from product characteristics or service experience (Silverstein & Fiske 2003), which covers only a part of the consumer's experience.

More importantly, consumption experiences that are generated during consumption and actual use of the branded product have been emphasized in the marketing literature, and particularly in consumer behavior research (Holbrook & Hirschman 1982; Schmitt 1999; 2010). Hence, consumption experiences can be seen to cover all the sensations, feelings, cognitions and behavioral and emotional responses of consumers derived from use and consumption of a branded product (Schmitt 2010: 9; Holbrook & Hirschman 1982); this extends the understanding of these experiences to cover more than just the point of purchase. Moreover, it highlights the consumer's role as an interactive co-creator of experiences (Tynan et al. 2010) rather than a passive receiver of the experience or perceiver of the product attributes. For example, the consumer is actively involved in the process through the consumption of luxury goods from which the symbolic meanings are derived. The consumer interprets the symbolic meanings on the basis of his or her own premises, which also generate and influence the consumer's experiences, and in that sense they cannot be strictly separated from each other.

To this end, the experiential dimension combine the perceived brand characteristics and their functional aspects, but also the symbolic meanings and consumers' sense of 'relating' by positioning an individual consumer at the center as the experiencer (e.g., Schmitt 1999; 2010). By being actively involved in creating the experience, the consumer might use brand meanings as symbolic resources for the construction and maintenance of identity as well (Elliott and Wattanasuwan 1998).

2.4 Dimensions constructing the experience of luxury

This chapter summarizes the varied characteristics and drivers through which the previous literature has aimed to define luxury, after which the framework regarding the scope of luxury will be created. Previous studies have shown that luxury has aimed to define through product-related characteristics, but also by suggesting them to provide subjective intangible benefits – such as bringing prestige and status to the owner apart from any functional utility (Grossman & Shapiro 1988) or providing hedonic pleasure and emotional sensations (Hagtvedt and Patrick 2009).

Scholars have aimed to capture the essence of luxury from a motivational perspective, for example, by addressing the drivers and benefits that explain the fascination and desire consumers show towards luxury goods. The terms 'drivers' and 'benefits' have often been used in managerial literature to refer to motivational components that contain the assumption that consumers act towards something. As the core of this study is not to uncover motivational drivers, but instead to enlighten what constitutes luxury and how it is determined by consumers, the drivers are regarded hereafter as *meaning dimensions* referring to the more extensive and neutral essence through which the luxury construct will be approached.

The meaning dimensions addressed and discussed in previous chapters – functional, experiential and symbolic – are generally combined under the concept of '*luxury consumption*' (e.g., Wiedmann et al. 2009; Zhan & He 2012; Truong & McColl 2011), which is used in consumption literature to broadly refer to all consumption related to luxury goods. Luxury consumption is seen as a more comprehensive entity that takes into account both the symbolic dimension and extrinsic drivers, which are highly emphasized in previous research (e.g., Truong et al. 2008; Mason 2001; O'Cass & Frost 2002; Leibenstein 1950), and the experiential dimension. Luxury consumption is seen as a parallel concept to what Vigneron & Johnson (1999) called prestige seeking consumption. The characteristics outlining forms of consumption related to luxury goods are summarized in Table 2.

Table 2. Previous literature related to consumption of luxury goods.

	Scholars	Characteristics
Conspicuous consumption	Veblen 1899, 1912 Mason 1981 O’Cass & Frost 2002 O’Cass & McEwen 2004 Han et al. 2010	<ul style="list-style-type: none"> - High importance of price of the product - Loud/quiet brands (visibility of the brands) - Public display of expensive possessions - Signaling high income - To communicate social and hierarchical position - To impress others - Satisfaction derived from audience reaction - To be perceived and positioned at a certain level in society
Status seeking consumption	Eastman et al. 1999 O’Cass & Frost 2002 O’Cass & McEwen 2004 Truong et al. 2008	<ul style="list-style-type: none"> - Publicly consumed goods - Loud brands (visibility of the brands) - Categorized high in the social hierarchy - Use/consumption of goods for social status purposes - Consuming goods that represent status to significant others - Represent status to individual/self - To be perceived and positioned at a certain level in society
Status consumption	O’Cass & McEwen 2004 Truong et al. 2008 Phau & Cheong 2009	<ul style="list-style-type: none"> - Privately (or publicly) consumed goods - Quiet brands - Consuming goods that represent status to significant others - Represent status to individual/self
Bandwagon effect	Leibenstein 1950	<ul style="list-style-type: none"> - Status acquired by imitating - Symbolic marker of a group membership - Feeling of belonging
Need for uniqueness	Snyder & Fromkin 1977 Tian et al. 2001	<ul style="list-style-type: none"> - Uniqueness, rarity of the product is highlighted - Publicly consumed and recognized goods - Pursuit of being differentiated from the masses - Social comparison - Enhance self-image by seeking differentness relative to others - The feeling of being different and distinctive despite of perceived status position in society
Snob Effect	Leibenstein 1950	<ul style="list-style-type: none"> - Importance of exclusivity of the product - Influenced by others’ consumption preferences - Feeling of differentiating - Emotional desire
Prestige seeking consumption	Vigneron & Johnson 1999	<ul style="list-style-type: none"> - The perfectionism effect (quality value) - The Veblen effect (conspicuous value) - The snob effect (uniqueness value) - The bandwagon effect (social value) - The hedonic effect (emotional value)
Luxury Consumption	Wiedmann et al. 2009 Yeoman 2011 Truong & McColl 2011	<ul style="list-style-type: none"> - Symbolic to others, symbolic to self - Combining traits of conspicuous and status consumption - Signaling to others, signaling to self - Luxury is present through social reflection (regarded as luxury in the social context) - Derived from interaction with people in the social context - Self-directed pleasure - Goods as source of pleasure - The level of luxuriousness is created/defined from own premises/standing

Luxury consumption has its roots in the concept of ‘conspicuous consumption’, which sums up the conception that the rich tend to consume conspicuous goods in order to display their wealth and social status (Veblen 1912). Subsequently however, scholars have taken into account the subjective perceptions and experiential dimension (e.g., emotional value and pleasure) of luxury consumption (Wiedmann et al. 2009).

Recent literature of luxury branded products has emphasized the consumer perspective by shifting the research to perceived value discussions. These researchers have sought to explain the desire for luxury goods through ‘perceived luxury value’, which is a combination of diverse value dimensions that constitute the overall value of luxury branded products (e.g., Wiedmann et al. 2007; 2009; Shukla & Purani 2012; Vigneron & Johnson 2004; Tynan et al. 2010). The frameworks of perceived luxury value offer a tool through which “the highest” luxury in a brand can be measured. The diverse value dimensions of perceived luxury value are summarized in Table 3.

Table 3. The value dimensions of perceived luxury.

Vigneron & Johnson (2004)	Luxury brands consist of non-personal perceptions (perceived conspicuousness, perceived uniqueness and perceived quality), and personal perceptions (perceived hedonic and perceived extended-self).
Wiedmann et al. (2007)	Four dimensions of perceived luxury value: (1) social value (conspicuous value, prestige value), (2) functional value (usability value, functional value, uniqueness value), (3) individual value (self-identity value, hedonic value, materialistic value), (4) financial value (price value).
Kim et al. (2009)	Luxury brands consist of physical and psychological values: perceived conspicuous value, unique value, social value, hedonic value and quality value.
Tynan et al. (2010)	Overall luxury value consists of: (1) self-directed symbolic/expressive value, (2) other-directed symbolic/expressive value, (3) experiential/hedonic value, (4) utilitarian/functional value, (5) cost/sacrifice value.

As these value dimensions indicate, different researchers highlight different value dimensions constituting luxury. The number of perceived luxury value dimensions is diverse, but they can nevertheless be combined into three primary dimensions: an object-related/functional dimension (including physical product characteristics), a social-centered/symbolic dimension, and an individual-centered/experiential dimension (e.g., Berthon et al. 2009; Vickers & Renand 2003). *The object-related/functional dimension* includes product characteristics, such as perceived quality (Vigneron & Johnson 2004; Kim et al. 2009), and

meanings derived from consumption, such as utilitarian value and product usability (Wiedmann et al. 2007; Tynan et al. 2010). These characteristics (discussed in Chapter 2.1) receive their value through the consumer's interpretation and experience about 'what the product can do'. For example, perceived excellence in product quality is highlighted among luxury brands, and this is related to the durability and functionality of the products (Vigneron and Johnson 2004).

The *social-centered/symbolic dimension* combines symbolic manifestation and expressive value, such as perceived conspicuousness and perceived uniqueness. The symbolic functions of luxury goods (discussed in Chapter 2.2) relate to self-expression and the way consumers signal to others by means of consumption objects. (Heding 2008: 94.) They are externally driven, and aim to reflect a desire to impress others. Conspicuous consumption (e.g., Mason 1981; 2001; Veblen 1912; O'Cass and Frost 2002; Truong et al. 2008) and status consumption (e.g., Eastman et al. 1997; Eastman et al. 1999; Kilsheimer 1993) are the main research traits behind the social orientation. The *individual-centered/experiential dimension* (discussed in Chapter 2.3) emphasizes that consumers in search of luxury are internally driven to pursue emotional benefits and pleasure (Truong et al. 2009), and reflect hedonistic and self-fulfillment goals (Silverstein et al. 2008; Tsai 2005).

In addition, value discussions also refer to the cost/sacrifice aspect as part of luxury value perceptions (e.g., Tynan et al. 2010; Shukla & Purani 2012). Among branded products, cost/sacrifice relates particularly to price perceptions (Wiedmann et al. 2009) as consumers often use price to determine the perceived quality of the product. High price relates to high monetary sacrifice, but among luxury goods it can be seen to be positive as it elevates the luxury brand's uniqueness and desirability (Shukla & Purani 2012).

Perceived luxury value is a combination of the value dimensions. However, in previous research, these dimensions usually have been examined as separate units. Prior studies have not discussed whether all of these value dimensions need to be present for something to be regarded as luxury. Thus, it is interesting to ask how these value dimensions relate to one other and whether they are in reciprocal interaction in generating the perceived value.

This study seeks to make sense of 'the experience of luxury' rather than 'perceived luxury value'. Compared to the perceived luxury value dimensions discussed above, the experience of luxury is seen as a subjective and holistic sensation that comes into existence through the combination of the three dimensions – functional, symbolic and experiential. Figure 3 illustrates these dimensions that construct the experience of luxury at its core.

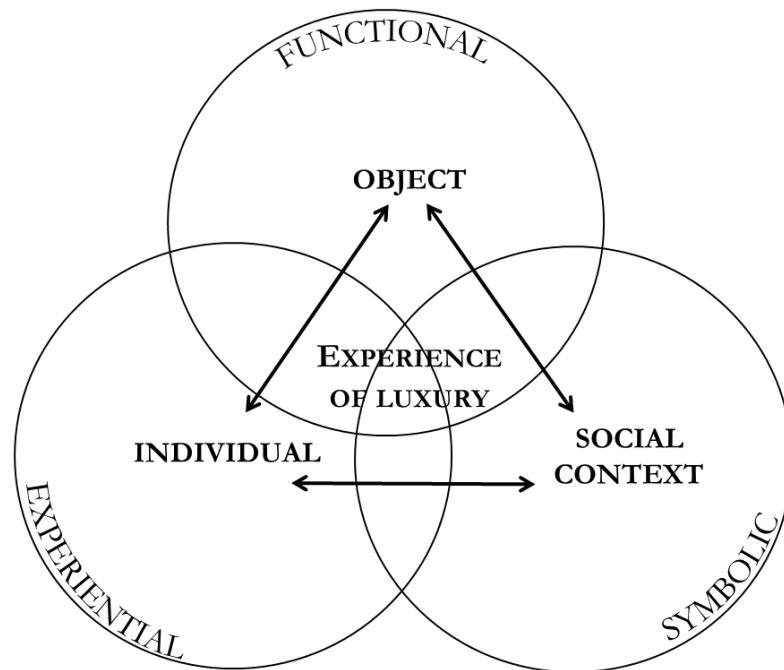


Figure 3. The scope of luxury.

The *experience of luxury* is a more profound experience than a mere collection of product attributes or symbolic manifestations in a social context. The experience of luxury arises in the core and intersection of its dimensions: *experiential* (individual's perceptions, interpretations and personal meanings), *functional* (the material object with the characteristics) and *symbolic* (the reflections of social context and symbolic meanings). These are meaning dimensions that come into existence through an interaction between object, individual and social context – illustrated as a triangle in figure 3.

Therefore 'luxury' is seen to be relative and context-related, as it is defined through reflections of social context and in subjective interpretations. This study aims to examine and challenge interpretations of luxury. The core of luxury is examined within diverse research settings where luxury is present – luxury counterfeits, luxury diffusion brands, and second-hand luxury. To this end, this study will shed light on consumers' experiences and interpretations of the luxuriousness of brands.

3 METHODOLOGY

This chapter presents the choices that guided the empirical part of the study. The philosophical groundings follow hermeneutic phenomenology, and the research approach for the study adopted the symbolic interactionist school of thought. Through these lenses, the methodological choices are argued and justified.

3.1 Research approach and philosophical assumptions

The aim of this research is to make sense of *what constitutes luxury and how it is determined by consumers*. To be able to generate insight for the research question, the underlying assumptions guiding the research process are discussed. The research approach offers a framework to guide research: it is defined as systematic and dynamic formations that provide a structure that guides conceiving, designing and carrying out the research project. (Kamberelis & Dimitrialis 2005.)

Since meanings are subject- and context-specific, and constructed in the minds of consumers through interpretation and social interactions, *symbolic interactionism* was found to be the most suitable research approach for this study. The core of symbolic interactionism is about how we create meaning. Meaning making is a constant interactive process that is subject to change and it evolves over time to adjust to the social world (Plummer 2000). The roots of symbolic interactionism are in sociology and social psychology. The founders of this approach, George Herbert Mead and Herbert Blumer, pointed out three premises that characterize symbolic interactionism (Blumer 1986):

1. Human beings act toward the physical objects on the basis of the meaning that these things have for them.
2. The meaning of things is derived from the social interaction that one has with others and the society.
3. These meanings are established and modified through an interpretative process.

The unit of analysis in symbolic interactionism is the individual, and more specifically the individual's meanings, perceptions, and interpretations (Thompson et al. 2013). The meanings related to luxury are at the core of this study. Although the meanings are constructed in and derive from interaction, created through interpretation, and influenced by the social context, the subject of this research is not on how the meanings are constructed. Instead, this study sheds light on what kinds of

meanings and interpretations individuals attach to luxury and how the luxury of a brand is determined.

Symbolic interactionism focuses on the interaction between the actor (individual), the object and the social context. It underlines the importance of interpretations. The meanings derive from the interpretation process, which connects the philosophical foundations of this research to hermeneutic phenomenology. Hermeneutic phenomenology is concerned with how we interpret the world around us (Thompson 1997). The focus in hermeneutic phenomenology is to gain insight at the individual level, to uncover the lived experiences of informants through which they make sense of and, to interpret the world and its phenomena – here, luxury. To that end, phenomenological research seeks to capture individuals' lived experiences, which become meaningful through interpretation, i.e., hermeneutic (Thompson 1997). Experiences do not happen in isolation; accordingly, the social context is emphasized as an important part in interpretations. (Eriksson & Kovalainen 2008.) Next, I will discuss the ontological, epistemological and methodological premises in the context of this research.

Ontology refers to questions about the nature of reality. In hermeneutic phenomenology, reality is perceived as an individual construct dependent on different situations (Cohen et al. 2000). In that sense, it rests on the belief that realities are multiple, and come into being through subjective interpretations that reflect the given social context. Consequently, an objective and “real” reality is denied, and instead reality is continuously reproduced and negotiated socially and experientially (Lincoln & Guba 2000). Besides the nature of reality, the ontology of an object should also be taken into account, as the research topic of ‘luxury’ will be examined in terms of objects of consumption. Thus, the ‘objects’ in this study refer to branded products and possessions. In the spirit of symbolic interactionism, the objects can be considered as ‘meaning bundles’ that are social products that emerge from symbolic interaction; the meaning of an object exists in terms of how people make it meaningful (Blumer 1986; Levy 1981). When it comes to the aim of this study, determining luxury, the context-specific, socially constructed and subjective interpretations of luxury are at the core of this study, and in this sense, hermeneutic phenomenology offers lenses for seeing the world – the belief that there are no objective observations about reality, but only interpretations – and make it possible to create truthful understandings of the luxury phenomenon. Luxury may have different meaning contents to different people at different times and in different contexts. Therefore, it is vital to accept the idea of reality as socially constructed and interpretation dependent. These different realities offer a fruitful context to study and create an understanding of how luxury is determined at an individual level.

Epistemology concerns how knowledge about the believed reality can be acquired (Kamberelis & Dimitriadis, 2005: 13). Following the hermeneutic phenomenology way of thought, the nature of knowledge is seen as subjective. Individuals' own subjective experiences and insights that are interpreted are highlighted as the base of acquired knowledge. Researcher (i.e., the inquirer) and knowledge (i.e., the inquired) are interactively linked in the process of investigation. Consequently, objective knowledge is denied; instead, knowledge is a result of the interpretation of interaction (Guba and Lincoln 1994: 108-111).

The chosen ontological and epistemological premises guide the choice of methodology. The *methodological question* embodies the ways (i.e., research methods) whereby the inquirer can discover whatever s/he believes can be known (Guba & Lincoln 1994). As hermeneutic phenomenology is based on subjective knowledge, and constructed through interpretation in relation to social context, qualitative methods are regarded as the most suitable way to approach the phenomenon of luxury.

Figure 4 illustrates the specific research focus guiding the methodological choices that are derived from understanding of meanings and their interactive existence. The gray area represents the area where empirical data was collected for this study: Individual's subjective experiences and perceptions concerning the object (in relation to specific social context). The framework of symbolic interaction offers other possible research perspectives as well. Nevertheless, according to the research questions and philosophical assumptions grounded in hermeneutic phenomenology, the individual's perception and interpretations of luxury are at the core of this study.

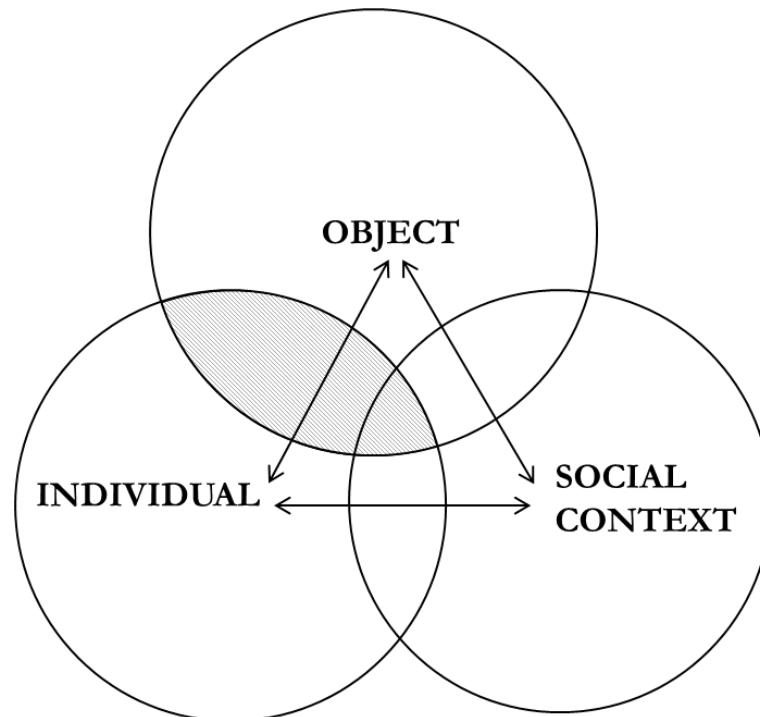


Figure 4. The focus of empirical research.

The empirical research consists of three different qualitative data sets: written narratives and two collections of interviews. During the interviews, the informants were given the opportunity to discuss the brands that they regarded as luxury in the fashion field, instead of assigning specific brands to discuss. As such, the interviews were more like discussions: the interviews were carried out and influenced by my accommodating questions, and by respecting the voice and story of the informant. Next the methodological choices and qualitative data collection will be described in greater detail.

3.2 Research context and informants

The fashion goods market presents a particularly advantageous context for studying forms of consumption that emphasize social drivers. Fashion is also driven by positional factors, such as social status. Status goods (general category) are goods that are valued not only for their functional qualities, but also for their symbolic characteristics (i.e., the goods confer status on their users in a specific social context). These goods are purchased for their status benefits (what is “in fashion”). In that way, their purchase decisions are interdependent on each other. (e.g., O’Cass 2004; Grotts & Johnson 2013.)

Some special characteristics can be pointed out concerning the sociocultural context where the empirical data was generated. Finland exemplifies a special context, as the Finnish luxury markets are still evolving. In Finland, there are no heritage-owned national luxury brands with long histories, and brands regarded as luxury in the fashion field are mainly Central European luxury fashion brands (e.g., Prada, Louis Vuitton, Chanel). In addition, these “traditional luxury fashion brands” have arrived recently in Finland by opening their own boutiques and becoming more available through department stores or multi-brand channels. For example, the first and only Louis Vuitton store opened in Helsinki in 2008. In addition, there are a handful of multi-brand stores specializing in luxury fashion brands, but for instance, Chanel is a brand that has only one legal distributor in Finland, and no boutique of its own. Although there are many talented young fashion designers in Finland, this scene is still in its infancy. Thus, this study concentrates on internationally known brands regarded as luxury in the fashion field.

Finnish consumers are traditionally seen as modest consumers, who do not want to show off. “S/he who has happiness, should hide it” is a common Finnish expression. One should not boast about what one has. (e.g., Autio 2006; Heinonen 2004; Ilmonen 1993.) The characteristics of Finnish consumers may influence their attitude towards luxury goods, as they emphasize features such as durability, sustainability, and overall quality when reasoning and justifying the consumption of luxury goods. This specific sociocultural context with its emphasis on equality offers an interesting field to study a phenomenon that is traditionally grounded in social stratification (e.g., Chevalier & Mazzalovo 2009; Kapferer & Bastien 2009).

Besides the sociocultural context, the more precise research context with its specific features also has to be taken into account. All the empirical data collected is from a *luxury fashion context*. The articles focus particularly on luxury fashion accessories. Leading luxury brands in the fashion field offer handbags and accessories. Thomas (2007: 168) even argues that “handbags are the engine that drives luxury brands today”. Purses and other accessories do not require sizing, unlike shoes and ready-to-wear fashion (Han et al. 2010). In addition, as the fashion cycle is changing rapidly and collections are following each other among apparels, fashion accessories comprise a category that represents a slower rate of change in the fashion cycle. Fashion accessories are also a category that is plagued by counterfeiting, and where the second-hand markets are evolving – as fashion trends do not “change” that quickly. Therefore, luxury fashion accessories are the most suitable category of discussion when eliciting the empirical data.

Fashion accessories are a category accessible to many – mainly because of the price range (compared to cars or jewelry, for example), and fashion accessories (i.e., handbags) play a particularly important role for women. Possibly because of the chosen fashion context, there are difficulties in finding informants to represent both genders. The informants in the empirical data sets are mainly women (38 of 42). They are chosen by convenience and snowball sampling, by applying a criteria that informants are interested in fashion and that whom possess goods they regard as luxury. In qualitative research, and particularly in hermeneutic phenomenology, it is justifiable to choose informants that have experience and knowledge in order to generate rich data. In addition, it is noteworthy that the informants representing the empirical data are consumers of luxury branded products, and not necessarily “luxury consumers”. By this, I want to highlight that these informants represent the middle class, and combine trends and different brands – from H&M to Hermés. They represent fashionable contemporary consumers, who belong to generational groups Millennials (age 18 to 34) or Generation X (age 35 to 49). They are a growing group of consumers who use luxury branded products in Finland.

3.3 Research process

The existing literature on meaning creation played an important role in the research process. The qualitative studies in this dissertation are theory-bound; in other words, it regards the theoretical grounding for the study as a perspective or lens on the data (Alasuutari 1995). A theoretical pre-understanding helps the researcher pay attention to specific things, thereby enabling the researcher to see something new in the data (e.g., Tuomi & Sarajärvi 2002: 95-97). The researcher’s existing knowledge of the subject matter guides both the elicitation methods of data collection and the analysis of the empirical data. In qualitative research, the role of prior knowledge of the subject matter guides the researcher to find new lines of inquiry, not to test the already known. Characteristic of theory-bound analysis is the researcher’s thinking process that moves between empirical findings and prior concepts and theories (Tuomi & Sarajärvi 2002).

The body of this dissertation consists of three articles with separate data sets. The empirical data of the first article was generated by written narratives. Interviews elicited with brand cards were collected for the second article. The data for the third article was generated by personal theme interviews and triangulated with netnographical secondary data. Table 4 summarizes the characteristics of the empirical data sets.

Table 4. Summary of the empirical data in this study.

