



Mass Exclusivity **Assessing whether it brings value to luxury brands**

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Dissertation to obtain the Master's Degree in
Branding and Fashion Design
(2nd cycle of studies)

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Final version after presentation and corrections
August 2020



Dissertation presented to the Universidade da Beira Interior and IADE - Universidade Europeia, to fulfil the necessary requirements to obtain the Master's degree in Branding and Fashion Design carried out under the scientific guidance of Professor PhD José António Pereira Rousseau, Assistant Professor at IADE - Universidade Europeia and Professor PhD António Manuel Campos Mendes, Assistant Professor at IADE - Universidade Europeia.

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Acknowledgments

I thank my advisors Prof. PhD José António Pereira Rousseau and Prof. PhD António Manuel Campos Mendes for their patience and support throughout this dissertation. I thank IADE's librarians, Ana and Susana, for their excellent work and surpassing support that goes past amazing.

To my parents, who were extremely supportive and helped me through my brainstormings and freak-outs. I also want to extend my appreciation to my friends: Sara Nogueira, Rita Maçorano, Ana Pádua and Marta Martins for have taken the time to explain basic statistics to me and for our conversations. I thank my boyfriend for his patience and motivation. Lastly, I appreciate the pieces of advice from my sister Inês Grasina and her mother.

Dedication

To my parents Isabel and João, to my grandparents Odete and João and to Ti-bá and uncle Tomaz, who raised me and made this all possible.

Abstract

Mass Exclusivity is a strategy that most luxury brands are putting into place to increase popularity and revenues. The brand usually creates brand extensions targeting middle-class consumer, such as Millennials. The purpose of this dissertation is to evaluate if this strategy is boosting the value of luxury brands in Portugal.

To answer this question, we performed an exploratory qualitative study. Following a quantitative study about Louis Vuitton, which was a questionnaire to confirm our hypotheses. This last study included an adaptation of the Multidimensional Brand Equity (MBE) and Overall Brand Equity (OBE) scales from Yoo and Donthu (2001), and the Masstige Index Measure scale from Paul (2019).

The mass exclusivity strategy is not damaging this particular brand. Moreover, it is increasing value because it is generating more awareness (through influencer marketing) and attainability among potential Millennial clients. However, luxury brands still have lower brand loyalty between Millennials. Therefore it is necessary to increase this feature among possible consumers. We have also found that although the socio-economic status is important, it is not a determining factor when this generation chooses to purchase a luxury brand product.

This dissertation emphasises the relevance of the connection between brand and buyer, and how middle-class people are an excellent target for luxury brands to explore.

Keywords

Mass Exclusivity, Luxury, Brand Equity, Influencer Marketing, Consumer Behaviour, Fashion Design, Branding.

Resumo

Exclusividade para as massas é uma estratégia que a maioria das marcas de luxo está a adotar para aumentar a sua popularidade e as suas receitas. Geralmente são criadas extensões de marca voltadas para consumidores de classe média, como a geração Millennial. O objetivo desta dissertação é avaliar se esta estratégia está a aumentar o valor das marcas de luxo em Portugal.

Para responder à nossa questão de dissertação, realizámos um estudo exploratório qualitativo e um estudo quantitativo sobre a marca Louis Vuitton, que consistiu num questionário para confirmar as nossas hipóteses. Este último estudo incluiu uma adaptação das escalas de Marca Multi-dimensionais de Equidade de marca (MBE) e Equidade Global de Marca (OBE) de Yoo e Donthu (2001) e a escala Índice de Masstige de Paul (2019).

Concluimos que esta estratégia não está a danificar a marca, pelo contrário, aumenta o seu valor, pois cria uma maior percepção (através do marketing de influência) e mais acessibilidade aos potenciais clientes da geração Millennial. No entanto, as marcas de luxo ainda têm uma percentagem baixa de lealdade por parte dos Millennials, sendo assim, é necessário aumentar a lealdade com os seus possíveis consumidores. Também constatámos que, apesar de o estatuto sócio-económico da marca ser importante, não é um factor determinante quando esta geração escolhe comprar um produto de uma marca de luxo.

Esta dissertação enfatiza a relevância da conexão entre marca e comprador e como os indivíduos da classe média são um excelente alvo para as marcas de luxo explorarem.

Palavras-chave

Exclusividade para as massas, Luxo, Equidade de Marca, Marketing de Influência, Comportamento do Consumidor, Moda, Branding

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Acronym List

AMA	American Marketing Association
ARPA	Advanced Research Project Agency
ARPANET	Advanced Research Project Agency Network
B2C	Business to Consumer
BCG	Boston Consulting Group
CD	Christian Dior
CERN	Organisation Européenne pour la Recherche Nucléaire
CSI	Consumer Style Inventory
DARPA	Defense Advanced Research Projects Agency
eWOM	Electronic Word-of-Mouth
FOMO	Fear of Missing Out
GRP	Gabinete de Relações Públicas
H&M	Hennes & Mauritz
IADE	Faculdade de Design, Tecnologia e Comunicação
IMPS	Interface Message Processors
IpC	Indicator per Capita
IPTO	Information Process Techniques Office
LVMH	Moët Hennessy – Louis Vuitton SE
MBE	Multidimensional Brand Equity
NSFNET	National Science Foundation Network
OBE	Overall Brand Equity
PPC	Percentage of Purchasing Power (Percentagem de Poder de Compra)
STP	Segmentation, Targeting and Position
SBU	Strategic Business Units
SWOT	Strength, Weaknesses, Opportunities and Threats
USA	United States of America
USSR	Union of Soviet Socialist Republics
UBI	Universidade da Beira Interior
WWW	World Wide Web

1. Introduction

1.1. Context

Commerce has been one of the oldest traits in the world. In Portugal, there is the possibility to trace back to some of its origins. As Rousseau (2017) explains, commerce in Portugal has a tremendously rich history, going back to the *Associação Comercial de Lisboa*, founded in 1834 or even before that. However, during our history, we went from kings and queens to republican governments, later through dictatorships and constrictions. These facts, and more, have affected Portuguese commerce and retail.

Today, commerce is a work in progress, as it has been evolving. Luxury markets have always been a focal point in this industry, holding one of the fastest-growing industries in the world, developing at the pace of 10% to 15% annually, since the '90s (Mundel et al. 2017). Luxury is an old concept that has been developed during the years, in several ways and levels. Additionally, recent years have shown us economic growth, especially in emerging markets, that built an opportunity for luxury commodities to reach more consumers, hence, lux no longer applies only to the upper class (Chen, Zhou & Yu 2016).

Luxury can be seen from two different perspectives, either from a consumption point of view (Fionda & Moore 2009; Vickers & Renand 2003; Dubois, Laurent & Czellar 2001; Nia & Zaichkowsky 2000; Vigneron & Johnson 1999; Gutsatz 1996) or from an application as a product branding device (Fionda & Moore 2009; Jackson 2004; Alleres 2003; Jackson 2001; Nueno & Quelch 1998).

Today, the luxury fashion is growing at a fast pace and tagging new expanding clientele, since, it is a much complex concept than it was a few years ago, which was all about a niche market, only for a lucky few (Dion & Borraz 2017, Kapferer 2015).

To reach more purchasers, luxury brands adopted new strategies, they expanded their product lines by offering more reasonably priced versions of their items, such as belts, pens and wallets (Mundel et al. 2017), which bring us to *mass exclusivity*.

As Godey *et al.* (2012) points out, luxury brands are visible symbols of consumer's preferences (social salience) and, nonetheless, brands are icons which represent certain social groups, therefore helping consumers to uphold their membership of these type of groups (social identification). Luxury brand's ownership provides information such as social status, which can be a reassuring statement of good taste (Nueno & Quelch 1998). Modern social-cultural context is defined by a society, where consumer's purchase behaviour is the main factor when sending signals to others (Amatulli & Guido 2012).

1.2. Purpose and main questions

The main goal of this dissertation is understanding if millennials believe that luxury brands are creating or decreasing brand value while applying a mass exclusivity strategy in Portugal. We notice there is a lack of information on this particular subject, especially in Portugal. Aside from

answer our main question, throughout this dissertation, we are going to answer questions such as:

- . What do millennials value in luxury brands?
- . What is brand value?
- . What does mass exclusivity mean?

We are focusing on middle-class consumers' behaviour and how luxury brands have adapted to a new market, using the mass exclusivity strategy. As it was already established, brands are changing due to their new target group.

To build brand equity and positive association, brands need to maintain a strong identity and establish symbolic, functional and experimental factors that will affect how consumers make purchase's decisions (Lutfi & Altintas 2018). Taking into account the new consumer, millennials, who tend to have more money than previous generations, and are more connected to the world, due to internet, therefore being more informed, luxury brands started to think how they would bring this new segment into their radar.

Data research showed that consumers use products as a language when inserted in social groups (Maehle, Otnes & Supphellen 2011, Lannon & Cooper, 1983). Yet, luxury relies on social stratification and usually it is considered a privilege of certain elites, who use it as a symbol of distinction and status's affirmation (Dion & Borraz 2017; Han, Nunes, & Drèze 2010; Kastanakis & Balabanis 2012; Ordabayeva & Chandon 2011). Additionally, brand products serve as a way for the consumers to show their identities, status and aspirations (Maehle, Otnes and Supphellen 2011). In terms of behavioural analysis, several factors can influence and shape the way consumers think and purchase, influencing their personas and making them chose a certain brand (Grant and Stephen 2015). Value is an important term to define because it plays an important part when consumers are purchasing products, therefore value can be functional or utilitarian (Rousseau, p.59, 2017; Ozen & Kodaz 2012), meaning, a utilitarian value is when the decision making process relies on convenience judgements and time efficiency, hence being of a rational and functional nature (Rousseau, p.59, 2017; Ryu, Han & Jang 2010). On the other hand, there is hedonic value, which is subjective and individualist, and plays with consumer's imagination, excitement, emotion and multi-sensorial images, relying on pleasant experiences and social aspects, which can be connected with recognition and necessity to influence others (Rousseau, p.59, 2017; Babin et al. 1994; Hirschman & Holbrooks 1982).

Therefore, if we pick the fact that people purchase products to demonstrate a certain level of living, we can understand the desire for luxury products and the hunger to be apart of an elite society. Thus, we understand that luxury brands play with this desire, and since our society is changing its values, and the concept of luxury is also being modified with time, brands needed to adapt to new realities, hence the trend of mass exclusivity, where luxury brands develop and sell products at a premium price, prevailing the brand's quality and increasing their popularity. They are providing luxury to the masses.

1.3. Investigation Framework

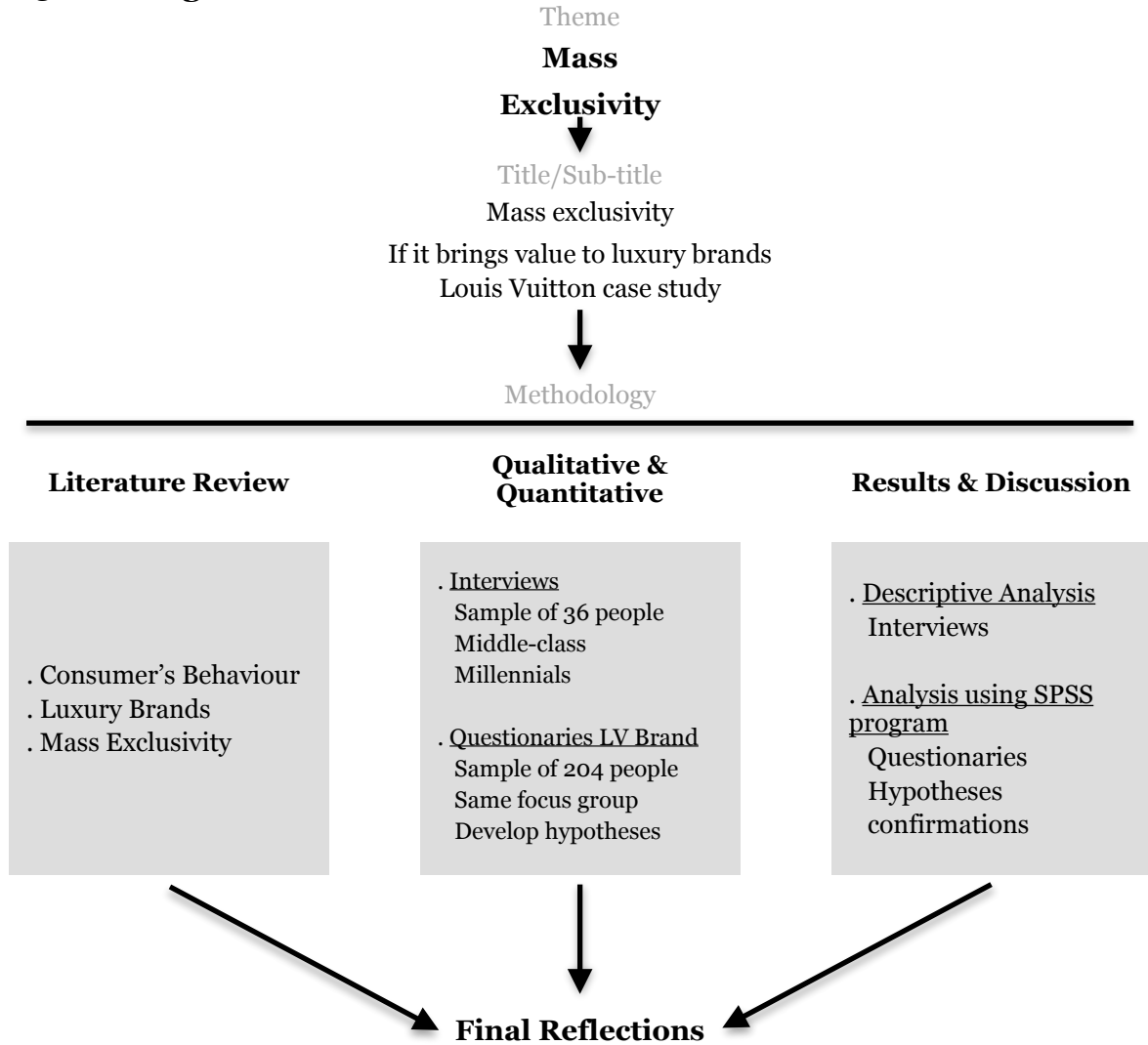


Figure 1: Investigation framework, from: Author

1.4. Methodology and Structure

To build this dissertation, first, we made extensive research on the topic, later performed an exploratory study, with interviews to middle-class millennial consumers, to evaluate their thoughts on luxury brands' value, since luxury has become more accessible to lower classes every day.

Millennials are being targeted, because of their higher-income compared to previous generations, hence it is to expect that they will spend their disposable income on luxury products (Mundel *et al.* 2017). Millennials represent the largest consumer generation in history and are expected to spend more than \$200 billion annually (Mundel *et al.* 2017, Mulligan Nelson, 2012).

A second quantitative study was performed, to evaluate our hypotheses and gather further information to answer our main question. This study took the form of an online survey and it was used an adaption of the brand equity measurement scales from Yoo and Donthu (2001) and Paul (2019). After gathering every information, we made careful considerations using the deductive method, to conclude our theme.

2. Literature Review

Research in who might be a luxury consumer initially originated with the work of social psychology, and was mainly focus on socially oriented motivations (Godey *et al.* 2012; Dittmar 1994; Eagly and Chaiken 1993). The 'how' and the 'why' consumers react and their level of satisfaction towards products are intriguing questions in the marketing literature (Wang & Wallendorf 2006; Spreng, MacKenzie & Olshavsky 1996; Zinkhan & Wallendorf 1985; Churchill & Suprenant 1982). Normally satisfaction is an attitude, such as judgement following a purchase act, or it's based on a series of consumer-product interactions (Fournier & Mick 1999; Yi 1990).

Today, the luxury consumer is more demanding, complex and informed, thus making more rational decisions about 'what', 'when' and 'where' to buy (Rousseau 2017; Rosa 2014). Additionally, the consumer can decide if a brand will be successful or not, due to the acquisition of its products (S. Oliveira 2018; Olins 2005).

The consumer's attitude towards a brand is a hugely influential factor in the decision-making process (Grant & Stephen 2015). Lux can be identified in terms of its function, as a status symbol (Fionda & Moore 2009; Vickers & Renand 2003), by its psychological value (Fionda & Moore 2009; Kapferer 2008; Danziger 2005; Nia & Zaichkowsky 2000) and, nonetheless, by consumption experience (Fionda & Moore 2009; Vigneron & Johnson 1999).

2.1. Consumer's behaviour

2.1.1. Defining Consumer Behaviour

Solomon (2018, p.28) defines consumer behaviour as “[...] the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires.”

The consumer's behaviour can be defined by actions, concerning mental or physical, of an individual or an organisation, which are involved with the ultimate consumption of economic goods and services, both from the private and public sector (Arndt 1976). Consumers can tell more about a brand than the brand itself, hence consumers believe more in one another than what the brand itself has to say (Oliveira 2018; Maya & Ramsey 2011). The consumer's behaviour is an ongoing process which does not only restricts itself to the moment of purchase (Solomon 2018).

These actions influence other acts to occur, consequently, it is necessary to take into reflection past experiences, for behaviours tend to be replicated, thus creating patterns. Past behaviours are considered more predictor of later actions because as long as circumstances remain similar, the chain of events invariably repeats itself (Yoo & Lee 2009; Ouellette & Wood 1998; Bagozzi 1981).

The actions incorporated into the consumer's behaviour are divided into different stages, where the scientific method is imposed. These stages are problem recognition, search for information

and alternatives, purchase, physical consumption, and post consumption activities (Arndt 1976).

In the first stage, the individual becomes aware of the desired and the craving to fulfil a goal or a need. When the discrepancy between the current stage and the wanting increases, the consumer moves to the second stage, when he or she simplifies local of purchasing and buying goals and establishes whether there is sufficient information to solve the problem in hands (Arndt 1976).

The third is the purchase, which can be called the *exchange state*, meaning it is the moment people give and receive something of value (Solomon 2018). These lead to the fourth and fifth final stages (Arndt 1976).

The fourth stage is consumption, that is the usage of the product or service itself and the level of satisfaction which brings to the consumer. The final fifth stage is during and after the actual consumption when the consumer compares his or her initial expectations to the degree of fulfilment which the product provides (Arndt 1976). The consumer's shopping decision processes are always a simple choice or a repetitive choice (Rousseau, p.57, 2017; Mokhlis *et al.* 2003).

Other factors, which need to be accounted for, are the physical and psychological agents, the socio-cultural evidence, the rational, social, emotional and personal's parts which combine influence the decision process explained above (Robalo 2008; Arriaga 2005). This knowledge is of utmost importance to understand the needs and desires of the consumer, hence determine the market's target and define strategies, therefore Solomon (2018) shown what problems are reflected at the different stages, in a consumer's point of view and on a marketer's perspective in a diagram that is display in figure 2.

Inside the human brain, we develop systems of organisation. We have been doing it since the beginning of time, and that is how we have evolved and survived. Thus, when we buy an object, we tend to purchase another of the same quality, so that our existence can be organised into a class. For example, when we buy an expensive item, that affects the choice chain, making us purchase additional items to corroborate the first choice (Arndt 1976).

To understand how differently consumers process their buying decision, Sproles and Kendall (1986) quoted by Rousseau (2017), showed a process called *Consumer Style Inventory (CSI)*, which evaluates the various shopping decision making styles, relying on mental or psychological orientation, resulting in defining shopping profiles for consumers (*profile of consumer-style*).

As Robalo explains (2008; Kotler et al. 2006): To understand the consumer is to know the stimulus-response model. Hence, we can put together the circumstances which influence the client, from external factors to buying decision. The following diagram explains Kotler's behaviour model (figure 3).