Article	Method of data collection	Elicitation technique	Description of the participants	Type and amount of the data	Mode and frame of analysis
Diffusing the boundaries between luxury and counterfeits	Written narratives/stories (2009)	Photo-ethnographical methods, i.e., pictures (male informants – Rolex watch; Female informants – Louis Vuitton handbag)	Convenience sampling: Blog writers, 4 male 16 female Age: 18-30	20 narratives (7 narratives about pictures of authentic products, 13 narratives about pictures of counterfeits) Length: approximately 250 - 600 words/narrative	Qualitative content analysis
Challenging the hierarchical categorizations of luxury fashion brands	Personal interviews (2011)	Free sorting task with 14 brand cards illustrating the logos of luxury fashion brands	Convenience sampling: people interested in luxury fashion All women Age: 23-39	12 interviews Length: 45 minutes to 1.5 hours (103 pages of written text)	Qualitative content analysis
Pre-loved luxury: Identifying the meanings of second-hand luxury possessions	Personal interviews and netnographical secondary data (2012)		Convenience sampling: Fashion blog writers possessing luxury items that they had purchased both as brand-new and as second-hand. All women Age: 25-40	10 interviews Length: 45 minutes to 1.5 hours (89 pages of written text)	Qualitative content analysis

3.3.1 Written narratives

Narratives are a way to structure and understand reality (Hänninen 1999: 15). Researchers do not have direct access to people's experiences, but narratives can be seen as a path to people's own representations and interpretations of their lives. Narratives are usually more than just reports of an event or descriptions of situations; they convey meanings that the teller attaches to what he or she is describing (Cortazzi 2001: 384). Instead of truth, the primary interest for the narrative researcher is how the writer sees and presents the subject of the story/phenomenon

that is discussed. For example, when using pictures as an elicitation technique, I was not looking for a right answer or objective description of the pictures, but rather, their thoughts, feelings and interpretations that the pictures evoked.

The empirical data for the first article consists of written narratives. Photo-ethnographical methods were used to elicit the stories and guide the writers to describe the subject of research – counterfeited luxury or luxury goods in general. The pictures used were chosen based on prior theoretical knowledge about luxury and counterfeit consumption. The pictures were intended to elicit thoughts from the informants and guide them to write about the subject matter, i.e., the meanings they attach to counterfeit or luxury goods.

Three pictures were sent to each informant with the instructions (see Appendix 1 and 2). For the informants who were supposed to write about authentic luxury goods, the first picture illustrated a luxury store (Louis Vuitton for female or Rolex store for male informants). The second picture was about a social situation where the branded product was used. This sought to capture the social meanings of consuming luxury (or counterfeit luxury). The third picture illustrated a person looking at him/herself in a mirror in order to capture personal meanings and to uncover the “looking glass self”. These pictures were intended to prompt informants to write about both social and personal meanings that refer to viewing oneself reflectively through interaction with others (See Mead 1934). The informants who were asked to write about counterfeits were also sent three pictures: the first picture illustrated the street market of counterfeits (either Louis Vuitton or Rolex). The second and third pictures were the same as described above. The stories were written in Finnish.

Stories – and interpretations – cannot arise in a vacuum (Bauer and Jovchelovitch 2000: 68). When an informant writes a narrative, s/he is forced to interpret the pictures contextually within his or her own beliefs and experiences. Therefore, the stories are considered to represent the consumers’ beliefs, thoughts and interpretations of the luxury and counterfeit goods influenced by the social and cultural context. The stories were not seen as objective “truth”, but as reflections of it (e.g., Moisander & Valtonen 2006).

The narratives followed the classic structure of stories: description of the background information and beginning, middle, and end. A third of the narratives were report-like descriptions of the pictures strictly sequenced in the same order as the pictures. However, the majority used the pictures as inspirational sources for more freely written stories. The pictures offered the possibility for the informant to write a descriptive story in third person, rather than speak directly about

themselves. The majority of the stories were written about another person with a fictive name. However, a few narratives were written in first person.

3.3.2 Personal interviews elicited with brand cards

To motivate the informants and guide them to the research subject, they were asked the same question in the beginning of all interviews (concerning both diffusion brands and luxury second-hand): what do you regard as luxury and why? In many cases, informants did not point out any specific brand or product, but instead, they discussed it at a more experiential and abstract level, suggesting that free-time or a holiday, for instance, were *luxury* for them. This free association task completed and deepened the understanding about what informants put high value on. All of the answers were linked by the dream aspect: luxury was regarded as something that exceeds what they have now, something they dream about.

After the free association task, the brand cards were used as an elicitation method to guide the informants to discuss the fragmented fashion field and the different degree of luxury in brands, which was the subject of research in the second article. The goal was to uncover the meanings through which consumers make sense of and conceptualize luxury brands. Brand logos were presented on 12 cards (the logos presented can be seen in the second article) and were selected from the luxury fashion field to represent brands of different price levels, countries of origin, ages, etc. These characteristics were derived from prior literature on luxury brand management, through which definitions of the degree or level of luxury were pursued. The brand card served a dual purpose; to lead the discussion to luxury fashion brands and to guide the informant to discuss the ways s/he categorizes and determines the luxury in brands. Some of the categorization tasks in action are pictured in Appendix 4.

The interviews followed the structure of “theme interviews”, where the categorization task was part of the interview. Consistent with the hermeneutic approach, the pre-understanding was raised from the previous literature by formulating themes that loosely guided the interview discussion. Thus, the interviews did not follow any specific question patterns, but instead concentrated on a specific subject area (see Appendix 3). The informants were given freedom to discuss and write about the topic. (Eriksson & Kovalainen 2008.) Hence, theme interviews were regarded as a suitable way of collecting data related to meanings.

3.3.3 Personal interviews triangulated by netnographical secondary data

For the third article, the interviews were collected from informants who had personal experiences of purchasing both new and previously owned luxury branded goods. The interviews were discussion-like situations where informants were encouraged to speak openly about their personal experiences, feelings, and thoughts concerning second-hand luxury goods. The stories that the informants told contained personally experienced thrills, disappointments, and feelings of relief linked to second-hand luxury. The themes guiding the interviews can be seen in Appendix 5.

In addition to interviews generated for the third article, the empirical data was enriched and strengthened by collecting netnographical secondary data. The use of secondary data helps to gain a more comprehensive picture of the phenomenon in question and to ensure a more rigorous interpretation (Wallendorf & Arnould 1991; Arnould 1998). The netnographical data had a complementary and triangulative role in this study. It consisted of online discussions concerning luxury goods that are bought as second-hand, in order to ensure that the saturated themes discussed during the interviews were all covered. These discussions and comments were collected during 2012 from seven Finnish fashion blogs.

3.3.4 Content analysis of the qualitative data sets

Meanings are social constructions, and interaction happens in a social context (Ligas & Cotte 1999). However, the focus in this study is on individual consumers' experiences and meanings rather than group-level conceptions, as the purpose is to grasp the meanings that individuals attach to luxury branded products and thereby to create an interpretation of luxury.

All three empirical data sets were analyzed by means of qualitative content analysis (Spiggle 1994; Belk et al. 2013). Each article has its own empirical data, and has thus been analyzed separately according to the specific research question of the article. The general guidelines and interpretation process of the analysis follow the structure suggested by Spiggle (1994). Different steps from the analysis process can be pointed out. The first step was familiarization with data by means of reading and re-reading the interview transcripts or narratives. Then, the descriptive labels were generated inductively with the specific research question in mind, in order to organize all the information contained in each interview and narrative. The coding helps to classify the units of data (Spiggle 1994). At this point, the analysis was inductive and the interpretations and perceptions were considered to reflect the *emic* accounts of the data. (See Spiggle 1994; Eriksson &

Kovalainen 2008.) The next step was to generate larger themes from the coded data. The generated themes were interpreted along the theoretical discussion and in relation to the existing research on luxury brands. These elaborations represent the *etic* meanings – the abstraction of categories. (Thompson and Haytko 1997: 20.)

4 SUMMARIES OF THE ARTICLES

The body of the dissertation consists of three articles. Each of the articles approaches the meanings of luxury within diverse research settings where luxury is present – luxury counterfeits, luxury diffusion brands and second-hand luxury. The ideas for the articles can be seen to arise abductively from the empirical data: findings from the first article guided the second, which in turn led to the third article. Although the research process can be seen as cumulative, the findings show that there were conjunctive elements that came up in each article. This chapter offers short summaries of the dissertation articles and describes the research process.

The first article examines and clarifies the meanings and attributes attached to luxury goods and counterfeits. The findings point out that luxury goods and counterfeits are not regarded as counterparts; instead, they can be seen to constitute a form and manifestation that partially carry parallel meanings as luxury brands. Perceived authenticity arose as a central distinguishing feature between luxury and counterfeits. However, authenticity was not regarded just as a characteristic inherent in an object, but instead received versatile contents and forms in the narratives. In addition, the luxury concept is not seen as a homogenous phenomenon; instead, various levels of luxury goods and counterfeits were highlighted. The diversity inside the luxury concept and its different degrees led the research to the second article.

The second article sheds further light on the different levels and forms of luxury by examining the fragmented field of luxury fashion brands. The findings propose that although consumers categorized fashion brands by applying brand-related characteristics, these characteristics were regarded as relative; they became meaningful only through interpretations in relation to consumers' own consumption experiences as well as when reflected against the social context. Uncovering the different ways through which brands are regarded as luxurious revealed also the consumers' quest for uniqueness. Perceived uniqueness was regarded as a central aspect when making sense of the different degrees of luxuriousness of a brand. It received different contents and interpretations when consumers discussed the varied ways through which they sought to fulfill their need for uniqueness, for example, through previously owned luxury goods. This led the research to the third article.

The third article concentrates on consumption of previously used luxury items. By studying the meanings attached to luxury items bought as second-hand, the study highlights the non-existence of an extravagant purchasing context and service,

which is traditionally considered to be a central part of the luxury experience. The findings suggested various meanings attached to second-hand luxury, and strengthened the understanding about the consumer's central role as interpreter and determiner of luxury. Besides questing for uniqueness and authenticity, the consumers' of pre-used luxury goods adopted an active role in co-creating the experience of luxury. The value and luxuriousness of a branded product was negotiated and generated through actual use and consumption.

Research concerning luxury brands has been a subject of growing research interest. As the managerial perspective has been highly emphasized, this dissertation aims to examine and to make sense of how consumers determine luxury by themselves. Building on the findings of these three articles, a conceptual model about the elements constituting the experience of luxury will be presented in the discussion and conclusions chapter. These elements seek to enlighten the consumer perspective by suggesting how consumers interpret and make sense of the luxuriousness of a brand.

The progress of the articles and the ways of data collection are illustrated in Figure 5.

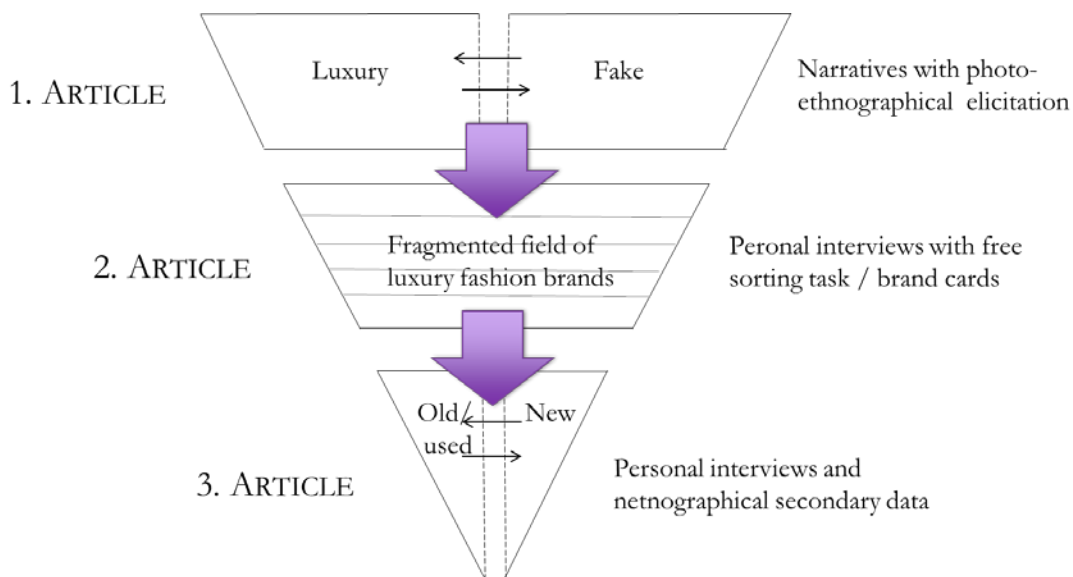


Figure 5. Research process, empirical data collection, and article interconnections.

4.1 Diffusing the boundaries between luxury and counterfeits

Consumption of counterfeit luxury goods is booming (Counterfeiting Intelligence Bureau 2008). The quality of counterfeits is better than ever before. As their prices are low and they are increasingly socially acceptable, it is not surprising that counterfeit sales are booming. This raises an interesting question: if the product attributes are imitable, is it possible that some of the ‘luxury content’ is transferable as well? What is the difference of meanings between luxury goods and counterfeits? In order to answer these questions, article 1 – ‘Diffusing the boundaries between luxury and counterfeits’ – aims to deepen the understanding of luxury consumption by comparing the meanings and the attributes of counterfeit branded products and luxury goods.

The grounds for luxury counterfeits were generated by making sense of the luxury branded products and the meanings associated with them. Counterfeits are regarded as reflections of their authentic counterparts; they are products bearing a trademark that is identical to a trademark registered to another party (Bian & Moutinho 2009). In that sense, an understanding about what constitutes a luxury branded product is needed in order to make sense of counterfeits.

The empirical data for this study was generated by collecting written stories. Informants were asked to write a narrative inspired by pictures. In order to be able to compare the meanings between counterfeits and luxury, two kinds of narratives were collected. One group wrote narratives inspired by pictures illustrating a purchasing situation involving an authentic luxury brand. Whereas the narratives were generated in the other group with a collection of pictures related to counterfeit purchases. The collection process and pictures as well as the characteristics of the narratives were described in more detail in Chapter 3.3.1.

The empirical data revealed the heterogeneity of the luxury field and the variety of shades of meaning among counterfeits. Consumers regard both luxury goods and counterfeits as being at different levels and of different quality, ranging from poor to excellent. Thus, consumers do not perceive luxury and counterfeit branded products as lying at opposite ends of a continuum; counterfeits can be regarded as the embodiment of luxury, whereas non-brand products are rather the opposite. The continuum is illustrated in Figure 6.

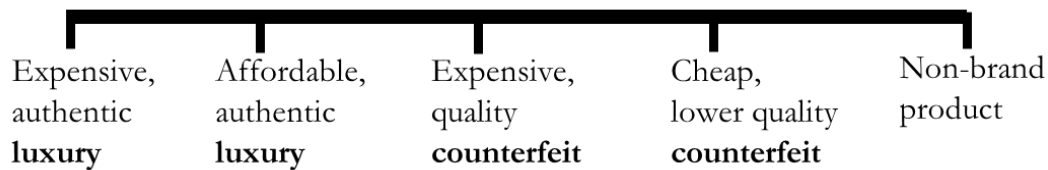


Figure 6. Luxury – counterfeit continuum.

As illustrated in Figure 6, luxury brands are not a homogeneous category of exclusive brands, but instead differ in terms of their degree of perceived luxuriousness. The level of luxury can be evaluated from characteristics such as price and quality perceptions. However, it is reasonable to ask whether consumers are ranking luxury brands hierarchically and in such an economic- and attribute-centered way as this continuum suggests.

Differences between meanings also arose concerning the consumption of luxury goods and counterfeits: Counterfeits possess mainly social meanings, whereas authentic luxury goods may also operate on a personal level. Counterfeits were seen to possess symbolic value in manifesting either the consumer’s aim to belong (to the group above, people who possess genuine luxury) or to differentiate themselves from consumers with authentic luxury goods (for example, to make fun of them by showing off how the fake is as “usable” as the authentic artifact). Thus counterfeits were purchased mainly because of their symbolic content, and the personal meanings of counterfeits were regarded as minor because ‘one cannot cheat oneself’.

In addition to price and quality perceptions, perceived authenticity was regarded as a vital connective and distinctive factor among luxury and counterfeit branded products. Perceived authenticity was seen as an important aspect when determining luxury, and it was thus included in the luxury-counterfeit continuum as depth axis. It is noteworthy that according to the findings, authenticity can be perceived to exist not only in branded products, but also in no-brand products – such as the griffe, an artistic creation that does not necessarily represent any brand. Thus, this article suggests that perceived authenticity is generated in relation to social context, and it is a person’s own interpretation, rather than a perceived characteristic added to a brand. The classification is presented in Figure 7.

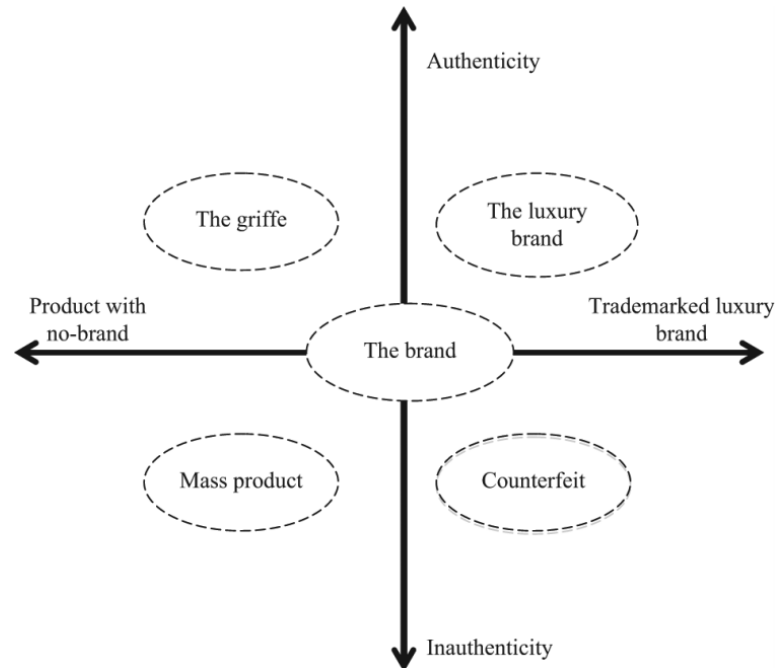


Figure 7. Luxury – non-luxury continuum and authenticity.

The research shed light on the essence of counterfeit and luxury goods by suggesting that luxury and counterfeit goods are not regarded as lying at opposite ends of a continuum. In addition to distinguishing product attributes, more abstract meanings of authentic luxury were also differentiated from meanings of counterfeits. Moreover to providing a better understanding of the luxury phenomenon as a whole, this study contributes to discussions on authenticity by diversifying the concept of object-related authenticity.

4.2 Challenging the hierarchical categorizations of luxury fashion brands

The first article examining the differences between luxury and counterfeits provided a more detailed understanding about the diversity of different degrees and levels of luxuriousness. All luxury brands are not deemed to be equally prestigious: a variety of levels exist (e.g., Vigneron & Johnson 1999; De Barnier et al. 2012). Various new terms have been introduced – such as *super premium*, *mass-tige*, *new luxury* – in order to capture and specify the heterogeneity of the luxury field. The fashion field is particularly rich with brand step-down extensions to

meet consumers' desire to have their piece of luxury fashion. However, luxury brands are characterized by their inaccessibility – and for this reason, extended availability appears to be paradoxical and confusing. Can a branded product be regarded as luxury if it is available to many?

The previous literature structures the fragmented field of luxury brands in a hierarchical order to make sense of the higher and lower levels of luxury of a brand. These kinds of rankings are based on product attributes, such as price and quality (e.g., Vigneron & Johnson 1999; Corbellini & Saviolo 2009), or on brand characteristics, such as the age of the brand or types of the brand (e.g., Silverstein & Fiske 2003; Truong et al. 2009). In addition, researchers have sought to measure the perceived degree of luxury by combining intangible aspects – symbolic and personal value – in the evaluation (e.g., Wiedmann et al. 2009; Shukla & Purani 2012; Vigneron & Johnson 2004).

To that end, article 2 – ‘Challenging the hierarchical categorizations of luxury fashion brands’ – aims to identify the characteristics through which consumers structure the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. The article seeks to clarify the key characteristics consumers apply when navigating and categorizing the diversified field, and then to make sense of the ways consumers determine the luxuriousness of a brand.

The empirical data for this study was generated through thematic interviews elicited with brand cards. In the beginning of the interviews, informants conducted free sorting tasks with brand cards depicting luxury fashion brands. The categorization task revealed the ways through which consumers classify the brands. Further questions were asked to uncover the reasoning behind the categorizations. Discussion-like interviews then made sense of how the characteristics became meaningful.

The findings show that luxury fashion brands are categorized by applying brand-related characteristics through which consumers make sense of the heterogeneous field of luxury fashion brands. These classification criteria are illustrated in Figure 8. The informants organized the brand cards into various groups by applying different criteria to categorize the brands. However, the connecting and distinctive characteristics were not necessarily used to organize the field in hierarchical order (higher – lower degree of luxury).

Criteria for categorizations	Connecting and disjunctive characteristics consumers applied			
Age of the brand	"New" luxury	Traditional /iconic		
COO	Italy	France	USA	
Aesthetics /design	Fashion oriented	Long history & heritage		
Conspicuousness	Loud luxury	Quiet luxury		
Stylistic consistency	Diffusion brand & parent brand (put in to the same group)		Style of the brand manifested (e.g. "old England", "Parisian", "Sporty")	
Type of brand	Brands with no extensions	Parent brands	Brand extensions	Other brands

Figure 8. Six brand characteristics guided the categorizations.

The characteristics illustrated in the figure above are regarded as neutral and differentiating features. The characteristics become meaningful through interpretations in relation to other brands and consumption experiences as well as by being reflected against the social context. For example, conspicuousness received its meaning when interpreted in relation to time and consumption situation: loud luxury brands may be regarded as more luxurious at a specific (young) age and situation, whereas in a different time and age quiet brands are regarded as better.

The interpretation of the luxuriousness of a brand is derived from personal consumption experiences, which are illustrated in Figure 9. Based on the findings, consumption experiences can be divided into purchasing situation and actual use and consumption. The purchasing situation emphasizes the quality of service, while actual use and consumption highlight the more active role of the consumer and co-creation of the experience of luxury. Perceived accessibility, which influences the desire for luxury, comes into existence for the consumer through product-related scarcity (e.g., limited editions) or as a reflection of one's own economical standing. For instance, 'the dream' is something desired but unreachable due to economic issues. In contrast, 'everyday luxury' is regarded as something that

turns the mundane into something special and prestigious. The subjectivity of the findings is emphasized as the consumers' interpretations play a central role.

As part of personal consumption experiences, *perceived uniqueness* was highlighted. Perceived uniqueness had threefold content: product-centered 'scarcity' as discussed above, 'perceived individuality' arising from social differentiation and 'perceived rarity' derived from perceptions of consumption situations.

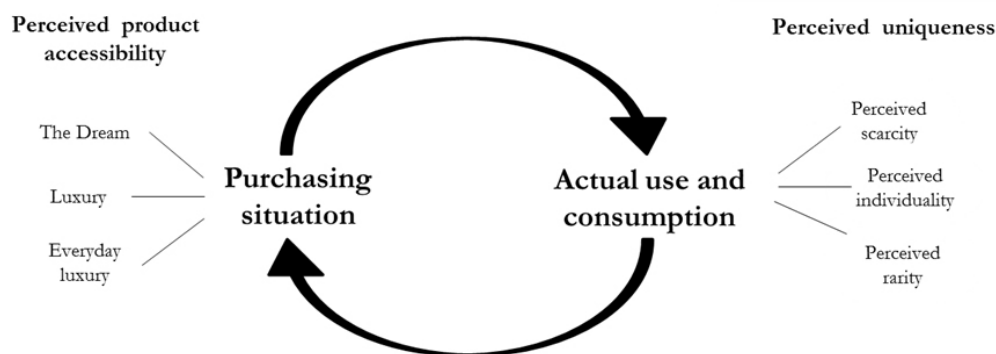


Figure 9. Personal consumption experiences.

The second article extends the understanding of the fragmented luxury fashion field, where previous research has emphasized the product perspective. This study underlines the importance of considering actual use and consumption when a consumer is determining the luxuriousness of a brand. Applying a consumer perspective as part of categorizing luxury brands will yield enhanced insight.

4.3 Pre-loved luxury: Identifying the meanings of second-hand luxury possessions

The findings of the second article emphasized the personal consumption experience when determining the luxuriousness of a brand. To challenge that finding further, one may ask whether one person's trash can become another person's treasure through consumption? Traditionally, luxury brands are closely associated with exclusive service, high price and flawless quality (Dubois et al. 2001). Pre-used goods – a branded product bought as second-hand – lack these characteristics. Can a used luxury possession still be perceived as representing luxury?

Article 3, 'Pre-Loved Luxury: Identifying the meanings of second-hand luxury possessions', focuses on the meanings attached to luxury branded products bought as second-hand. Prior discussions of luxury consumption and marketing have mainly focused on brand-new luxury goods, largely neglecting the emergence of markets for used luxury products. The paper sheds light on the consumption of second-hand luxury brands, identifying the meanings attached to second-hand luxury possessions in the context of fashion, and specifically in the case of luxury accessories.

The empirical data for this study were generated through interviews with ten Finnish women who possessed luxury items that they had purchased both as brand-new and as second-hand. The interviews were discussion-like conversations that aimed to uncover the informants' experiences, motivations and drivers, feelings and thoughts concerning luxury goods bought as second-hand. In addition, secondary netnographical data was collected. Internet discussions concerning second-hand (luxury) fashion were collected to strengthen and triangulate the meaning themes that arose from the interviews.

The findings pinpoint five meaning themes that can be identified as drivers to purchase second-hand luxury possessions: Sustainable Choice, Real Deal, Pre-loved Treasure, Risk Investment and Unique Find. Figure 10 illuminates how these meanings can be positioned along the dimensions between social-individual and authentic-inauthentic to structure the phenomenon of second-hand luxury consumption.

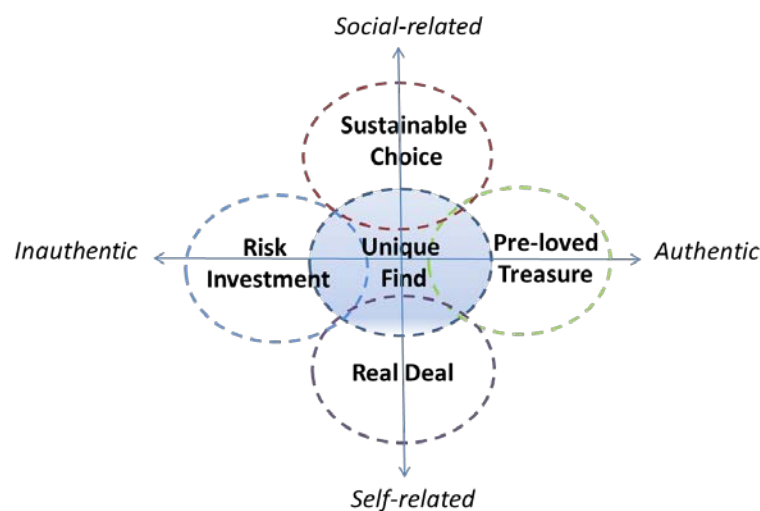


Figure 10. The meanings attached to second-hand luxury possessions.

Sustainable Choice is positioned to emphasize the social meanings of second-hand luxury. The goods are justified by ethical reasons that consumers were ready to manifest and stand behind. In contrast, Real Deal represents more self-related meanings. Real Deal is justified by low price and good quality.

Consumers' quest for authenticity often came up in discussions of luxury second-hand. Risk Investment represents a bargain find, but also contain the fear of inauthenticity. Instead, Pre-loved Treasure highlights the feelings and experiences of authenticity colored by nostalgia. In some cases previously used luxury goods were regarded as more authentic and valuable than brand-new goods. Unique Find is positioned in the middle of the framework to illustrate that it is connected to all of the other meaning themes. The uniqueness of a second-hand luxury possession can derive from meanings attached to sustainability, nostalgia, making good deals or taking risks.

The study highlights how consumers are able to achieve an experience of luxury even without exclusive service, as the informants attached meanings of luxury to second-hand luxury possessions, especially in terms of the symbolic value and authenticity of the product. However, the meaning of authenticity appears to be a double-edged sword in this context, for consumers may also consider that they are taking a financial and also reputational risk when acquiring a previously owned luxury item.

The third article deepens the understanding of the luxury concept by combining the phenomenon with the secondary market and second-hand consumption. This brings forward novel viewpoints for perceived authenticity, but also highlights the consumer's active role when creating an experience of luxury.

5 DISCUSSION AND CONCLUSIONS

This chapter provides a summing-up of the findings pinpointed in the dissertation articles and conclusions. The findings are elaborated further in order to answer the research objectives, and thus build a conceptual model to eventually answer the research question. After that, the contribution of this study is discussed in terms of theory-development and managerial implications. Finally, the evaluation of the research quality and limitations will be provided, and directions for future research will be discussed.

5.1 Consumers' experiences of luxury

The purpose of this study was to uncover what constitutes luxury and how it is determined by consumers. The complex concept of luxury has been examined through three different research settings, and challenged in the conditions where luxury comes into existence. In order to make sense of what constitutes luxury to a consumer, this study sets apart and specifies diverse conceptual nuances between luxury brand and brand luxury. The elaboration of this study is the combination of luxury brand and brand luxury, which is suggested to generate the experience of luxury.

First, *luxury brands* relate to brands that are positioned at the highest end of the brand continuum (e.g., Kapferer 2008; Vigneron & Johnson 1999). The functional dimension (brand and product attributes) and the symbolic dimension (signaling effect, acknowledged socially as luxury brand) have been emphasized as criteria defining a luxury brand. The experiential dimension and consumer perspective are often neglected in definitions of luxury brand built from the brand management perspective (Dubois et al. 2001; Keller 2009; Fionda & Moore 2009). For example, Louis Vuitton is generally regarded as a luxury brand as it meets product- and brand-related criteria set for luxury brands, and is also acknowledged as a luxury brand at the social level. However, while some perceive Louis Vuitton as luxury, others might see it as vulgar or even a travesty of luxury. In other words, individuals do not perceive all luxury brands as luxury.

Second, the experiential dimension has been integrated into *brand luxury*, which refers to the degree of luxuriousness and level of prestige of luxury brands. In contrast to previous literature measuring brand luxury in luxury brands (Vigneron & Johnson 2004; Christodoulides et al. 2009; Miller & Mills 2012), this study suggests that brand luxury – i.e., luxuriousness of a brand – can exist in all brands (rather than just in luxury brands, as it has been measured in previous literature).

In other words, brands containing brand luxury are not necessarily regarded as luxury brands as they may not fulfill the criteria and characteristics of luxury brands. Brand luxury is thus a more subjective experience derived from consumers' perceptions, interpretations and determinations. For example, depending on the interpreter and consumer in question, cheaper diffusion luxury fashion brands, such as Marc by Marc Jacobs, or even a guest designer collection for H&M, may achieve perceived luxuriousness in the consumer's mind even though they do not meet all the criteria related to brand characteristics or symbolic dimension.

In addition to luxury brands and brand luxury, this study also distinguishes a third form of perceived luxuriousness that combines luxury brand and brand luxury: *experience of luxury*. Experience of luxury is a multidimensional understanding of luxury from the consumer perspective, which comes into existence in an interaction of functional, symbolic and experiential dimensions, and in that sense bridges the gap between the symbolic-driven brand management perspective of luxury brands and experience-driven brand luxury. For instance, people who regard Louis Vuitton as vulgar may perceive the brand as luxurious when purchasing it second-hand: the spirit of the past, perceived uniqueness and treasure hunting may generate extended product meanings that contribute to the experience of luxury.

As an important part of generating the experience of luxury, the consumer perspective has been elaborated further by suggesting the elements constituting the interpretations of the luxuriousness of a brand. Next, the elements arising from the dissertation articles and through which luxury is determined by consumers will be discussed.

5.2 Elements constituting the interpretations of the luxuriousness of a brand

In the dissertation articles, the terms and conditions were challenged in order to make sense of how luxury comes into existence for a consumer. Based on the findings, four elements and meanings through which consumers form the perceived luxury of a brand can be identified.

The first article aims to answer *what differentiates luxury from counterfeits*. The research aimed to shed light on the dichotomy of luxury and non-luxury by examining counterfeit luxury goods and their authentic counterparts. The findings from the first article are in line with many scholars (Berthon et al. 2009; Phau & Prendergast 2000; Vickers & Renand 2003) in that they highlight the symbolic dimen-

sion as a profound characteristic setting luxury and non-luxury apart. In addition, perceived authenticity was emphasized when differentiating luxury from non-luxury. In spite of their lack of authenticity, counterfeits were not perceived to be the absolute opposite of luxury, but instead more as a form or reflection of their authentic counterpart. When compared to genuine luxury goods, authenticity was interpreted in object-related terms and was evaluated as a black and white construct. However, counterfeits were also compared to other counterfeits (not necessarily to authentic luxury goods). In that case, perceived authenticity was combined with quality perceptions. Among counterfeits, perceived authenticity was a construction that was seen as a continuum ranging from low to ‘nearly authentic’. Thus, perceived authenticity is a construction that depends highly on what interpretation is reflected.

Besides perceived authenticity, the personal and social meanings attached to luxury differentiated from those attached to counterfeits. Counterfeits could have an emotional bond that was gained through the experience and travel memories attached to the goods and the places where the counterfeit was bought. In that sense, counterfeits gain value also at the personal level, regarded as symbols reminding the consumer of past experiences (memories of vacation, etc.). However, the counterfeit per se or its consumption was not in the core of the meanings. In contrast to the personal meanings of authentic luxury goods, the meanings were tightly derived from and attached to the branded product or its consumption experiences, and consequently reflected as part of oneself. However, although the counterfeits can carry social meanings and symbolic manifestation power – as authentic luxury goods do – they do not reach luxury status at the social level. Counterfeits may have social meanings and signaling power, but when authentic luxury goods relate to respect and approval as well as distinguishing oneself from the masses (e.g., Veblen 1912; Mason 1981), counterfeits are consumed to fit in but not to stand out. Thus, the social meanings of counterfeits have parallel functions with the bandwagon effect, as pinpointed also by Han, Nunes & Drèze (2010). Authentic luxury goods, by contrast, emphasize the consumer’s need for uniqueness and the snob effect.

The second article sought to *identify the connecting and disjunctive characteristics consumers apply when structuring the heterogeneous field of luxury fashion brands, and how the distinguishing characteristics become meaningful for consumers*. The findings showed that the characteristics related to brands – such as country of origin, age of the brand, aesthetics and design, type of the brand, conspicuousness and stylistic consistency – were differentiating features between the brands, but these characteristics did not generate different degrees of luxuriousness. In other words, the consumers did not necessarily rank the brands in hierar-

chical order based on the brand characteristics. The characteristics become meaningful through reflections on the social and temporal context (e.g., consumer's life circumstances) and through personal consumption experiences. Thus, it can be pinpointed that when determining the luxuriousness of a brand, the evaluations become meaningful through a specific context and value in use that are reflections and interpretations of personal experiences.

The third article challenged the luxury concept by *examining the meanings attached to second-hand luxury possessions in the context of the fashion field*. The context of previously owned luxury goods challenged the characteristics usually attached to luxury branded products: lower price, previously used and patinated quality, uncertainty about authenticity. In addition, as exclusive service is missing, the findings revealed that the meanings and perceived luxury value could be constituted through consumption. Five meaning themes could be pointed out through which second-hand luxury goods were interpreted: sustainable choice, real deal, risk investment, pre-loved treasure and unique find. The context of pre-loved goods highlighted the pivotal role of the consumer's quest for authenticity and perceived uniqueness. Authenticity in the second-hand context had twofold meanings: on the one hand, when acquiring a previously owned luxury item, the fear of inauthenticity was considered to pose a financial and reputational risk. On the other hand, the previous life of a luxury branded product increased the perceived authenticity of a branded product and thus generated the interpretation of perceived uniqueness, which was a central aspect when interpreting the luxuriousness of a brand.

The three article-based objectives were combined as a fourth objective that aimed to draw conclusions about how luxury comes into existence for the consumer. As the findings of the three dissertation articles suggest, the luxury of a branded product can be seen to be relative. Building on the findings of the articles, this dissertation research develops a conceptual model suggest that the interpretation of luxuriousness of a brand is constructed through four elements: perceived authenticity, extended product (value in use and consumption), perceived uniqueness and context specificity. The elements are illustrated in Figure 11.

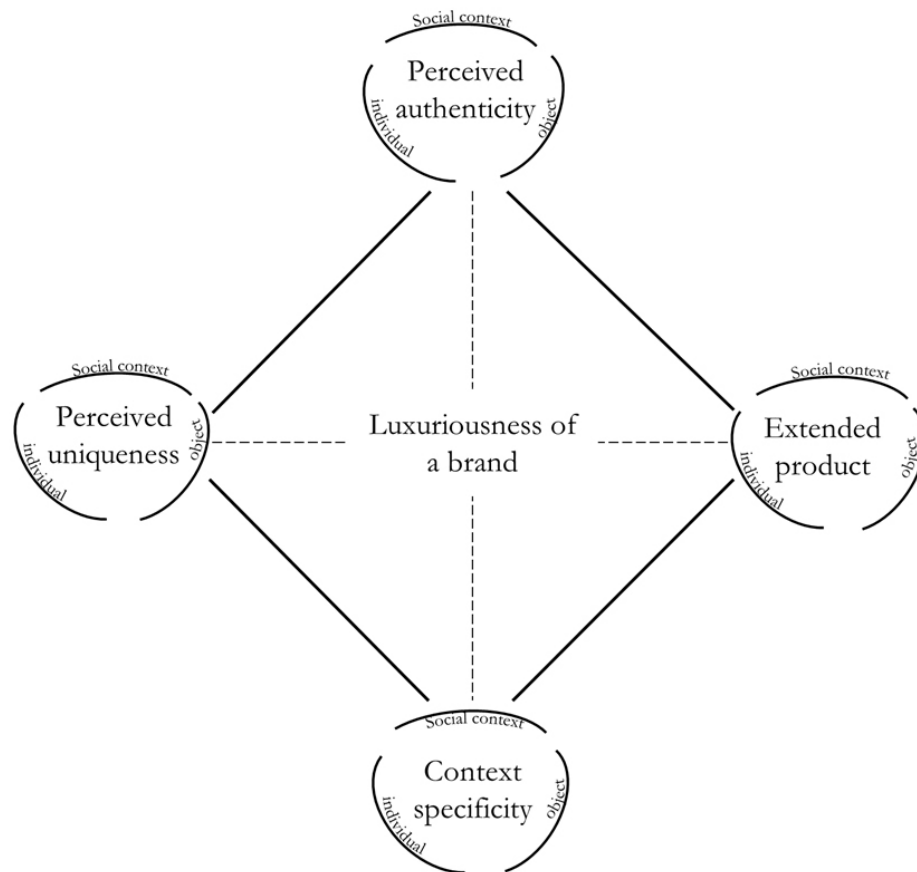


Figure 11. The interactive elements through which consumers interpret the luxuriousness of a brand.

Figure 11 illustrates the elements – perceived authenticity, perceived uniqueness, extended product and context specificity – through which consumers construct the interpretation of the luxuriousness of a brand. These interactive and overlapping elements are the outcome of the reciprocal interaction between the dimensions, i.e., branded product, individual and social context. Next, the elements are discussed in more detail.

5.2.1 Element of extended product

The brand characteristics play a part in consumers' interpretations of the luxuriousness of a brand. These characteristics are not luxury per se, but instead gain their value and therefore become meaningful for a consumer through interpretation. Interpretation is cognitive sense making of perceptions and experiences (Arnould et al. 2005), which can be derived from use and consumption of goods. As luxury involves more than a collection of perceived product attributes, the first element constituting the luxuriousness of a brand is *extended product*. Extended

product refers to additional meanings – such as symbolic and experiential dimensions attached to a branded product and its characteristics. Often the meanings are derived through use and consumption.

The findings of the dissertation articles highlight the extended product element. Among luxury counterfeits, the product became valuable to a consumer through the memories he or she attached to it. Thus, a consumer can generate a meaning extension for the product through personal meanings, which are not dependent on the product attributes. In that sense, counterfeits may become valuable at the personal level, but are not regarded as luxurious and valuable at the social level. Similarly, the consumer has an active role in the second-hand context, where the perceived luxuriousness of a brand is co-created. For example, treasure hunting is regarded as a thrilling part of the experience. That also links to perceived uniqueness, as a discovery is often a one of a kind item that has the spirit of the past. Besides the purchasing experience, the value in use consists of perceived individuality and uniqueness, durability and functionality.

Product attributes, such as price, were discussed in all the articles, and generated meaning contents for the extended product element. In previous literature, the price of the luxury product is often linked to cost/sacrifice value (e.g., Shukla & Purani 2012; Tynan et al. 2009). In the dissertation articles, the cost/sacrifice dimension was not particularly examined. However, while consumers discussed monetary value, they rationalized high price by regarding the product as *an investment*, rather than sacrifice. The investment could be the product itself – consumers regarded themselves as part of a product's life cycle, not as end-users. They invested in a luxury branded product because they regarded its resale value as reasonable. In addition to investing in the branded product due to its monetary value, consumers discussed investing in themselves through purchasing luxury goods, which relates to the experiential dimension. The excellent quality of goods is attached to durability, which can also indicate hedonic experiences and overall pleasure derived from aesthetics.

Cost/sacrifice in the second-hand luxury context is the time lost in treasure hunting rather than the price. However, the search is often seen as part of the experience, which was highlighted in the findings of the third article: consumers were able to achieve luxury experiences even without exclusive service, as the informants attached meanings of luxury to second-hand luxury possessions, especially in regard to the symbolic value and authenticity of the product. In fact, second-hand luxury possessions may hold even deeper meanings for their owners, and consumers develop even closer relationships with them than with brand-new luxury

products. In addition, a second-hand background generates the exclusivity and uniqueness of the branded product.

5.2.2 *Element of perceived authenticity*

Consumers of luxury branded products are in search of *perceived authenticity*, which is identified as the second element in interpretations of the luxuriousness of a brand. Perceived authenticity emerged as a subject of discussion in every dissertation article: authenticity received more diverse meaning contents than the company-driven division between original and fake. Perceived authenticity is generated through stories and experiences, the brand's history and background, but also by personal memories attached to the branded product, which in that sense overlap with the element of extended product. In addition to the brand's history and pedigree that were regarded to generate the perceived authenticity of a brand, also the product's lifecycle has an effect on consumers' perceptions and interpretations. The product's previous life and history (i.e., previous users and owners) may create a dimension around the specific product, which makes that exact product personally more valuable and may even cause it to be perceived as more authentic.

The context of luxury diffusion brands also provided interpretations and negotiations concerning perceived authenticity: in some cases, traditional brands with no brand extensions were seen as more authentic than diluted brands with extensions. Consumers attach scarcity and availability as well as quality to their perception of authenticity. Although See by Chloé is as authentic as Chloé – if considered in terms of company-driven/objective authenticity – consumers regard See by Chloé as less authentic due to its accessibility. This connects the element of perceived authenticity also to the perceived uniqueness of the product, which can derive from availability.

Thus, in the context of luxury brands, perceived authenticity is more than object-related originality. It is negotiated and interpreted by the consumer, generated through personal experiences and interpreted against the social context. In that sense, perceived authenticity is a social construction rather than an objectively defined reality.

5.2.3 *Element of perceived uniqueness*

Perceived uniqueness consists of the functions of belonging and differentiating oneself. The third element, *perceived uniqueness*, consists of multiple levels of

meanings, namely product-related uniqueness and uniqueness generated through consumption. This element was emphasized in the dissertation articles. First of all, product-related uniqueness arose in the second-hand context in the form of one-of-a-kind products, and in the field of luxury extensions, limited editions could achieve perceived rarity. Product-related uniqueness could also indicate experiences of uniqueness at an individual level: the article concerning diffusion brands pointed out perceived individuality, which related to differentiation from the masses and is thus parallel to the need for uniqueness discussed by Snyder & Fromkin (1977). The empirical findings of the three articles emphasized the 'symbolic to self' rather than high sign value and 'symbolic to others'. Desire to pursue differentness and individuality were regarded as more central than social motivations when discussing the luxuriousness of a brand.

Secondly, perceived uniqueness was interpreted through consumption by distinguishing the consumption context and situation, such as special occasion and everyday use. Thus, the perceived uniqueness was established and even created through situational choices and through consumption practices. Consequently, even common and easily available goods may be perceived as unique, when the interpretation derives from consumers' specific consumption situations. Hence, perceived uniqueness can be seen as co-creation and derived from consumption, and in that sense perceived uniqueness is more than solely the inaccessibility and scarce distribution choices created through brand management.

Perceived uniqueness is often associated with branding as a differentiating factor (Miller & Mills 2012). Generally the product has rare ingredients, or is handcrafted, hard to obtain, or difficult to find (Dubois et al. 2001; Juggessur & Cohen 2009; Nueno & Quelch 1998). However, these aspects are product-level attributes, not the brand. Importantly, this study suggests that perceived uniqueness can be gained also through consumption experiences, rather than solely from product attributes. Consumers have an active role in the creation of uniqueness.

5.2.4 Element of context specificity

Perceived uniqueness has close linkages to the symbolic dimension discussed in previous literature (e.g., Berthon et al. 2009). This led to the fourth element, *context specificity*, which emphasizes the society and time against which the interpretations of luxury has been made. Context-specificity can be understood to a broader extent as the 'sociocultural context' or in a more limited way as 'local contexts and social networks' or even 'situational consumption context' (e.g., Arnould et al. 2005: 263). The former highlights the society, economic situation and specific time in general. Brands regarded as desired luxuries in the Nordic

countries, and particularly in Finland, may be perceived differently in other sociocultural contexts, such as Asia. The local context and social networks reflect and are influenced by the sociocultural context, but are more restricted. This refers to an interpretation constructed in relation to other people, such as a reference group, significant others and generation. For example, luxury brands are not necessarily positioned similarly in consumers' minds: the brands that teenagers regard as luxury may not be positioned highly in the brand continuum among older consumers. The 'situational consumption context', instead, refers to the smallest unit: the exact occasions and situations where the branded product is used. The circumstances influence the interpretations constructed by the consumer. For example, as pointed out in the previous chapter, the interpretation of the luxuriousness of a brand and thereby the experience of luxury can be generated through specific situations and consumption context, e.g., celebration vs. everyday use.

Context specificity particularly underlines relativity and context dependence when experiencing and interpreting the luxury of a brand. What is now regarded as luxury in this specific time and situation, might not attain luxury status somewhere else or in the future. Context-specificity is suggested to be the ground for other elements: interpretations about the extended product, its authenticity and perceived uniqueness are interpreted against the social context.

5.2.5 The diamond – experience of luxury as a reflection of the elements

The four elements discussed above – extended product, perceived uniqueness, perceived authenticity and context specificity – shed light on what constitutes luxury for a consumer. The elements are parallel and overlapping, and dependent on the consumer's interpretation, social context and object in question.

To elaborate the interactive elements further, and to understand how luxury is determined by consumers, the elements have been sketched in the form of a diamond (Figure 12). The diamond illustrates metaphorically how the experience of luxury becomes existent through reflections of the elements that the consumer interprets. As the thinking is based on hermeneutic phenomenology, this relies on the idea that there is no single truth about luxury or 'reality'. Instead, there are constructs that are based on a consumer's experiences and interpretations derived from symbolic interaction (Guba and Lincoln 1994). Thus, the 'subjective truth', i.e., perceived luxury, is placed in the core of the diamond. How you see – interpret – the 'luxury' depends on how you look at the diamond, in what light you mirror it and from what direction.

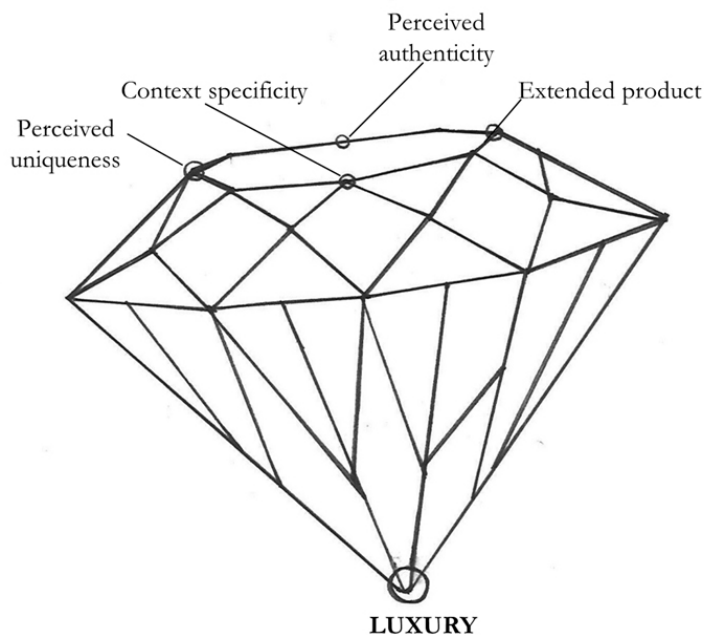


Figure 12. The experience of luxury as a reflection of the interpretations of the interactive elements.

As the diamond is rotated, it displays different reflections and gleams. The reflections depend on the perspective, light and interpreter, e.g., sociocultural context, product characteristics, consumer's life circumstances and economic situation, previous experiences, reference group and situational factors. These constitute and influence the reflections of the diamond, and therefore the ways in which the consumer emphasizes the elements, and consequently interprets and constructs the luxuriousness of a brand. As the diamond's reflections, the elements cannot be strictly separated but instead they are overlapping.

First, the diamond's sparkle depends on context specificity and extended product elements. As discussed earlier, context specificity covers both the sociocultural and temporal context as well as micro-level context including the individual's life circumstances, economic background, and reference group (e.g., Arnould et al. 2005). Thus, the diamond reveals different reflections of the luxuriousness of a brand, which emerge from the individual's experiences and the context he or she lives in. The element of 'extended product' can be seen as part of the diamond illustration: the luxuriousness of a brand is an interpretation that is more than a collection of product attributes. The consumer's personal meanings derive from interpretations generated in relation to his or her perceived life circumstances and

social context, which consequently lead to a consumer-centered understanding of luxury.

Second, the reflection of the perceived uniqueness element also depends on the interpreter: one may perceive uniqueness attached to product characteristics and the scarcity gained through high price or limited editions. For others, perceived uniqueness gains meanings through perceived individuality and perceived rarity, which are consumption-based/generated interpretations. Perceived individuality was seen as a means of differentiating oneself from the masses and manifesting one's own style. Perceived rarity, in turn, was related to the situations in which the brands were actually used and consumed. For example, brands for daily use were regarded as less luxurious than brands used only on special occasions.

The third element of the diamond, perceived authenticity, may also receive different meanings and interpretations depending on the individual and time. For someone in a particular context and life situation, perceived authenticity is solely a company-driven originality and product characteristic. For someone else, perceived authenticity may be a social construction attached to a brand, and influences the perceived authenticity of oneself.

Thus, the diamond illustrates the relativity and context-bound understanding of luxury that emerges through an individual's interpretations. By this, the consumer is in a central role as interpreter and experiencer. A diamond reflects luxuriousness differently depending on the individual's perceptions, social context and object in question. To this end, the luxuriousness of a brand is an interpretation, and the consumer's own experience is the fundamental truth of luxury.