For consumers, the social and cultural environment can change patterns in their decision making, such as income, social class and geographical area, because they influence the individual's way of living directly. For example, people from different cultures will search for different fashion brands. Nevertheless, the social element plays an important role in the

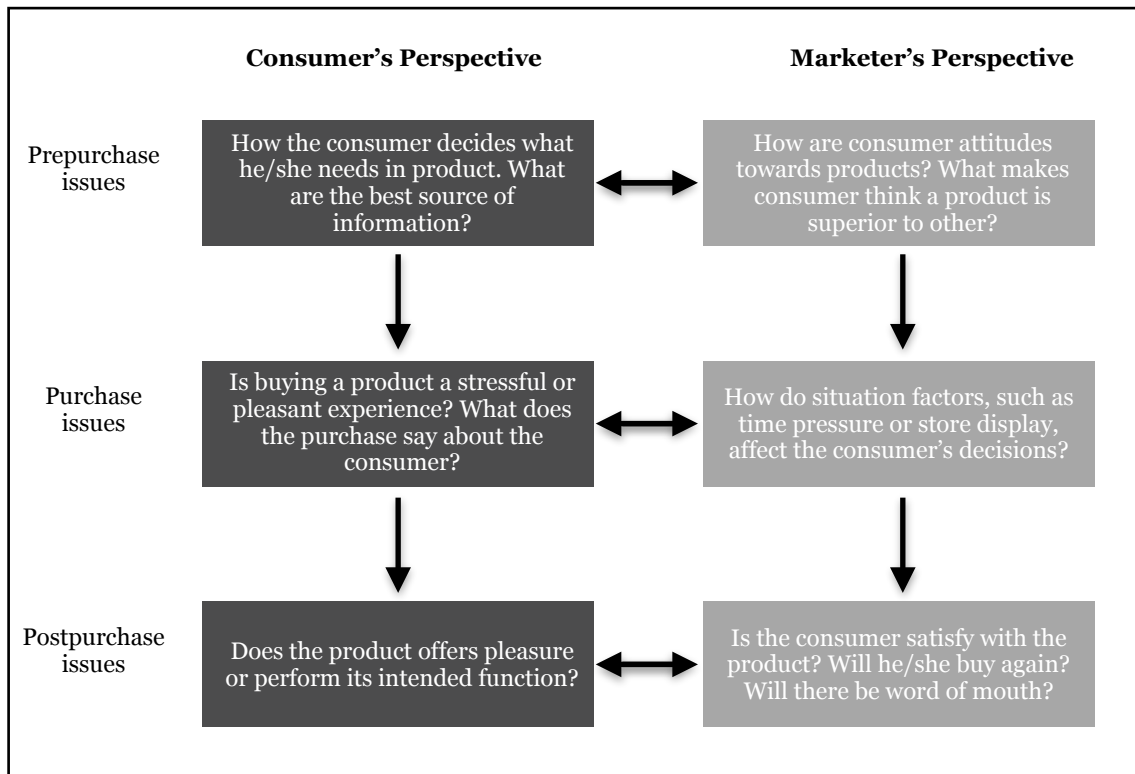


Figure 2: Solomon's stages in the consumption process; Adapted from: Solomon 2018

Kotler's Behaviour model

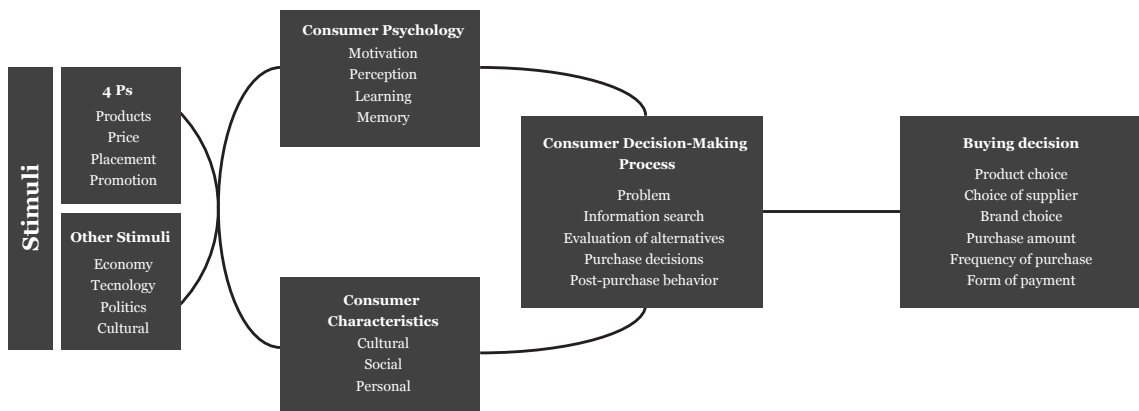


Figure 3: Kotler's Behaviour model; Adapted from: Robalo 2008

individuals' life, since they are surrounded by their circle of friends, family and co-workers. As a result, people tend to try to fit into groups (Robalo 2008).

Role-play views consumer behaviour as actions in a play because people daily wear different hats and play various roles. Hence, sometimes consumers alter their purchasing decisions

depending on their particular “play” that they are at the time (Solomon 2018). For this reason, marketers often need to provide tools to consumers to play their role in society (Solomon 2018).

Consuming as an experience is a psychological phenomenon in which is studied the subjective emotional state that comes through while shopping (Holt 1995, Holbrook & Hirschman 1982). We have *hedonic consumption*, which can be defined by the behaviour of the consumer towards the object, that is related with multi-sensory, emotive and fantasy aspects associated to the experience provided (Mundel *et al.* 2017, Holbrook & Hirschman 1982). According to Holt (1995), the method usually used to understand how consumers experience consumption objects is normally a structured interpretative framework.

Internal or personal motives for luxury consumption (Amatulli & Guido 2012; Wiedmann, Hennigs & Siebels 2009; Tsai 2005; Vigneron & Johnson 199, 2004; Corneo & Jeanne 1997; Dubois & Laurent 1996), are related to consumers purchasing items that are more closely connected with their emotions, state of mind and personal sensations (Amatulli & Guido 2012; Vigneron & Johnson 2004).

Emotion is an interactionist sense which is used to describe the holistic, short-term feelings that spectators express towards the item (Holt 1995, McCarthy 1989; Schott 1979). Therefore, as Mundel (*et al.* 2017) said, this concept of hedonic consumption is tied together with the concept of affordable luxuries and goods in general. Also, satisfaction plays a key role in how consumers perceive products value. Wang and Wallendorf (2006; Fournier & Mick 1999) explain that the consumer’s level of satisfaction is determined by whether their social relationships have been fulfilled or endangered.

Luxury consumption can rely on external motives, which are interpersonal (Amatulli & Guido 2012; Shukla 2011; Mandel, Petrova & Cialdini 2006), meaning consumers purchase luxury products because they were stimulated by the desire for social approval (Amatulli & Guido 2012; cf. MacKinney *et al.* 2004).

Hence, as Holt (1995) puts it out, consuming as integration is a metaphor to describe how consumers concede certain meanings to objects they acquired, and how they learn to handle those same meanings. This is direct opposition to consuming as experience, because consuming as integration promotes the symbolic use of objects, and it has the consumers using methods to enhance the perception of a valued object, which forms an element of their identity (Holt 1995, Rosenberg 1979). Thus, the symbolism of an object established desire to associate to a certain group, nevertheless, associate with a group does not mean a desire to dissociate from previous or opposite groups (Han, Nunes & Drèze 2010). *Perception* can be defined by the process of three steps, in which physical sensations are selected, organised and eventually interpreted, which allows stimulus to gain meaning (Solomon 2018).

The third dimension of consumption is consuming as classification, in which consumers are classified by their objects and purchases since objects can be vessels of cultural and personal meaning (Holt 1995, Douglas 1979, Sahlins 1976, Levy 1959). When classifying objects, people are building affiliation and enhancing distinction (Holt 1995).

All of these dimensions have one element in common, consumer's satisfaction. Thus their comparison between expectation and actual product performance indicates their level of satisfaction with their purchase (Wang & Wallendorf 2006; Oliver 1993; Churchill & Suprenant 1982). Nonetheless, expectations can involve different kinds of product's benefits, such as utilitarian, hedonic and social, and ultimately satisfaction is a key element to the marketing success of a product (Wang & Wallendorf 2006). Also, satisfaction does not only derived from intrinsic product values but also relies on social life that the item can provide to its consumer (Fournier & Mick 1999).

There are a lot of studies about how to classify and to segment the consumer, next we are focusing on three aspects: demographic, behaviour and psychographic. For a retailer, to understand the consumer's behaviour is to examine their shopping orientations (Rousseau, 2017; Lumpkin 1985).

2.1.2. Demographical

The outcome of country origin on consumer's perception and purchasing behaviour is a common theme in marketing research (Godey *et al.* 2012; Bloemer, Brijis & Kasper 2009; Usunier 2006). Nevertheless, there are no simple approaches, we can segment the market by several variables, for example, geographic segmentation, which means that a large population group is divided into clusters of geographic segmentation. (Villiers, Tipgomut & Franklin 2019, Gilligan 2009) As Godey (*et al.* 2012; Nagashima 1970, 1977) explains, the image is a representation, the reputation which upholds and its stereotype, making consumers create associations with countries' products. Additionally, another way to segment is by demographic, which means dividing population also into clusters but based on gender, age, life-circle stage, income, education, occupation, religion and family life cycle (Villiers, Tipgomut & Franklin 2019; Solomon 2018; Gilligan 2009).

Marketers normally divide consumers into age groups, due to people having different needs and wants accordingly with their age (Solomon 2018). Gender is also a factor because due to cultural impositions since birth, people tend to like or dislike certain products (Solomon 2018). Family structure is important because has a huge impact on how consumers prioritise their spending (Solomon 2018). Another factor is social class and income, which means that people who belong to the same social class tend to be apart of the same group in terms of income and in terms of likes and dislikes (Solomon 2018). Race and ethnicity can be useful to brands. An example is McDonald's which develops products based on research on ethnic communities (Solomon 2018). Nevertheless, geography plays an important role, because brands tailor their offers to appeal to consumers that live in different locations (Solomon 2018).

Communication of people status can be explicit, through visible codes, such as brand logos, however, it can be more subtle, using signals like the iconic design or specific materials (Dion and Borraz 2017; Eckhardt, Belk and Wilson 2015; Berger and War 2010). The social class of certain group is indicated by a cluster of variables such as occupation, income, education, wealth

and value orientation, instead of a single variable (Andersone & Gaile-Sarkane 2010, Kotler 2000).

To understand a target, we need to segment the right market, so that we can find the best consumer and create the appropriated tactics to build a certain image in the consumer's mind (Lutfi & Altintas 2018; Mullen & Johnson 2013). To section a market it is necessary to plan a strategy, which starts with segmentation, next targeting and, finally, position (STP), therefore, to find the right target, marketing people often perform a SWOT analysis to understand if a certain product, brand or idea fits for a certain group (Villiers, Tipgomut & Franklin 2019). A SWOT analysis is the review of strength, weaknesses, opportunities and threats that exist, whether they are from an internal or external environment (Kotler 2000). However, there have been some contradictions on how the SWOT analysis can be effective since it has a weak theoretical basis, encourages superficial scanning and it does not look at tradeoffs (Everett 2014; Valentin 2005) but the biggest problem is to find out what the opportunity concept is and the difference between opportunity and strategy (Everett 2014).

A strategy that is used when dealing with businesses, in general, is by choosing the most rewarding market segments and determining how to position offers, hence by selecting a rewarding segmentation, choosing a target to position the brand most attractively and engagingly and finally allocate resources in pursuing prosper clients (Villiers, Tipgomut & Franklin 2019, Day 1990).

One group that is a good target is the millennial generation in Portugal. As this crowd starts their adult life, they will be entering the cycle stages that involve purchasing homes, and start a family and creating a business or run it. They will redefine their tastes, therefore nurturing a desire for luxury and upscale products (Mundel *et al.* 2017; DeVilling 2015). As Mundel (2017) puts it out, they are not only interested in buying assets, but they also want to make their lives better by investing in the experience and status associated with those items. In this sense, they can be viewed as a target because they are creating a new opportunity for luxury brands to expand their market.

As Andersone and Gaile-Sarkane (2010) explain, a social status system must meet five criteria. Long story short, every individual is in a certain social class and it is exclusive, hence they have behavioural patterns related to the same class, notwithstanding, consumers can improve their status throughout their lives, hence, millennials, when faced with adulthood, they are constantly trying to enhance their income and spend it in high-end products. Added characteristic of this type of consumers, that differentiate them from any other, is the fact they have been connected globally during their entire life (Mundel *et al.* 2017, Nowak *et al.* 2006).

For example, in the USA, the luxury market is expanding and young adults, as known as millennials, are making a large portion of that same market (Eastman *et al.* 2018; Giovannini, Xu and Thomas 2015). Consumers are getting younger and are far more numerous, on top of that, they earn their money sooner and are way more fickle and flexible in choice (Truong, McColl & Kitchen 2009).

The fact that luxury is becoming more affordable, as it will be explained, it must imply changes in terms of market, because luxury brands used to target a niche of customers by striving to maintain brand exclusivity and over high prices (Granot *et al.* 2013).

2.1.3. Behavioural

As R. Lutfi and T. Altintas (2018; Zhang 2015; Marken 2003; Okafor 1995) explains, there is a large amount of research that supports the idea that brands affect the consumer's choice making.

As Grant and Stephen (2015) explained the factors that consumers undergo while purchasing, such as social (culture, sub-culture, reference groups, social class and family), political, technological, economical, and finally personal (personality, motivation, self-image, perception beliefs, attitudes and learning ability). These are associated to different stimuli that are introduced, such as personal judgment, instinct and other external factors, which help the buyer make the final decision (Lutfi & Altintas 2018; Morschett 2001).

A factor that plays an important role in consumer's behaviour is past experiences, hence, Jung, explained by Solomon (2018), exposes a method of psychotherapy called analytical psychology, which is the idea of a collective unconscious that is based on experiences of past generations, which create universal recognised ideas and behavioural patterns, hence creating what it is called *archetypes*, which can involve themes such as birth, death or the devil. These pieces of information help companies evaluate and guide themselves to better respond to consumer's needs, but it also helps to understand which kind of consumer an individual is, hence helping people deciding what they want and who they are (Solomon 2018).

There are major characteristics on a product that conveys to its desired, consequently, luxury consumers hunt for brands with certain qualities that they yearn. Regarding consumers behaviour, they fairly conduct their behaviour toward the creation of a social image, which they build through their acquisitions (Godey *et al.* 2012; Eagly & Chaiken 1993). Consumers who tend to pursue uniqueness want to enhance their social and self-image (Chen, Zhou & Yu 2016; Tian *et al.* 2001). Beauty, rarity, quality, price and an inspirational brand connection endorsing the products are some of the check items which consumers crave. Therefore, brands need to compete with each other by offering exclusivity, brand identity, brand awareness and quality (Godey *et al.* 2012; Phau & Prendergast 2000).

There are two types of consumption orientation: social and personal, and luxury brands usually play with both (Godey *et al.* 2012; Wong & Ahuvia 1998). Hence, when a consumer chooses a luxury brand, many factors go into play, such as utilitarian, symbolic and emotional dimensions which underline their personality (Godey *et al.* 2012).

Due to an emotional dimension, we have brand loyalty playing a big role when it comes to luxury brands. Luxury brands build elements such as trust and experience which create a bond between client and brand. Trust is the key element of loyalty, therefore, once established, buyers

will continue backing the business. Nonetheless, image is also perceived as an important element to impact consumer's loyalty (Lutfi & Altintas 2018; Allender & Richards 2012).

2.1.4. Psychographics - Consumer's lifestyle

"Humans have a natural tendency to acquire and maintain status" (Zhao, Jin, Song, Cui & Ding 2018, p. 65; Anderson, Kenrick, White & Neuberg 2016).

In a more traditional way of thinking people are extremely influenced by societies, class, caste, village or family, which usually dictate an individual's consumption options. However, in modern consumer's society, each person is free to search and select products, services and activities that define one's self, hence creating one's social identity and the manner people communicate with each other (Solomon 2018). As a result, *lifestyle* can be defined as patterns of consumption that reflect on how someone chooses to spend their money and time, displaying in the consumer's definition of identity (Solomon 2018).

Lifestyle is used for marketing purposes because people tend to group themselves with others that share the same tastes on things they like doing, with individuals they like spending their leisure time, and with people that usually spend their disposable income as they do, consequently, it is useful to analyse these groups to allow consumers to pursue their choices and enjoy their lives, and ultimately express their social identities (Solomon 2018). The key element in this strategy is to focus on individuals who use products in desirable settings because the desire to link a certain product with a social situation can result in a positive approach for advertisers, thus people, products and settings together form a consumption style (Solomon 2018).

One of the first people to write about luxury consumption products affirmed that consumers use luxury products to display their wealth and social status (Chen, Zhou & Yu 2016; Veblen 1899), additionally, Chen, Zhou and Yu (2016; Snyder & Fromkin 1977) explained that studies reveal that in similar situations, different people exhibit various levels of need of standing out, however, later on, research confirmed that maintaining a moderate uniqueness is better and people are more accepted when they do not show extreme similarity or dissimilarity to peers (Chen, Zhou & Yu 2016; Snyder & Fromkin 1980). In history, it is perceived that the greater the status, the higher chances for survival and reproduction (Zhao, Jin, Song, Cui & Ding 2018; Kenrick, Griskevicius; Neuberg & Schaller 2010). Nowadays, status is still attached to social interpersonal rewards, as an example are the positive social attention, increase of influence and control and access to restricted resources (Zhao, Jin, Song, Cui & Ding 2018; Highhouse, Brooks & Wang 2016).

Additionally, it is suggested that status is expressed through implicit evaluations in regular social interactions since all interplays involve micro-political acts of status claiming in which people are constantly negotiating their position (Dion & Borraz 2017; Goffman 1967).

Another issue to take into account is from all the environmental socialisation agents, probably the parental influence is the most pervasive and powerful (Grant & Stephen 2015). Parent's

family purchases act as pillars to children's future consumers' behaviour because a family can be deemed as the primary source of consumer socialisation (Grant & Stephen 2015).

Brands are a big focus when discussing social integration, and when we are speaking of luxury brands, we are ascribing to a higher market segment, therefore it is believed that a brand is not only a way to express one's status, but also an active stakeholder in the class struggle that produces enactment of status. This means that brands shape the social game and make consumers perform a specific status (Dion & Borraz 2017). Self-presentation sometimes leads consumers to choose or avoid certain products because of their brand's connotation (Han, Nunes & Drèze; White & Dahl 2006, 2007).

An example is Cadillac, that introduced its Escalade SUV, which at first was found bizarre, but then was rapidly associated with hip-hop culture celebrities, raising its value, and because it was a different product than a regular SUV, it made more fuss on people who might have the money to buy it, but do not have the same upbringing than a regular SUV buyer, being less educated and still connected with his or her high-school friends instead of being in a golf club or have a Harvard MBA such as regular SUV purchasers (Solomon 2018). This example shows that marketers often find useful to create products that can appeal to different lifestyles subcultures, nonetheless when personality variables and lifestyle preferences are combined, marketers can focus on a certain consumer segment (Solomon 2018). As a result, marketers realised that products that might appear as competitive with each other might actually be serving different segments of the consumer market, thus serving the buyer in different ways (Alpert & Gatty 1969).

Another example by Solomon (2018), was about the fashion brand Lululemon, whose strategy was to create a female fictional muse profile, with personality traits and whole accomplished lifestyle that consumers could relate with, therefore, no matter what age range people were, they wanted to be like the muse, hence people would buy this brand's items.

Researchers are trying to go beyond demographics to analyse consumers, therefore *psychographics* is "the use of psychological, sociological, and anthropological factors, such as benefits desired (from the behaviour being studied), self-concept, and lifestyle (or serving style) to determine how the market is segmented by the propensity of groups within the market - and their reasons - to make a particular decision about a product, person, ideology, or otherwise hold an attitude or use a medium. Demographics and socioeconomics also are used as a constant check to see if psychographic market segmentation improves on other forms of segmentation, including user/nonuser grouping" (Demby 1989, p. 26).