However, this study does not suggest that if a brand has the 'highest levels' of each element, it can achieve the highest level of luxury. This limitation comes from choosing to follow the path of symbolic interaction and hermeneutic phenomenology, which emphasize the consumer's experience as the core aspect (e.g., Thompson 1997).

5.3 Theoretical contribution

By applying the research philosophical assumptions of hermeneutical phenomenology and approaching the luxury phenomenon from the perspective of symbolic interaction, this study has built insights about what constitutes luxury and how it is determined by consumers. From these premises, there are two main theoretical contributions of the study that will be addressed next in greater detail.

First, *this study identifies four interactive elements through which consumers make sense of and constitute the luxuriousness of a brand.* In so doing, the study elaborates on the luxury brand management literature by emphasizing consumers' interpretations and experiences. Each element is the outcome of a reciprocal interaction: the individual's perceptions of the object in question and reflections in relation to the social context. Even though the elements as such have been addressed in previous research, this study extends the prior understanding by enriching their content and showing how the elements are created in an interaction.

Previous literature associates perceived uniqueness with products' antecedents that deliver the perceived uniqueness (Juggessur & Cohen 2009; Vigneron & Johnson 2004) or to the functions and consequences of consuming goods in order to be perceived as unique in order to differentiate oneself from the masses (Snyder & Fromkin 1977). To complement these discussions, the current study provides enriched content by also highlighting the subjective construct and interpretation of perceived uniqueness: the perceived rarity derived from situations in which the brands were actually used and consumed. For example, an individual may perceive brands that are in daily use as less luxurious than brands used on special occasions. To that end, this study suggests that consumers may be more active co-creators of the perceived uniqueness through consumption rather than accept it as a characteristic enhanced by marketing activities or attached to a branded product.

In addition, the element of perceived authenticity provided an enriched and elaborated understanding in the field of brand literature. In brand literature, authenticity is regarded as a company-driven attribute associated with a branded product. In addition, authenticity has often been ignored in luxury research, as it is regarded as a self-evident feature connected to luxury brands (e.g., Tynan et al. 2010; Fionda & Moore 2009). Authenticity, or the lack of it, has been pinpointed solely in research concerning luxury counterfeits – which, again, refers to product-oriented and company-driven authenticity (Leigh et al. 2006). Marketing researchers examine the tension between authenticity and inauthenticity (Brown et al. 2003) by limiting most of the investigations to marketplace manifestations of authenticity (Liu et al. 2015) or characteristics presented in marketing communications (e.g., Beverland 2006; Beverland et al. 2008). To date, there are few studies on how consumers construct authenticity (Beverland & Farrelly 2010; Liu et al. 2015). This study connects the authenticity discussion to the luxury brand literature by challenging the object-related perspective of authenticity. Thus, authenticity can be regarded as a socially constructed and interpreted construction (e.g., Beverland & Farrelly 2010), rather than an inherent characteristic associated with luxury brands.

The element of extended product further expands the discussion about the characteristics attached to luxury branded products by emphasizing consumers' active role in value creation. Thus, the interpretation of the luxuriousness of a brand was not solely derived from concrete product attributes and exclusive purchasing situations – which have often been emphasized in brand marketing and management literature concerning luxury brands – but also from actual use and consumption of the goods. The element of extended product thereby combines both concrete attributes and intangible components (discussed in chapter 2) in consumers' personal consumption experience, from which the experience of luxury may emerge. Hence, the empirical findings of this study emphasized particularly the importance of situational relativity that arises through consumption and calls for consumers' subjective perception and interpretation. The situational relativity is closely connected also to a fourth element, context specificity, which highlighted the context-dependence as well as temporal aspect of luxury perception. The experience of luxury is thus highly dependent on consumers' own interpretation and life situation, but also reflects time in general. Through these empirical findings, the luxury concept can be seen as constantly evolving and dependent on the social context and consumer.

Second, this study structures the experience of luxury by suggesting that it derives from the interpretation of the interactive elements. By so doing, it enlightens and bridges the gap between the dimensions (symbolic, experiential and functional), which have earlier been seen as separate units (as discussed in chapter 2.4). To date, luxury goods have often been attached to the symbolic meanings that signal status for their owners and specific others (e.g., Han et al. 2010; Eastman et al. 1999; Veblen 1912). In addition, the excellence of product attributes (Dubois et al. 2001; Kapferer 2008; Keller 2009) has been discussed as a determinant of a luxury brand. Also, hedonic aspects and service experiences (Tynan et al. 2010) are attached to luxury brands.

The symbolic and experiential dimensions are often discussed separately, or combined as distinct perceived value dimensions constituting luxury (e.g., Tynan et al. 2010; Vigneron & Johnson 2004; Shukla & Purani 2012; Wiedmann et al. 2009). This study, instead, connects the 'traditional', symbolic consumption emphasized in luxury research (e.g., Grossman & Shapiro 1988; O'Cass & Frost 2002; Han et al. 2010) and a more recent, experiential shift (e.g., Atwal & Williams 2009; Yeoman 2011), by suggesting that the experience of luxury comes into existence through reciprocal interaction between these dimensions. The experience of luxury is regarded as combining the construct and outcome of the interpretation of elements, which in turn derives from the individual's perceptions of the object in question and reflections in relation to the social context. In that

sense, ‘experience of luxury’ refers to a more comprehensive understanding than perceived luxury value, where the dimensions are treated as separate. Thus, this study brings forward novel viewpoints to luxury brand literature to interpret and understand the luxuriousness of a brand.

5.4 Managerial implications of the study

This study provides two types of managerial implications: Insights into consumer and luxury context knowledge and processes or activities for brand management.

The market for personal luxury goods is expanding fastest among the middle classes. This study offers an understanding particularly about these “volume” consumers and the ways how they determine luxury. However, luxury marketers should take the luxury paradox into account: the brand should be desirable and perceived as luxury by many, but expanding its accessibility to a great number of consumers might cause its luxuriousness to lose its luster. The feeling of uniqueness and scarcity plays a central role in characterizing luxury – and thus, the secondary channels (e.g., luxury second-hand market) may be an option to enable a consumer to stand out through uniqueness.

Moreover, it is vital to have knowledge of secondary channels through which luxury brands have indirect – and also potential future – consumers. This study provides an understanding about contemporary contexts where luxury brands become available and are purchased, i.e., the luxury second-hand context. In addition, by understanding contemporary consumers and their alternative meanings and motivations related to consumption of luxury branded products, such as searching for sustainable choice, investments in oneself or purchasing products as investments, i.e., not being end-users, help to target the marketing and additional services to better serve consumers’ desires.

Above all, this dissertation provides understanding for marketing practitioners about the importance of consumers’ own experiences in constructing the interpretation of the luxuriousness of brands. Thus, it is important to acknowledge the consumers’ active role in order to provide an appealing brand experience for them, and consequently find ways to stand out in a competitive marketplace. For brand managers, it would be beneficial to understand that these interactive elements – perceived authenticity, perceived uniqueness, context specificity, extended product – can be seen as the basis for generating ‘experience providers’ of luxury. According to Schmitt (2010), the experience providers are ways to create a favorable basis that sustains the consumer to create the experience. By acknowl-

edging that consumers strive for uniqueness or authenticity, for example, could be taken into account when planning marketing tactics and strategies in brand marketing and management. Applying these elements as the basis for planning marketing communications or store layouts may enable and sustain the consumers' interpretations of the luxuriousness of a brand.

Positioning the consumer at the core of brand management practices yields an advantage that challenges traditional luxury brand management in particular: The luxury industry and brands highlight the importance of consumers' (service) experiences, but neglect the use and consumption experiences, which give empowered roles for consumers. Consumers seek uniqueness and authenticity by consuming luxury brands. Acknowledging that perceived uniqueness and authenticity are especially generated during consumption rather than at point of purchase provides vital information for brand managers. For instance, they could extend and emphasize involving activities for their existing customers in order to contribute to more holistic luxury experiences for consumers, e.g., brand communities. The feeling of uniqueness and belonging to an inner circle are a privilege for a consumer of authentic pieces – regardless of whether s/he is the first- or second-hand owner of the product. Thus, luxury brands could also fight discreetly but effectively against the counterfeit market, as the perceived luxury is created through consumption and supporting services, rather than solely through the product.

5.5 Evaluating the research quality

Qualitative research is often criticized for its subjectivity and lack of reliability because it is based on interpretations. However, subjectivity as part of interpretations can be regarded as a vital condition in order to uncover and capture the hidden meaning structures. A qualitative approach offers tools and understanding about the phenomena, where the researcher takes on a role as interpreter and co-creator of the meanings.

The purpose of this study is not to capture one definite truth about luxury, but to offer one version of it. In addition, the meanings of luxury this study has aimed to uncover do not exist in a vacuum or “out there”; they come into existence through the researchers' interpretations. However, these interpretations are not just the outcome of the researchers' imagination and irrational interpretations; instead, they are justifiable conclusions about the issue in question (Eriksson & Kovalainen 2008: 294). Thus, there are criteria through which the trustworthiness of qualitative research can be evaluated.

Research quality in qualitative research can be evaluated by assessing its credibility, transferability and conformability (Denzin & Lincoln 2005). *Credibility* refers to the integrity of the research and the ways in which the research has been conducted, i.e., methods applied to answer the research question. (Teddlie & Tashakkori 2009: 295.) Credibility can be enhanced by means such as triangulation, peer debriefing and resending the findings of the analysis to the informants to validate the interpretations (e.g., Guba & Lincoln 1985). In the early stages of the dissertation articles, I used peer debriefing by presenting the preliminary findings to my colleagues and supervisor and then discussing them. Later, the articles were double blind reviewed by journals. Through the comments received in both stages, the interpretations have been strengthened or modified. In addition, credibility was enhanced by collecting three different empirical data sets, all of which aimed to answer a separate research question. Although different methods were applied in the different articles to approach the purpose of the research – to uncover what constitutes luxury and how it is determined by consumers – the same elements arose in different data sets. These elements were not actively searched for when collecting or analyzing the empirical data. Thus, empirical triangulation can be seen to validate the findings and justify the consistency of interpretation.

Transferability is about the possibility to apply the outcomes of this study to other contexts (Teddlie & Tashakkori 2009; Guba & Lincoln 1985). In order to enhance transferability, the research context and methods used should be described in a detailed and transparent way. In this study, I have sought to uncover transferability by providing a description of the empirical data gathering as well as the steps through which the content analysis proceeded. In addition, the sampling method has an influence on transferability. Snowball and convenience sampling were applied to this research in order to reach informants with specific characteristics (i.e., those owning and using luxury fashion brands), instead of applying random sampling or systematic sampling. There is a bias in these sampling methods, as they reduce the likelihood that the sample will represent the entire population. However, the fundamental aim of this study is not to offer broad generalizations, but instead capture the individuals' interpretations of the subject of research in this specific time and place.

Conformability is the qualitative counterpart of the endeavor towards objectivity, which is emphasized in quantitative research. Conformability is about linking the findings and interpretations to the data in ways that can be easily understood by others (Eriksson & Kovalainen 2008: 294). Spiggle (1994) refers to adequacy, which means that the interpretations are grounded in the data to make the reader believe in them. I have sought to enhance conformability through transparency in describing the data collection and analysis in detail. In addition, by providing

short quotations from the narratives and interviews, I have aimed to illustrate and give examples of what the interpretations are based on.

In addition to the criteria through which the qualitative research can be evaluated, also the role of the researcher needs to be taken into account. The interviews can be characterized as interventions, where a researcher has a twofold role: interviewer and later an interpreter with theory-based lenses. When generating interview data, I can recognize the learning process as an interviewer: I conducted theme interviews, and from informant to the next I learned to ask more specific and elaborated questions about each theme I was supposed to address. Through this, the understanding of the subject in question was constructed and elaborated, and finally also saturated. However, I was sensible and strict with the questions to ensure I would not guide the informants or persuade them to answer in a specific way.

In research where interpretations have a central role, the researcher and her/his understanding, attitudes and experiences of life are the primary tools of enquiry. As a researcher, I acknowledge the challenges of subjectivity. Being a fashion-driven consumer myself gave me kind of “insider’s” standpoint as a researcher. However, in research following hermeneutic phenomenology, this is regarded as acceptable (Van Manen 1997). The informants showed openness toward me and discussed brands and used expressions we share. However, this also meant that I had to be sensible and explain the implicit assumptions – to describe and make sense of the context to someone who may not be an “insider”. Peer debriefing was particularly helpful in taking a step back and ensuring that I would overstep the boundaries of my role as a researcher.

5.6 Limitations and future research suggestions

This study is not without limitations. First, there are several limitations based on the informants and empirical data. In all articles, the sample size is small and the majority of the informants are women. The fashion field is more extensive and rich in nuance, particularly in women’s fashion. In addition, the age of the informants does not represent the entire population. All the data has been collected from Finland. Due to these limitations, the findings are not generalizable to other countries and consumer segments. The consumers’ need for uniqueness is emphasized more in western cultures, which are more individualistic (Hoftsedde 2001).

Second, limitations related to data collection can be pointed out. The informants for the interviews were mainly fashion blog writers or savvy fashion users, who

were found from fashion blogs or by using the ‘snowballing’ technique. That may indicate that the empirical data represents only a specific type of consumer – those who are fashion-oriented, keen to share and discuss the luxury fashion goods they possess. It is also noteworthy that although the elicitation methods were used to motivate and guide informants to discuss a specific topic, they may have had an influence on the interviews and informants’ narratives. However, the aim of this study is not to isolate an informant from the context to a test setting, but rather qualitatively examine and interpret the meanings informants attach to brands in their normal environment and the ways they make sense of luxury.

Third, the context of research – luxury fashion brands, particularly apparel and accessories – can be seen as a limitation as well if one seeks to draw conclusions about luxury brands and consumption in general. The findings may be applicable to drawing conclusions about the fashion field, but due to their context-specificity, the findings may not be generalizable to luxury brands in fields such as cars, home decoration, travel and hotels.

However, these limitations can be turned around into opportunities for future research: additional research could be extended to other categories in the luxury field and different age groups; how and through what premises do seniors define luxury, and how do their perceptions differ from those of younger consumers. There are huge differences between generations, as well as between luxury categories concerning the valuations and perceptions of luxury. Moreover, future research could be approached quantitatively by verifying the explorative findings of this study, for example, by comparing the perceptions of luxury in different countries. In addition, the second-hand context connected to luxury brands turned out to be an unresearched field, which particularly calls for better understanding. In addition, perceived authenticity and the way it is constructed in the field of luxury brands could be a fruitful topic of research.

5.7 Conclusions

Luxury is not solely a characteristic attached to branded products. It is an experience and interpretation that consumers co-create in relation to themselves and the branded product, reflecting the social context.

This study was built cumulatively, aiming to uncover what constitutes luxury and how it is determined by consumers. The body of the dissertation consisted of three articles, each of which led to the next one, seeking to answer the question arising from the empirical findings. The first article built understanding about the

diffused boundaries between luxury and counterfeits, and uncovered the importance of perceived authenticity, but also unveiled heterogeneity and rich meanings attached to both luxury and counterfeits. The second article shed light on the ways consumers made sense of and structured the diversity of different degrees of luxury. The findings highlighted personal consumption experiences as well as the importance of context and temporal aspects in consumers' interpretations. The third article, in turn, challenged the traditional setting of luxury consumption by examining luxury goods in second-hand markets. Besides perceived authenticity, the consumers' interpretations that they created in relation to their own consumption experiences also emphasized perceived uniqueness. Building on the findings, the four elements that emerged in all of the articles have been tied together and elaborated further in this discussion and conclusions chapter. The final outcome and conclusion of this dissertation is a conceptualization – a diamond – that discloses the interactive elements acting as enablers and providers of the experience of luxury. Sketching the interactive elements into the model of the diamond highlights the subjective interpretations of a consumer: As the diamond is rotated, different elements constituting luxury are displayed and emphasized in consumers' interpretations.

As the empirical findings gave voice mainly to Millennials (there were only a few informants from Generation X), it is important to note that the interpretation of luxury is dependent on the individual, and this interpretation is time- and situation-bound. For some, the experience of luxury derives from an exclusive service experience, while for others it may be a consumption experience emerged from a treasure hunt of a pre-used luxury good. Some emphasize perceived uniqueness in their interpretations, whereas others set perceived authenticity as the core of the luxuriousness of a brand. More importantly, consumers reflect their interpretations against their own life situation, and these interpretations may change as the consumers' life stage changes. For example, empirical data generated from today's Millennials describes their current worldview and valuations.

Consequently, there is no absolute answer to what is regarded as luxury and to what extent. Accepting the relativity of luxury, the need for interpretation and the dependence of situational factors in the social context, this dissertation sought to create a conceptual model of elements constituting luxury that call for and require consumers' interpretation.

The consumption of luxury goods has often been connected to the ostentatious display and symbolic manifestation (e.g. Belk 1988; Solomon 1983), and while the symbolic dimension plays a role in luxury consumption today as well, the findings of this study captured a somewhat different and more subjective facet -

the experience of luxury. Instead of social status, consumers addressed uniqueness as a central element of luxury. Instead of signaling wealth or conspicuousness, consumers searched for authenticity. And instead of pursuing social stratification and status hierarchies in society, consumers constituted luxury and reflected their understanding against themselves and their own lives. In the specific context – Finland – where this study was carried out, interpretations of luxury placed a greater emphasis on ‘symbolic to self’ rather than ‘symbolic to others’.

Interpretations of luxury were often tied to the dream aspect. Luxury was regarded as something desired, but hard to get, and something to pursue but hard to realize. The balance between desirability and rarity make luxury very elusive and relative. It is a construct that consumers constantly determine in relation to their self and their situation. Historically, luxury may have had more power and positional value in a societal level, but today, and in this context, the interpretations of luxury are derived from aspirations to uniqueness and individuality.

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APPENDICES

Appendix 1. Guidelines for writing the narratives.

Write a story about these pictures. Use them as reference. I hope that they will inspire you to write about how you interpret the story they tell. There are no right or wrong answers. You can use the pictures in any order you wish. Please write more than 250 words.

Here are a few helpful questions:

What is happening in the pictures?

What kind of a consumer is the protagonist?

What are the people thinking and why?

What led to the situations shown in the pictures?

What will happen next and why?

In your story, describe what kind of a person the protagonist is and the reasons for his/her choices and actions. Think of a title for your story.

Appendix 2. Pictures applied to elicit the narratives.

Pictures illustrating the counterfeits

For women:



For men:

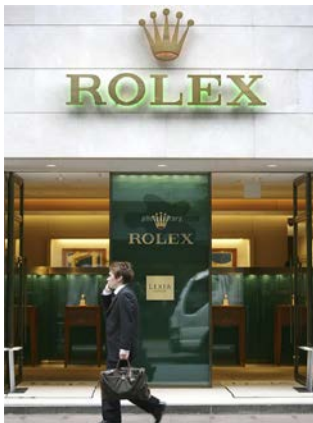


Pictures illustrating the authentic luxury goods.

For women:



For men:



Appendix 3. The themes discussed in the interview concerning the luxury fashion brands and categorization task.

1. Fashion and Brands

Fashion and I as a consumer.

2. Categorization task

Classify these brands into different groups. In each group, place brands that you feel are similar and in some way differ from the brands in the other groups. You may choose how many groups you create.



After the task, shed light on the reasons:
Which criteria did you use to divide the brands?
What are the connecting features inside each group?
How are the groups differentiated?
Imagine a stereotypical user for each group. Describe him/her.

3. Luxury and Brands

Luxury concept and its definition. What is luxury for you?

Central features associated with luxury brands.

The degree of luxury.

Appendix 4. The brand cards and categorization tasks in action.



Appendix 5. Guiding themes when generating the interviews for the third article.

1. Second-hand and previously used goods in general

The discussion aimed to uncover the reasoning and attitude towards pre-used goods in general (what, where, why, how).

2. Luxury and second-hand

Tell the story behind the product (regarded as luxury) you have purchased as second-hand.

Depending on the story and description, more detailed questions were asked about:

- The product evaluation
- The purchase situation
- The actual use and consumption (symbolic meanings)
- The perceived value of the product
- Pros and cons of buying as second-hand

Diffusing the boundaries between luxury and counterfeits

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Abstract

Purpose – The aim of this study is to deepen the understanding of luxury consumption by comparing the meanings and the attributes of counterfeit branded products and luxury goods.

Design/methodology/approach – This study is an interpretative qualitative research in which the meanings and essence of luxury and counterfeit goods are uncovered by written stories. The photo-ethnographical method was used to generate the stories.

Findings – Consumers regard both luxury goods and counterfeits as being at different levels and of different quality ranging from poor to excellent. Counterfeits possess mainly social meanings, whereas authentic luxury goods may also operate on a personal level. However, consumers do not perceive luxury and counterfeit branded products as counterparts; counterfeits can be regarded as the embodiment of luxury, whereas non-brand products are rather the opposite. Moreover, the existence of authenticity is perceived to be a vital connective and distinctive factor among luxury and counterfeit branded products.

Originality/value – The research aspires to shed light on the essence of counterfeit and luxury goods by comparing them in an effort to gain better understanding of the luxury phenomenon as a whole.

Keywords Research paper, Luxury, Counterfeiting, Meaning, Authenticity, Research

Paper type Research paper

1. Introduction

The luxury market comprises a large share of economic activity, and it is estimated to reach \$2 trillion by 2010 (Kapferer and Bastien, 2009). However, the luxury industry loses billions because of counterfeiting. The global market for counterfeits today is estimated to exceed \$600 billion, which is 7 percent of world trade (Counterfeiting Intelligence Bureau, 2008), and therefore it can be regarded as a significant economic problem propagated by consumer demand. Although counterfeiting is regarded universally as a criminal act – and has been linked to narcotics, weapons, human trafficking and terrorism (Thomas, 2007) – the social acceptance of fakes has risen dramatically (Counterfeiting Intelligence Bureau, 2008).

The importance of brand today is an embodiment of the immaterial world; consumers are seen as meaning-creators, who live in a dynamic interaction with social and cultural environment (Solomon, 1986), where they choose brands that possess the images that they wish to attach to themselves. That set of values, attitudes, and lifestyle is manifested through consumption (Solomon, 1986). Symbolic meanings of goods are argued to operate in two directions; outward in constructing the social world, and inward to construct the identity (Elliott and Wattanasuwan, 1998). But do the symbolic meanings attached to luxury products differentiate from meanings attached to counterfeits?

To be able to understand counterfeited luxury goods requires an understanding of authentic luxury items. Luxury branded goods can be conceptualized from the viewpoint of product attributes (i.e. Nueno and Quelch, 1998) or a consumption perspective (i.e. Vigneron and Johnson, 2009; Nia and Zaichkowsky, 2000). The latter suggests that luxury is regarded as possessing a symbolic function that operates on both a personal and a social level (Fionda and Moore, 2009). The product perspective, instead, the phenomenon of luxury and counterfeit products, has been examined mainly by counterposing these terms (e.g. Penz and Stöttinger, 2008). Counterfeits are considered to be imitated products of low quality and low price and that those are a common sight on the street, while luxury products are considered to be the opposite.

The aim of this study is to compare the meanings connected to luxury products and counterfeits. Two principal objectives were identified for this study; first, the study specifies the meaning construction of luxury and counterfeit products. The conceptualization is based on previous literature of luxury and counterfeit consumption, as well as on studies related to symbolic interactionism. Second, the empirical part of this study aims to identify how luxury branded products and counterfeits become significant and meaning-based in the informants' stories and what kind of meanings they are perceived to contain. The empirical objective is to interpret what kind of product attributes differentiates luxury products from counterfeits, and what are the social and personal meaning differences luxury and counterfeit products.

The paper begins by conceptualizing the luxury and counterfeit products especially based on both social and personal meanings of brands as well as studies relating to symbolic interactionism. To gather an empirical data, the photo-ethnographical methods were used as an elicitation technique to generate stories. By analyzing the stories, the

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product descriptions and attributes attached to luxury and counterfeit products are examined. In addition, the social and personal meanings of counterfeit and luxury products are studied. The article ends with conclusions and a discussion of consumer's authenticity perception of luxury and counterfeit products.

2. Literature review

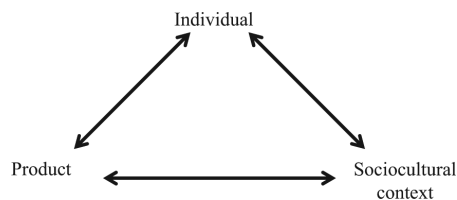
2.1 Defining luxury construct and meanings

The idea of luxury contributes to the luxury brand, and the attributes are further reflected in and adopted to the counterfeit. Therefore it is important to understand the nature of luxury before discussing counterfeits.

When defining the essence of luxury, previous research (Nueno and Quelch, 1998; Tynan *et al.*, 2010; Phau and Prendergast, 2000) – has focused on the external attributes of luxury branded products such as excellent quality, high price, rarity, distinctiveness, exclusivity and craftsmanship. However, by listing the product attributes, luxury cannot be conceptualized extensively; although high price and excellent quality are seen as attributes of luxury products, not all expensive products are considered to be luxurious. High price of a product has a positive role in determining the perception of its quality, and it can be a way to make a product rare and thereby exclusive, but it is not a determinant of luxury on its own (Dubois and Duquesne, 1993). Moreover, luxury brands must appear perfectly modern but at the same time be laden with history, heritage and tradition. Perception of authenticity is often linked to heritage and historical background of the product (Beverland, 2006), and Brown *et al.* (2003) notes that authenticity comes into existence via an individual's own interpretation of the object, influenced both by the environment and the individual's experiences. All in all, luxury status of a product is constructed by an individual, and instead of focusing only on objective product attributes of luxury items, more attention should be paid to the meaning construction of luxury, which arises in specific social context through an individual's perception (Rajaniemi, 1990).