Marketers use different psychographic variables to segment consumers to investigate consumers' motivations toward buying and using products (Solomon 2018). Psychographic is also a tool that can perform in larger samples (1.200 to be more precise) because it is possible to use probability samples to create marketing segments, contrary to samples of 100 which were accepted for interviews and focus groups (Demby 1989). Therefore, demographics allow marketers to describe who buys, however, psychographics shows the reason why consumers purchase (Solomon 2018).

The consumer's lifestyle is what differentiates him or her from others (Solomon 2018) and their desire for status motivates their behaviour (Eastman, Goldsmith & Flynn 1999). Therefore products take on meaning because of people thinking that certain products can help them achieve their goals, which are linked to values such as individuality (Solomon 2018).

Hence consumers' desire to further strengthen their personality through position can be explained at the individual consumer level as either *conformism* (Amaldoss & Jain 2005; Brewer 1991; Fromkin & Snyder 1980) or *bandwagon* - this means that the consumer's desire for certain products rises just because the people are buying it (Granot *et al.* 2013; Dubois 1992) and because consumers normally buy products that other people purchase since they believe they are superior (Kim 2018; Van Herpen *et al.* 2009; Leibenstein 1950), thus some consumers might value more a provable product because many other consumers are buying it (Amaldoss & Jain 2005; Jones 1984; Ross, Bierbrauer & Hoffman 1976), identifying these as popular products luxury (Kastanakis & Balabanis 2012). Or, *snobbism* - which means the purchaser will buy less of a product because it has shifted into a mainstream item and everybody is purchasing it, yet the latter group has followers acquiring the same luxury goods to be identified with a certain reference group serving as a role model (Granot *et al.* 2013; Dubois 1992). Also, bandwagon effect can affect people's preference for scarce products, due to the high demand, clients can view a product as more relevant for being scarce (Kim 2018; Leibenstein 1950), therefore people look for uniqueness, this means that the purchase of such unique product satisfies the client's needs, and also increases the perception of the rareness of the item (Amaldoss & Jain 2005). The opposite can occur because the product can be seen of less value. After all, it is no longer scarce (Amaldoss & Jain 2005).

Not only brands help shape the social game, but as Dion and Borraz (2017; Goffman 1981) explain, objects also define social situations, and indicate social status and power. For example, champagne is one of the best material artefacts to show luxury, that is the reason some elite stores offer this commodity to clients, also champagne is the standard of comparison for all sparkling wines (Granot *et al.* 2013; Walton 2001; Robison 1999). However, there are a few cases that people purchase unique and expensive items just for the sack of being different rather buying due to social implications (Amaldoss and Jain 2005).

Han, Nunes and Drèze (2010) divided luxury into four groups of people to explain the correlation between status and wealth. The first ones are the *Patricians*, who possess a significant amount of money but normally pay a premium range, due to being concerned about lower classes and about sending signals that result in separating them from the middle-class, who use such brands, these are called the "high types" (Han, Nunes & Drèze 2010; Feltovich, Harbaugh & To 2002). Therefore they use subtle signals to communicate with other patricians, to avoid being labelled as someone who uses brands just to differentiate themselves from the masses. An example is when nouveau riche flash their recent wealth, and old rich do not perform that type of behaviour, therefore, old rich signal their peers without diminishing other categories, however, they still signal because they do not want to get confused with other classes (Feltovich, Harbaugh & To 2002).

The second group are the *Parvenus*, they are the people who have significant money but do not possess the connoisseurship necessary to interpret subtle signals (Han, Nunes & Drèze 2010), which is referred as the “cultural capital” that is linked to their station and education (Bordieu 1984, p.95). For this category, monograms such as CD from Christian Dior, or others are so important because of their meaning, being brands that are out of reach for most people, nevertheless, they might not recognise subtle details or even prices on a Hermès bag or a Vacheron Constantin watch, for example (Han, Nunes & Drèze 2010). Their main concern is to separate or disassociate themselves from people who do not possess such wealth and associate themselves the previous category.

Poseurs are the third group, which in French means - person who pretends to be what he or she is not (Han, Nunes & Drèze 2010). They are extremely motivated by status however they do not have the means to support such shopping behaviours, thus they are more likely to buy counterfeits luxury products because they do not have the means to buy originals (Han, Nunes & Drèze 2010; Wee, Tan & Cheok 1995), hence, they want to be apart of a group that they originally are not. Counterfeiting products can be either deceptive when people buy without knowing is a counterfeit (Wilcox, Kim & Sen 2009; Grossman & Shapiro 1988), or non-deceptive, meaning the consumer knows that he or she is buying not original luxury products (Wilcox, Kim & Sen 2009; Nia & Zaichkowsky 2000).

The finally, there are the *Proletarians*, which is a common term for the lower social or economical class, which is a social class that it is not driven by the need of purchasing items to display their position in society (Han, Nunes & Drèze 2010). In figures 4 and 5 we present diagrams explaining the associations between wealth and need of status in these groups, and the groups' connections with each other. The first scheme is an illustration on these four groups position themselves in society, being wealth and need for status big factors to understand where they all stand. As it is possible to see when there is a lot of money and knowledge, normally there is no need for pursuing status because people in this area already feel content, however, when there is some knowledge in high-end luxury products and a bit of money, there is a big need for status pursuing. People who do not possess either knowledge or money, they do not feel any concerns about logos or big brand, they feel satisfied and pursue other kinds of products that they feel that are more necessary to their daily lives (Han, Nunes & Drèze 2010; Feltovich, Harbaugh & To 2002; Wee, Tan & Cheok 1995; Bordieu 1984).

2.1.5. Income-Based Marketing in Luxury Consumers

In America, mothers with preschool children are the fastest-growing segment of working people, because many of them have high-paying jobs, such as medicine and architecture, which were normally monopolised by men, however, there is still a disparity in salary by a ratio 0.78% between female-to-male salary (Solomon 2018).

When targeting high-income consumers, it is important to understand that people are not the same, and higher income does not mean people are in the same social class (Solomon 2018). It is important to decide who qualifies as wealthy, therefore affluence is defined by both household

Wealth and Need for Status

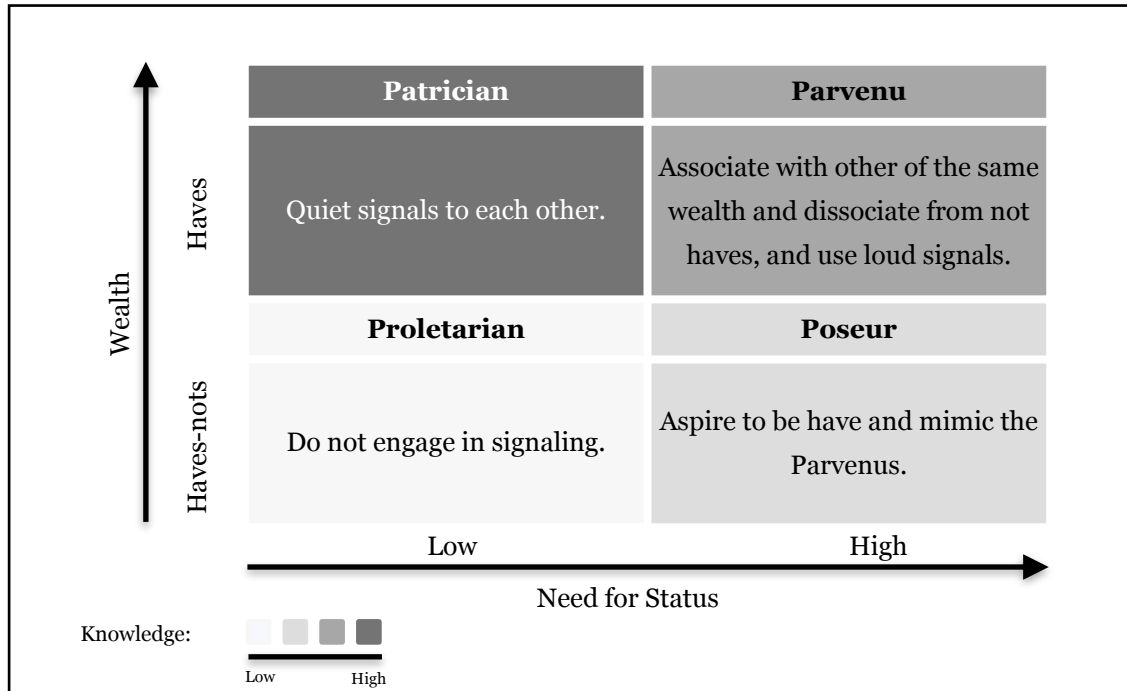


Figure 4: Signal Preference and Taxonomy Based on Wealth and Need for Status; Adapted from: HaN, Nunes & Drèze 2010

Status Associations

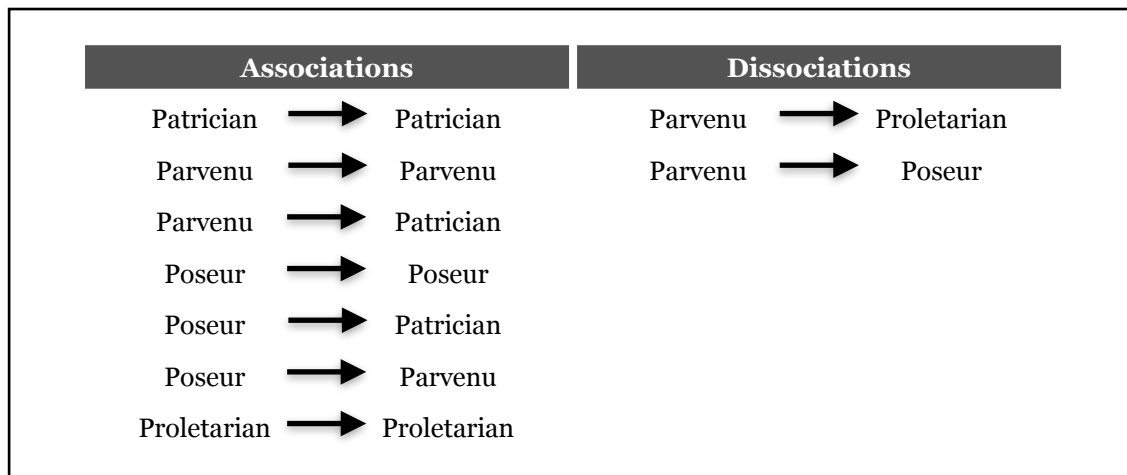


Figure 5: Correlation Between Status Associations; Adapted from: HaN, Nunes & Drèze 2010

income and net worth (Shelly 1997). Hence, SRI Consulting Business Intelligence divides high incomers into three major groups depending on their attitude towards luxury: luxury is functional - these type of consumers make logical and rational decisions rather than emotional and impulsive choices because they are the type of people that do their research prior purchase and only buy items that last long and have enduring value; luxury as a reward - these are buyers that purchase luxury items to show the world that they are successful or that they want to succeed, they are normally younger than the previous group and older than the next one; luxury is an indulgence - this is the smallest group and include the youngest people, and their purpose for buying luxury items is to be extremely lavishing and self-indulgent, therefore, they will pay for premium prices to show their individuality to others, thus presenting a more emotional approach to luxury spending than the previous groups (Solomon 2018).

2.1.6. Old Money vs *Nouveau Richer*

Different studies have referred that consumers find normal building relationships with brands (Maehle, Otnes and Supphellen 2011; Fournier 1998). Actually, as Kim (2018, p. 283) says an “affinity for luxury experiences has emerged as a consumer trend [...]”, which means that consumers not only buy luxury products, but they pay attention to the experience that luxury can bring. Additionally, experience plays a significant part in settling the success of a brand’s products (Jiang, Luk and Cardinali 2017).

Dion and Borraz (2017) performed a study on luxury stores’ consumers. There, by talking to clients, they found a difference between people they considered “new money” costumers (*nouveaux riches*) and “old money” consumers. Whereas new money clients use economical capital (wealth) to assume their status, old money customers invoke a multiplicity of criteria to assure their position, such as morality, sophistication, expertise, good manners and brand literacy to bolster dominance and legitimacy. Their study revealed that many clients strongly scrutinised newly rich by highlighting inappropriate behaviour in stores, such as speaking loudly, touching products and talk ill to sales staff, therefore, it is suggested that people who were reprimanding the “new money” clients, considered themselves in a superior position in a social hierarchy. This can be seen as a horizontal differentiation, which is related to attaining distinction from others based on taste, personality, and so on (Kim 2018; Tafarodi, Marshall & Katsura 2004).

Another example described by these authors was placed in a coffee shop, where engaging people with brands were given privilege sits and the opposite was given back sits, near the toilets. This occurrence shows how materiality forms disparities between clients. A different example provided by the same authors was of a client explaining that when she goes to a luxury store, she prepares in advance, choosing clothes that fit the store pattern to get a better service, and as a result, she gets more respect from the sales assistants, on the other hand, some clients cannot prepare appropriately, as a result, they feel rejected and embarrassed.

An example of a different kind, but also symbolise preferences and desire, is the one about Hermès and the fact that they only make a few limited numbers of Birkin Bags per year, this leads to a one-year waiting list and various consumers do not hesitate in paying a premium price to receive the bag earlier than other people, because of the feeling of exclusivity and the way that makes them fell when owning a rare luxury product before anyone (Kim 2018; Kim 2011). This example can be seen as vertical differentiation, which means people want to signal they superiority by having a product that symbolises their upper status (Kim 2018; Dommer *et al.* 2013; Tafarodi *et al.* 2004).

These examples of costumers’ experiences, from these authors, are a few of many found while researching, showing that people still create different stratifications in society, whether is by using certain products and brands, or by performing certain behaviours (because people tend to adapt their behaviour to what they think is appropriate in a luxury store [Dion & Borraz 2017]). Humans still make pre-concepts in their minds to create a sort of scale of dominance.

Nevertheless, people not only want luxury, but they want to seek scarce products that have limited supply (Kim 2018) because it appeals to their ego and their perception of a luxury life should be, and how they, like people, can also be exclusive. An example is when someone buys an item, such as Ferrari merely because others cannot afford that commodity, therefore enhancing their position of status or wealth in society (Amaldoss & Jain 2005; Corneo & Jeanne 1997; Bernheim 1996).

Luxury service implies certain patterns of social roles (Dion and Borraz 2017). Accordingly, it is important to provide an atmosphere that will create a luxury experience for clients, as a result, they will forge a relationship with the brand itself and even recommended it to their peers. Nevertheless, consumers tend to dress up and feel more privilege if the store experience is more unique and exclusive. Consumer's experience and cognitive appraisals provoke affective responses and satisfaction, and that is on the base of brand experience (Jiang, Luk and Cardinali 2017, Ding and Tseng 2015).

A good example is BMW. This brand highlights the technical and functional benefits of their products, yet, they also acknowledge that emotional engagement between drivers and cars are equally important (Granot et al. 2013; Silverstein and Fiske 2003).

Nevertheless, it has been studied over and over again that designing and managing a quality consumer's experience increases the chances of effectively creating value for the customers (Jiang, Luk and Cardinali 2017; Caro and Cova 2003; LaSalle and Britton 2003; Shaw and Ivens 2002; Addis and Holbrook 2001; Schmitt 1999).

Brands need to inspire trust and create a relationship as close as a friendship with clients, additionally, brands need to concern with the message they are sending, therefore they need to worry about environmental issues, social problems and quality of life (Oliveira 2018; Adolpho 2012). Trust is a key factor for people to know the brand, whether they are already clients, or not (Oliveira 2018; Sparks & Areni 2002).

2.2. Luxury Brands

2.2.1. Brand's Definition

First, we need to understand what a brand is. A brand used to be just a name, or a logo, or even a label on some product (Oliveira 2018; Lencastre 2007). Today, brands are a way to communicate with consumers (Oliveira 2018; Comunicairt Publishing 2010) and are a structure of knowledge which is controlled by its administrators (Oliveira 2018; Keller 1993).

Brands have market value when they sprout consumers interest because a brand can be bought, sold and increase or decrease value, (Mendes 2014) they are an asset in the financial sense (Keller & Lehmann 2006). Another way of describing a brand value can be as a legal instrument, this means that a brand could be defined as a legal statement of ownership (de Chernatony & Riley 1998; Crainer 1995). Branding is seen as an investment and, as a result, companies seek legal ownership of title as protection against imposters (de Chernatony & Riley 1998).

Additionally, brands can increase communications efficiency, ease retail channels and create relationships between clients and brand (Mendes 2014), due to brands being the reflection of the complete experience that consumer has with products (Keller & Lehmann 2006). The roots of a brand's value are on the consumer's memories (Mendes 2014). Hence, brands are products with tales involving them, as a result, brands describe cultures and tell stories (Cantú 2019; Millman 2013), which create connections and emotions with their intended target, thus generating brand loyalty and consumer proximity to the brand due to its humanisation (Cantú 2019; Olins 2008).

In the past, brands used to be only seen as a name or a sign (Mendes 2014). According to AMA (American Marketing Association) (2017), quoted by Oliveira (2018, p. 6; de Chernatony & Riley 1998, p. 419), "[...] a *brand* is a name, term, sign, symbol or design, or a combination of these elements, to identify a seller's products and services, or sellers, and differentiating them from the competition." However, this definition has been criticised because it mostly concerns with the product (de Chernatony & Riley 1998; cf. Crainer 1995), and it is limiting because it only focuses on companies' input activity of differentiating through name and visual identity (de Chernatony & Riley 1998). A brand can be defined as an organisation, product or service which has a personality (Cantú 2019; Olins 2008). As a result, it can be inferred that brands are the manifestation of the human condition because fashion brands divide people into clusters, meaning they help divide society into different status, and ultimately they influence the individual's feeling of belonging (Cantú 2019; Olins 2015).

Nevertheless, a brand is the compilation of promises and tangible benefits that the company makes to their collaborators and clients (Oliveira 2018; Allen & Simmons 2005), to create value to the products and goes beyond its physical production assets (Mendes 2014). These means companies instead of buying assets to increase production capacity, they started to purchase clients' mind space (Mendes 2014; Kapferer 1998). The consumer's knowledge is connected to the cognitive representation of the brand (Keller 2003; Peter & Olson 2001), because "[...] a

brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service” (Kapferer 2008, p.10; Keller 1998).

Even-though a brand possesses intangible assets, themselves are an intangible asset that will also be included in the balance sheet, however, a brand has conditional assets too, which result of working in conjunction with other material assets, such as production facilities, to achieve financial value, because there are no brands without products or services to carry them (Kapferer 2008). As a result, brands should be perceived as a living system where it is made of three major points: products or services, name and concept (Kapferer 2008). For example, the result of a brand is the instant recognition and definition of certain products (Okonkwo 2007).

A luxury fashion brand possess certain characteristics that allows itself to be called luxurious, and those are innovative, creative, unique and appealing products; consistent delivery of premium quality; exclusivity in goods production; tightly controlled distribution; the heritage of craftsmanship; distinctive brand identity; global reputation; emotional appeal; premium price; and high visibility (Okonkwo 2007).

Nonetheless, and putting in simpler terms, a brand can also be defined as it is in the Oxford English Dictionary as “a particular sort or class of good, as indicated by the trade-marks on them” (de Chernatony & Riley 1998, p.418).

However, it is important to differentiate the brand from the *commodity*. Commodities are the products where people only worry about their functionality, therefore, the consumer’s buying criteria normally revolve around price and availability, thus even if there are differences in quality, they usually are small (Mendes 2014; de Chernatony & McDonald 1998). One main reason for having branded products is for brands to work as information vessels to clients, giving the perception of quality and details of the product itself (Mendes 2014). Without brands, a product stands without necessary information for the consumer to make a conscious choice (Mendes 2014), hence some products being commodities.

Another reason that brand is different from a commodity is that a brand in holistic terms is not only a product but it is the product’s essence, which means a brand’s essence defines its identity in time and space (de Chernatony & Riley 1998; Kapferer 1992). A brand only exists when has the power to influence the market, and this takes time to acquire, however, in fashion the life span is much smaller (Kapferer 2008).

2.2.2. Brand's Elements

A brand is not only a name or logo, or even a slogan, a brand is the sum of all products or services perceptions, and it is its visual and verbal elements showing its implicit values (Correia 2016; Geargeoura 1997).