Possessions are part of the social communication system, in which objects are socialized and may embody different symbols in different social contexts (Davis, 1986). Apart from social context, meanings are dependent upon the consumers' interpretation; for example a Louis Vuitton handbag can be regarded as prestigious by some, while other consumers might perceive it to be loud and vulgar. The meanings, as well as luxury status, are not inherent in an object and can arise from the interaction of an individual, goods and specific social context, which have a reciprocal function (Solomon, 1986; Rajaniemi, 1990). Figure 1 shows the process of dynamic meaning creation.

Figure 1 Reciprocal dynamics of meaning construction



The product attributes attached to luxury items are only one factor in meaning creation. It is in the dynamic interaction of individual and social context (i.e. symbolic interactionism), that social and personal meanings of luxury are created. The perceived product excellence earned through product attributes does not grant a branded product luxury status in itself; the luxury is shared in specific social groups, sub-cultures or cultures.

Brands act as social tools for self-expression, for instance to communicate status or actual or ideal self, or to manifest membership of a group for significant references (Sirgy, 1982). Besides of constructing the social context, in the theory of symbolic interactionism, the consumption goods are argued to have twofold function; the symbolic possession of a product could construct the identity as well (e.g. Belk, 1988; Elliott and Wattanasuwan, 1998; Solomon, 1986). Perceived uniqueness and conspicuousness of a product are thought to be dimensions of luxury that are laden with social functions; uniqueness is sought by consumers to enhance social image as well as self-image. Perceived uniqueness is based on the rarity and scarcity of the product, which creates desirability of luxury. Uniquely perceived items enable consumers to stand out from the crowd but at the same time connect themselves to a desired group. The aspect of conspicuousness is closely related to the consumer's effort to attain and maintain the social status created by luxury consumption (Vigneron and Johnson, 2004). The consumed products attain social meanings by the contradictory desires of a consumer to be distinguished from the masses and identified with a group (Cova, 1997).

Besides consumption of luxury brands to communicate the self, luxury products become meaning-based when used as symbolic resources for the construction and maintenance of identity (Elliott and Wattanasuwan, 1998). Vigneron and Johnson (2004) separate personal-oriented luxury dimensions, such as hedonism and extended self, from product-centered perceptions (quality, uniqueness and conspicuousness). Luxury items contain emotional value, and when consumers perceive a product to be exquisite, glamorous and stunning, it creates a hedonistic experience for the owner and gives the luxury product personal meanings. On the other hand, self-identity and self-image can be confirmed through a luxury product's symbolic meanings as Solomon (1986) suggests in the theory of symbolic self-contemplation. By integrating the branded product's symbolic characteristics to self-image, a consumer enables the actual self-image to become closer to their ideal (Belk, 1988). Individuals rely on branded products especially when they feel insecure about their role performance, and the branded product becomes an instrument by which to achieve a social goal.

Vigneron and Johnson (2004) argue that the psychological and social meanings that luxury brands carry are the crucial characters that separate luxury items from non-luxury products. However, the subjective nature of luxury enables consumers to perceive and evaluate luxury in more detail, rather than simply categorizing a product as luxury or non-luxury. It is debated that not all luxury brands are deemed equally prestigious, and therefore there are different levels of luxury (Vigneron and Johnson, 2004). A luxury product exists at the far end of the continuum of ordinary goods, but the line between luxury and non-luxury products may be dependent on the context and the people concerned. Kapferer (2008)

has similar findings and suggests that the luxury market can be described as a pyramid that is divided into the griffe, the luxury brand, the upper-range brand and the brand. The highest luxury is described in architectural terms as the griffe, and is regarded as a pure and unique creation and a materialized perfection, as art. The griffe is “quiet luxury,” which does not use visible brand logos and therefore is meaningful only for luxury experts who are able to recognize the essence of luxury without visible brands. The meanings of luxury griffe might be merely psychosocial and closely attached to self-identity, because the lack of social manifestation. The high psychological meaning of the griffe becomes concrete for example in tailor-made suits or custom-designed jewellery. Almost opposite is the second level, the luxury brand, which consists of a small series of handmade work that can be considered very fine craftsmanship. This level, however, is regarded as “loud luxury” (e.g. logos that are easily recognizable) and therefore can be regarded as having more social rather than psychological meanings (Kapferer, 2008: 96-100). The luxury brands with highly visible brand logos are popular in the counterfeit industry, mainly because the counterfeit manifests so clearly the desired status, and many consumers can interpret the messages.

2.2 Defining counterfeit product

Bian and Moutinho (2009) define counterfeits as products bearing a trademark that is identical to a trademark registered to another party. Counterfeits cannot exist without high brand value products, because the product attributes are copied from the original product, carrying only a few distinctive features (Eisend and Schuchert-Güler, 2006). From the consumer perspective, there exist two types of counterfeiting; deceptive and non-deceptive counterfeiting (Grossman and Shapiro, 1988). The former represents a situation in which a consumer is not aware of purchasing a fake product. The latter is a more commonplace phenomenon in the luxury brand market, occurring when consumers knowingly purchase a counterfeit (i.e. non-deceptive product) as it often becomes apparent through the price and the place of purchase.

Earlier counterfeits were recognizable because of lower quality in terms of performance, reliability and durability. The quality of counterfeit products has been steadily improving over the past several years, and almost every attribute defining luxury, including design, quality and durability can be transferred onto the counterfeit product (Phillips, 2005).

Past research of counterfeits has mainly examined the demand side (e.g. Bloch *et al.*, 1993; Eisend and Schuchert-Güler, 2006), attitudes (e.g. Penz and Stöttinger, 2008), demographical and psychographical factors (e.g. Eisend and Schuchert-Güler, 2006) or product characteristics (e.g. Bian and Moutinho, 2009; Gentry *et al.*, 2001) influencing the counterfeit purchase. However, the social and psychological meanings behind counterfeits are not studied. Can counterfeits, copied from luxury brands, evoke similar psychosocial or social meanings that are an inseparable part of luxury?

3. Methodology

The empirical part of this study aims to identify how luxury branded products and counterfeits become significant and meaning-based in the informants' stories and what kind of meanings they are perceived to contain. To carry out this

research, photo-ethnographical methods were used as an elicitation technique to generate stories. When interpreting visible material, informants are believed to reflect their own social realities, which are shaped by social context, cultural conventions and group norms (Schwartz, 1989). The informants interpreted the photographs and wrote a story by drawing from and reflecting their cultural possessions. By this way the multiple realities that are constructed by individuals are revealed. The epistemological ground ascribes to the interpretive research according to which the knowledge is gained through understanding the subjective meanings and contextual realities, which are shaped by peoples' interaction with the world.

The pictures were used as an elicitation cues, since by using visual material it is possible to bring out and convey the hidden thoughts and feelings of consumers (Zaltman, 1997). The photographs were chosen based on the theoretical framework of dynamic meaning construction. The picture of the social situation aimed to elicit social meanings, whereas the self-portrait attempted to elicit self-reflection and personal-related meanings. The photographs used were identical for both groups except the first one, which pictured the place of purchase as either a prestige luxury store or a counterfeit street market. This revealed to the informant if the luxury product was authentic or not. The second photograph illustrated a social situation in which the product was used, whereas the third situation portrayed the consumer of the product admiring her/himself in a mirror with the product. The male informants received photographs of Rolex watch, whereas women wrote a story based on pictures of Louis Vuitton handbag; different highly copied brands of counterfeit market were chosen for different sex in order to enable the informant to identify her/himself with the photograph. Table I presents the titles of the stories.

A total of 20 written stories of the photographs were collected; seven informants were asked to write a story inspired by a luxury photograph and 13 to write about a counterfeit picture. When the subject of research is delicate, it is easier for individuals to produce a story about a third-person rather than to speak directly of themselves, as third-person narratives make it possible to hide behind the story. In addition, the stories were not considered to be direct reflections of objective truth and reality but merely as cultural stories (Koskinen *et al.*, 2005).

The stories were collected using convenience sampling by seeking out people with specialized knowledge of an area. The informants were blog writers, fashion-savvy people who discussed certain brands on the Internet or were consumers of counterfeit or genuine luxury products. They were deemed suitable for the group because of their passion for luxury and fashion. Unfortunately, the number of male blog writers, who wrote about luxury is small, which reflected to the amount of male informants (four out of 20). However, blog writers can be seen as sharing social context and thereby possessing similar kinds of meanings. The stories were collected via the internet, ensuring that the sample was gathered from all over Finland. Anonymity made it possible for the informants to express their opinions openly. The writers were young adults between the ages of 18 to 30. Consumption among young adults is not yet routinized, and they are thought to be more open to influences from their social environment (Aledin, 2009).

Table I The stories used as empirical data is titled by the writers

	Female informants (Louis Vuitton bag)	Male informants (Rolex watch)
Pictures of authentic product	Louis Vuitton Speedy (informant no. 2) One of my dreams (informant no. 3) The value of luxury bag (informant no. 4) Luxury brand as extension (informant no. 5) Prestigious dream of luxury (informant no. 7)	From Rolex to real richness (informant no. 1) Masculine perspective of luxury (informant no. 6)
Pictures of counterfeit	Luxury? (informant no. 8) Holiday-handbag (informant no. 9) The magic of a bag (informant no. 11) Material (informant no. 12) Do I fit in? (informant no. 13) Faking it (informant no. 14) Souvenir (informant no. 15) A world of trademarked handbags (informant no. 17) Fake (informant no. 18) Self-searching (informant no. 19) Liars – dreams of a better life (informant no. 20)	Social climbing (informant no. 10) Genuinely recognizable (informant no. 16)

4. Results and analysis

The stories created by the informants were unified wholes containing beliefs, evaluations, attitudes, emotions, behaviors etc. and those can be seen to reveal something significant about the consumers' relationship to luxury and counterfeit products. In present study, these stories are interpreted especially by reflecting on the product attributes applied when describing the products and on the social and personal meanings they contain.

The content analysis of the stories from photo-ethnographic data concentrated on the patterns of speaking about luxury and counterfeit goods and meanings that lie behind them. Stories cannot arise in a vacuum, and it can be believed that the writer narrates and interprets the photographs by associating them with his/her own life and experiences (Bauer and Jovchelovitch, 2000, p. 68). Therefore, the stories are considered to represent the consumers' beliefs, thoughts and interpretations of the luxury and counterfeit goods influenced by social and cultural context.

Approximately one-third of the stories directly reported on the photographs in the same order the pictures were shown. However, the remainder of the writers used the pictures as a basis for the interpretative story and constructed the narration more freely. The stories included background description, reasons for the action and feelings stirred up by the pictured situations. Some informants choose to give a fictive name to the person presented in the photographs, whereas a few stories were written in the first-person; a choice that may indicate a higher involvement and more relevant personal meanings about the product.

4.1 Perceived product attributes

Both luxury and counterfeit goods had product-centered meanings. In counterfeits, the functionality and aesthetic reasons were perceived as vital. The quality expectations were a common concern in the counterfeit stories, whereas quality was considered to be a self-evident characteristic of luxury. In particular, quality questions and price were the main factors in evaluating the superiority and level of luxuriousness. The high price of luxury products was perceived as an indicator of

luxury and therefore was acceptable. Consumers were willing to save up for luxury products, because the expensive product would otherwise be impossible to buy from their monthly salary:

[...] She planned to save up some money for her next trip to Europe during the summer time. Then she could buy the most expensive handbag she could find as a gift or souvenir to herself (Woman 5, pictures of luxury).

The stories on counterfeit products discussed the price issue as well. Counterfeits were perceived to be a profitable bargain that could fulfill the functional task the product was made for. Counterfeit consumers were not willing to pay for brands – they tried to convince themselves that they could gain the same benefits by buying a counterfeit. In addition, the low price and easy accessibility were major temptations:

However, he could buy the “beach version” of Rolex from the charter holiday he is having. Paying for €20 for the similar kind of watch means great savings when comparing to costs of €5,000 for authentic version. With the “savings” of €4980, he could enjoy his life for a few months further (Man 6, pictures of counterfeit).

In accordance with Vigneron and Johnson (2004), these stories revealed that counterfeits were considered to be of different levels and possess different qualities in product attributes ranging from poor to excellent. In addition, the consideration of the luxury product was not simply black and white. The luxury products were also perceived to have different levels of quality: to be of different value, meaning that both high-end and lower-level luxury goods exist when evaluating product attributes. The level of luxury was interpreted in terms of the consumer's own economic situation and the context:

[...] the handbag is not the cheapest copy, it really looks genuine – if you don't look at it too closely (Woman 17, pictures of counterfeit).

In addition to the price, the quality of the product was an attribute that was often evaluated among counterfeit products. On the contrary, quality was not discussed in the stories of luxury products. High quality was regarded as self-evident in luxury items. Luxury was perceived to exist at the far end of the continuum, but instead of counterfeit,

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consumers valued non-brand products less and considered them to be more of a counterpart (see Figure 2).

Because of imitation, the counterfeits were thought to be better than non-brand products, because they proclaim the symbolic meanings of the authentic brand. By using a counterfeit, consumers may reveal their own ambitions and dreams.

4.2 Social and personal meanings of luxury and counterfeit goods

Luxury and counterfeits were perceived to have both social and personal functions. The social meanings of luxury products were linked to consumers' intentions to gain respect and approval from a desired group, but at the same time their desire to be distinguished from the masses. The luxury products were described as being more than just a possession and seemed to invoke feelings that did not occur in counterfeit stories:

Mikael is proud of his new Rolex and he shows off it to his friends. Mikael feels that everyone respect him more and just because of the watch (Man 1, pictures of luxury product).

The summer blew over with the Speedy in hand, with admiring glances from acquaintances and strangers – especially other LV-owners (Woman 2, pictures of luxury product).

Counterfeit users also wanted to be associated with a significant group, but unlike luxury consumers, they did not want to stand out from the crowd due to the counterfeit product:

She tried to catch glimpses of her own reflection in every reflecting surface that she found. She walked confidently down the street with her head held high. She felt like she was a part of the group that she once used to envy (Woman 18, pictures of counterfeit).

[...] oh, and those watchful glances, how great it feels to for once be the object of envy rather than vice versa. The girls at the next table are clearly whispering something about my handbag; they are probably wondering about the price (Woman 20, pictures of counterfeit).

The aspect of being envied arose in the counterfeit stories, but did not exist when narrating about luxury. This might be due to luxury operating on a more personal level, whereas social meanings are considered simply a veneer in luxury consumption. However, the fear of being caught using a fake was also characteristic of counterfeit stories. Counterfeit consumers fancy themselves as having a genuine luxury product and made up a supporting story for this lie, which they maintained by purchasing "high-quality fakes":

[...] she was looking at herself in the mirror; should I not have bought the bag? What if someone notices that the bag is not genuine? What will they say if they notice? (Woman 13, pictures of counterfeit).

The stories showed that the key factor that distinguishes a luxury branded product from a counterfeit is authenticity. Among counterfeits, authenticity was something unattainable and missing from the product, whereas in luxury stories, authenticity was a dimension that was proposed to be vital and inseparable from a luxury branded product:

Figure 2 Consumer's evaluation of the luxury – counterfeit continuum



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[...]with the brand-new bag I walk into a nearby café. I feel like everyone immediately notices my handbag and its authenticity – at least those who understand something about it (Woman 3, pictures of luxury).

Authenticity is dependent on the consumer's own perception, and because it is not inherent in an object (Grayson and Martinec, 2004), authenticity needs social context and individual interpretation to exist:

It doesn't even matter if the others laugh. They all know that it isn't authentic. They all got the genuine product, or at least the more expensive fakes. And this is not a fake; this is actually loved more than any of those authentic ones (Woman 12, pictures of counterfeit).

The counterfeit consumer might not care about the "objective authenticity" value (e.g. a product created by a trademark-owned company) of the product, and he or she creates a different kind of private and emotional bond. If the emotional bond is psychologically significant for an individual, could the counterfeit product therefore attain a subjective value or influence an individual's self-identity?

Nonetheless, the psychological meanings centered on stories of luxury branded products, which were regarded as having a role in the individual's identity construction:

Before leaving, I glance at myself in the mirror to see how good looking I am with my handbag. I am sure that this handbag increases my self-confidence a lot. It is like a missing part of me (Woman 3, pictures of luxury product).

In the stories, the consumer of authentic luxury goods attained a psychological benefit and value through consumption, as Vigneron and Johnson (2004) suggested. The stories of luxury branded products had personal functions in self-identity construction.

In brief, the stories revealed that the meanings of a counterfeit product related mostly to the social situation, while the meanings of luxury goods also emphasized personal importance. Especially "loud luxury" products, broadly used in social functions and therefore also counterfeits copied from these, relate to the social context. Counterfeits might fail, creating deeper psychological meanings, because the individual knows the product is inauthentic.

4. Conclusions

In this paper, the luxury and counterfeit phenomena were juxtaposed and examined by comparing the meanings. In previous research, luxury and counterfeits were studied mainly either separately (e.g. Eisend and Schuchert-Güler, 2006; Phau and Prendergast, 2000; Tynan *et al.*, 2010) or by counterpoising the phenomena (e.g. Penz and Stöttinger, 2008). However, this study suggests that the concepts of luxury and counterfeit possess sliding levels of perceived superiority, which is congruent with the research findings of Vigneron and Johnson (2004) and Kapferer (2008). Besides, consumers perceive non-brand product (rather than counterfeit) as contrary to luxury branded product.

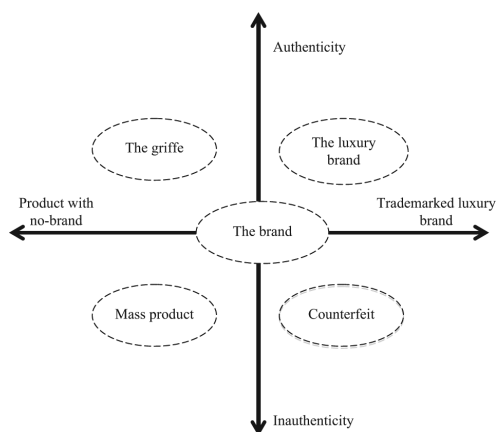
In addition, the differences in psychological and sociological meanings distinguishes the luxury branded products and counterfeits. Luxury products possess both social functions and personal meanings, including instrumental exploitation of self-identity construction and initiation of feelings, whereas the meanings of counterfeit apply mainly to social functions. The social meanings attached to luxury center on gaining admiration and appreciation, as those attached to counterfeits focus on social group acceptance.

The most important finding that has received insufficient attention previously is the role of authenticity in the luxury evaluation. This attribute emerged both from luxury and counterfeit stories: It was perceived as a self-evident characteristic of luxury stories, whereas among counterfeits the lack of authenticity was highlighted. The authenticity was regarded as the most important factor distinguishing luxury from counterfeit. Figure 3 presents the luxury-counterfeit continuum, which is completed with the depth axis of authenticity. Kapferer's (2008) view of the levels of the luxury-pyramid is adapted and reconstructed by dividing and sprinkling it onto the luxury-authenticity axis to reflect the multidimensional concept of luxury.

The griffe is placed in Figure 3 at the highest level of luxury because of its perceived uniqueness and rareness. It is dependent on authenticity but it does not need a brand to be a luxury. Instead, the second level, the luxury brand, which was the main focus of this study, also needs authenticity to gain luxury value. In addition to authenticity, the luxury product needed a high-end brand to manifest prestige. The originality and value of this study is attained by examining luxury and comparing it with counterfeit. The counterfeits are regarded as the pursuit of luxury achieved by imitating its attributes. However, because of the authenticity attribute, the counterfeit cannot reach luxury status. But, is it possible to consider a luxury branded product to be authentic, if no counterfeit exists? Without a counterfeit there is no basis to compare or classify something as authentic. A counterfeit product is dependent on the authentic luxury product that it imitates, but is a consumer's perception of authentic luxury goods also dependent upon the existence of a counterfeit? In fact, the future research could be more focused on the consumer's perception of product authenticity. Taking authenticity discussion into consumer behavior and symbolic consumption studies could be a fruitful field for future research.

In general, the study indicates that the perceived authenticity of luxury product is the major character to differentiate luxury and counterfeit product. Therefore, the marketers and genuine luxury brand companies should concentrate on maintaining the factors of authenticity (e.g.

Figure 3 Levels of luxury placed on luxury and authenticity continuum



historical background, overall image and quality expectations) in order to evoke personal meanings, which are advantages of their products. However, according to this study, the counterfeits can attain personal value (e.g. emotionally attached souvenir) as well; therefore, the marketers of luxury brands should devote an attention to strengthen symbolical meaning-construction attached to product, which is socially significant for luxury consumer.

This study has limitations based on the sample size, which was not large enough to draw strong conclusions. Moreover, the data was collected from Finland because of accessibility issues, which results in the study being culturally narrow. Nonetheless, the study has its bearing to the area of the meanings of luxury and counterfeit goods that has a great managerial importance, but which has received limited empirical exploration within research literature. Despite its limitations, the conceptual analysis with qualitative data manages to shed light on the perceived differences in meanings related to luxury products and their counterfeits. The incorporation of these initial results into a more extensive population remains a challenge for future studies.

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Linda Lisa Maria Turunen

Challenging the hierarchical categorization of luxury fashion brands

ABSTRACT

The fragmented field of luxury fashion brands has blurred the boundaries of luxury, thereby creating confusion in consumers' minds. The purpose of this paper is to identify the characteristics through which consumers structure the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. The empirical data for this study was generated through 12 personal interviews. During the interviews, informants conducted free sorting tasks with brand cards depicting luxury fashion brands. The findings show that luxury fashion brands are categorized by applying brand-related characteristics through which consumers make sense of the heterogeneous field of luxury fashion brands. However, the connecting and distinctive characteristics are not necessarily used to organize the field in hierarchical order (higher – lower degree of luxury). In order to make sense of their interpretations of what constitutes luxury, consumers determine and consider these characteristics in relation to other brands and reflect them against their personal consumption experiences as well as the social context and time. Consumers constantly interpret and renegotiate the definition of luxury that brands represent instead of blindly accepting the classifications offered by the brand marketers. The study extends the understanding of the fragmented luxury fashion field, where previous research has emphasized the product perspective and neglected the consumers' interpretations of what constitutes luxury. Applying a consumer perspective as part of categorizing luxury brands will yield enhanced insight.

Keywords: luxury brands, meanings, fashion brands, consumers

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1 INTRODUCTION

Luxury brands once enjoyed superior status among privileged elite consumers (Kapferer and Bastien 2009). There were straightforward and clear boundaries between luxury and non-luxury products. Now, the concept of luxury has gained different meaning contents due to the changing and expanding markets. Luxury brands have established wider distribution networks, expanded to online shops and reduced prices by selling in outlet malls, thereby increasing their availability. In addition to expanding their distribution, some luxury brands are expanding horizontally and even vertically in order to reach the wider consumer society: Luxury diffusion brands are lower-priced and therefore represent an achievable “taste of luxury” for the middle class. One of the most important factors of luxury, the “rarity principle” highlighted by Phau and Prendergast (2000), has been buried under the so-called democratization of luxury, which has turned the rare into something commonplace.

Luxury brands are no longer an absolute and homogenous category, unlike in the 20th century; instead, the luxury market is fragmented, with intermediate levels. More specific terms have been coined to describe and define the different levels and richness of the luxury domain, such as *masstige*, *affordable luxury*, *new luxury* or *super premium*. The new terms further blur the boundaries of the concept of luxury, and make the concept of luxury even more confusing (e.g. Corbellini & Saviolo 2009). It is even argued that “luxury” is losing its luster now that it is being assimilated into the larger consumer society (Thomas 2007).

The fragmentation of luxury due to the introduction of brand extensions has been the subject of research, especially in the fashion industry (e.g. Amatulli & Guido 2011; Phau & Cheong 2009; Fernie, et al. 1997; Hanslin & Rindell 2014), where various brands have launched extensions targeted at new or casual buyers

(Truong et al. 2009; Hennings et al. 2013). Efforts have been made to structure this fragmented field by creating hierarchically ranked descriptive classifications (e.g. Kapferer 2008; Silverstein & Fiske 2003; Truong et al. 2009). Hierarchical classifications offer a brand- and product-driven tool to assist luxury companies to position themselves and segment the target market.

In addition to using brand- and product-driven categorizations, researchers have sought to capture the levels of luxury brands by measuring the degree of perceived luxury value (e.g. Choo et al. 2012; Wiedmann et al. 2007; Vigneron & Johnson 2004; Shukla & Purani 2012). Vigneron and Johnson (1999; 2004) incorporated the consumer perspective in their Brand Luxury Index scale (hereafter the BLI scale) in order to offer a tool through which brands can be organized into a hierarchical order based on the degree of luxury they represent. The BLI scale has been developed further and modified by various scholars, e.g. De Barnier et al. (2012), Christodoulides et al. (2009), Wiedmann et al. (2007), and Doss and Robinson (2013).

The scales build understanding about the evaluations of the degree of luxury in a specific brand; however, the scales neglect the characteristics consumers apply to determine what constitutes luxury and what characteristics arise to differentiate the brands (Carpenter et al. 1994; Punj & Moon 2002). The scales create hierarchical rankings to identify the highest luxury brand, and to point out the brands' relative positioning in consumers' minds. However, they can be criticized for their focus on one brand at a time. In real life, consumers do not evaluate brands one-by-one in isolation but in relation to other brands (e.g. Meyvis et al. 2012) and in their competitive context (Han 1998). Indeed, it is also argued that a singular evaluation might lead to too positive brand evaluation (e.g. Posavac et al. 2004). To elaborate the understanding further and to fill this research gap, this study seeks *to identify the connecting and disjunctive characteristics consumers apply when structuring the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers*. The aim is divided into two objectives. First, the empirical part seeks to analyze

how consumers categorize luxury fashion brands. Second, the study examines how the characteristics are interpreted when determining perceived luxuriousness of a brand.