Brand elements should be chosen regarding their consumer’s recollection ability of the brand itself, which should be easy to remember, to create better associations between consumer and product (Mendes 2014). Therefore when consumers tend to search for a particular level of quality, buyers search right away for a particular brand name that they associate with that trait (Rao & Ruekert 1994).

Brand elements such as name, logo, symbol or other elements, should be immediately recognisable and easy to remember by consumers (Mendes 2014). Nevertheless, all brand elements should be adaptable throughout time, to survive and be updated with the core values and opinions of its consumers (Mendes 2014). Brand identity is considered a set of associations that a company aspires to create and maintain (Phillips, McQuarrie & Griffin 2014; Alselm & Kosteljik 2008).

It is not mandatory to use all brand elements, however, most of are represented together, hence most being: colour, brand image, typography, voice, sound, smell, look and feel (Cantú 2019; Olins 2008). Brand image and brand identity are two different concepts, which sometimes are confused as to be synonyms, however, *brand image* is the graphic image of the brand, whereas *brand identity* is the qualities of the brand that take part on brand equity, such as brand's product or service performance, notoriety, logo and graphic image, personality, among other elements (Mendes 2014; Upshaw 1995).

2.2.2.1. Verbal elements

Brands need visual identity and verbal identity to be successful, therefore, verbal identity can comprehend the name of the brand and products, the motto and ton and history (Oliveira 2018; Clifton & Simmons 2005).

Name

Brand names can take different forms, for example, it can be based on locations, real people, animals, objects or just made up (Keller, Heckler & Houston 1998). Choosing a brand name has been considered one of the most important steps to create brand equity for a new product (Keller, Heckler & Houston 1998; Keller 1993, 1998; Aaker 1991, 1996). The base of brand essence development is the name because the name is probably the most immutable element of them all (Mendes 2014; Aaker 1991). A brand is a name with the power to influence the market, that the more recognisable, convincing and trustworthy the brand is to the consumer, the more power it gets as a brand (Kapferer 2008).

“A brand name is nothing more or less than the sum of all the mental connections people have around it” (de Chernatony & Riley 1998, p.419; Brown 1992). To better explain, brand names provide memory shortcuts (de Chernatony & Riley 1998; Jacoby et al. 1977), as a result, make consumers buy brand products which there are already familiarised with (de Chernatony & Riley 1998; Chevan 1992). Names can enhance brand awareness and/or help develop a favourable brand image for new products (Keller, Heckler & Houston 1998).

A brand's name has the purpose to reduce the consumer's shopping effort by providing necessary information about the product's expected quality and whom to punish should the product not perform accordantly (Rao & Ruekert 1994). However, quality is not the only attribute that brand's names give to products, vast psychological persuasive literature suggest that brand name create associations, images and personalities (Rao & Ruekert 1994). By creating associations, brand names can be suggestive, hence a particular attribute or benefit can

make up the main selling point of the brand (for example DieHard auto batteries) (Keller, Heckler & Houston 1998). As a result, strong memory links are created into the consumer's mind, however, when brands want to re-brand, it can be difficult to break or recreate that strong bond, due to the first one which was already built into place, therefore, buyers may overlook new associations in favour of original ones when they are recalling a certain brand (Keller, Heckler & Houston 1998). Nevertheless, brand names should be easy to read and different, meaning they should be original and catchy to stay in the consumer's mind (Mendes 2014; Keller 2008).

Personality and Position

Brands have personalities, which are a set of traits that people give to a product as if it were a person (Solomon 2018; Aaker, Vohs & Mogilner 2010). The consumer's brand knowledge can be determined in terms of personal meaning regarding how the brand is stored in the consumer's memory (Keller 2003). Consequentially, marketers put a lot of thought on *brand's personality*, and this leads to creating stories to create a rich background to a certain product to make the consumer more engaged with its history or experience, thus *brand storytelling* is a communication approach that is very effective (Solomon 2018).

For example, a study made involving 114 possible personality traits and 37 well-known brands, Aaker (1997; quoted by Keller 2003) uncovered five main personality clusters that brands can fall into: serenity, excitement, competence, sophistication and ruggedness. However, in countries such as Japan and Spain, the ruggedness dimension is substitute by peacefulness, and finally, the competency is replaced by passion (Keller & Lehmann 2006; Aaker et al. 2001; Aaker 1997). *Brand storytelling* is based on the tradition of reader-response theory which focus on the role of the reader in interpreting a story rather than rely on upon author's version, this means that the consumer does not want a full made-up story rather prefers to fill the blanks and be an active participant (Solomon 2018). *Slogans* are also an important brand element because help consumers to better understand the brand (Mendes 2014).

The developing of *brand position* sets the direction of marketing activities and programs, which establishes key brand associations in the consumer's mind, it creates differentiation between brands and lays down competitive superiority (Keller & Lehmann 2006; Keller et. al 2002). Brand position is the guide for the brand's identity, hence helping the brand in its category and into the consumer's mind (Janning 2019; Upshaw 1995). Many specialists believe that brand position should be related to emotional as well as rational necessity, which ultimately will attract consumers to buy the brand's products (Janning 2019; Kotler & Keller 2012). Brand position is crucial because it reminds the brand that all consumer's choices are made by comparison, hence the brand must be among the consumer's selection process, thus the process of position has two steps: firstly, it is mandatory to indicate to what competitive set the brand should be compared and associated, secondly, find the brand essential difference and purpose of comparison with products and brands of the set (Kapferer 2008). Therefore, when choosing the brand position, there are a few questions one has to ask (figure 6) to understand today's competitive context and chose the proper target (Kapferer 2008).

Analytic process of choosing brand position

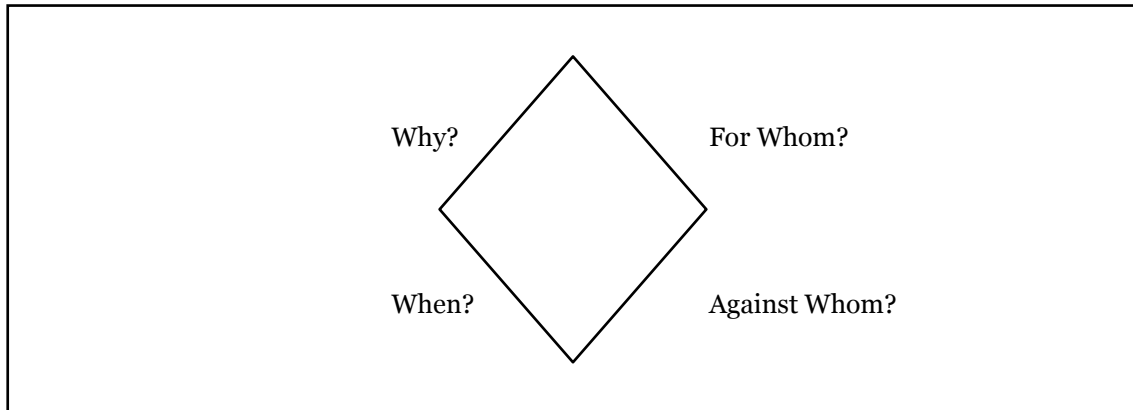


Figure 6: Positioning a brand, adapted from Kapferer 2008.

2.2.2.2. Visual elements

A brand to be successful needs graphic elements, such as logos, symbols, colours and lettering, meaning it needs a visual identity (Oliveira 2018; Clifton & Simmons 2005). Consumers are stimulated by these elements every time they go to a store, search for a product or consume a brand (Phillips, McQuarrie & Griffin 2014).

Symbols and Logos

Even-though names are an important part of a brand, visual elements play a crucial part in the build of brand value (Mendes 2014; Keller 2008). A symbol can create notoriety, associations and feelings between consumer and brand (Mendes 2014). Symbols are a valuable way of identifying a brand (Mendes 2014; Keller 2008). Due to the symbols and logos' nature, they are a non-verbal language which allows being updated regularly and enables to be used in different countries (Mendes 2014).

Additionally, symbols unify the brand and help the consumer to understand the cultural approach behind the brand itself, making the brand universal (Cantú 2019; Olins 2008). Because symbols represent information and ideas, objects and emotions (Hyland & Bateman 2014). Therefore, symbols are a constant in our society since the ancient world, where markers' marks, *tituli picti*, were stamped or painted on amphorae used to transport wine, to now, where symbols began to be called logos and more recently are called brand-mark, which has joined the trademark business (Hyland & Bateman 2014).

Symbols can be used to distinguish, label or indicate a category, because of their informative role, hence they are labelled as functional symbols (Hyland & Bateman 2014). However, trademark symbols have the purpose of “[...] trigger emotions through the illusion inherent in their design or by the associations they build up over time as they come to epitomise the spirit and reputation of what they represent” (Hyland & Bateman 2014, p. 8). This is where branding comes into action, where brand-marks have turned out to be subsets of trademarks and are consequentially prized as assets (Hyland & Bateman 2014).

Typography and Colour

Typography is an important element for brands to design themselves and to be visually cohesive, as a result, is a tool that helps to display their ideas and message, as a consequence, it gives the brand expression and aesthetic consistency (Cantú 2019; Raposo 2012; Lupton 2010).

The design can rise emotions, therefore when the consumer is subjected to a multi-sensorial experience tend to be more satisfied with the result (Santos 2017; Aguilar 2014; Lopes 2010). Colour is a major element because it creates and influences the brand dynamic with its target audience (Cantú 2019; Wheeler 2008). Colour is also used as code to communicate since historical times and are embedded in people's mind since childhood, hence certain colours have been associated to morning, to monarchy, to church, to rebel causes and ultimately to brands (Santos 2017). Therefore, colour is one of the most influential factors when the consumer is chasing a certain brand product (Santos 2017; Amsteus, Al-Shaabab & Wallin 2015).

2.2.3. Brand equity

Brand equity is defined by a combination of associations and behaviours between brand, retailer and organisation which allows the brand to increase substantially its sell's volume and margins that it would not be able to happen without the brand name and the tactical advantage that provides over its competitors (Correia 2016; Luthesser 1988).

Brands, when measuring brand equity, they tend to expand their market by including multiple product classes and markets which can provide significant practical value and increase the ability to manage a portfolio of brands and markets, benchmark against the best and ultimately develop a valid brand equity measurement system (Aaker 1996). Many companies have multiple brands that are represented across many markets, however, they must deal with these brands and markets as a cohesive portfolio, as a result, strategic plays that are done should benefit the company's overall performance (Aaker 1996).

Since 1980 there was a relatively big increase of several company acquisitions and fusions, hence by 1981 more than 80% of the acquisition value of an organisation was attributed to net tangible assets, however, this percentage decreased and by 1987 it was only 30% (Mendes 2014; Batchelor 1998). As a result of this reduction in percentage, brand acquisition boosted to a point that companies and financial analysers understood that brand value was different from company value (Mendes 2014; Kapferer 1998). Therefore, companies were no longer bought by their tangible assets, rather they were purchase by their intangible equity (Mendes 2014; Batchelor 1998).

Advertising and market research executives learned the importance of brand equity (Ailawadi, Lehmann & Neslin 2003; Blackston 1992, 1995; Baldinger 1990; 1992). As a result, companies spend more money on increasing attention to brands (Ailawadi, Lehmann & Neslin 2003).

Many definitions of brand equity have appeared, for instance, brand equity in market studies' point of view is considered as scores on brand attributes or joint analysis results; nevertheless, companies may think differently about this definition, because they consider brand equity as growth in brand sales; but there is also another different point of view, which is by consultants,

who think brand equity can be applied directly to the company's revenues, as they are the ones who analyse merges and acquisitions (Mendes 2014; Baldinger 1990).

Brand equity is defined as the marketing effects or outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name" (Ailawadi, Lehmann & Neslin 2003, p.1; Keller 2003; Dubin 1998; Aaker 1991; Farquhar 1989; Leuthesser 1988). As a result, brand equity can affect consumers regarding their attitudes, awareness, image and knowledge, or in the other hand, it can influence companies in terms of price, market share, revenue and cash flow (Ailawadi, Lehmann & Neslin 2003). In terms of financial perspective, brand equity can be seen as the additional cash flows which result from the brand's association with products (Mendes 2014; Kapferer 1998; Farquhar 1990).

Nevertheless, brand equity can be described from the consumer's perspective regarding its utility, loyalty or clear image of a product, thus the consumer will look at the brand and see the product through that brand, meaning the consumer will associate the brand's characteristics to the product itself, and as a result, there is a big difference in terms of cash flow between a product with a brand name compared with an item without a brand name (Ailawadi, Lehmann & Neslin 2003; Leuthesser 1988). "Customer equity is the preamble of financial equity. Brands have financial value because they have created assets in the minds and hearts of customers, distributors, prescribers, opinion leaders" (Kapferer 2008, p. 10).

It is important to understand that brand equity is different from brand image, and that brand image is not the same as brand identity. *Brand image* is the associations that consumers make towards the brand based on its attributes (Mendes 2014; Biel 1990).

However, *brand identity* has more depth to its definition, being what makes the brand attractive for the consumer to purchase its products (Mendes 2014; Upshaw 1995). Brand identity is what makes the brand unique and includes market strategy, personality, tangible and intangible elements, such as the logo among others (Janning 2019; Upshaw 1995). As a result, brand identity is the DNA of the brand and is connected to how the brand will be perceived in the market (Janning 2019; Upshaw).

To understand better the brand identity and for a brand to become a love mark, the brand must have a deeper inspiration (Kapferer 2008). As a result, Kapferer built a tool called Brand Identity Prism (figure 7) to construct the brand's identity (Janning 2019; Kapferer 2013, 2008).

This prism shows a structure that connects every facet into a unit and has a vertical division, which divides social and brand aspects, and a horizontal division, which separates source representation and recipient re-representation (Janning 2019; Kapferer 2008). The physique is the backbone and the tangible added value of the brand; the personality is the character of the brand which is built gradually from its communication, and it has been the main focus of brand advertising since 1970; the culture of a brand is the source of the brand's aspirational power; the brand's relationships have implications on the way the brand acts, delivers services and relates to its consumer; the brand is also the consumer's reflection. After all, it reflects the client's wishes to be seen and is the result of using a brand (Kapferer 2008) because people are defining their "selves" using brand products so that possessions are the extensions of each person's self

KAPFERER BRAND IDENTITY PRISM

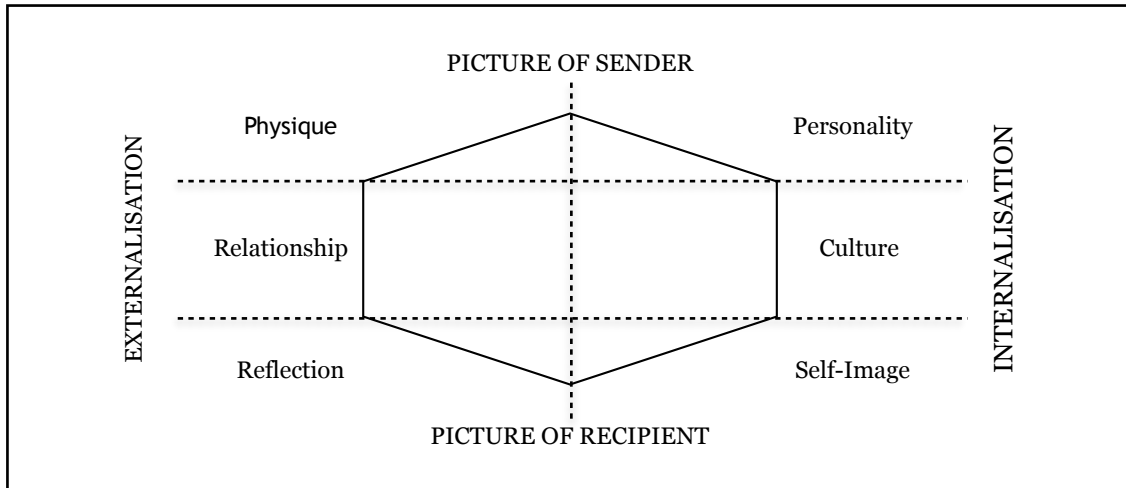


Figure 7: BRAND IDENTITY PRISM, ADOPTED FROM KAPFERER 2008

(Dogan, Ozkara & Dogan 2018; Belk 1988); the self-image is when the brand targets people's inner mirror, their feelings and their relationship with themselves that is constructed with the help of a brand (Kapferer 2008).

Brand equity to be seen as valuable, it is the result of both *identity equity*, which is oriented to the consumer, and based on brand's position and personality (the brand identity), and *valuation equity*, which is the factor that influences the brand financially (Mendes 2014; Upshaw 1995) (figure 8). Even-though brand identity is part of the identity equity, the identity only relates with the consumer's perspective of the brand, thus once the brand identity is strong, the brand equity will also increase (Janning 2019; Upshaw 1995).

2.2.4. Luxury Brand

To understand what a luxury brand is, we first need to explain what lux is all about. The word finds its origins at the core of royalty, a time where social stratification was a pretty big deal because there was a differential between the nobility of kings, royal family, priests and the common population (J. Mundel et al. 2017, Kapferer and Bastien 2009). Nevertheless, another association with this word is "Luxus" which is Latin for "luxury". Its definition is opulence, sumptuousness and exuberance (Chen, Zhou and Yu 2016). Other meanings are also applied to the word, such as being a not essential object or service that contribute to luxurious living, and indulgence or convenience beyond the necessary minimum (Wiedmann, Henning and Siebels 2009; Webster 2002), notwithstanding, can be defined as simple as being objects of desire which provide pleasure (Wiedmann, Henning and Siebels 2009, Berry 1994).

Another concept of luxury can be implied that it is useless, meaning it is superfluous (Amatulli & Guido 2012; Berthon et al. 2009; Dubois, Laurent & Czellar 2001; Berry 1994). As previous explained, luxury is not necessary to survival (Amatulli & Guido 2012; Kemp 1998; Berry 1994), nonetheless due to luxury's externalisation and materialistic ostentation connotations (Amatulli & Guido 2012; Thomson 1987), its superfluity is one of the six elements (together with quality,

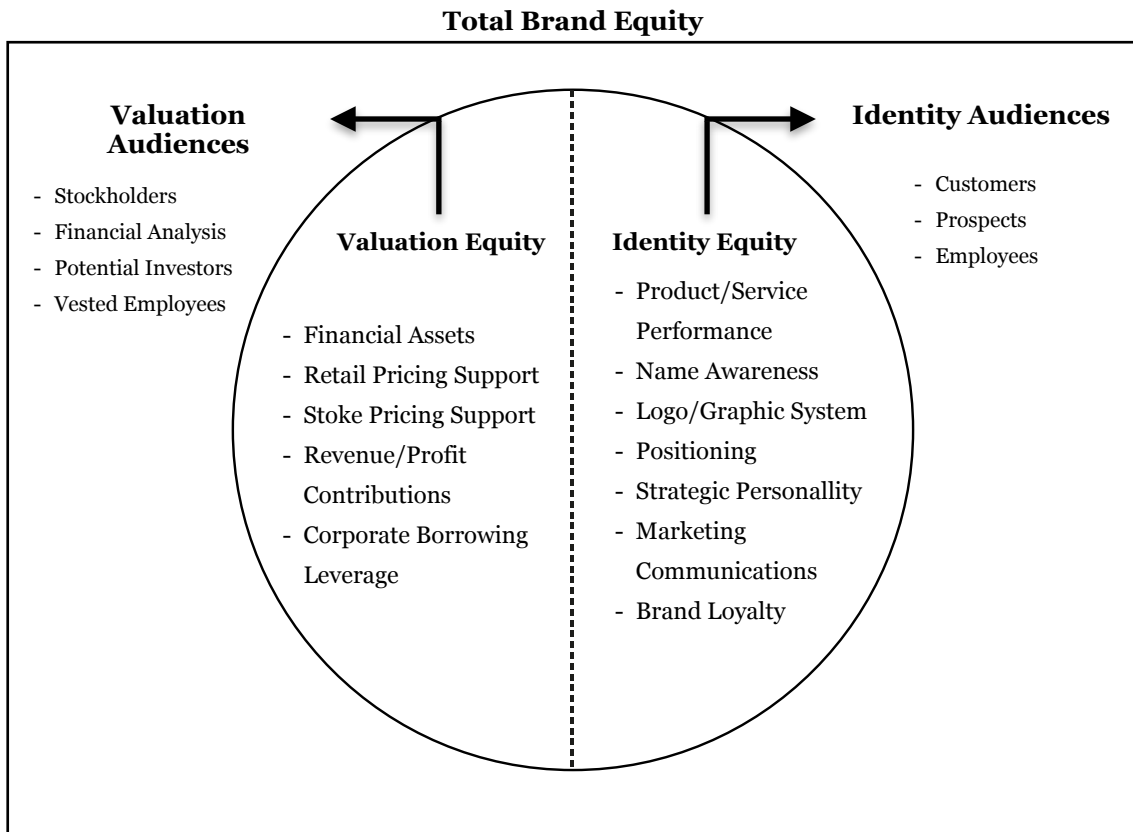


Figure 8: Connection between brand equity and brand identity, adapted from Janning 2019; Upshaw 1995

excellency, high price, shortage heritage and aesthetics) that helps to structure what luxury is (Amatulli & Guido 2012; Paul 2019; Heine & Phan 2011; Dubois, Laurent & Czellar 2001).

Nowadays, luxury can also be described in different terms such as *opuluxe*, premium, ultra-premium, trading up, hype-luxury, masstige (mass prestige), real or true luxury, among other definitions (Paul 2019; Paul 2015; Kapferer & Bastien 2009).

Since two decades ago, luxury has entered a new era, called the postmodern or hypermodern moment, as a result, it has been a tremendous expansion of this type of market, due to new wealthy social classes that have appeared recently, who have been promoting this luxury globalisation (Figueiredo 2019; Roux 2012).

The world of luxury products is rather tremendous, but, it is possible to categorise it. Amatulli *et al.* (2015, Fiona and Moore 2009) separated this universe into fashion products (such as clothing and accessories), perfumes and cosmetics, wines and liquors, and watches and jewellery. When talking about fashion, there are four types luxury concept: the first one is focused on the beauty of the object and the excellence and uniqueness of the product – brands such as Rolls-Royce or Cartier; secondly is related to creativity and sensuality – brands like Gucci, Boss and J-P Gaultier use a lot this characteristic on their products; thirdly when luxury brands value timelessness and international reputation above anything – examples are Porche, Vuitton and Dunhill; finally, the concept of feeling of rarity attached to possession and consumption of the brand – brands such as Chivas are only purchased by few (Kapferer 2008).

Consumers desire to mark their difference, even-though aristocracy is now dead, it has been replaced by the power of money, therefore all around the world, there are big recent fortunes that grant unlimited purchasing power and also grant power, pure and simple, as a result, the heart of luxury is “giving men and women of power the privileges that accompany it. For power must be shown off in our democratic societies” (Kapferer 2008, p. 96).

There is an insatiable need to understand and influence consumer-brand bonds, due to be such a critical matter in a market-place defined by unpredictability, decreasing product differentiation and higher competitive pressures (Fournier & Yao 1997; Shocker et al. 1994).

Luxury brands are usually characterised by their quality, high transaction value, exclusivity, craftsmanship and distinctiveness (Fionda & Moore 2009; Kapferer 2008; Radon 2002; Jackson 2001; Nueno & Quelch 1998). According to various authors specified by Fionda & Moore (2009), they explained that luxury brands have different dimensions, although each author emphasises what, in their opinion, are the most important features (table 1).

Fashion is a symbol of society and has been a historical, social, political, traditional, religious, economical, psychological and technological influence (Okonkwo 2007). Luxury fashion brands are usually pillared on two main strategies, where the first is based on extreme product quality, on history (with a capital H), on the cult of the product and heritage (Kapferer 2008). While the second is American and lacks history, however, does not prevent from inventing one of their own (Kapferer 2008). In figure 9 there is a diagram of the two ways of how to construct a brand. As old brands, that normally use the French approach, have become enhanced and modified with age, while newer brands, which use the American way, are more prone to use new technology to aid them (Okonkwo 2007).

Table 1 - Luxury brand dimensions

Dimensions	Nueno and Quelch 1998	Arnault 2000	Morgan, Stanley, Dean and Witter 2000	Phau and Prendergast 2000	Alleres 2003	Beverland 2004	Moore and Birtwistle 2005	Okonkwo 2007
Brand/Marketing strategy	Relevant marketing programme Global Reputation Personality and values of its creator	Brand image Reinvent oneself to the best Company spirit	Critical mass Global recognition	 Brand identity	Brand name The creators	Marketing Value driven emergence Culture	Marketing Culture Designer PR face of the brand	A distinct brand identity A global reputation Emotional appeal
Product and Design	Premium quality Heritage of craftsmanship Element of uniqueness to each product Recognisable style or design Adapt to design shifts in fashion	Product quality Creativity	Core competences and other products	Quality	Recognition symbols Creations	Product integrity	Product integrity Iconic product/design Control over product manufacturer	Innovative, creative, unique and appealing products Consistent delivery of premium quality Heritage of craftsmanship
Price Exclusivity	Limited production	/	/	Evoke exclusivity	/	/	Premium price	Premium price Exclusivity in good's production
Communications strategy (Promotion)	/	/	Powerful advertising	Increase brand awareness	/	Endorsement	Endorsement: fashion shows, store display, PR, product packaging	High visibility
Distribution strategy (Placement)	/	/	Immaculate flagship stores Superb customer service	/	Strategic locations	/	Flagship store and store brand concept Controlled distribution of brand	Tightly controlled distribution

Adapted from: Fionda & Moore 2009; Nueno & Quelch 1998

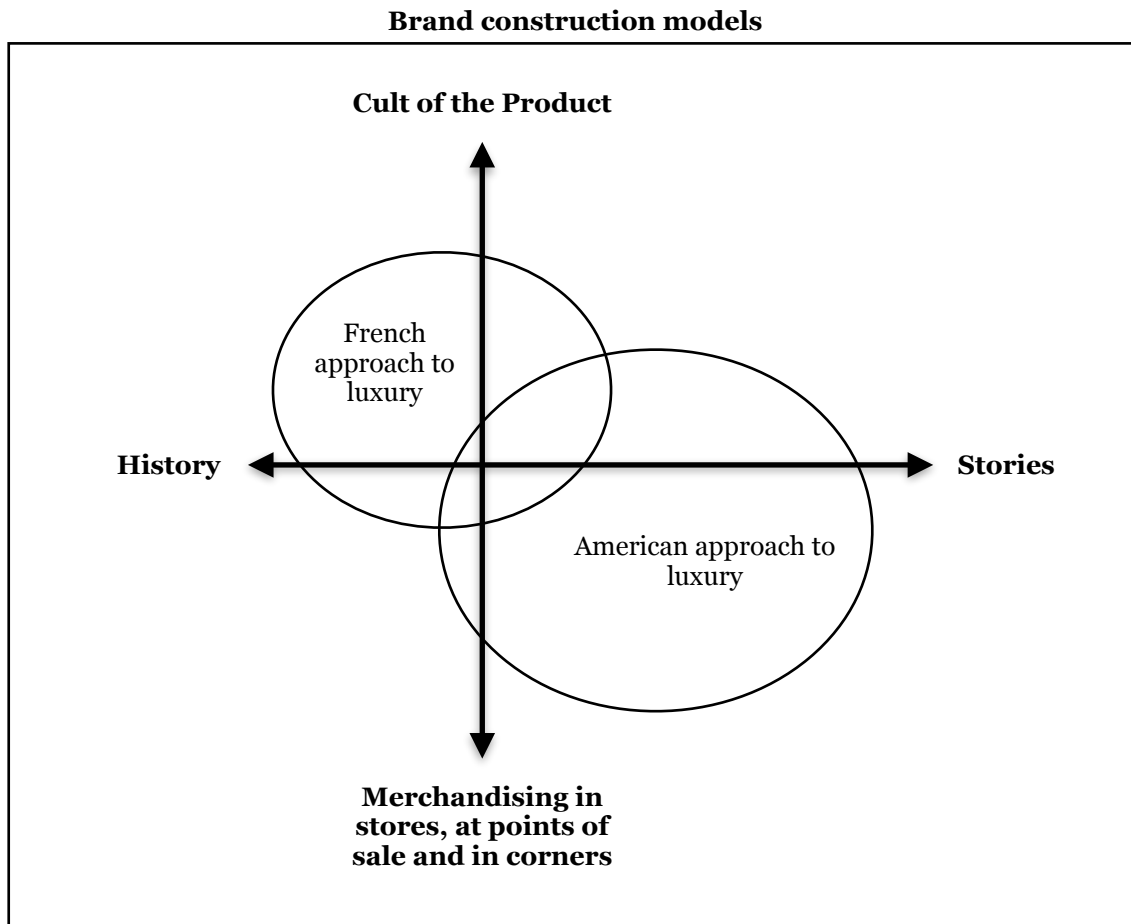


Figure 9: History-based and story-based approaches to luxury, Adopted from Kapferer 2008

2.2.5. Luxury's Democratisation

The new fortunes, such as Russian oligarchs, Chinese billionaires and Wall Street people do not buy premium brands, like Victoria's Secret or Belvedere vodka for their partners (Kapferer 2008). They will prefer brands such as Dior, la Perla, Krug's le Clos du Mesnil (which has dethroned Dom Perignon) or Elit by Stolichnaya, because they want the best from the best, to show off their absolute power (Kapferer 2008). A luxury brand differs from a premium brand because the latter are usually trading up brands, as the consumer moves up the range (Kapferer 2008).

One characteristic that luxury brands value is exclusivity, which brings us to the perception of a prestige brand, consequently, features such as quality, brand awareness and customer's loyalty are extremely associated with this type of segment (Chen, Zhou and Yu 2016; Phau and Prendergast 2000). Even though many dimensions of luxury branding are described in the literature, it is not clear how their attributes are related (Fionda & Moore 2009).

Even though today's times are different, due to society's democratic model, where every individual has a fair chance of succeeding in life and acquire every commodity through work,

not everything is a nit and clear, besides being a more free society, people still need organisation, therefore, social differentiation has not disappeared. Moreover, due to this fact, the luxury industry plays a major role in supplying means for differentiation (Kapferer and Bastien 2009). The rate of growth in the luxury sector has been increasing and one of the factors has been the fact that the number of high-net-worth individuals with an appetite for luxury brand consumption is also increasing (Fionda & Moore 2009).

The trade between an organisation, which can be a retailer, and a consumer can only take place if the offering can be perceived as of value for both parties, and for that happen it needs to exist a bit of trust (Villiers, Tipgomut & Franklin 2019).

Luxury goods consumption is an extreme form of value expression (Granot *et al.* 2013, Nia and Zaichowssky 2000), that way, expensive purchases of highly conspicuous items are used to display wealth and ensure social status (Granot *et al.* 2013, Yann 2010). However, this traditional idea is changing, due to an economic shift and because in today's world, brands are starting to focus on the product-consumer relationship rather than the product itself, so they understand that clients are more likely to pay a premium price and create an emotional attachment to the brand than purchase the product just because it is expensive, and their value as a means to show the consumer's status (Granot *et al.* 2013; Silverstein and Fiske 2003a).

Nonetheless, brands by setting a high price or manipulating the quality of limited editions, they not only are using marketing tactic to enhance product scarcity, which brings us to the perception of exclusivity, but they are also cultivating aspiration for the product, which stimulates consumers' desire for exclusivity and scarcity effect (Kim 2018; Amaldoss & Jain 2005a, 2005b; Braun & Wicklund 1989).

In the past, sales of luxury products such as champagne and a Rolls Royce had decreased 3 per cent each year between 1990 and 1993, and it was most noticeable in Europe (Nueno & Quelch 1998). Nevertheless, brands such as LVMH and Armani, due to their diverse and vertical business model, were above water during these times (Nueno & Quelch 1998). In 1995, the luxury market took a turn for the best.

The luxury brand can have two different approaches when building the brand: the first one is based on a brand with a history behind it, whereas the second is about brands that lack that same history, so they create a story for themselves (Kapferer 2008). As a result, there are more new luxury brands, such as Calvin Klein and DKNY that reached the same success overnight that long pedigree brands like Chanel or Dior, and another factor that is present is that American companies are usually newer and use the story angle, whereas European brands are more prone to craftsperson-based tradition, which means that they place considerable attention on the actual product as a factor in their success, while the American brands focus much more on merchandising, and the atmosphere and image created by the outlets dedicated to their brand (Kapferer 2008).

Contributing to luxury democratisation is the strategic market-oriented plan that luxury brands use (Kotler 2000), and the idea is that the brand is virtually prepared for anything. Therefore, brands normally divide their business into strategic business units (SBU) which, according to

Boston Consulting Group (BCG), can be separated into four different segments, each indicating a different type of the business (Kotler 2000): Question marks - it is the start-of-idea for the business and involves a lot of investment; Stars - they are the main product of the brand, they fight competition however they do not necessarily produce cash flow; Cash Cows - some were former star products, other times, they are products developed to bring cash into the company, to support the brand and increase profit, they are the products that most luxury excursionists buy, normally they are luxury bags, wallets and key chains; finally Dogs - they are parts of the business that usually result in low profits or even losses (Kotler 2000).

The first type of brand has a tradition European business model as it is represented in the pyramid below (figure 10). Starting at the top, there is the *griffe*, where the creator's signature is implied, next, there is the craftsmanship and works done by hand, which brings to smaller production series, however in the third level is where the streamlined mass production takes place, as an example, we have Dior and Yves Saint Laurent cosmetics and the YSL Diffusion line, and lastly, at this level of industrialisation, the brand's fame creates an aura of intangible added values for expensive and prime quality products, which gradually tend to look more and more like the rest of the market, therefore its name equals mass prestige, or mass exclusivity (Kapferer 2008).

Looking from the bottom up, the base is what feeds the brand's overall cash flow, however at the top is where the creativity and signature of the creator come from, so it must be a constant regeneration of value at the tip, because it is the supply of artistic inventiveness, hence the tip is the realm of art, not just styling, and is also the heart of the business model (Kapferer 2008). The big disadvantage of this model is that the further we move down the pyramid, less creativity is applied, as a result, brand extensions will merely exploit the brand's name (Kapferer 2008).

The second luxury brand business model was originated in the United States of America, but some European brands also use this type of model, figure 11 is an example of a brand that uses

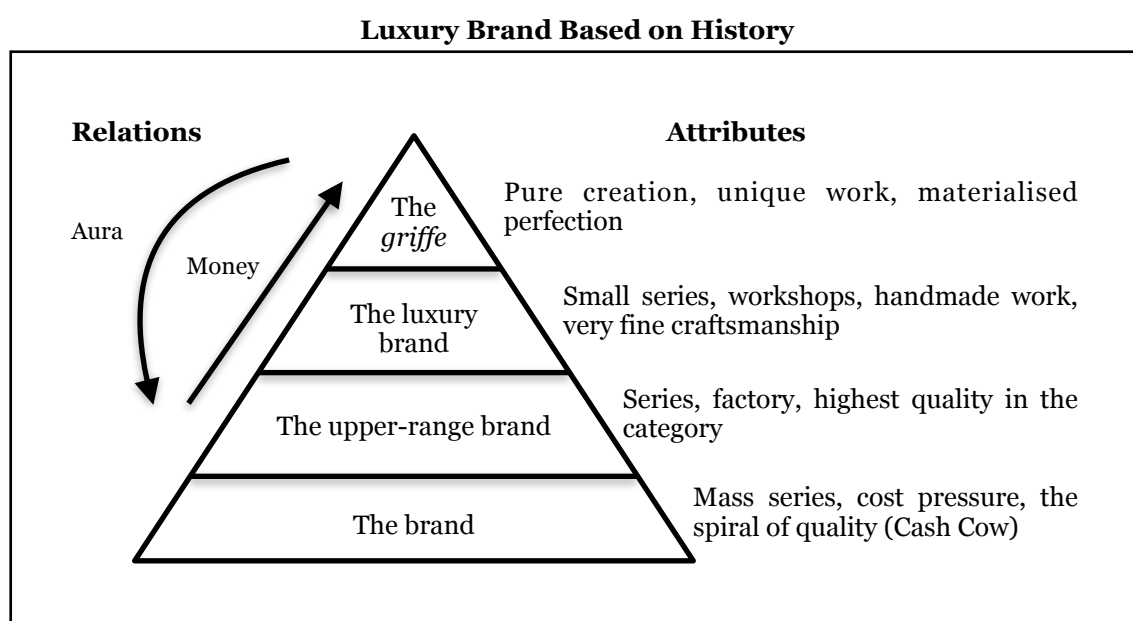


Figure 10: the pyramid brand and business model in the luxury market, adapted from kapferer 2008

this type of model (Kapferer 2008). The model itself is characterised to be flat, circular, and constellation-like, where the centre is the brand ideal while all extensions remain around the edge, as a result, all extensions are treated with equal care since each branch portrays equally the brand (Kapferer 2008).

House of Ralph Lauren Business model

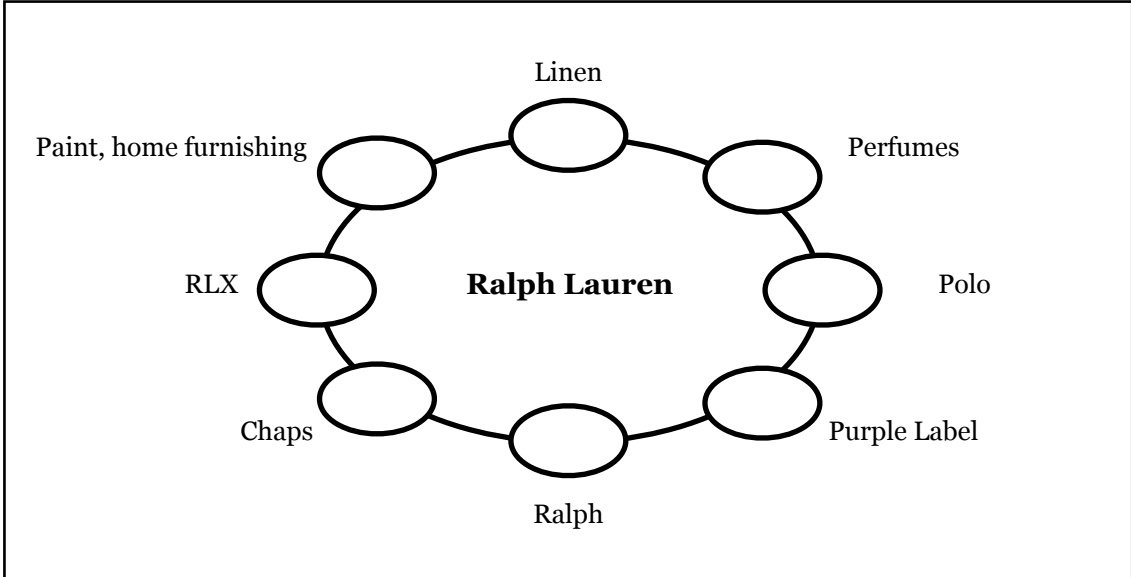


Figure 11: The constellation model of luxury brands, adapted from kapferer 2008

The House of Ralph Lauren has superstores that not only stoke the entire brand range and its different collections and extensions, they “[...] are also designed do give flesh, structure and meaning to the brand ideal” (Kapferer 2008, p.99). Another brand which uses this model is Lacoste, however, their revenue cannot sustain an exclusive distribution channel with high prices, therefore both brands use horizontal and vertical production strategy, so that the first increases brand recognition, creating access to large-scale advertising budgets and provide different retail channels, while the second breaks the brand in various segments to enable the consumer to wear the brand in different occasions, and at the same time, the average price is increased according to the segment, as a result, lower prices increase ordinary clientele, making the brand more noticeable to lower-income consumers (Kapferer 2008).