Next, the present study reviews the literature on luxury brands and challenges the hierarchical categorizations by applying the consumer perspective. Then, the methodology and research context will be described. The findings section discusses diverse characteristics that consumers apply when categorizing luxury fashion brands, after which the ways these differentiating characteristics are interpreted will be discussed. The paper concludes with a discussion of the theoretical and managerial implications. The study brings forward novel viewpoints in regard to the luxury brand management literature. Firstly, the study highlights how luxury fashion brands are differentiated and the luxury is negotiated and reflected in the light of the consumption experience and social context. The luxury brand management literature emphasizes a product-centered way of classifying luxury; however, consumers may also consider and be influenced by personal experiences and social meanings in their definitions. This brings forward important managerial implications for luxury brand marketers.

2 LITERATURE REVIEW

An understanding of the identifiers of luxury branded products has to be generated in order to grasp the different categorizations of the luxury field. Thereafter, the ways in which luxury fashion brands have been categorized in previous literature will be discussed.

There is little agreement about how best to define and hence understand luxury, which has resulted in various definitions (e.g. Atwal & Williams 2009; Berthon et al. 2009; Fionda & Moore 2009). Luxury is associated with products, brands and services that share a set of unique characteristics, such as excellent quality, high price, exclusivity and rarity, history and heritage, aesthetics and superfluosity

(Dubois et al. 2001; Vigneron & Johnson 2004; Kapferer & Bastien, 2009; Phau & Prendergast 2000).

2.1 Fragmented field of luxury brands

A luxury brand is positioned at the high end of the brand continuum (e.g. Vigneron & Johnson 2004; Turunen & Laaksonen 2011) or the top of the brand pyramid (e.g. Kapferer 2008). Even when the above-mentioned product characteristics are met, not all luxury brands are deemed to be equally prestigious (Vigneron & Johnson 2004); instead, various intermediate levels can be distinguished.

These intermediate levels and brand extensions have been the subject of research, particularly in the fashion field (e.g. Amatulli & Guido 2011; Phau & Cheong 2009; Fernie et al. 1997; Hanslin & Rindell 2014; Hennings et al. 2013). A variety of brand extensions and product category expansions have led to greater fragmentation in the luxury brand domain, and hence a great deal of confusion has arisen in the luxury brand literature as well with regard to what constitutes luxury and on what grounds the luxury is defined.

Existing literature divides luxury brands in a hierarchical order, but both the number of levels and the criteria of categorization vary. The diversity of categorizations has been gathered to figure 1 in order to build a structured understanding about previous literature. Product availability, which relates to the scarcity of the branded product, and price are attributes commonly applied to distinguish the levels of luxury (e.g. Kapferer 2008; De Barnier et al. 2012; Corbellini & Saviolo 2009; Vigneron & Johnson 2004). Age of the brand, design and aesthetics connected to accessibility are essential dividers in Silverstein and Fiske's (2003) and Truong's et al. (2009) categorizations.

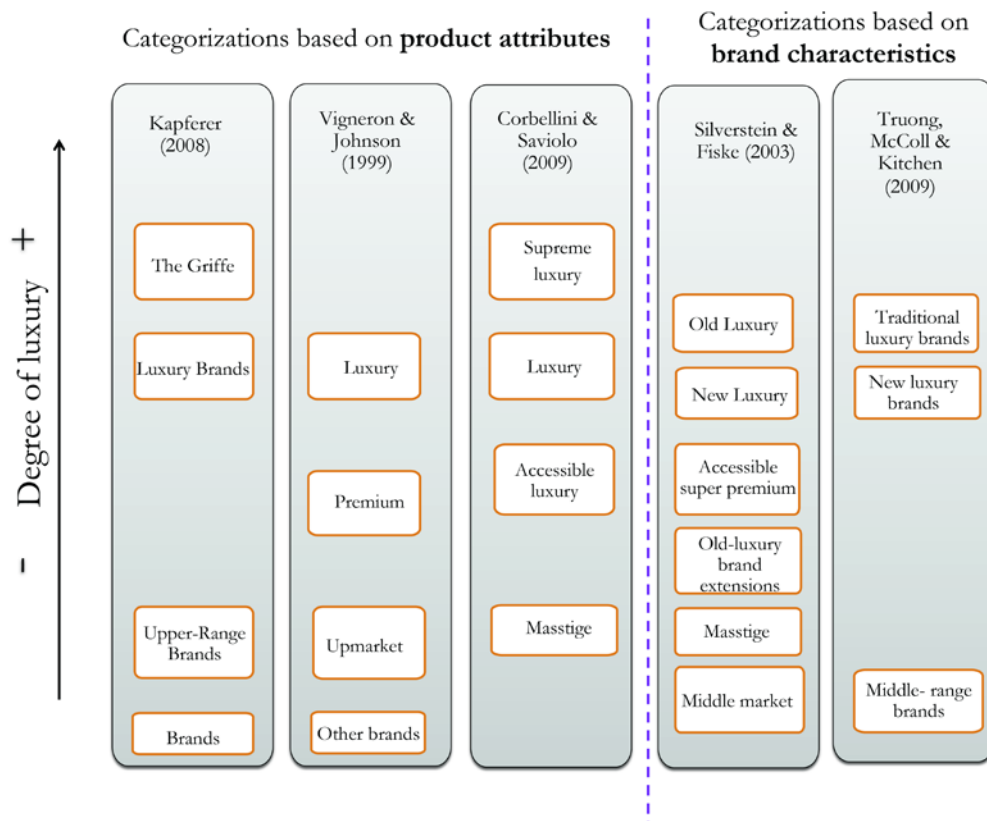


Figure 1. Different degrees of luxury based on previous literature

The classifications in the existing literature are illustrated in figure 1. First, product attributes such as price and quality have been considered to play a key role in categorizations that are arranged in a hierarchical order. Lower-level classifications, such as premium and upmarket products, refer to expensive variants of commodity goods (e.g. Kapferer 2008; Vigneron & Johnson 2004). The main difference between premium and luxury is price; among luxury goods, the price is not related to performance, but to scarcity, brand and storytelling, whereas premium goods are priced based on functionality and quality. (Kapferer & Bastien 2009.) Kapferer (2008 pp. 98) places the *griffe* – a unique luxurious item engraved the creator’s signature - at the top of the pyramid; he describes a *griffe* as pure creation and art, and differentiates it from luxury brands, which are handmade goods available for larger audiences. The division emphasizes the product-centered way of categorizing brands. In the same vein, Vigneron and

Johnson (1999) suggest that three levels of prestige can be pointed out: luxury, upmarket and premium brands. Luxury lies at the extreme end of the prestige category, where high price is used as an indicator of prestige and quality.

High price is also related to the accessibility of a luxury branded product, which is highlighted in Corbellini and Saviolo's (2009) categorization. A luxury brand needs to sustain a high level of awareness and tightly controlled distribution in order to maintain and enhance exclusivity (e.g. Dubois & Paternault 1995; Mason 1981; Phau & Prendergast 2000). The accessibility of the branded product can be adjusted through different means: price and affordability, distribution choices, special editions and controlled production runs (Fionda & Moore 2009; De Barnier et al. 2012).

Second, categorizations based on brand characteristics emphasize the similarity in brand level. For example, Truong et al. (2009) divide the categories based on the aesthetics and perceived style of the design that the brand in question represents, by sorting out the traditional and new luxury brands. Luxury diffusion brands, such as old-luxury brand extensions and masstige brands that are more readily available due to pricing and distribution decisions represent a taste of luxury offered to a wider range of people. A luxury diffusion brand is defined as a step-down line extension of a high-end luxury brand. Vertical expansion of luxury brands may diminish the prestige and social status associated with the existing brand (Kim & Lavac 1996), since diffusion brands represent lower-priced and slightly poorer quality products. Silverstein and Fiske (2003) apply a fine-grained division when categorizing luxury fashion brands: they divide old and new luxury brands, but also take brand extensions into account. The degree of luxury varies both between different brands and within the same brand due to its extensions.

The categorizations presented above are parallel and not exclusive. As noted above, previous brand management literature suggests that luxury brands should be seen as the high end of the continuum or the top of the hierarchical classification. To that end, the classifications address the characteristics through

which the level of luxuriousness is determined. However, this raises the question: Are consumers price- and quality-aware evaluators who emphasize product attributes and brand characteristics in their evaluations, as previous literature suggests?

2.2 Perceived degree of luxury of a brand

Since a luxury branded product is more than a set of physical attributes, not all rare, expensive and handmade designer products are regarded as luxury goods, in spite of their high quality. Thus, product attributes are seldom sufficient to deliver and hold luxury on their own. (Berthon et al. 2009.) Symbolic aspects are an integral part of brands, reaching beyond the tangible object. Symbolic facets capture the fundamental value and desirability of luxury brands (Dubois et al. 2001); in order to reach desirable status, the social context of the product assumes considerable importance in creating symbolic meanings, because the signals need to be recognized by others (see Berthon et al. 2009; Ligas & Cotte 1999; Vickers & Renand 2003). Since luxury brands contain symbolic meanings and status value, they might play a significant role in social and cultural stratification; the luxury brand creates distance by vertically separating luxury consumers from the masses and connecting the luxury consumer to the desired group. (Kapferer & Bastien 2009.)

In that vein, it has addressed that not all luxury brands are equally prestigious. Instead of relying solely to the categorizations that emerge from product- and brand-related characteristics, researchers have sought to capture luxury by accounting for intangible aspects when measuring the perceived luxuriousness of a brand (e.g. Vigneron & Johnson 2004; Wiedmann et al. 2007; 2009; Shukla & Purani 2012; Choo et al. 2012; Tynan et al. 2010; De Barnier et al. 2012). In order to make sense of the perceived degree of luxury to address a brand's relative positioning in a consumer's mind, Vigneron and Johnson (2004) developed a Brand Luxury Index scale to distinguish high-luxury brands from those that are low on luxury. The BLI scale seeks to measure the dimensions from which the

degree of brand luxury will be dictated by the interaction of personal-oriented (hedonism and perceived extended self) and non-personal-oriented (conspicuousness, uniqueness and quality) dimensions. Taking the BLI scale further, De Barnier et al. (2012) derive the division of inaccessible luxury – intermediate luxury – accessible luxury by testing three scales (i.e. Vigneron & Johnson's 1999, Kapferer's 1998 and Dubois et al.'s 2001), suggesting that Vigneron and Johnson's scale is the most complete, encompassing different aspects of luxury to determine the perceived degree of luxury of a single brand. However, the scale cannot identify the differentiating and/or connecting characteristics by which consumers navigate and make sense of the fragmented field of luxury fashion brands, because it evaluates the luxuriousness of one brand at a time, without comparing it to other brands. One-at-a-time evaluation can be regarded as a limitation, as it might lead to too positive brand evaluation (e.g. Posavac et al. 2004), which is why brands should be studied in relation to their competitive context (Han 1998) and to other brands (Carpenter et al. 1994; Punj & Moon 2002).

In this sense it is reasonable to ask how consumers categorize the fragmented field of luxury fashion brands and how these characteristics become meaningful for consumers. This study uncovers these questions by asking consumers to perform a free sorting task of brand cards during personal interviews. Next, the methodological choices will be described in greater detail.

3 METHODOLOGY

The interest in this study is on the “consumers of luxury brands” instead of “luxury consumers”. “Luxury consumers” are a relatively small group of wealthy people with an exclusive lifestyle and consumption preferences (Wiedmann et al. 2009). “Consumers of luxury brands”, instead, represent consumers from diverse income levels who are regarded as a suitable target group engaging in diverse consumption, ranging from mass-market fashion to high luxury fashion. In order

to obtain relevant and rich empirical data, the informants were chosen purposively and found by means of “snowball” sampling. It is reasonable to choose a target group that has access to and an interest in such brands, and therefore the informants were chosen based on the criteria that they possess luxury branded products or products they regard as luxuries. All of them were interested in fashion apparel and accessories, representing various levels of involvement with fashion and luxury. A total of 12 individual interviews were conducted in Finland. The sample of 12 interviews is small, but as the criteria and themes through which the informants discussed the degree of luxury of fashion brands started to repeat itself, the 12 interviews were considered to be sufficient for the purposes of this study. The informants were Finnish women between the ages of 23 and 39, with a mean age of 29 years. Given that all the informants are women, our study represents a female voice; the fashion field is more extensive and rich in nuance, particularly in women’s fashion. Future work should be extended to male consumers to understand their perceptions and evaluations.

At the beginning of the interviews, a free sorting task was applied as an elicitation method to get a picture of the ways that informants categorize luxury brands. Elicitation materials, such as free sorting tasks, are considered to be fruitful means of evoking meanings that subjects might not otherwise come up with (Moisander & Valtonen 2006: 79-83). Informants were given 14 brand cards featuring the logos of various brands (see figure 2), and asked to go through the cards and eliminate unknown brands. Then, the informants were asked to categorize the brands into different groups, with similar brands in each group. Consumers categorize products so that they can identify and evaluate product-related information (Cohen & Basu 1987). After the task, the informants were asked to describe the reasons why they divided the brands in the way that they had. Further questions were asked with a view to uncovering the associations and meanings behind the categories and perceived characteristics. The sorting task and why-questions were adopted from the laddering technique (Gutman 1982; Reynolds & Gutman 1988) in order to uncover what kinds of meanings and consequences consumers attach to differentiating characteristics when making

sense of the luxury fashion field. However, the brand cards and why-questions were used as elicitation methods to spark discussion and to guide the informant to discuss the topic of the interview, instead of aiming to build means-end chains (Peter & Olson 2005).

The brands selected for the free sorting task represented the fashion field, and particularly the category of apparel and accessories that are regarded as *personal luxury goods* (BCG market research 2014). The brands were chosen to exemplify the different degrees of luxury discussed in the literature review (see figure 1). Generally, studies examining brand extensions concentrate only on the relationship between the parent brand and diffusion brand (e.g. Phau & Cheong 2009; Kim et al. 2001; Bhat & Reddy 2001; Hanslin & Rindell 2014). However, consumers encounter a variety of different brands when evaluating and navigating in daily life (not only parent brands and brand extensions), and thus 14 brands were chosen to represent the different types of fashion brands ranging from luxury to mass-fashion – such as premium brands, luxury brand extensions, and traditional luxury brands. Because the brand cards were applied to elicit and motivate the discussion, the fashion brands featured on the cards were purposively chosen to contrast and represent different price levels and styles, ranging from *Lanvin for H&M*, which represents the “taste of luxury” with a luxury designer collection, to *Louis Vuitton*, which has a long tradition.



Figure 2. The fashion brands chosen for the brand cards to elicit the discussion

The sorting task with brand cards sparked rich discussion and yielded multiple insights. The logos shown on the brand cards inspired the informants to narrate their own personal experiences and memories concerning specific brands. The brands that did not number among the brands that the informant possessed at present usually invoked associations with typical consumers of that specific brand or memories of a time when the informant used that particular brand. Inspired by their favorite brands displayed on the cards, some informants even got carried away, mentioning and describing other brands that they valued highly.

The interviews lasted from 45 minutes to 1½ hours, and all were recorded and transcribed; the interview transcripts amounted to a total of 103 pages. Analysis involved close reading of the transcripts, including identifying the central and meaningful criteria that the informant applied when making sense of the fragmented field of luxury fashion brands. The interview data was analyzed by means of qualitative content analysis (Belk et al. 2013). The first step was to uncover the categorizations applied in each interview when combining and assigning luxury fashion brands into groups. The criteria for making the categorizations were coded. Descriptive labels helped with the organization of the information contained in each interview. At this point, the analysis was inductive and the interpretations and perceptions were considered to reflect the *emic* accounts of the data. (See Spiggle 1994.) Following the coding stage, the differentiating and connecting criteria behind the categorizations were combined into larger characteristics, which were interpreted on the basis of the theoretical discussion and in relation to the existing research on luxury brands. These elaborations represent the *etic* meanings – the abstraction of categories. (Thompson and Haytko 1997: 20.) Finally, the elaborated characteristics were re-examined in the light of the interviews in order to pinpoint the interpretations through which informants make sense of the characteristics they associate with luxury brands.

4 FINDINGS

The aim of this study is twofold: to identify the connecting and disjunctive characteristics consumers apply when structuring the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. First, the categorizations that emerged from the analysis will be identified in order to make sense of how consumers classify the field of luxury fashion brands. After that the uncovered characteristics will be elaborated further to build up an understanding of how these connecting and distinguishing characteristics of a luxury brand become meaningful for consumers, and thereby determine the perceived luxury of a brand.

The brand-related characteristics uncovered by the categorization task provided an understanding about the connective and distinctive criteria through which consumers make sense of the fashion field. Informants pointed out brand-related characteristics, such as country of origin, similarity in aesthetics and design, perceived conspicuousness, age of the brand, type of the brand and stylistic consistency. These brand-related characteristics differentiating the fashion brands were perceived as “neutral” *per se*; these characteristics become meaningful, and therefore also generated the interpretation of perceived luxuriousness of a brand, through considerations based on personal consumption experiences and/or by judging the perceived social character of the brand. Particularly the interpretations created through personal consumption experiences bring novel viewpoints and contents to existing literature concerning the determination of the perceived luxuriousness of a brand.

Next, the key characteristics behind categorizations will be discussed in more detail, after which the article will further elaborate on how consumers derive meaning from their interpretations of characteristics attached to luxury brands.

4.1 Categorizations based on brand characteristics

The elicitation task using brand cards revealed an evident “top-of mind” way to classify the luxury fashion brands: All the informants began the categorization task by organizing the brands by perceived price. They grouped the brands in virtually the same manner by adapting and evaluating product attributes and arranging them in hierarchical order (i.e. more expensive brands – less expensive brands). When the informants were asked to describe the divided groups in more detail, they began to puzzle over the grouping assignment, while switching brands back and forth between the groups.

After the price-related categorization, the luxury fashion brands were categorized from a brand-centered perspective, addressing other connecting characteristics such as country-of-origin, long history and tradition of the brand, perceived conspicuousness, and connective stylistic consistency of the brands. The brand-related characteristics and categorizations are illustrated in figure 3.

Criteria for categorizations	Connecting and disjunctive characteristics consumers applied			
Age of the brand	"New" luxury	Traditional / iconic		
COO	Italy	France	USA	
Aesthetics / design	Fashion oriented	Long history & heritage		
Conspicuousness	Loud luxury	Quiet luxury		
Stylistic consistency	Diffusion brand & parent brand (put in to the same group)		Style of the brand manifested (e.g. "old England", "Parisian", "Sporty")	
Type of brand	Brands with no extensions	Parent brands	Brand extensions	Other brands

Figure 3. Six criteria guided the categorizations based on brand characteristics.

A notable feature of the brand characteristic-based categorizations is that they did not necessarily end up being structured hierarchically, unlike in the case of top-of-mind categorizations led by perceived price and quality levels. Instead, the brand characteristics were perceived as differentiating features, but not as better or worse compared to each other.

Similarity between the brand identities and the perceived age of the brand was used as a criterion for categorizations: Without exception, the informants placed the brands with a long historical tradition into one group, and the fresher and younger brands into another group.

“These [Chanel, Louis Vuitton, Prada] are old and iconic brands. They are even older than me!” (female 39 years)

The discussions about the age of the brands shifted afterwards also to their country of origin: Italy and France represented the traditional and iconic heritage, whereas so-called “new luxury” was seen to build on stories and to be of US origin.

The similarity in aesthetics and design among the brands was applied as a criterion for classifications: Classic and traditional brands were distinguished from relatively new brands representing experimental design. These findings are partly parallel to Truong et al. (2009), who set traditional luxury brands, new luxury brands and middle-range brands apart.

“... such as Chloé and Marc Jacobs [...] like trendy people who follow fashion and seek to be always à la mode.” (female 39 years)

“Hilfiger and Ralph Lauren have a quite similar ‘old England’ theme that they are telling. So although RL is a lot more expensive, I consider these brands to be very similar.” (female 25 years)

“These older brands are like symbols. For example, everyone knows Chanel Flap Bag 2.55, whereas the collections of Dolce&Gabbana are maybe not that identifiable.”
(female 28 years)

A long history was also associated with the perception of authenticity (Beverland 2005; 2006) – an authentic brand keeps itself alive by being sincerely what it is, instead of changing and catering to consumers’ wants. *“In my opinion, true luxury brands play by their own rules, they create the desire”* (female 35 years). Therefore, traditional luxury brands were seen as pioneers, because these brands seek to lead the way in the fashion market. Authenticity and tradition combined with design yielded categorizations based on the perceived conspicuousness of the brands: the informants generated classifications based on the brand’s character as “loud luxury” with visible logos or as more “discreet luxury”.

Some interviews ended by considering the connective and distinctive factors between luxury and fashion brands. Ultimately, it was evident that fashion and luxury had a contradictory relationship, as Kapferer and Bastien (2009) have discussed as well. Informants divided the brands into luxury and fashion groups to illustrate the difference of social character that the brands represented. Brands in the fashion category were considered to be connected to this specific time and in some way to the masses, whereas brands in the luxury category had a more iconic and timeless status. If the fashion category represented belonging to the masses, the luxury category meant standing out from the masses.

*“These brands [**Chloé**, **See by Chloé**, **Marc Jacobs**, **Marc by Marc Jacobs**] are very similar because they are so fashion-oriented. They live with the fashion cycle and have many new collections in a year, and not that many iconic designs like these that remain unchanged for years [referring to the group with **MiuMiu**, **Prada**, **Louis Vuitton** and **Chanel**]. Of course these traditional brands have to be innovative as well, but their fashion collections are not the most important thing, it is just the by-product.”* (female 26 years)

The traditional luxury brands were easily distinguished from all other brands because of their iconic standing and long tradition. But because of brand extensions and diffusion brands, the brands positioned in between the luxury and fashion categories generated confusion.

Categories driven by perceived stylistic consistency guide the discussion to the relationship between brand extensions and parent brands: previous research concerning vertical brand extensions set apart the parent and diffusion brands based on differences in price, quality and targeted consumers (e.g. Kim et al. 2001; Magnoni & Roux 2012). In addition, the research concerning brand extensions is often focused on pointing out the differences between parent brands and extensions (e.g. Reddy et al. 2009; Kim et al. 2001; Hennigs et al. 2013; Aaker & Keller 1990). In brand literature, it is emphasized how *brand identity* has been the connective factor between the parent brand and its extensions. Therefore it was noteworthy that the informants categorized the parent brands and their extensions into the same group based on the perceived similarity: this tells a story about successful coherence at the brand level.

“Well, somehow I would like to put these [Dolce&Gabbana, D&G, Chloé, See by Chloé, Marc Jacobs, Marc by Marc Jacobs] into the same group, because they are all relatively new brands and they are designing quite bold and fresh collections.” (female 29 years)

On the other hand, some of the categorizations were based on the perceived type of the brands, which is a parallel perspective in brand literature (e.g. Aaker & Keller 1990; Hennigs et al. 2013; Truong et al. 2009) where the brand character, e.g. parent or sister brands, was regarded as the determining feature. Besides categorizing parent brands into one group and brand extensions into another group, the informants also distinguished brands with no extensions as a separate group.

All in all, six main criteria – age of the brand, COO, aesthetics and design, conspicuousness, stylistic consistency, the type of the brand – through which

consumers make sense of and categorize the heterogeneous field of luxury fashion brands can be pointed out. By discussing the similarity in product and brand characteristics, consumers started to reflect on their own consumption experiences as well as the perceived brands' social character and status in society, which led to the interpretations of the perceived luxuriousness of the brands.

4.2 Interpreting the perceived luxuriousness of a brand

The categorization task guided the discussion to diverse ways of determining the luxury of a brand. The most obvious way that all of the informants applied was structuring the 14 luxury fashion brands based on extrinsic product attributes, such as price and perceived quality. This is the learned and economic-centered approach that is also suggested by the previous literature (e.g. Kapferer 2008; De Barnier et al. 2012; Corbellini & Saviolo 2009; Silverstein & Fiske 2003; Truong et al. 2009).

However, as highlighted in the literature review, single product attributes – such as high price or good quality – do not generate experiences of exclusivity and extravagance on their own (see Berthon et al. 2009). This became evident in the interviews as well; besides the price-related issues, informants also combined social and personal meanings when interpreting and defining the boundaries of luxury in the fashion field.

4.2.1 Object-related interpretations

First of all, informants applied a product-centered approach when interpreting the perceived luxuriousness of fashion brands. Informants emphasized concrete product attributes, such as perceived price level and quality. These product-related considerations of luxury are parallel particularly with Dubois et al. (2001) who identify the key identifiers associated with luxury branded products. Informants created a hierarchical order of fashion brands, assigning the same

brands to the highest and lowest groups. However, classifications varied in the middle groups.

“Well these [Louis Vuitton, Prada, Chanel] are the most expensive and exclusive. Then I see that these [MiuMiu, Marc Jacobs, Marc by Marc Jacobs, Chloé, See by Chloé] are quite similar in terms of quality and price level. Oh, I put these [Marc by Marc Jacobs, See by Chloé] on their own, because they are cheaper than these. And then I think that these [Tommy Hilfiger, Guess, Ralph Lauren] are not exclusive at all. More or less everyone can afford them.” (female 25 years)

“These [Dolce&Gabbana, Marc Jacobs, Chloé] are like big-sister brands, with more expensive price tags, and these [D&G, See by Chloé, Marc by Marc Jacobs] are like little sisters.” (female 29 years)

The brands that were perceived to be similar in terms of price level were put in the same group. Without exception, informants organized the groups into hierarchical order from more expensive to lower priced brands. The perceived price level was seen as contingent on the brand's position as “parent brand” or “brand extensions”, which is parallel with various studies related to brand extensions (e.g. Silverstein & Fiske 2003; Kim et al. 2001; Magnoni & Roux 2012).