The global market of luxury goods, according to Mundel (*et al.* 2017, Meyers 2004) has been estimated to be approximately 400\$ billion worth and it is increasing to a point that has outpaced all other consumer’s goods industries. In 2011, it was reported that Europe’s share of the luxury goods was worth 238.9\$ billion, this is related to global democratisation of luxury (Granot *et al.* 2013, Passariello 2011). For example, due to China’s growing middle class in a transitional economy, there has been an increasing desire and pursue of luxury goods (Granot *et al.* 2013, Lannes and Han 2010). Another two possible reasons for such growth are the improvement of economical factors worldwide, which include lower unemployment rates, lower production cost, a growing wealthy class in developed countries and increasing work rate for women (Truong, McColl & Kitchen 2009; Yeoman and McMahan-Beattie 2006; Silverstein and Fiske 2005; Fiske and Silverstein 2004; Silverstein and Fiske 2003). The second reason is that

fact that consumption of luxury goods has increasingly reached lower classes of society in most countries (Truong, McColl & Kitchen 2009; Silverstein and Fiske 2003; Nueno and Quench 1998).

2.3. Mass Exclusivity

Access to luxury products and brands that were once considered a privilege for a certain few, today, with such market expansion, it is threatening that exclusivity status (Dion and Borraz 2017; Belleza, Gino and Keinan 2014). Millennials are being targeted, because of their higher-income compared to previous generations, hence it is to expect that they will spend their disposable income on luxury products (J. Mundel et al. 2017). Millennials represent the largest consumer generation in history and are expected to spend more than \$200 billion annually (J. Mundel et al. 2017, Mulligan Nelson, 2012). Globalised consumption and new marketing ideas have influenced our social-cultural context, influence material lifestyles and prosperity brands (Amatulli & Guido 2012; Park, Rabolt & Jeon 2008; Nueno & Quelch 1998; Allérès 1991).

Brands can influence consumers in several ways, two of the most used are the functional dimension, and the relational dimension (B. Godey *et al.* 2012; Rego *et al.* 2009). According to Godey (2012; Keller 1993), the development of brand equity strives from brand concept evolution, linking brand awareness and image, hence brand's meaning comes from functional elements of performance or more abstract elements connected to the imaginary. Consumers who buy noticeable products, from luxury brands, are not only trying to satisfy their material need, but they are also after satisfying their social need for prestige (Amaldoss & Jain 2005; Belk 1988; Grubb and Grathwohl 1967).

Some consumers cannot afford to live a life full of luxurious parts, consequently the term "*luxury excursionists*" was invented by Dubois and Laurent in 1996 (Amatulli 2015), this expression aims to explain that there are consumers who cannot afford luxury items daily, however, they buy them occasionally, providing just a taste of how a luxury object can enhance their social status. Therefore, these people are contributing to the massification of luxury items.

For example, a woman who owns a Gucci "*new brim*" hobo bag, which costs \$695, transmits a much different message than someone carrying a Coach "*ali signature*" hobo of \$268 (Han; Nunes & Drèze 2010). The brand Coach is known for introducing "*accessible luxury*" to the masses, that way, in people's minds, this brand cannot be compared with an Italian fashion house such as Gucci (Han; Nunes & Drèze 2010). However, when a woman uses a Bottega Venta hobo bag (\$2,450), which has a strategy of not showing their logo on the outside, rather putting it on the inside, only people who are knowledgeable of this kind of brand would recognise (Han; Nunes & Drèze 2010) hence showing that some luxury brands are stimulating exclusivity and others are choosing a different route of maximising their exposure.

The performance of a brand involves inherent properties which are related to how consumers perceive the fit between the brand and their functional needs (quality, services, style, price and design), however, not only intrinsic properties are involved, extrinsic properties take a part in

brand's perception and in how the brand meets social and psychological needs of the client (user profiles, personality and values, heritage and experiences) (B. Godey *et al.* 2012).

When talking about relational dimension, we are speaking of creating abstract associations to consider the brand as a symbolic entity, resulting in an interpersonal bond between the consumer and the brand (B.Godey *et al.* 2012; Aaker 1997; Fournier 1998).

Identifying luxury consumers is difficult and doubts exist on how to best market luxury products (Eastman *et al.* 2018; Heine 2010; Vickers & Renard 2003; Vigneron & Johnson 2004), hence being so imperative to determine what motivates one to consume for luxury or status (Eastman *et al.* 2018; Rucker and Galinsky 2008) and what they believe luxury is (Wiedmann, Hennings & Siebels 2009).

2.3.1. Defining Mass Exclusivity

In 2013, Granot *et al.* made research exploring luxury for the masses, and in their findings, they found out that luxury items are no longer just for a selected few. Contemporary brands in Europe, USA and Asia have adopted this new luxury trend, making that market worth up to \$1 trillion (Kastanakis & Balabanis 2012; Truong 2010). Additionally, new luxury brands position themselves between high prestige and price premium to attract middle-class consumers (Truong, McColl & Kitchen 2009). People's desire for exclusivity implies the pursuit of differentiation through superiority over other consumers (Kim 2018). People often choose brands due to their desire to associate with or resemble the typical brand (Han, Nunes & 2010; Escalas & Bettman 2003; 2005). Another factor that has increased the search for this type of products is the fact that consumers' wealth is exponentially expanding, new market segments appear (Kastanakis & Balabanis 2012; Chow, Fung & Ngo 2001) and consumers travel more internationally, hence these new consumers are younger, modern, have a better income and are big spenders (Kastanakis & Balabanis 2012; Twitchell 2003).

Therefore, marketers say that businesses should diversify their offering to suit different market segments, and decide how to expand the marketing channels to target various audiences, stimulating prospect consumers to ultimately brand lovers and loyal clients (Villiers, Tipgomut, Franklin 2019, Volvo Car Group 2019). Empirical observations show that many luxury brands have been stretching their boundaries of access to luxury (Kastanakis & Balabanis 2012; Okonkwo 2009; Catry 2003).

As Mundel (2017) explains, high-end brands expanded their offering by selling more affordable items, enabling brands to capitalise on the trading-up phenomenon that as occurred within the middle class. The word "trading up", in this case, describes the behaviour in which people are willing to shop for inexpensive products to have more money to spend in luxury goods (Kapferer and Bastien, 2009). This has been happening due to democratisation of luxury, which sometimes is accompanied by a wide range of firms, tagging the masses (Truong, McColl & Kitchen 2009; Twitchell 2002), which are driven by a continuous increase of the aspirational consumer segment (Granot *et al.* 2013). However, traditional luxury brands are still fighting this

change by having a strict consistency between perceived prestige and price premium to preserve brand exclusivity (Truong, McColl & Kitchen 2009).

The new notion of luxury is to focus on human involvement, self-expression, unrestricted distribution and recognition from others (Granot *et al.* 2013; Silverstein and Fiske 2003a). The new luxury is also referred as "*masstige*", meaning mass prestige, and it has come to challenge the conventional reality of luxury marketing and branding, which include pricing and price points, consumer demand, brand extensions, market stability, among others. As Granot *et al.* (2013) further explains, marketing of luxury has immensely helped democratise luxury, and, as a result, it has influenced and changed consumer's patterns.

Another definition of "*masstige*" (mass prestige) is that it is a strategic term for marketing penetration for the premium sector, creating brand equity by generating knowledge, likability, love and attachment to the brand, hence, this term can be defined as a phenomenon in which premium and high-value products are marketed to the most number of people by creating mass prestige while keeping constant high prices, therefore, this *masstige* approach can be major for building brand equity and thereby creating success in the long run (Paul 2019; Truong *et al.* 2009).

There are three segments in this new luxury, according to Granot *et al.* (2013; Kastanakis & Balabanis 2012; Silverstein & Fiske 2003a): a) accessible super-premium, which is referring to products or services that have a considerable high price, however, they remain affordable to middle-market consumers, due to its relatively small items, for example, Starbucks Coffee. b) old luxury brand extensions: are lower-priced versions of luxury goods or services, extending their offer line, to provide accessibility, thus selling low-end versions, cash cow items, and at the same time marketing aspirational, high-end versions. A good example is Louis Vuitton, which is providing product lines at an accessible price. c) *masstige* brands, these products and services find themselves between mass-market and high-class goods. Figure 12 explains how mass exclusivity is applied to this new luxury.

New consumers are eager and younger and have much more money to spend, therefore the competition for their attention is intense, and their life patterns are globally changing the way we live (Truong, McColl & Kitchen 2009; Twitchell 2002).

Mass exclusivity can be integrated into every category previously explained, whether creating value and recognition or generating revenue (raising cash cow income), therefore, mass exclusivity strategy can improve brand equity because it can affect consumers in terms of attitudes, awareness, image and knowledge or the other hand it can influence companies in terms of price, market share, revenue and cash flow, as it was previously explained (Ailawadi, Lehmann & Neslin 2003). Nevertheless, these segments show us how brands take different approaches to create awareness of the brand in the middle and lower social classes

According to Correia (2016; Silverstein & Fiske 2003), luxury products are more directed to the middle classes that can pay higher prices, because those products can express their emotional state and are a sign of social status.

2.3.2. Buying Motivation

Motivation is the process that causes people to act as they do when necessity comes around and the consumer needs to satisfy it, whether is a utilitarian or hedonic, therefore, it does not matter the kind of constraint, as long as there is an unconformity between the present state and the

New Luxury Market - Mass Exclusivity

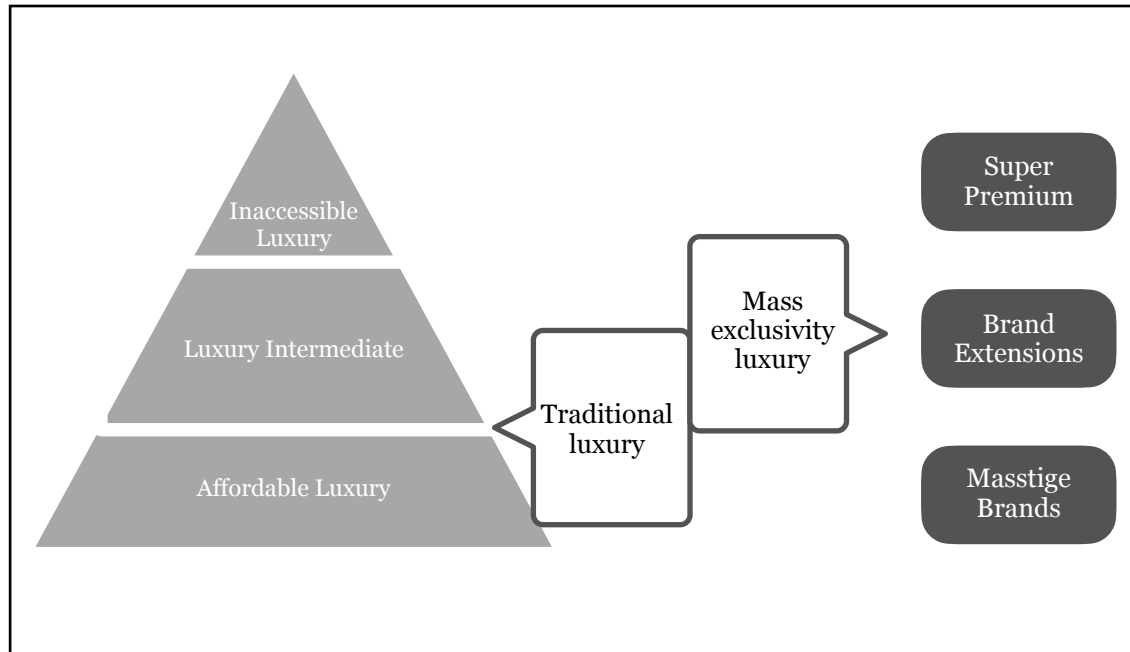


Figure 12: Traditional luxury markets and new luxury Adapted from Correia 2016; Rodrigues 2013

ideal state, thus tension will exist and an impulse is activated, which leads to desire, that is the representation of motivation (Solomon 2008).

Shopping motivation is fundamental when trying to understand which reasons people have to purchase (Rousseau 2017; Tauber 1972). Therefore, there are three different proposals about what drives someone to shop: (1) mental orientation drives the consumer to buy, (2) buying to satisfy one's needs, (3) value of the product or experience has to the consumer's (Rousseau 2017, p.51; Jamal *et al.* 2006). Motivation is the feeling of need which leads to oriented behaviour (Rousseau 2017).

As Shukla (2011; Hume 2010; Shukla 2010; Leigh & Gabel 1992) puts out, the internal drive is one of the most powerful tools to affect consumers motivation, due to creation of a favourable social image from their purchase's outcome, thus it is thought that consumption may be influenced by normative and informational interpersonal influences (Shukla 2011). External motives are also applied to consumers, these can be interpersonal and extrinsic, for examples the sign of wealth (Eastman *et al.* 2018; Truong *et al.* 2008; Vigneron & Johnson 2004).

The Theory of Leisure, from Thorstein Veblen, originally released in 1899, is still being applied to today's buying motivation since it refers to how people use wealth and goods to enhance their social position in society (Scott 2010). The desire for exclusivity leads to consumer's desired to show superiority over others by having products many people yearn for but cannot have (Kim 2018; Sundie *et al.* 2011; Girl & Huettl 2010).

These motives can be described as conspicuous consumption - Veblen effect - (Eastman et al. 2018), which means to use time as unproductive and for consumption, as to exhibit proof of their skills and manners acquired throughout the years, which ordinarily involve good taste, education and methods of consumption (Scott 2010). Other motives can be snob appeal, that motivation pertains to buying exclusive items to differentiate themselves from others, therefore, luxury has been related with this kind of consumer due to its exclusivity and services that only a few can afford (Granot *et al.* 2013). And finally, the bandwagon effect, which is mention to be the increase of demand of a certain commodity, due to fact that other people are consuming the same goods (Leibenstein 1950), consequently, it shows the need to fit in. It is a positive effect which increases product consumption, therefore scholars find bandwagon effect one of the most important types of luxury consumption (Kastanakis & Balabanis 2012; Tynan, McKechnie & Chhuon 2010; Chaudhuri & Majumdar 2006; Vigneron & Johnson 1999).

Some consumers prefer loud rather than quiet products, this means that some buyers want to associate with and/or dissociate themselves from groups of consumers (Han, Nunes & Drèze 2010).

Nouveau riche people, tend to like to indulge in luxurious product brands, but many lack the experience and confidence to discriminate, hence they buy well-known brands due to their reputation and prestige (Nueno & Quelch 1998).

As for mass exclusivity clients, we have young adults, millennials, which have a tendency to spend money and a goal of signalling fashion consciousness and status to other people (Eastman *et al.* 2018; Mundel, Huddleston & Vodermeier 2017). This means that once millennials purchase for status or luxury, they are more likely to repurchase (Eastman *et al.* 2018).

2.3.3. Buying Decision

High fashion products never get old, so, like every extremely expensive object, people tend to create a narrative where they can afford those kinds of items. Brands play with that desire and want, and create storylines whose consumer will relate and consequentially find fondness on the brand itself, establishing a relationship. An example is the brand Tous with its Tender Stories (Tous 2020). Brands are providing brand experiences to their consumers, thus playing the waiting game. Granot *et al.* (2013) explained that products like these still have demand even in a slow economy, and that is because of the strong emotional experience they provide.

Nonetheless, brands need to excite buyers, meaning, the offer even if it is a luxury product, it has to be seen as of some value, in other words, it has to be an imminent solution to some problem or issue that the client has perceived (Villiers, Tipgomut & Franklin 2019).

According to Amatulli and Guido (2012; Bearden & Etzel 1982), there are two classes of luxury products: public luxury goods and private luxury goods. Publicly consumed luxury (PUL) is when a product is consumed in public view and usually is influenced by others (Bearden & Etzel 1982; Bourne 1957). Private consumed luxury (PRL) is about products that are consumed out of the public eye, and normally the brand used is no socially important, however, products do transmit a message about its consumer (Bearden & Etzel 1982; Bourne 1957).

Luxury products can be used either for social recognition, social status (Amatulli and Guido 2012; Nelissen & Meijers 2011) and desire for elitism (Amatulli and Guido 2012; Han, Nunes & Drèze 2010; Truong et al. 2008; Mandel, Petrova & Cialdini 2006; Maison 2001; Vigneron & Johnson 1999), or personal (Amatulli and Guido 2012; Hagtvedt & Patrick 2009; Laget, Czellar & Laurent 2003). In figure 13 it is represented as a diagram of how private and public consume is related in terms of necessity and luxury.

Consumers purchase more luxury goods today than ever before and for all kind of reasons, which can be the desire to emulate the lifestyle of the richest or the social class right above theirs (Truong, McColl & Kitchen 2009; O’Cass and Frost 2004), also because of the superior quality of the product (Truong, McColl & Kitchen 2009; Vigneron and Johnson 2004) or on a more hedonic note, luxury can be a ground basis of self-rewards (Truong, McColl & Kitchen 2009; Silverstein and Fiske 2005). They consume due to their need of belonging to a group and be

Product and brand purchase decisions

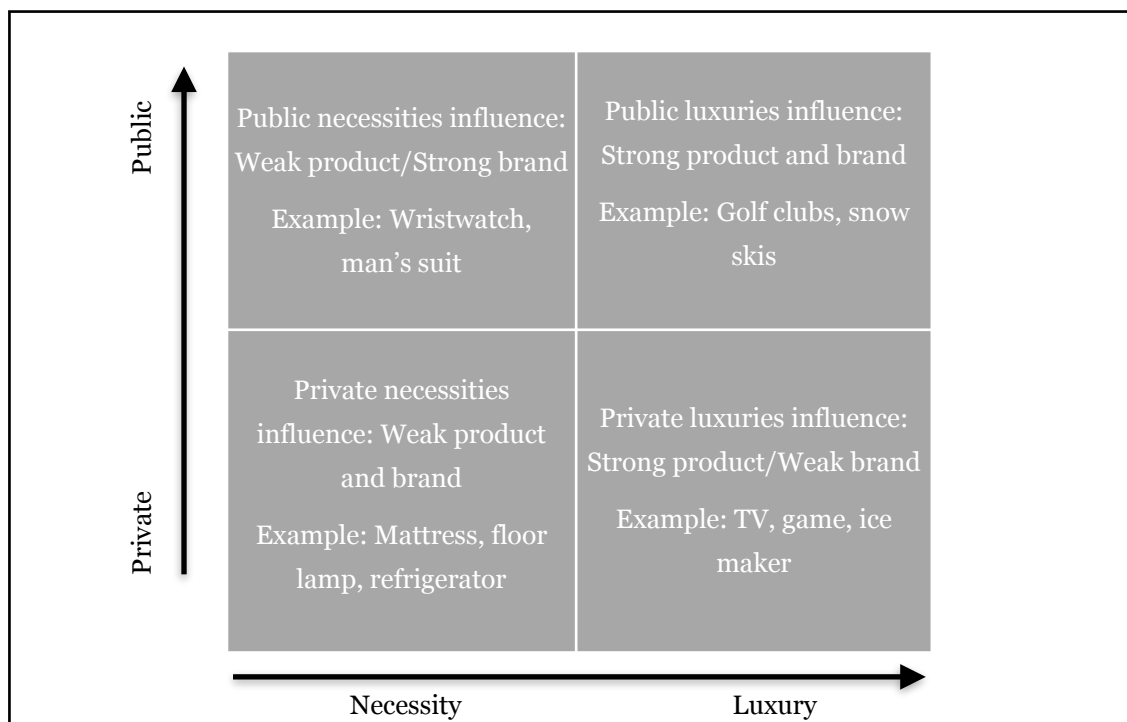


Figure 13: Private vs Public and Luxury vs Necessity dimensions with product and brand purchase decisions; Adapted from: Bearden & Etzel 1982

socially well positioned, on the other hand, to satisfy their personal needs, taking into account their scale of priorities (Amatulli & Guido 2012; Wiedmann, Hennigs & Siebels 2009). Due to these reasons, luxury has become a mass-market, which can include members from almost all classes (Truong, McColl & Kitchen 2009; Yeoman & McMahon-Beattie 2006; Nueno & Quelch 1998).

2.3.4. Retail Mass Market

Retail commerce of products or services is the last stop in a distribution chain because they bring the item to its final consumer, yet they sell it into small portions, and their clients, who

benefit from their personal, familiar or domestic use, are usually attracted by store location, store image, and usually buy on a spur of the moment (Rousseau 2017; Berman & Evans 1995).

According to Lunardo and Mouangue (2019; Healy *et al.* 2007) consumer use a lot of their emotions when there are deciding which shop they want to go into, so brands and retailers pay a lot of attention to store design, whether physical or online venues, to prompt positive emotions. Additionally, brands often spend a great amount of money in designing refined environments, where consumers can experience memorable experiences (Lunardo & Mouangue 2019; Ritzer 1999).

The evolution of commerce can be divided into four major moments in history: selling in fairs/markets, then the first commercial establishments opened in the middle age, then, the fragmentation of markets during Industrial revolution, and finally today's market, where the biggest concern is the client's needs (Galhispo 2015; Valente 2001).

Retail shops started to appear due to cities' development, in the 18th century, when there were more consumers per geographic area. Hence the need for bigger shopping offer and better distribution channels, that would enable products to reach their buyer more efficiently (Rousseau 2017; Adcock & Sullivan 2002). Therefore, the biggest factors for economical evolution and commerce development, in the 19th century, were the demographic explosion, rural exodus, longer peaceful times, the evolution of transport such as railway tracks and merchant navy, extinction of the feudal and corporate system, credit generalisation and strengthening of the banking sector, price fluctuation and Industrial Revolution (Rousseau 2017; Tamanes 1979).

During the 19th century, establishments started to appear, such as the first department store *Le Bon Marché*, in 1852, in France, another was Mark & Spencer, in 1894, in the United Kingdom, nonetheless the *Lafayette's Galleries* in 1895 in France which was the first popular warehouse (Galhispo 2015). In Portugal, big establishments were developed a while after, therefore, big warehouses such as *Armazéns do Grandella* and *Armazéns do Chiado* inaugurated in 1907 (M. Oliveira 2018) and 1894 (Nathália 2018), respectively. The first supermarket opened in 1970 and it was called *Pão de Açúcar*, and the first hypermarket was in 1985, and it is called *Continente*, which maintains its functions nowadays (Galhispo 2015). The first shopping centre emerged in 1971, called *Apolo 70*, and with this expansion led to new inventive ways of commerce, which ultimately induced service-free, that revolutionised the relationship between consumer and commercial space (Galhispo 2015).

Most shops from back then did not survive or suffer major changes, due to economical crises such as USA's 1929 financial crises, creation of European Union, among other reasons, but the ones that did survive were because of their resilience, which means they are surpassed critical situations and as result, being able to go to their natural excellence state (Rousseau 2017). This way, a company which develops the ability of overcome challenges, gains trades that will better help it to adapt to a new economical reality, hence being apt to predict struggles and plan accordingly (Rousseau 2017).

When brands are competing with each other, normally they use channel segmentation to avoid conflicts, price harmonisation problems and maximises the adaptation of the brand to the motives of channel patrons (Kapferer 2008).

Nowadays, luxury brands are increasing their power by doing everything in house, meaning they are creating their retail outlets (vertical integration) (Nueno and Quelch 1998) resulting in a decrease in the product price. In figure 14 some luxury brands have moved to the bottom of the pyramid, adopting a more democratised strategy, rather than being on top, an example is Bulgari whom in 1995 announce it would expand from 12 jewellery stores to 70, from 2,700 fragrance counters to 5,000 in 1997 (Nueno and Quelch 1998). Additionally, luxury brands are giving more and more importance to aesthetics of store environments because this type of brands are supposed to help clients accomplish status-seeking purchases (Lunardo & Mouangue 2019; Atwal & Williams 2009).

Nevertheless, it is important to refer that not every luxury store can promote strong positive emotions to everyone, such as comfort or happiness (Lunardo & Mouangue 2019; Kim *et al.* 2016). Additionally, there is a reason why it is expected that reaction, and that is because luxury retail stores differ from the average premium stores for five reasons: (1) they stimulate scarcity and aesthetic value through workmanship, (2) they portrait authenticity, (3) they benefit from



Figure 14 - Progressive Mass Marketing of Luxury; Adapted from: Nueno & Quelch 1998

an exceptional charismatic persona, (4) they express creative charisma, and finally (5) they anchor their retail ideology in beauty and their strategy in-store is to use, therefore, when consumers enter the store, they feel it is a palace of privilege (Lunardo & Mouangue 2019; Dion & Arnould 2011)..

Luxury stores had to adapt and develop new strategies to stay afloat, so they created resilience. According to Rousseau (2017; Coutu 2002), businesses, to be resilient, need to have three major characteristics: (1) they are pragmatic when facing harsh reality and not raise false hopes, (2)

they have a strong shared value system which allows them to overcome crises, and finally (3), they are crafty in finding solutions to their unusual problems.

2.3.5. Internet

To solve the problem of fulfilling the high demand of luxury good, luxury brands have developed business strategies that pursue better service to consumer's demand by raising product's availability through the enlargement of their geographic coverage (Fionda & Moore 2009; Vickers & Renand 2003; Twitchell 2002; Euromonitor 2001).

Another way that has helped and supported this development is the fact that there has been a big media interest lately on luxury goods consumption and luxury brand awareness as a pillar element of consumer culture (Fionda & Moore 2009; Brooke 2004; Vickers & Renand 2003).

Before exiting the *World Wide Web* (WWW) in 1989, there was ARPANET, which was created and developed in 1969, by DARPA - *Defense Advanced Research Projects Agency* (Oliveira 2018; Browning 1998).

The Internet started with the USA Government, after ARPA - Advanced Research Project Agency - was created to respond to the perception of scientific-technological advantages of the interest displayed in launching the Sputnik satellite, from the then-Soviet Union in 1957 (Congressional Digest 2007), this interest was found by a communication system's failure between the military and the President, which allowed the discovery of an imminent nuclear attack by the USSR (Oliveira 2018; Carrera 2009). ARPA along with the newly created National Aeronautics and Space Administration had the purpose to regain technological superiority for the USA (Congressional Digest 2007). Soon ARPA understood that in order to reach the advances they were required to, they would need to bring all the brainpower that universities and research institutes have across the USA (Congressional Digest 2007; Oliveira 2018; Browning 1998), therefore in 1962, the Information Process Techniques Office (IPTO) was generated to envision an intergalactic community that combined a single time-sharing system into one computer, that way being a way of communication between people (Congressional Digest 2007). RAND researcher worked on a contract of the US Air Force to create a plan of telecommunications infrastructures that could survive a nuclear attack, and part of that same plan was the development of telecommunication network, that was the start of a technique called packet switching, which later was used as a key concept to the ARPANET - Advanced Research Projects Agency Network (Congressional Digest 2007).

According to Congressional Digestion article (2007, p. 35), packet switching "Packet switching is an approach that breaks a message down into separate, discrete pieces or packets. Each packet then moves from its point of origin to its destination over any open route, regardless of which path the other packets take. When all the packets arrive at the destination they are reassembled — and the message is delivered intact" a message is divided into pieces, then send it to different locations, or more precisely over different open routes, and finally arrive all at the same time, and combines again into the message (Oliveira 2018; Carrera 2009).

After having these ideas, the only thing missing was the technology to allow different computers, from various manufacturers and operating systems to communicate with each other, and in 1969 finally happened, when on the second try, the IMPS (interface message processors created in 1968) installed at UCLA and Stanford Research Institute connected and the primordial stages of the communication revolution started (Congressional Digest 2007).

Later on, in the year of 1985 NSFNET - *National Science Foundation Network* - which was build of different networks to create a free network for research purposes (Oliveira 2018; Hortinha 2002). Soon this network was developing at a fast pace, hence in 1989 the *World Wide Web* appears, and the Internet was used for commercial purposes in 1993, transforming itself into a global network (Oliveira 2018; Hortinha 2002) created by Tim Berners-Lee at CERN - *Organisation Européenne pour la Recherche Nucléaire*.

The Internet has become a tool to create culture interaction, free expression and direct and fast access to information to all the people (Oliveira 2018; Kapferer 2004).

2.3.6. Selling Luxury Online

Selling luxury products online is a bit of a tabu matter since internet and luxury are seen as opposites, meaning internet stands for accessibility and democracy (Díaz, Martín-Consuegra & Estelami 2016; Hensen & Bjorn-Andersen 2013), while luxury characterises rarity and inaccessibility (Díaz, Martín-Consuegra & Estelami 2016; Kapferer & Bastien 2009).

Internet and mobile devices have revolutionary how people interact and change the selling/buying relationship (B2C). Not only attracted a reasonable number of consumers to buying online but also created opportunities for retailers to increase online sales (Nguyen, Leeuw and Dullaert 2018). Data supporting these affirmations showed that in 2019 internet penetration reached 85% in Europe and Portugal 75%. The global B2C e-commerce reached over \$2 trillion, which in terms of percentage is around 11% of growth from the previous year (EcommerceEurope 2019).

Selling at a brick store or online are completely different, hence investigator finds that the online segment should be approached in a different way (Villiers, Tipgomut & Franklin 2019, Cummins, Schibrowsky & Nill 2014).

Online shopping in Portugal reached 49% in 2018, same as Greece, and data displayed that North Europe has the highest spending per e-shopper, which means that in Europe, they are the ones who use more online-shopping to do their purchases. Portugal is the country with more concerned about security when it comes to online payment, as in 2017, this country reach 29% in this concern factor (EcommerceEurope 2019). As table 2 shows, Portugal uses mainly national online payment methods, probably due to the lack of trust in online purchasing methods. Nevertheless, Portuguese are more and more buying from home and they buy fashion, electronic goods and food. In correlation with previous information, millions of Portuguese people use social media and electronic devices, thus the increasing e-shoppers, as it is shown in figure 15 (Oliveira 2018; Marques 2016). However, some countries do not trust online shopping, as Kosovo was the country in 2017 that showed 55% like to see and touch the product before

buying or have a strong loyalty to physical shops or force habit for shopping in-store (EcommerceEurope 2019).

Due to the global health crisis that we are experiencing in 2020, we are facing a deadly virus called SARS-COV-2, more commonly known as Covid-19, and it is a virus that causes severe respiratory infection such as pneumonia (SNS24, 2020). As a result of this virus, the country is going through a lockdown, where people work from home, and stores, bars, and other

Table 2 - Portugal Ecommerce Environment 2018

Payment Method Preference/Use	Delivery Method	
MB Payment of Services (National Scheme)	At Home	75%
Credit Card	At Work	25%
MB WAY (National Scheme)	Post Office	19%
PayPal	Parcel Shop	10%
/	Retailers Store	11%

Adopted from: Ecommerce 2019 - European commerce report 2019 (free version)

Internet, social media and mobile usage

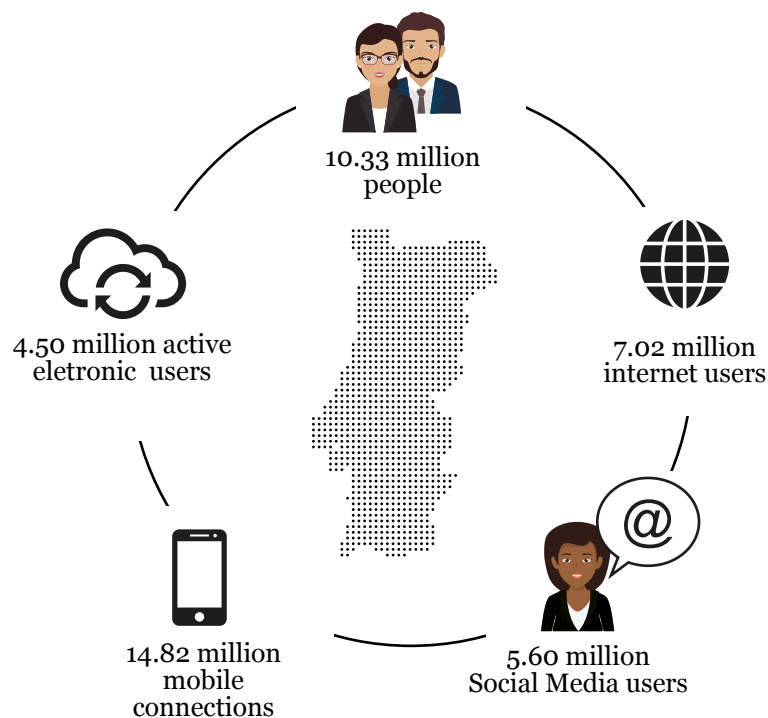


Figure 15: Internet, social media and mobile usage of Portuguese population ;Adapted from: Oliveira 2018; Marques 2016,p. 562

establishments are closed (Agência Lusa 2020). Since this is our current situation, online consumption increased by 200% in Portugal (Cardoso 2020).

Online sellers face several challenges to fulfil the consumer's wishes, which include being on time and efficient transport and delivery, also accurate inventory management and efficient warehouse design and management (Nguyen et al. 2018; Fernie & McKinnon 2009; Agatz *et al.* 2008; Hays *et al.* 2005; Maltz *et al.* 2004; De Koster 2003). Despite having these constrictions, websites are a terrific tool to enable improvements in processes and facilitate cost reduction, and ultimately can help to global expand a brand (Díaz, Martín-Consuegra & Estelami 2016; Cebi 2013; Hansen & Bjorn-Andersen 2013).

Online stores normally have more options than physical stores do, therefore they are more likely to meet consumer's demands (Nguyen et al. 2018, Brynjolfsson et al. 2011). Nevertheless, we need to take into account that online consumers are usually better informed, normally are more travelled and more mobile, hence having more choices due to advanced technology, meaning their behaviour and habits are different from brick stores' consumers (Villiers, Tipgomut & Franklin 2019), therefore they search more for different options to meet their needs. Internet is becoming a take-off tool for luxury fashion brands (Díaz, Martín-Consuegra & Estelami 2016; Kim & Ko 2012), therefore e-commerce is one of the fastest-growing sales channels for luxury products, growing by 28% from 2013 to 2014. (Díaz, Martín-Consuegra & Estelami 2016; Bain & Company 2014).

Selling luxury online can be a paradox since luxury is supposedly exclusive and, because of the internet, can be banalised through the consumer's eyes (Figueiredo 2019; Martins, Ilkeda & Crescitelli 2016), however, luxury brands are increasing their social media presence, creating a closer relationship with consumers and empty with young people, which leads to an opportunity to share ideas and information with people (Figueiredo 2019; Kim & Ko 2012).

Luxury brands are taking advantage of the internet, that way lowering their price and showing more offers. In Portugal we are observing a crescent use of this tool, meaning Portuguese consumers are no longer afraid of buying online, therefore, they are increasingly purchasing more items, which leads to pricier items, such as jewellery and bags. Online shoppers value quality in terms of information, ease of placing orders and returning products, good prices and security of personal information (Forbes & Vespoli 2013, Bhatnagar & Ghose 2004). Additionally, by creating this online closeness with consumers, business strengthens their relationship with their clients (Díaz, Martín-Consuegra & Estelami 2016; Cebi 2013). Brands like Tous, Calvin Klein and others are in this market, using these tools. One Portuguese company that takes advantage of this situation is Farfetch, who provides luxury clothing items online at sales price.

In table 3, there is an explanation how masstige (mass exclusivity) marketing strategy can be used, keeping in mind that the four Ps of Kotler: price, product, promotion and place, can contribute to this strategy effectiveness (Paul 2019). The keys to masstige marketing are product and promotion strategy, whereas price remains unchanged, keeping the perception of exclusivity (Paul 2019).

Table 3: Masstige Marketing Stages

Product	Product launch	→	Product innovation and product differentiation	→	Offering sub brands
Promotion	Eye-catching media advertising	→	Advertising at premium locations such as city centres where the target is likely to see	→	Strategic brand management and endorsement by celebrities
Place	Control distribution and exclusivity	→	Distribution on directed and franchising locations	→	Online sell to attract new consumers
Price	Constant & High	→	Constant & High	→	Constant & High

Adapted from: Paul 2019

Brands such as luxury ones also need to pay attention to what their websites need to provide to bring more clients. Physical stores normally provide hedonic and sensory rewards throughout their retail stores' environments, therefore creating exquisite retail environments (Lunardo & Mouangue 2019), for this reason, luxury brand's websites need to put a lot of effort in their design, since people do not physically feel the environment, the website needs to appeal to the same multi-sensorial experience in clients. Luxury retail offers a hedonic appeal and is affect-rich, due to a combination of multi-sensorial stimuli (Lunardo & Mouangue 2019; Dion and Arnould 2011).

Nevertheless, one of the biggest dangers of selling luxury online is the lack of the exclusivity magic, because those brands are more accessible to everyone, therefore luxury brands have to create a balance between presence and absence, thus it is important to still generate the luxury fantasy to the consumer without vulgarising the product (Figueiredo 2019; Kapferer 2015).

2.3.7. Influencer Marketing

"Status is not granted by oneself: it is given by opinion leaders, experts, and the press" (Kapferer 2008, p.165).

Nowadays, consumers are starting to rely on peer-to-peer communications, therefore, influencer marketing has become a huge importance key of brands' digital marketing strategies (Hughes, Swaminathan & Brooks 2019; Association of National Advertisers 2018). In Portugal, social media platforms have been a success, hence a study made by Netpanel on Marketest, in 2010, has shown that 3.4 million Portuguese over 4 years old has accessed to social media and between the ages of 15 to 24 are the main users of this way of communication (Oliveira 2018; Comunicart Publishing 2010).

Hence, it is safe to admit that having access to smartphones and other social media devices has created a fascination among most of us and has led to people documenting exactly what they are doing and sharing with others, for example, a meal at a restaurant does not get a touch until a photo is taken and posted on Instagram or more extreme example is when people wear a tiny camera called the *Narrative Clip* which automatically snaps photographs every 30 seconds, to be published their everyday movements (Solomon 2018).

People use social media, for that reason brands are using this same tool to expand their awareness and reach different types of consumers, whether they are looser with their money, or are just trying to save to buy their dream bag. With this in mind, brands by using social media, they are giving new tools to clients, such as allowing more feedback of the products which they are selling (which for the company is a tremendous big plus because they can continuously improve their services due to clients feedback), creating a chain of mouth to mouth by recommending products to contacts and friends, and linking current purchases to possible future purchases through online status updates and social media feeds (Forbes & Vespoli 2013). Digital revolution is one of the biggest influences on consumer behaviour, and it tends to increase as more people log in (Solomon 2018).

Social media is a form of influencer marketing, which can be described as a type of native advertising, brand share entertainment or a high credible electronic word of mouth situation, due to commercial posts that are incorporated seamlessly in influencers' narratives of their daily lives which they share with their followers on social media, such as Instagram or Facebook (Breves, Liebers, Abt & Kunze 2019; De Veirman, Cauberghe & Hudders 2017; Evans et al. 2017; Abidin 2016; Hudson & Hudson 2006). Social media aside of being a marketing tool, it is also a way to share intimate details about people's lives, additionally, social media can be defined in terms of hardware, such as Samsung smartphones, or software, such as Snapchat, however the most important about social media is the online community that it creates, which leads to individuals constantly checking friends' updates online because they are afraid of being left out. Some researchers refer to this phenomenon as the compulsion known as fear of missing out - FOMO (Solomon 2018). Brands can prey on this condition by connecting with their consumers, by creating online profiles they are friending their buyers, becoming closer to them and increasing their exposure (Oliveira 2018; Tuten & Solomon 2015).

Word-of-mouth is one of the most effective ways to spread a brand's message because it is product information that individuals transmit to other individuals, and as a result, that information tends to be more reliable and trustworthy (Solomon 2018). In a study made by Whyte about the diffusion of air conditioners in Philadelphia showed that the Americans are extremely susceptible to word of mouth (Arndt 1967). However it is important to accentuate that word-of-mouth should not be seen as a replacement of advertising, rather be a complement (Kapferer 2008).