The discussion of the price and quality that the categories represented evolved further: A high price was seen as a promise of excellent quality, which made the informants think of such branded products as investments. However, if the product fails, the brand might lose its credibility and status.

“High quality is a good excuse to pay an astronomical price for a luxury branded product. The product is an investment that lasts for years.” (female 30 years)

“[...] High price is not always related to good quality. For example, my Chloé bag disappointed me not once but TWICE! I complained about the first faulty bag and they gave me another one that had defects as well [...] I have lost my trust in that brand.” (female 28 years)

A brand that is positioned as having a “high degree of luxury” in consumers’ minds might drop greatly if the branded product does not meet expectations. Consumers’ own consumption experiences have more importance in their determinations of what the perceived price level can deliver.

It was noteworthy that a hierarchical order based on product attributes – such as price and perceived quality – was a kind of “learned” and top-of-mind way of organizing the field of luxury fashion brands.

4.2.2 Interpretations reflected through personal consumption experience

The discussions shifted quickly from object-related definitions to consumers’ own consumption experiences. The brand characteristics became meaningful through interpretations and personal reflections of purchasing situations as well as the actual consumption and use of the brands. Inspired by consumption cycle (Arnould & Thompson 2005), the figure 4 illustrates the interpretations through which the brand characteristics become meaningful for consumers.

“No product in itself is a luxury for me. I mean, it’s important for the product to be flawless, but the service and the feeling of privileged service is an exclusive memory I carry every time I use the handbag [...] that’s why I couldn’t ever go to an outlet store if I want to buy something that I regard as luxurious.” (female 20 years)

The informants categorized the luxury brands by considering the exclusiveness and perceived accessibility of each brand from their personal perspective: The expensiveness of the branded product was reflected back to their own wealth and income level by dividing luxuriousness into *everyday luxury*, *luxury* and *the dream*. “*Everyday luxury*” related to easily achievable brands that were regarded as being slightly above average, but which gave a special touch of luxury to ordinary life. “*Ok, and these brands are similar... for me at least. I use these brands at work, but still I feel like I have something special on me [...] and I think they are like classic design at a quite reasonable price*” (female 26 years).

“*Luxury*” was described as follows: “*It is accessible if I spend all my monthly*

earnings on one bag” (female 25 years) or *“I could afford it if I don’t pay rent”* (female 29 years). The highest level of luxury, *“the dream”*, was just *“something I cannot afford, at least not now”* (female 28 years). The dream referred to inaccessibility, something so rare, exclusive and limited that it almost does not exist. The dream was seen as a moving target, since when the consumer achieves it, it loses its luster and dream value. *“I value it more if it is more expensive, since in that case I have to work hard to get it or save money in order to buy it”* (female 30 years). This division is in line with the findings of De Barnier et al. (2012), who distinguish between inaccessible, intermediate and accessible luxury, but unlike previous literature, this study emphasizes the informant’s own economic situation as the basis of interpretation.

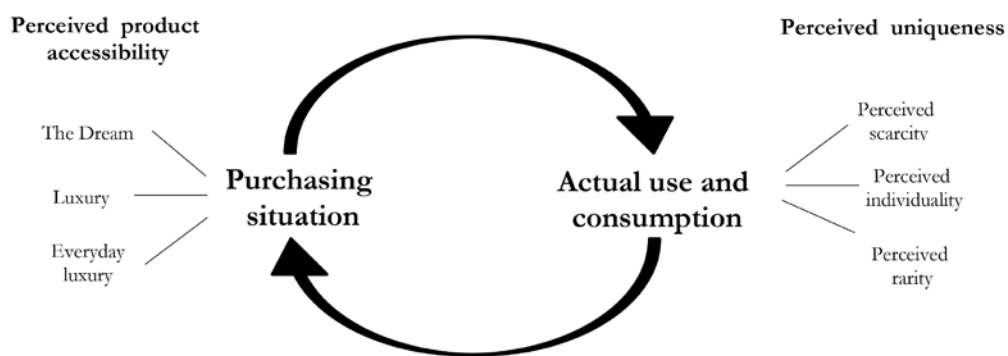


Figure 4. Consumption experiences refer to both purchasing experiences and actual use of the branded product

The availability of the branded product prompted the informants to discuss topics such as bargain hunting and second-hand shopping. If the product is too easily available, it loses value and authenticity. Second-hand shopping was regarded as something that requires an effort, which creates an experience in itself. *“Vintage shops, second-hand shops and flea markets are treasure troves. When you discover one piece of a kind, you really feel like you’re finding a treasure! Plus, you always know there is a story behind the bag – at least you can imagine one”* (female 39 years). Interestingly, informants also referred to “stories” that they

attached to the product, which increased the perceived value and exclusivity of the product. However, these stories are different to the brands' own story or history. The discussion around luxury second-hand shopping is partially in contradiction with exclusive purchasing situations and the details in the store environment; that said, personal experience could be acquired through treasure hunting and rare finds. Besides the rarity of a second-hand find, the active role of the consumer in the creation of a luxury experience is highlighted also in the research of Tynan et al. (2010), who address the co-creation of luxury value.

In addition, a connection to perceived uniqueness can be pinpointed from determinations based on consumption experiences. Perceived uniqueness is regarded as a central characteristic of a luxury brand (see e.g. Vigneron & Johnson 2004; Wiedmann et al. 2007). Vigneron and Johnson (1999; 2004) suggest that the uniqueness dimension is built on non-personal perceptions and is in that way related to the exclusivity of the brand. However, perceived uniqueness gained multiple meanings in the informants' discussions; the uniqueness dimension could be divided into *perceived scarcity*, *perceived individuality* and *perceived rarity*. "Perceived scarcity" was a subject of discussion when the categorizations related mostly to distribution, the buying situation and the details in the store environment:

"These [D&G, Tommy Hilfiger, Guess, Ralph Lauren] are brands that are usually sold in department stores or multibrand stores. [...] Brands like these [Prada, Chanel, Louis Vuitton] are sold in their own stores and are more inaccessible and isolated – that's why I also expect extraordinary service." (female 25 years)

Instead, *perceived individuality* was seen as a means of differentiating oneself from the masses and manifesting one's own style.

"Of course fashion has an influence on me and my choices. These brands (See by Chloé, Marc by Marc Jacobs) are in my opinion closely influenced by fashion and trends. And that's one reason why I do not prefer them ... I feel like they are too highly visible everywhere because of fashion trends. For me, it is more important to be myself, not just

like everyone else. And the clothes need to suit my overall style, sit well on me and somehow affect me. Uumh. It's hard to explain." (female 35 years)

In this sense, "being individual" was parallel to personal-oriented perceptions of the extended self (Vigneron & Johnson 1999; 2004), which pinpoints that luxury brands provide a way for consumers to enhance their self-concept by distinguishing themselves in relation to relevant others, and by integrating the symbolic meanings into their identity (Holt 1995).

Perceived rarity in turn was related to the situations in which the brands were actually used and consumed. For example, the informants divided the brands into a group of brands that are more or less in daily use and brands that are used only on special occasions:

"These [Prada and Chanel] are the brands I use only when having some kind of celebration [...]. But these [referring to a group with MiuMiu, Louis Vuitton, Marc by Marc Jacobs, See by Chloé] are more for daily use. I couldn't think about using my Louis Vuitton at an evening party. It is just too casual." (female 34 years)

4.2.3 *Judging the perceived social character of the brand*

The third theme through which informants reflected the characteristics when creating their interpretations was the social character of the brand. Social context and context of consumption played an important role in interpretations: Besides discussing the perceived uniqueness of a brand, informants discussed its perceived conspicuousness (e.g. Veblen 1973; Phau & Prendergast 2000; Truong et al. 2008) when classifying the brands. Yet, the findings addressing perceived uniqueness contained more personal-oriented meanings compared to perceived conspicuousness, in which the social aspect was strongly emphasized.

The perceived conspicuousness of the brands was a criterion in categorizations (presented in figure 3) that highlighted social manifestations. Informants distinguished between loudly (high visibility) branded and quietly branded

products. In such cases, they even assigned brands representing different price categories – **Guess, D&G and Louis Vuitton** – to the same group: *“Vuitton has lost its exclusivity since everyone has it. You want to stand out from the masses positively, but Louis Vuitton is mass market nowadays. LV sold its soul too cheap – it is now too accessible”* (female 25 years). When a luxury brand becomes too available, its perceived uniqueness (Vigneron & Johnson 2004) and potential for social stratification (Kapferer & Bastien 2009) may be lost. Hence, it is not the individual alone who defines and decides what brands are regarded as luxury; it is also a reflection of the social context and society.

When considering the perceived luxuriousness of the brand, the informants stated that the larger the logo on the branded product, the less luxurious it is. *“If you have to show off the specific brand so loudly – ‘Oh, look how much money I’ve spent!’ – you are buying expensive products for the wrong reasons”* (female 23 years). To this end, the price of the product also gained importance as a status communicator. Informants talked about high price as a way to position oneself higher in the hierarchy.

“Last summer I realized that if a bag is not expensive enough, I just cannot value it that highly. I think it’s a somewhat disturbing thought, but I have to confess that the price tag has a huge influence on me and my valuation.” (female 28 years)

The branded products need to be publicly consumed, and others need to be aware of the brands and prices, so that the price would receive conspicuous meanings (e.g. Phau & Prendergast 2000; Truong et al. 2008).

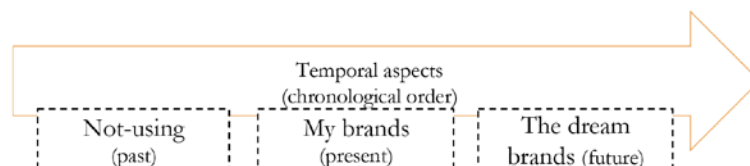


Figure 5. Temporal aspects are reflected against consumers’ own life and social context.

The social character of the brand was present when informants interpreted the brand characteristics in terms of their own lives. The temporal aspects were highlighted when the brands were categorized and then organized into chronological order based on the informants' own consumption preferences of luxury brands: *not-using* (past), *my brands* (present), *the dream brands* (future). When classifying the brands in this way (illustrated in figure 5), informants referred to and described the symbolic content and social context that the brands were linked to.

“When I was like 14, Guess was my absolute favorite. I actually have no idea what I saw in that brand back then! Nowadays I wouldn't use that brand at any price in public!”

(female 26 years)

“These brands are like straight from my wardrobe, they are my favorites. Classic, simple and reliable.” (female 29 years)

“These [See by Chloé, Marc Jacobs, Marc by Marc Jacobs] are like fashion bloggers, and these [Louis Vuitton, Chanel, Prada] are for successful business ladies ... And me, then, I maybe see myself here” (female 28 years)

“Luxury is my daydream. Having something to strive for keeps me active and motivated.” (female 29 years)

Accordingly, luxury needs to be continuously redefined and reflected against the social context and situation, because preferences and understandings change over time both at the individual and social/collective levels. What is regarded as luxury now may not be luxurious in a different context, at a different time and for different people.

To sum up

It was noteworthy that the informants first determined the brands based on perceived product attributes, and applied different criteria for categorizations

afterwards. Categorizations based on similarity in brand characteristics offered a tool that consumers applied when making sense of differentiating (and connecting) criteria between luxury fashion brands. For example, the age of the brand, stylistic consistency and country of origin brought about a way of structuring the fragmented field of luxury fashion brands, but the informants did not directly rank the brands in terms of higher or lower degree of perceived luxury. Instead, *the luxury of a brand was interpreted in relation to time, consumption situation and the social context of consumption*. For example, the group of iconic brands was perceived to be even more valuable (a higher degree of luxury) when purchased as second-hand. Although the product characteristics (such as price) may be ranked at lower levels than luxury goods should have, the personal experience gained through treasure hunting might raise the perceived luxuriousness.

Besides personal experiences, the social context of consumption influenced the interpretations of luxury. For example, the informants stated that when they were younger a certain group of brands represented a high degree of luxury; nowadays these brands felt nostalgic, but were no longer perceived to be that luxurious. This is also related to categorizations based on the conspicuousness (loud/quiet) of the brand, where the specific context of consumption was highlighted, along with what it was perceived to manifest. The social context is in constant change and therefore the brands also need to be interpreted and determined all over again. If a luxury brand is perceived to be too accessible and available to many, it may lose its luxury status (e.g. Veblen 1973; Silverstein & Fiske 2003; De Barnier et al. 2012).

Based on these findings, it can be suggested that luxury comes into existence when interpreted in relation to other brands and consumption experiences as well as reflected against the social context. These findings parallel the understanding of luxury as constituting an interaction of an individual, a branded product and the social context (see Berthon et al. 2009; Vickers & Renand 2003). Managerial and solely product-centered ways of positioning luxury fashion brands into

hierarchical order judged by price and quality or accessibility are too straightforward and there is thus a call to understand this issue from a consumer perspective.

5 DISCUSSION

The aim of this paper was to identify the characteristics through which consumers categorize the heterogeneous field of luxury fashion brands, and to discuss how the distinguishing characteristics become meaningful for consumers. On the basis of the empirical findings, six main brand-related criteria behind the categorizations can be highlighted, which are reflected on and interpreted against three themes – *object-related characteristics*, *personal consumption experiences* and *the perceived social character of the brand* – through which the perceived luxuriousness of fashion brands is determined. In previous brand management literature, the field of luxury brands has been categorized mainly by emphasizing product and brand characteristics as a basis for categorizing luxury brands. However, this study suggests that consumers interpret and determine the luxury of a brand in more diverse and fruitful ways. Product and brand characteristics play an important role in categorizations, but the interpretations are expanded to also reflect personal consumption experiences and social contexts.

One of the empirical conclusions is that consumers tend to determine the luxuriousness of brands in relation to other brands. The categorization task revealed that consumers differentiate and classify brands in relation to others, but do not necessarily organize the brands in hierarchical order (higher – lower degree of luxury). For example, perceived similarity in brand identity (e.g. iconic and classic brands in one group and fashion-oriented brands in another group) guides consumers to classify brands in different groups, but the differentiating characteristics become meaningful only when determined and reflected in the consumption context by the individual in question. Instead, concrete product attributes such as price and quality lead to hierarchically organized categories. In

addition, hierarchical categorizations are made by reflecting on personal experiences of the purchasing situation or perceived details in the store environment.

The main theoretical conclusion of this study contributes to existing research about the determination of the perceived luxury of brands. The study provided a structured understanding about the categorizations suggested in previous literature, based on what the understanding about consumers' evaluation and determination of luxuriousness of a brand was elaborated. Besides classifying the luxury brands from a product perspective, the BLI scale has aimed to measure the perceived luxuriousness of a brand through its non-personal- and personal-oriented dimensions (Vigneron & Johnson 1999; 2004; Wiedmann et al. 2007). To complement these discussions, the current study has shown how the luxuriousness of brands has been extended to also comprise social premises (apart from personal and non-personal dimensions). Perceived conspicuousness and perceived uniqueness included fruitful content, and represent more social and personal-oriented contents contrary to Vigneron and Johnson's (2004) findings, which were positioned in a non-personal dimension. However, based on this study, conspicuousness was reflected and emerged through the reference group and had a social character: the brands determined and interpreted in relation to the social and temporal context were classified but not necessarily put in hierarchical order.

In addition, the personal-oriented dimension of the extended self (Vigneron & Johnson 2004) should be tied to the temporal context: In different times, different people regard different brands as luxury. Consumers divide brands to reflect their own economical standing and in relation to the temporal context – *everyday luxury*, *luxury* and *the dream*. These findings are in line with perceived accessibility (e.g. De Barnier et al. 2012), which also requires a social context in order to exist. Some brands may have been perceived to be more luxurious a few years back, but are nowadays seen as more common – this may also represent the rapid change of trends and the fashion cycle. Thus, consumers emphasize the

social and temporal contexts when categorizing and determining the luxuriousness of a brand.

Limitations and future research

The findings from this study are not without limitations. This study has limitations based on the empirical data: the sample size is small, the data is collected from Finland and all the informants are women. Therefore, the findings are not generalizable to other countries and consumer segments. In addition, as the subject of research was limited only to the fashion field, the findings might only be applicable for drawing conclusions regarding the fashion field, not luxury brands in general. However, these limitations can be turned into opportunities for future research: additional research could be extended to male consumers and fields other than fashion brands. In addition, future research could be approached quantitatively by verifying the explorative findings of this study, such as by comparing the perceptions and criteria of evaluating the degree of luxury in different countries.

Managerial implication

The current study challenges the product-centered and managerial way of categorizing the heterogeneous field of luxury brands by presenting a versatile view of how consumers structure and determine luxury. Acknowledging this complexity offers implications that could be incorporated into strategic decisions regarding brand management.

By being aware of the diverse ways in which the characteristics attached to luxury are interpreted, managers can gain valuable understanding: the current study has shown that consumers may not necessarily perceive and determine luxury brands in hierarchical order. This was particularly the case when step-down brand extensions and parent brands were categorized and perceived to carry shared meanings. In this, I highlight that the attribute – price – often regarded as being the key factor in determining the level of luxury, is not necessarily the main criterion for some consumers when evaluating the degree of luxury; they assign

greater value to the personal experience and perceived uniqueness when considering the luxuriousness of the brand.

In addition, it is critical to understand how consumers determine and interpret luxuriousness of a brand. For instance, the brand image of a luxury brand – as enhanced by its marketing communications – is often internationally consistent. On the basis of the findings, I suggest that luxury brand marketers should be aware of the variation in consumer interpretations and use more tailored ways of approaching consumers. The way consumers define the luxury of a brand is more complex than the brand management literature suggests. Consumers negotiate and reflect on their own experiences and the social character of a brand in a specific context instead of blindly accepting the classifications offered by the brand marketers. What is regarded as luxury at the time reflects the social context and temporal dimension where consumers navigate.

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Pre-loved luxury: identifying the meanings of second-hand luxury possessions

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Abstract

Purpose – The purpose of this study is to shed light on the consumption of second-hand luxury brands, identifying the meanings attached to second-hand luxury possessions in the context of fashion and, specifically, in the case of luxury accessories. Prior discussions of luxury consumption and marketing have focused on brand-new luxury goods, thus largely neglecting the emergence of markets for used luxury products.

Design/methodology/approach – The empirical data for this study were generated through interviews with ten Finnish women and through fashion blogs concerning luxury goods that are bought second-hand.

Findings – The findings show that second-hand luxury possessions are characterized by five different meaning themes: Sustainable Choice, Real Deal, Pre-loved Treasure, Risk Investment and Unique Find. The study highlights how consumers are able to achieve luxury experiences even without exclusive service, as the informants attached meanings of luxury to second-hand luxury possessions, especially with regard to the symbolic value and authenticity of the product. However, the meaning of authenticity appears to be a double-edged sword in this context, as consumers may also consider that they are taking a financial as well as reputational risk when acquiring a previously owned luxury item.

Originality/value – This study brings forward novel viewpoints to discussions on luxury brand marketing by connecting the issue with the topical phenomenon of second-hand and luxury consumption. The study suggests important managerial implications for luxury brand marketers.

Keywords Meanings, Luxury, Consumers, Second-hand, Buying behavior

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this issue.

1. Introduction

Several trends indicate that the greater availability of luxury goods poses challenges to contemporary luxury markets. It has been claimed that luxury products are now available to a greater number of consumers, at least in some form (Thomas, 2007; Corbellini and Saviolo, 2009). One explanation for this “democratization of luxury” is that technological development enables luxury products to be widely available; the Internet in particular has broadened possibilities to acquire luxury products from different sources (Okonkwo, 2009). Sales of luxury goods (i.e. apparel, leather goods and accessories, watches, jewelry and cosmetics) reached €285 billion in 2012, and the annual growth has been forecast to amount to 7 per cent during the next few years (BCG, 2014). However, the market growth ushers in many challenges and complexities to the global luxury markets as the new consumer segments, and their buying behaviors demand better understanding of the segments, their profiles and the market actions.

One of the emerging trends concerns the second-hand markets of luxury products, as second-hand consumers

comprise a relevant, but largely ignored, segment for luxury brand retailers. To date, prior discussions of luxury consumption and marketing have focused on brand-new luxury goods (Hung *et al.*, 2011; Truong *et al.*, 2010; Han *et al.*, 2010), thus largely neglecting the emergence and availability of used luxury products. The current study seeks to answer this question by investigating the meanings of luxury consumption from the point of view of second-hand consumption. Moreover, we seek to explore the meanings of second-hand luxury in the context of fashion and, specifically, in the case of luxury accessories. This context enables us to become absorbed in the varied and multiple meanings that consumers attach to their second-hand luxury possessions.

When investigating consumers’ varied practices of acquiring luxury possessions, one may easily identify multiple customs. For instance, consumers may acquire luxury goods in a traditional way, that is, by buying a unique and authentic luxury product, or they can choose a cheaper sister brand of an authentic luxury brand (Kim *et al.*, 2001). Moreover, real-life examples show that consumers may instead choose to shop for used luxury products (second-hand) or even rent luxury products, for example, in the case of luxury bags (Yeoman, 2011). Although prior research has acknowledged the existence of these trends of acquiring used and/or recycled luxury goods, such studies have not investigated the meanings of having and motivations for acquiring second-hand luxury from the consumers’ perspective. Therefore, the second-hand luxury markets offer a fresh context for studying the meanings attached to used luxury products.

Although this perspective is novel in the field of luxury scholarship, a number of second-hand consumption studies have explored fashion and clothing (Isla, 2013; Guiot and Roux, 2010; Roux and Korchia, 2006), but they do not take a

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stance on luxury goods specifically. Instead, second-hand consumption is often connected to recycling, sustainability and the environmentally conscious behavior of consumers (Guiot and Roux, 2010). In addition, previously owned possessions have been the subject of research in the bulk of studies focusing on collecting behavior (Belk, 1995, 2001; McIntosh and Schmeichel, 2004; Zonneveld and Biggemann, 2014). Although these discussions have often dealt with the emotions and motivations related to extending collections and, thus, addressed the emotional thrill of acquisition, pleasure and self-expression (McIntosh and Schmeichel, 2004), our focus is more on those meanings that consumers attach to their possessions while using them in their everyday lives. Hence, it is intriguing to explore whether similar kinds of meanings are attached to second-hand luxury possessions or whether this specific context evokes different meanings. A particularly interesting issue to consider is whether a used luxury possession is still perceived as representing luxury, although it lacks the traditional attributes attached to luxury brands, such as exclusive service, high price and flawless quality (Dubois *et al.*, 2001). In the context of second-hand luxury possessions, what makes “one person’s trash another person’s treasure?”

In the following discussions, we first draw on the luxury consumption literature and explicate the meanings related to luxury possessions, after which we move on to discussing the second-hand consumption literature focusing on meaningful possessions from the perspectives of acquiring used items and collecting. We then explain the methodology as well as the research context by describing the features of Finnish second-hand luxury markets. The findings section discusses five different meaning themes of second-hand luxury and presents an empirical illustration of the findings. The paper concludes with a discussion of the theoretical and managerial implications.

The study brings forward novel viewpoints with regard to the luxury consumption literature: the study highlights how consumers are able to achieve luxury experiences even without exclusive service, as the informants attached meanings of luxury to second-hand luxury possessions, especially with regard to the symbolic value and authenticity of the product. However, the meaning of authenticity appears to be a double-edged sword in this context, as consumers may also consider that they are taking a financial as well as a reputational risk when acquiring a previously owned luxury item. This brings forward important managerial implications for luxury brand marketers. The growing second-hand markets and the extended life cycle of the branded products yield knowledge and far-reaching acts for luxury brand management. Although second-hand purchases do not have a direct effect on sales, luxury goods bought as second-hand act to promote the luxury brand in question, and furthermore, they also introduce the brand to new consumers, who may not otherwise buy luxury goods in the first place.

2. Meanings of luxury consumption

When it comes to luxury brand consumption, the prior literature has solely focused on the consumption and marketing of brand-new luxury products (Han *et al.*, 2010; Hung *et al.*, 2011; Fionda and Moore, 2009; O’Cass and

Frost, 2002; Wiedmann *et al.*, 2009; Truong *et al.*, 2010). To date, second-hand luxury has been neither empirically nor theoretically discussed in the field of luxury consumption research. Therefore, our theoretical discussion builds upon the existing research, focusing especially on luxury branded products and consumers’ motives for acquiring them. To this end, we discuss the dimensions through which luxury in branded products has been defined and differentiated from non-luxury items.

Luxury branded products are usually defined by listing external attributes that position these products at the far end of the continuum of ordinary goods (Vigneron and Johnson, 2004; Kapferer, 2008). However, product attributes are seldom sufficient to deliver and hold luxury on their own (Berthon *et al.*, 2009), and because a luxury branded product is more than a set of physical attributes, not all rare, expensive and handmade designer products with high quality are regarded as luxury goods.

Besides product-related aspects, experiential and symbolic dimensions also play an important role when defining luxury. The mix of these three dimensions, i.e. the functional, experiential and symbolic dimensions, differentiates luxury items from non-luxury items (Vickers and Renand, 2003). The *functional dimension* is based on the product attributes, and their ability to satisfy the consumer’s utilitarian performance needs and/or solve the customer’s problem (Olson, 2002). The *experiential dimension*, in turn, highlights the personal, hedonic nature of luxury brands (Berthon *et al.*, 2009). It is generally acknowledged that consumers desire products that provide sensory pleasure (Holbrook and Hirschman, 1982). Symbolic aspects are integral parts of brands, reaching beyond the tangible object. The *symbolic dimension* captures the fundamental value and desirability of luxury brands (Dubois *et al.*, 2001), but to attain this status, the social context assumes considerable importance in creating symbolic meanings because the signals need to be recognized by others (Berthon *et al.*, 2009; Ligas and Cotte, 1999; Vickers and Renand, 2003). Hence, besides signaling to others, the brand meanings might be used as symbolic resources for the construction and maintenance of identity, i.e. symbolizing to the self (Elliott and Wattanasuwan, 1998).

These dimensions – functional, experiential and symbolic – are contextual and change over time (Berthon *et al.*, 2009; Vickers and Renand, 2003). For example, with the rise of mass production in the eighteenth century, patina became less valued, while novelty became more desirable. Nowadays, patina and the spirit of the past serve as a kind of visual proof of status and rarity (Kawamura, 2004, p. 92).

As luxury does not inherently relate to an object as an attribute, it is reasonable to ask how the previous life of the luxury branded product influences the meanings related to these possessions and how the luxury experience manifests itself in the context of second-hand consumption.

3. Perspectives on second-hand consumption

To understand the meanings related to second-hand luxury, it is necessary to discuss the meanings that consumers attach to acquiring used products. By doing so, we draw on the literature that focuses on second-hand consumption,

particularly with respect to cherished possessions and the meanings related to them, especially in the case of collections.

Regarding the prior literature on second-hand consumption, we can identify two different perspectives, namely, the perspective of *disposing of possessions* and the perspective of *acquiring used possessions*. These two are intertwined and linked phases in the cycle of consumption, as disposing may result in acquiring, which keeps the cycle of consumption developing (Arnould and Thompson, 2005).

As the viewpoint of disposing is not in the focus of the current study, we concentrate on exploring the ways in which consumers acquire used possessions and their motivations for doing so. Sherry's (1990) ethnographic research on Midwestern American flea markets can be regarded as a seminal study of second-hand markets. Sherry identified a varied set of consumer behaviors related to the second-hand marketplace, as searching, dickering and socializing are found to characterize the flea market experience. More relevant in the current context, a small number of discussions have focused on second-hand buying in the context of vintage fashion and clothing (Cervellon *et al.*, 2012; Roux and Korchia, 2006; Guiot and Roux, 2010). It is indeed well-documented that discovering used products can be rewarding and that consumers may be highly involved in finding treasures, not only because they want to save money but also because of other motivations. In these discussions, vintage clothing is sometimes differentiated from second-hand clothing; for example, Cervellon *et al.* (2012) have attached nostalgia seeking to the motivations for acquiring vintage clothes, whereas acquiring second-hand clothes is characterized by frugality and sustainability (Joung and Park-Poaps, 2013). In addition, Carrigan *et al.* (2013) highlight second-hand fashion consumption as a way to be a more sustainable and conscientious consumer. However, even though they found differences between vintage consumers and second-hand consumers, both groups were motivated by "the thrill of the hunt" (Carrigan *et al.*, 2013). Other studies have also shown that second-hand products may be acquired because of their rarity, and thus, nostalgia seeking can be linked to second-hand consumption (Guiot and Roux, 2010).

Collecting is a specific case of acquiring used possessions (Belk *et al.*, 1988); in this context, one must address the strong emotional relationship between the collector's identity and the collection or possessions. Belk (1995, p. 67) defines collecting as "the process of actively, selectively and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or

experiences". For instance, collectors have been found to cherish and appreciate their possessions so much that disposing of them involves many contradictory feelings and worries (Price *et al.*, 2000). Thus, it seems that acquiring and possessing an object to increase one's collection or acquiring a second-hand luxury possession may hold interrelated and overlapping meanings.

To shed more light on the conceptual definitions of second-hand luxury and its parallel terms, we discuss three interrelated terms more specifically, namely, second-hand, vintage and collector's pieces. The differences and similarities between them are highlighted in Table I. First, second-hand goods are conceptualized as previously owned and used items whose acquiring is often motivated by lower prices or sustainable lifestyle (Carrigan *et al.*, 2013). Second, prior literature discusses the term vintage in reference to the value of goods that represent a certain era as museum pieces. Hence, vintage is conceptualized as an authentic and rare piece that represents and is linked to a specific style of couturier or era (Gerval, 2008). Therefore, the difference between second-hand and vintage is that the former includes goods that have been used before – notwithstanding the age of the product. The latter, instead, refers to previously owned, but not necessarily used goods from a specific era. Further, second-hand consumption is conceptually linked to collecting behaviors. In these discussions, collecting emphasizes owning and possessing items that are regarded as holding a significant intrinsic and psychological value to the collector (Belk, 1995). With regard to collecting, ownership of a possession is important *per se*, whereas second-hand consumption relates not only to owning a possession but also to acquiring and using it.

Thus, in the context of the current work, we emphasize the actual use and consumption of the specific previously used possession. To that end, we use the concept of *second-hand luxury*, which may include the possible vintage items and collector's pieces, but in condition that the items have the previous usage and life of a luxury possession, and will be acquired to actual use. We can conclude that, although second-hand consumption has been linked to multiple meanings, such as frugality, sustainable lifestyles, treasure hunting or nostalgia seeking, so far we do not know how these appear in the context of second-hand luxury consumption. Next, we move on to explaining the methodology and describing the empirical context of our research.

Table I Conceptual linkages between the main concepts

Concept	Definitions and meanings	Prior scholars
Second-hand goods	Previously owned and used item Financial value of the item is lower compared to the new product Price is the main driver to acquire, often related to sustainable consumption behaviors	Guiot and Roux (2010), Carrigan <i>et al.</i> (2013), Joung and Park-Poaps (2013), Cervellon <i>et al.</i> (2012), Roux and Korchia (2006), Denegri-Knott and Molesworth (2009)
Vintage items	Previously owned, but not necessarily used item Represent specific style of couturier or era Value of the item is linked to age of the goods, era and condition	Gerval (2008), Cervellon <i>et al.</i> (2012), Guiot and Roux (2010)
Collector's pieces	Previously owned item that is acquired to own and possess <i>per se</i> , not for item's functional use Intrinsic and psychological value of owning for collector	Belk <i>et al.</i> (1988), Belk (1995), Price <i>et al.</i> (2000)

4. Methodology

The empirical data for this study were generated through qualitative interviews with ten Finnish women in the fall of 2012. All ten informants were fashion blog writers possessing luxury items that they had purchased both as brand new and as second-hand. The informants' ages varied between 25 and 40 years. They represented different demographic backgrounds with diverse economic resources and were interested and involved in fashion apparel and accessories. The informants were chosen purposively to enhance the understanding of the meanings attached to second-hand luxury possessions. To obtain relevant empirical data, it was, therefore, reasonable to choose informants who have access to and an interest in both luxury and second-hand luxury items. The interest in this study lies in "consumers of luxury brands" instead of "luxury consumers". "Luxury consumers" are regarded as a restricted group of people defined by financial limits and consumption preferences with specific lifestyles (Wiedmann *et al.*, 2009). "Consumers of luxury brands", instead, represent consumers from diverse income levels and are regarded as a suitable target group with diverse consumption from mass-market fashion to high luxury fashion.

The informants were found among blog writers, and they were contacted through email and invited for an interview. The interviews concentrated on the meanings attached to luxury accessories (such as handbags, belts, purses and scarves) that were bought as second-hand. Thus, the luxury brands were not specified beforehand, but instead, came up during the interviews. The following brands were discussed: Louis Vuitton, Hermès, Alexander Wang, Mulberry and Chloé. The interviews lasted between 45 minutes and 1.5 hours. Interviews were transcribed afterward, and the textual data resulted in 89 pages of written text. Besides the interview data, secondary data were also collected to ensure that the saturated themes discussed during the interviews were all covered. Secondary data include online discussions concerning luxury goods that are bought as second-hand. The online comments and discussions were collected during 2012 from seven fashion blogs, and they were used to gain a deeper understanding of the meanings, trends, norms and conventions characteristic of luxury consumption markets in Finland. Finland exemplifies a special context, as the Finnish luxury markets are still evolving. In Finland, there are no heritage-owned national luxury brands with long histories, and brands regarded as luxury in the fashion field exemplify Central European luxury fashion brands (e.g. Prada, Louis Vuitton, Chanel). Similarly, the second-hand markets for luxury are still evolving in Finland, but the data revealed that the informants were used to acquiring luxury items abroad and via the Internet. This indicates that the Finnish consumers of luxury brands are not that country-specific, but instead, follow the global trends of luxury markets.

The empirical data were analyzed by means of qualitative content analysis (Belk *et al.*, 2013). Following the hermeneutical approach, this study has focused on the individual consumers' experiences and meanings of the phenomenon under study. The analysis developed through the process of the hermeneutical circle, proceeding through a series of part-to-whole iterations and from emic accounts to etic meanings (Thompson and Haytko, 1997, p. 20). Four steps in the process of thematic data analysis

can be pointed out: After reading and re-reading of interview transcripts (immersion), the data were coded. Descriptive labels helped to organize the information contained in each interview. Following the coding stage, all the meanings attached to the second-hand luxury possessions discussed were combined into categories to get a sense of the whole. At this point, the analysis was inductive, so that the focus was on the informants' sayings and the interpretations; more specifically, the discussed purchasing experiences and emotions, user experiences and all the meanings attached to the luxury accessories were considered to reflect the *emic* accounts of the data. After that, the informants discussed the meanings that were combined into larger themes and interpreted along the theoretical discussions of luxury consumption and second-hand consumption. These themes represent the *etic* meanings that describe the wider phenomenon of possessing second-hand luxury accessories.

5. Meanings attached to second-hand luxury possessions

The current findings highlight that the informants discussed and evaluated second-hand luxury possessions through five meaning themes: *Sustainable Choice*, *Real Deal*, *Pre-loved Treasure*, *Risk Investment* and *Unique Find*. Below, these meaning themes are elaborated in depth and exemplified with quotations from the current data. It is important to note that the five meaning themes are overlapping and non-exclusive, so that several meanings may have come up in one interview, and a specific second-hand luxury possession could be connected with varied meanings. For example, a second-hand handbag could be attached not only to the meanings of sustainability but also to individuality and differentiating oneself from the masses with unique products.

The first theme, "Sustainable Choice", refers to the ecological and responsible meanings that were attached to possessing and acquiring the second-hand luxury items. Aligned with the study by Cervellon *et al.* (2012), the motivations for acquiring second-hand luxury items were related to the informants' sustainable lifestyles, such as preferring recycling or speaking up for animal rights, as the quotation below illustrates:

Classic leather goods are long-lasting and, in addition, they look even better when time has given a patina to the leather. I prefer leather as a material because of its durability, but I seek to buy all my leather goods second-hand, because I somehow always think about the animals' situation as well. Eevaleena

Besides a sustainable way of living, the current data revealed how the motivations for acquiring second-hand luxury accessories could represent a critique of materialism and consumerism as a whole (Joung and Park-Poaps, 2013). In these cases, the informants emphasized how they are proud of their used products and how the products can make a statement against overconsumption. In this regard, the current data have interesting parallels to discussions on downshifting, voluntary simplifying and the overall ideological-based will of reducing consumption (Shaw and Newholm, 2002). The next two quotations highlight concerns about overconsumption:

The saying 'one man's trash can be another man's treasure' describes perfectly why I recycle. Instead of purchasing everything as brand-new, I

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rather prefer to shop for used products. Thanks to this, the product has a longer lifecycle instead of ending up in the garbage. Lilli

If someone asks, I tell them proudly where I bought the product. Earlier I was a bit ashamed to tell that – well, this is second-hand [. . .] But now, it has become more or less a cool thing to announce that I bought it pre-used. Maybe it is also somehow a silent statement against this material consumption society. Alisa

The second theme pinpointed from our analysis was “*Real Deal*”. It involves those meanings that were attached to bargain hunting and making good deals with regard to price and financial decisions. Thus, the informants pondered how to get the best value for their money, as indicated also in the study by Kwon *et al.* (2010), focusing on bargain shopping, price expectations and evaluations. The current data reveal how the monetary values were rationalized and calculated to justify investing in a second-hand luxury item for oneself. The rational arguments generated the core of this theme, and besides the monetary arguments, the informants also used the quality and condition of the discovered second-hand item to justify the bargains:

I buy many goods second-hand, because in that case there is no extra price. My money does not go to support the business system, at least not directly. Budget-luxury, if I may say. Lulu

I had planned to buy a Louis Vuitton bag for a long time. It's a timeless classic. However, I'm not that keen about handbags with logos that I would buy a brand-new one at the regular price [. . .] So when I came across that exact model in a second-hand shop, I felt I had made a good discovery. It was used but in a good condition and for a cheaper price. Noora

The monetary or exchange value of the second-hand goods is also highlighted by Denegri-Knott and Molesworth (2009) from the perspective of disposal in the context of eBay. They discuss how used goods form a stock that further extends a good's biography, entering it into the realm of owned possessions and targets of exchange. In a parallel way, the current informants did not see themselves only as end-users of the products, but instead, as active parties in the long and ongoing lifecycle of luxury branded products. This indicates that consumers acknowledge as well as appreciate the ongoing lifecycle of luxury goods, as the quotation below shows:

Quite often I also think about the resale value of the product. I can buy a new, expensive product with a good conscience, if I know that I can later sell it at a good price. Or I can purchase used goods that are in great condition at a favorable price, and then sell them after using them for a year. I am used to circulating the products very quickly. I enjoy buying, selling and recycling. It's kind of a hobby. Jenni

The third theme, “*Pre-loved Treasure*”, indicates the strong emotional commitments behind second-hand luxury possessions. Contrary to the “*Real Deal*” theme, the authenticity and the spirit of the past were highlighted instead of the monetary value of the item, as these two quotations exemplify:

All that I am looking for is classic goods that have seen time passing by. I want to feel that the product has a spirit of authenticity and was made in the days when companies took pride in their craftsmanship. Aurora

I want to see the signs of craftsmanship and humanity in the product. Some kind of spirit of the past. Laura

Within this theme, the previous life of the product was seen as giving second-hand luxury possessions a more distinctive character than their brand-new counterparts. Even though the history of the brand and its heritage were seen as being characteristic of all luxury brands, it was addressed how acquiring the *pre-loved* luxury items made it possible to create a more personalized relationship with the cherished possession.

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This is in line with the findings related to collecting behavior, as collecting is also closely related to self-fulfilling or self-enhancement needs (McIntosh and Schmeichel, 2004). A personalized relationship could be obtained through knowing the story or the biography associated with the item (Zonneveld and Biggemann, 2014). Therefore, in these cases, pre-loved possessions were seen as even more authentic than traditional luxury items, and consequently, the pre-loved accessories provided the informants with means to differentiate themselves from the masses.

Nowadays everything is mechanized, and this is why I think that a classic Chanel 2.55 flap-bag that is a bit old and shabby is more authentic than today's mass produced, flawless Chaneles. Everyone has one of those nowadays. Alisa

I love it when I can imagine a story behind the bag. Creating a story about the bag's previous life is like creating a soul for her. This makes her more than just a commodity. This is why I regard her as more valuable than something bought straight from the shop. Salla

However, the previous life of a pre-loved treasure also has its flipside: the fear of inauthenticity. The counterfeit markets are flourishing in the field of luxury brands, which sparks suspicions about authenticity (Wilcox *et al.*, 2009; Turunen and Laaksonen, 2011). Consequently, the fourth theme, “*Risk Investment*”, represents the questioning of the authenticity of the second-hand accessories, which can lead to both financial and reputational risks. The informants have developed their own strategies and tactics to overcome these risks, as illustrated below:

When buying used branded products from the internet, the biggest risk is always inauthenticity. This is why I tend to prefer the same second-hand shops where I have good experiences – I know that I can trust them. Of course, you can always go to a Louis Vuitton store to authenticate one of their bags. Carita

In this sense, the informants can be characterized as empowered experts who are conscious in their behaviors. This is partly because of Web site services helping to authenticate previously owned luxury goods. The data also reveal how the informants put a strong emphasis on the authenticity of the product, and how the fear of inauthenticity might even oppress them:

I am very pedantic when it comes to details. I examine the product very thoroughly before I make my purchasing decision – mainly to ensure its authenticity. On the other hand, when thinking about my Chanel, I'm not so sure if I would like to hear that it is a counterfeit – there is a risk of that anyway. I have loved her so much that I prefer to live with the belief of her authenticity. Aurora

The fifth theme is “*Unique Find*”, and it indicates the meanings that relate to possessing an item that *represents me*. The core of this theme is in treasure hunting and the meanings of personality attached to second-hand goods that refer to the scarcity of the discovery (Gierl and Huettl, 2010). In this regard, limited editions and classic luxury goods that are no longer produced are regarded as treasures. However, this theme overlaps with all the other themes, as the data showed how the uniqueness of second-hand luxury possessions could be received through sustainable choices, nostalgia, making good deals or taking risks. To illustrate, “*Unique Find*” is closely related to “*Real Deal*”, as it highlights how the voyage of discovery may be as rewarding as making a good deal:

My small Longchamp leather tote is my most used favorite. I found it years ago at the Helsinki Vintage event at a price of four euros. The tote has some scuff marks, but for me that just gives it more personality. Carita

The uniqueness of the product – and through it also the experience of my own uniqueness and individuality. I don't want to be like the masses. Alisa

As noted in the aforementioned quotations, besides the concrete item that is bought, the experience of browsing in second-hand shops is also highly valued. Treasure hunting is seen as thrilling in itself (Cervellon *et al.*, 2012); if a unique find is discovered, it makes the experience even more positive. Further, “Sustainable Choice” and “Unique Find” seem to overlap. It appeared that sometimes the uniqueness of the previously owned luxury possession was reached by making an ideological statement with a second-hand handbag:

I wanted to buy a bag with leather details that have the patina of time. This is why my only option was to purchase a pre-used bag. I do not see myself as carrying a Louis Vuitton Speedy with clean and shining leather details. I think it would just be an alarming sign that I would like to own a ‘trendy’ bag because everyone else has one too. That’s so not me! Aurora

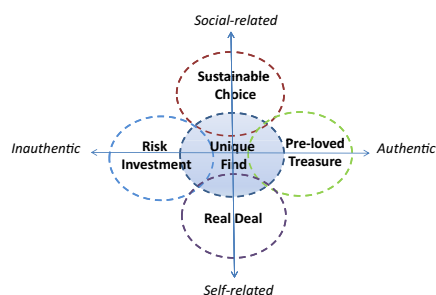
6. Discussion

On the basis of the current data, we have identified five meaning themes that represent the variety of meanings that are attached to second-hand luxury possessions. Figure 1 illuminates how these meanings can be positioned along the dimensions between social – individual and authentic – inauthentic to structure the phenomenon of second-hand luxury consumption. The first dimension exemplifies how the symbolic value of the luxury possession can be manifested through self-related motivations or through social-related motivations. The second dimension shows how the authenticity of the possession appears to be an important characteristic when discussing second-hand luxury possessions.

The first dimension manifests the symbolic motivations of signaling status. This is how it structures the *self-related* motivations and the *social-related* motivations of luxury brand consumption. *Sustainable Choice* is positioned to represent the social and altruistic meanings of second-hand luxury possessions, showing how possessions are justified with varied ethical reasons ranging from animal rights to anti-consumerism. On the contrary, *Real Deal* indicates the self-related meanings, whereas the second-hand possession is characterized by the meanings attached to its (low) price and, thus, by motivations that are primarily related to one’s own good.

The second dimension that structures our findings appears between *inauthentic* and *authentic*. *Risk Investment* is positioned to represent the questioning of the authenticity of the second-hand luxury possession (Beverland, 2005, 2006; Brown *et al.*, 2003). In these cases, the meanings related to the possession may evoke negative feelings. On the other hand,

Figure 1 Structuring the meanings of second-hand luxury possessions



Pre-loved Treasure is connected to the feelings and experiences of authenticity and nostalgia. Here, previously owned luxury possessions were seen as even more authentic than those luxury goods that are bought as brand new. This was because of their past life, the nostalgic stories related to them and the ways of manufacturing the products before the age of mass production.

Unique Find is positioned in the middle of the empirical model, as it is connected to all the other meaning themes. That is, the uniqueness of the second-hand luxury possession could materialize through the meanings attached to sustainability, nostalgia, making good deals or taking risks. Hence, unique find appears as a permeable theme that structures the meanings attached to acquiring and possessing second-hand luxury items.

7. Conclusions

At the beginning, we asked whether a luxury possession that is bought second-hand can still be perceived as luxury or not. On the basis of this study, we end up claiming that the experience of luxury can be transferred from one owner to another in the second-hand markets. In fact, we uncovered that second-hand luxury possessions may hold even deeper meanings for their owners, and consumers develop even closer relationships with them than with brand-new luxury products. This is because the owners of second-hand luxury items appear to have more active and even empowered roles when acquiring these possessions, and therefore, the experience of luxury is co-created with the consumer(s), the luxury product, the luxury brand and the distribution channel.

Three main theoretical conclusions can be outlined from the study. First, the study provides a novel context to explore the meanings of luxury goods, thus contributing to the existing scholarship on luxury consumption and marketing. To date, luxury goods have often been attached to the symbolic meanings that signal status for their owners (Han *et al.*, 2010; Eastman *et al.*, 1999). These symbolic meanings are traditionally seen as derived from exclusiveness that is often connected to the service experience (Tynan *et al.*, 2010). To contrast and complement these discussions, the current study has shown how luxury experiences can also be constructed without the experience of exclusive service, as a second-hand luxury possession can signal meanings of luxury, especially with regard to signaling values and authenticity. In these cases, more emphasis is put on finding, consuming and possessing a luxury item, while the service retailer is left in a more minor role.

Second, when it comes to the second-hand consumption literature (Isla, 2013; Guiot and Roux, 2010; Roux and Korchia, 2006; Cervellon *et al.*, 2012), prior studies have not explicitly examined how the previous life of the product is understood in the context of luxury branded products. The current findings show that second-hand possessions, in fact, involve novel meaning categories in this specific context. The meanings attached to authenticity appear to be particularly significant, as consumers see themselves as taking risks when acquiring a previously owned luxury item. This is an important observation for service retailers offering different kinds of authenticity services.

Finally, the current study has addressed interesting parallels to the prior discussions on collecting in the field of consumer studies (Belk, 1995). In this regard, our findings show that similar kinds of emotional thrills and commitment are related to finding second-hand luxury possessions as in the case of extending one's collection (McIntosh and Schmeichel, 2004; Zonneveld and Biggemann, 2014). Particularly, the meanings attached to *pre-loved* luxury show how the previous history and the "story" behind the item evoke strong emotional commitment with the second-hand luxury possession and its new owner. However, the previously owned luxury possessions were also attached with meanings of sustainability and frugality, showing parallels to the sustainable motivations related to second-hand consumption (Carrigan *et al.*, 2013).

7.1 Limitations and future research

The current data were collected in Finland, and all the informants were Finnish women. Because of the small sample size and the specific context of Finnish markets, the findings are not generalizable to other countries and consumer segments. For example, as consumers' need for uniqueness is especially characteristic of Western cultures that are more individualistic (Hofstede, 2001; Tian *et al.*, 2001), the results might not apply for more collectivistic (Eastern) countries. However, the Internet has opened up opportunities to search for and acquire second-hand goods over geographical borders. Our data also signal that consumers are keen to acquire luxury brands via the Internet. In this sense, luxury markets are much more global, and are not confined by the borders of one country. Another limitation is related to the research question, as this study has focused on acquiring and owning used luxury possessions. Therefore, in terms of future research, this understanding could be enhanced by studying the disposal of these items as well. More specifically, the conceptual linkages between second-hand, vintage and collecting and how they appear in the context of luxury consumption deserve more attention in the future studies.

7.2 Practical implications and challenges

The emerging trend of second-hand consumption challenges the traditional luxury markets, demanding a more profound understanding of the phenomenon. These challenges could be incorporated into strategic decisions regarding brand management. We end up drawing three practical implications for the luxury industry.

First, we suggest that the whole lifecycle of luxury brands should be integrated into luxury brand marketing and customer profiling. Exceptional quality and durability indeed comprise one of the key attributes expected from luxury branded products. In spite of this largely shared view, the ongoing lifecycle of luxury goods from production to disposal has been ignored to date. On the basis of our findings, we suggest that the luxury industry should be aware of and understand the lifecycle in a more extended way rather than just focus on first-hand customers (cf. Denegri-Knott and Molesworth, 2009). As luxury brands seek to produce durable and high-quality products, the lifecycle of branded products may also include second- and even third-hand customers.

The second implication relates to the elongated lifecycle, as we suggest that *luxury brand marketers could benefit from appeals to sustainability in their marketing communications*. The current study has shown that the customers of luxury brands may also appreciate sustainability, revealing that customers consider these two values to be complementary rather than opposites. In this, we agree with previous discussions claiming that many customers cherish heritage and quality, as well as after-sales service that extends the life of the possession (Carrigan *et al.*, 2013, p. 1,296). So far, sustainability has remained relatively hidden in the marketing appeals of luxury brand producers, and this is why more efforts should be put into signaling the values of responsibility and sustainability.

Third, we suggest that *authenticating services offered by luxury brands could provide one means of reacting to the growing counterfeit markets and achieving new customer segments*. Many counterfeit products are available in the second-hand markets, and our informants were also aware of these risks, as they highly valued the authenticity of the products. Consequently, luxury brands could challenge the counterfeit markets by offering authenticating services for second-hand customers. If the luxury brands offer services to authenticate their own branded products (as Louis Vuitton already does), they welcome new customer groups, who might even become their first-hand customers in the future.

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