Social media influencers are people who are becoming to be known as *opinion leaders* that communicate to an amount of unknown mass audience (Breves, Liebers, Abt & Kunze 2019; Gräve 2017). They are people who have built a considerable social network of people who follow them and are known to be trusted trend makers in certain niches (De Veirman, Cauberghe &

Hudders 2017), and can influence other's attitudes and behaviours (Solomon 2018; Watts & Doods 2007; Holbrook & Addis 2007; Rogers 1983). Recent studies suggest that opinion leader have to combine three different, but necessary, traits: they are perceived as experts (even though not all experts are opinion leaders because they can be influencers, or salespeople or subscribers), they are graced with charisma and have higher social visibility (Kapferer 2008). Influencers can be professionals, hobbyists, or people who are extremely involved, meaning they have a lot of interest in a certain industry as a consumer (Kapferer 2008).

Also, social-media are platforms that provide sneak peeks to celebrities' lives, as a result, when they sponsor content in form of an endorsement, it seems more natural and believable (Boerman, Willemsen & Van der Aa 2017; Lueck 2015). Influencers normally incorporate brands into their feeds, as a result, followers accept their suggestions gladly (Breves, Liebers, Abt & Kunze 2019; Boerman, Willemsen & Van der Aa 2017).

Nevertheless, previous studies about personal influence have been more focus with influencers than with those who are influenced by, therefore, studies about this subject normally have two main methodological limitations: they only report simple statistics about associations between exposure to the word of mouth and acceptance of the new product without controlling predisposition factors affecting the connection between the word of mouth exposure and acceptance or even content of advertising; another factor that is not considered is the time it takes between the word of mouth exposure and purchase of the product (Arndt 1967). However, even with these constrictions in the study this phenomenon, it is shown that word of mouth influences 50% of all consumer goods sale (Solomon 2018; Bughin, Doogan & Vetvik 2010).

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To influence the mass market, which are people who are less involved with brands, as Kapferer (2008) called them the *switchers*, they have to be reached by opinion leaders, because normally consumer behaviour depends too much on an individual approach to consumer choice, therefore, the client decides what to buy in a social vacuum. However, every one person belongs to a network or a group, so the previous premise of individual approach may not always be the way to go, so building a brand means getting closer to these groups, which are influence mediators (Kapferer 2008). Figure 16 is a diagram that shows how brands, community, clients and product interact, displaying in the centre a focal point: the internet and influencer community influencing consumers in their decision, and they generate bonds between brand and client, brand and community, community and client, and client and community with product comparison when searching for items (Kapferer 2008).

Opportunity for bonding

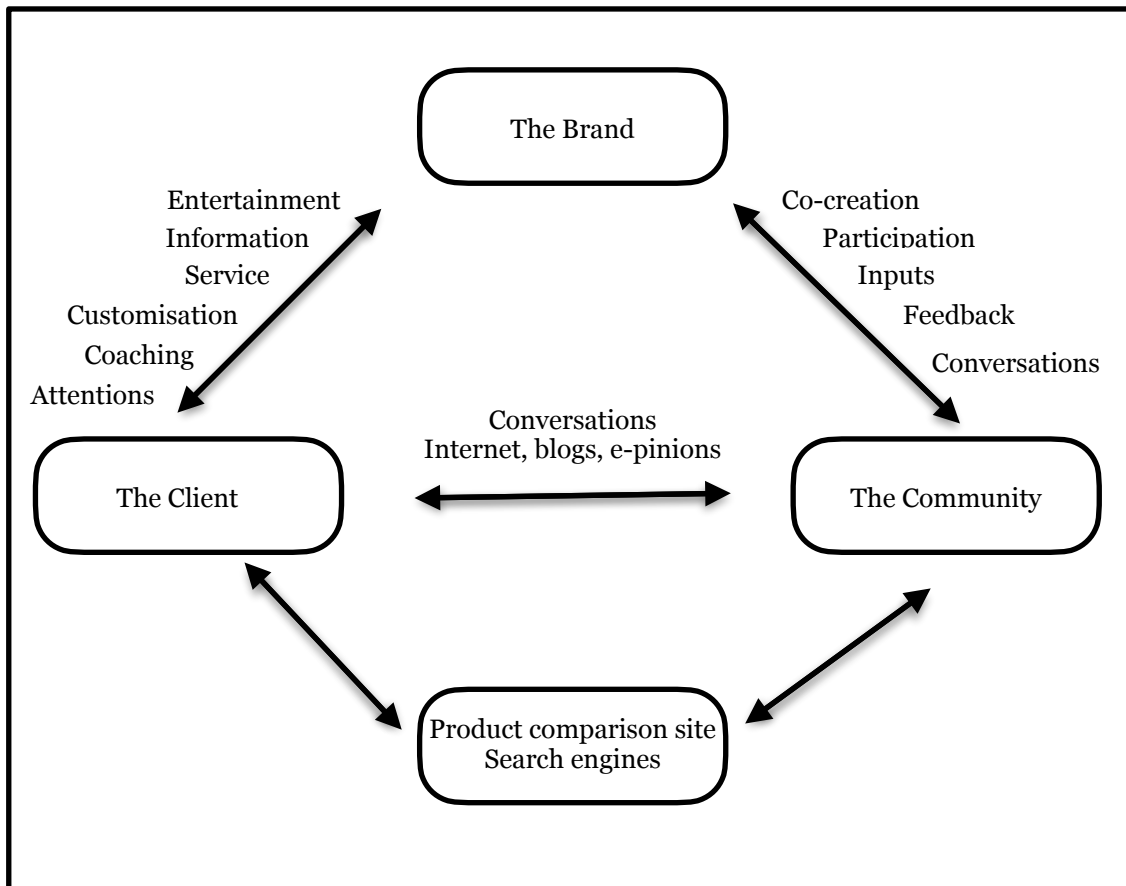


Figure 16 - Consumer empowerment provides opportunity for bonding, Adopted from Kapferer 2008.

Brands are showing new products and messages through influencers, intending to diffuse as much information as possible to reach as many people (De Veirman, Cauberghe & Hudders 2017; Keller & Berry 2003; Weimann 1994). If the number of followers is higher, it can result in larger dissemination of the commercial message, which the brand is trying to share, and hence elevate the power of electronic word-of-mouth (eWOM) to a bigger proportion (Koernig & Boyd 2009; Bush et al. 2004). Studies supporting these affirmations and also saying celebrities as endorsement can be an effective strategy to gain consumers attention (Koernig & Boyd 2009; Atkin & Block 1983). Different authors also affirm that influence is driven less by influentials and more by an interaction between those who are easily influenced, hence the influenced people exchange information vigorously and they also participate in a two-way dialogue with the opinion leader (influencers) as part of an influencer network, which creates information cascades that occur when a piece of information triggers a sequence of interactions (Solomon 2018).

2.3.8. Mass Exclusivity as a Consumption Trend

Consumers have a perceived self-image which relates to their self-concept, therefore, they need to preserve, alter, enhance or extend their image by buying products which serve that purpose (Kastanakis & Balabanis 2012; Claiborne & Sirgy 1990; Sirgy 1985).

People feel that their physical appearance and possessions affect their value as individuals, additionally, many Eastern cultures find importance on collective self, where an individual derives his or hers identity from a social group (Solomon 2018). Both Western and Eastern believe that self separates into two, first the inner, more private, self and lastly the more outer, public self (Solomon 2018). However, many non-Western are more prone to focus on an interdependent self, which means they define their identities largely by their relationships with others, for example, some Asian cultures developed an explicit set of rules about appropriate colours to use, and it dictates what kind of garments various social classes should wear, showing their status and occupation (Solomon 2018).

Therefore, the *self-concept* can be defined by the belief system which a person upholds, about his or her attributes and how an individual evaluates the self on those qualities, thus self-concept is a complex structure that has various dimensions, such as content, positivity, intensity and stability over time, and accuracy, yet all these factors usually change throughout the individual's lifespan, which means it is a work in progress that leads to our identity (Solomon 2018). *Identity* can be defined as "any category label with which a consumer self-associates that is amenable to a clear picture of what a person in the category looks like, thinks, feels and does" (Solomon 2018, p. 201).

Some individuals tend to focus on their internal domain and self-related goals and needs, therefore some people think of the concept of self as an autonomous, independent person - an independent self-concept (Kastanakis & Balabanis 2012; Markus & Kitayama 1991). Others put their efforts on an inter-personal domain and the opinions or relations of others, which means these individuals care more about their external persona, and how it appears to the rest of the society - an interdependent self-concept (Kastanakis & Balabanis 2012; Markus & Kitayama 1991).

A product is never used only for its functionality but is normally used for its value (Cantú 2019). As a result, objects are symbols that help the individual to create his or her image, to highlight himself or herself from the rest of the group (Cantú 2019; Baudrillard 2011).

A *trend* is defined as a change in behaviour and attitudes, which lead to conduct changes that are related with our daily grind, and are the result of civility, values, desires and the economic and cultural context (Cantú 2019; Gomes 2015). Trends are patterns and cycle changes that switch people's and markets' direction (Cantú 2019; Dragt 2017). Trends can be demonstrated in a Gauss curve, which explains perfectly the fashion cycle, as some trend raises to its prime state and then decreases and becomes *démodé* (Erner 2015).

As it was previous explained, status-seeking is a big motivator for consumer's behaviour (Zhao, Jin, Song, Cui & Ding 2018; Griskevicius & Kenrick 2013). Luxury consumption is a consumption style trend, in which people engage in this type of behavioural patterns to gain advantages (Dogan, Ozkara & Dogan 2018; Kastanakis & Balabanis 2012). Hence, one possible reason for people to use luxury items is to display their self, to play a certain role (Solomon 2018). *The symbolic self-completion theory* says that individuals who have an incomplete self-definition are more prone to complete their identity through acquiring and display symbols they associate with a certain role (Solomon 2018).

According to Erner (2015), Simmel affirms that fashion is a modern democratic symbol as it raises the question between the individual and society because, in terms of fashion trends, peer pressure can act as a paradox as it sheers people from individualism. It helps the consumer to not feel ashamed of their choices and puts people as part of groups, which is vital to survival (Erner 2015).

People have the feeling of incompleteness, which is normal is the human condition, and it happens when we compare ourselves with others regarding comfort or well-being (Wharff 2007). “We compare our insides to others’ outsides and discover a difference that is experienced as an insufficiency” (Wharff 2007, p. 183), as a result, people have a longing for completion and that is called desire (Wharff 2007). Luxury brands are playing with this desire and use the mimetic mechanism described by René Girard, which is based on the desire born of imitating a model, meaning luxury brands use people’s desire for introducing a little luxury into their lives in their advantage, as a result, luxury brands create more accessible product lines for those potential clients (Kapferer 2008). Consumers imitate other consumer’s desires, even if it is an unconscious process because this behaviour promotes anxiety relieve and creates secure through an inflated sense of autonomy (Wharff 2007).

There are groups of people, based on their attitudes toward luxury, that aspire to be like the true luxury consumer, thus following the mass exclusivity trend (Solomon 2018). In fashion, trends move at a fast pace (Cantú 2019; Dragt 2017), however, in economical and cultural change takes time and influence at a social-cultural level (Cantú 2019; Higham 2009). This mass exclusivity trend, as we saw when explaining luxury brand’s construction (Kapferer 2008), has been developing for a certain amount of time, and as a result, there are groups, categorised as “*luxury as indulgence*” and “*luxury as a reward*” that are a big focus for these type of market (Solomon 2018). However, they are not the only ones, aside of having the nouveau riche, who suffer from extremely status anxiety because they did not benefit from years of training to learn how to spend the money, and are always trying to find the perfect outfit to fit in with the old money, there are also the lower-incomers, which variate from low wage to middle class (Solomon 2018).

The luxury consumer is said to be highly sophisticated and brand literate, and are fashionable and aware of their tastes and preferences, and their choices are more of a reflection of their style rather the name of the brand itself, however, and it is a market that has been diluted because in every age group there are fashion luxury consumers (Okonkwo 2007). Luxury consumption is no longer attached to one social class, rather is expanding thus mass exclusivity consumers are normally increasing their income, so luxury items will be evaluated as appealing to them (Dogan, Ozkara & Dogan 2018; Yeoman 2011).

2.3.9. Creating Brand Value

Brands which used to pursue a luxury segment are now starting to shift to the masses, however, companies need to pay attention to the number of segments that choose to focus their resources, because in a long run, if brands choose too many segments can face a misfortunate and the opposite can also be problematic (Villiers, Tipgmut & Franklin 2019; Hlavacek & Ames 1986).

Masstige Value Chain

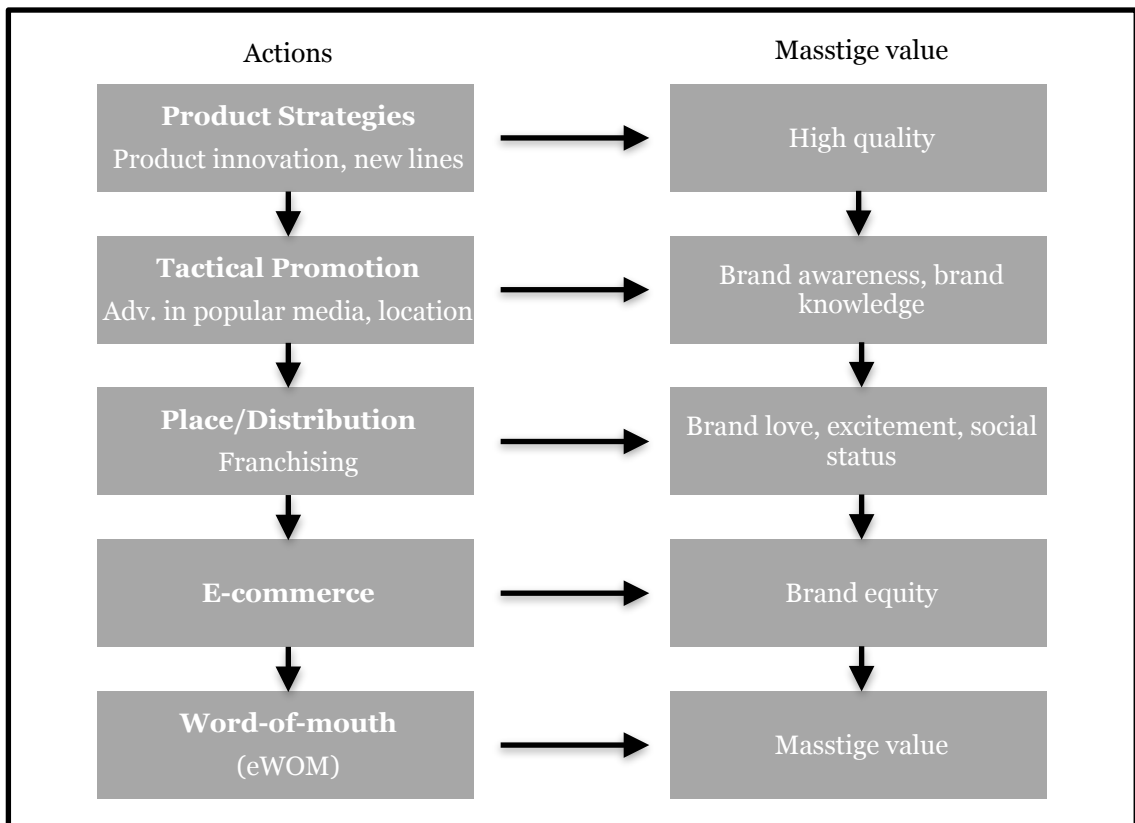


Figure 17 - Masstige Value Chain; Adapted from: Paul 2019

A luxury brand's value proposition is a statement that explains what the benefits are that the brand provides, to who and how it does, and clarifying the target buyer, the solutions for their needs, and the why the brand is better than any rival or any alternative solution (Villiers, Tipgomut & Franklin 2019; Tynan, Mckechnie & Chhuon 2010).

Some studies support that unavailability promotes desire and value to a product (Kim, 2018) because consumers tend to gravitate toward a commodity as long as it is scarce (Kim 2018; Lynn 1989, 1997; Cialdini 1993).

Brand equity has become one of the most critical areas for marketing management (Paul 2019; Cobb-Walgren, Rubie & Donthu 1995), therefore brands are semiotic marketing systems that create value for direct and indirect participants, society and the broader environment (Paul 2019; Conejo & Wooliscroft 2014).

Masstige strategy can create value when applied correctly because most mistakes happen when brands decrease price, thus losing value to the consumer, however, in figure 17 there is a diagram of this strategy when it is well applied, will probably work (Paul 2019). As an example, there is Louis Vuitton, which focus constantly on quality, so it offers to its clients lifetime repair guarantee service, thus creating brand loyalty, meaning that when brands focus on quality and good service costumers tend to come back (Paul 2019; Paul & Ferroul 2010).

On the other hand, Amaldoss & Jain (2005) explains, when consumers desire something exclusive, they start to look for rare, and sometimes scarce items, as a result, buyers who have

this strong inclination, tend to put a lot of value on products that fewer consumers can purchase and use it. Therefore, when luxury brands, which offer exclusivity by the norm, will probably lose some value as a brand, by adopting a mass strategy they are losing the characteristic of exclusivity. Maintaining exclusivity can be one important feature to maintain a certain group of consumers (Kim 2018).

However, if the consumers are conformists, this segment will appreciate the fact prices are lower and people are buying more luxury products, because that way they tend to want to buy them too, hence giving more value to the brand (Amaldoss & Jain 2005).

On a positive note, luxury brands, by focusing their energy towards the online community, are creating new value, because they are providing effective communication with consumers, even though the internet can be seen as incompatible with the luxury market, since may not evoke exclusivity and uniqueness, therefore, to combat this fact, brands must have compelling websites to promote the same values as their physical shops (Díaz, Martín-Consuegra & Estelami 2016) and engage in online retailing (Díaz, Martín-Consuegra & Estelami 2016; Hennings, Wiedmann & Klarmann 2012; Okonkwo 2010). Internet is one effective way of reaching the masses, hence being important when we are taking into account a mass exclusivity strategy.

To make this strategy effective, luxury brand managers need to introduce the concept of persuasiveness into brands' website design, to attract customers and promote uniqueness and exclusivity (Díaz, Martín-Consuegra & Estelami 2016). Persuasiveness is a way of influence others to make them feel, think and act, however, there are different ways of persuading people, and by definition, persuasion can be divided into three categories: human communication (which is the exchange of messages, whether verbal or not, oral or written, explicit or not, face-to-face or through technology), attempt influence (meaning manipulating how others feel, beliefs, values or reactions), and finally modifying judgement (creating paradigms to promote a point of view message). With these three categories we can attempt to define persuasiveness as the "human communication design to influence judgements and actions of others" (Simons & Jones 2011 pp 23-24). With this in mind, luxury brands should use persuasive techniques to change the consumer's mindset, to reach even the most septic clients.

The financial dimension of luxury value is directly related to monetary aspects such as resale cost, discounts, investments and price, which make the value of the product itself, whether is in the dollar, euro or another commodity (Wiedmann, Hennings and Siebels 2009; Chapman 1986; Mazumdar 1986; Monroe and Krishnan 1985; Ahtola 1984). Nevertheless, it is advised in marketing textbooks that prestige products should not decrease their prices too low, because they could risk selling less of their goods (Amaldoss & Jain 2005; Berkowitz, Kerin & Hartley 2000; Perreault & McCarthy 2000; Boone & Kurtz 1999).

Functional dimension of luxury value refers to product benefits and basic utilities, such as quality, uniqueness, usability, durability and reliability (Wiedmann, Hennings & Siebels 2009; Sheth, Newman & Gross 1991).

Individual dimension of luxury value is connected with materialism and with consumer's orientation toward luxury consumption, such as hedonic and self-identity (Wiedmann, Hennings & Siebels 2009), hence it is important for the brand to position itself as a solution to problems that the consumer is facing, as a result, the brand is perceived as being a solution to their needs, thus creating brand-value (Villiers, Tipgomut & Franklin 2019).

The social dimension of luxury value is related with consumer's perception of the product's and/or service's usage, meaning if it was of use to them in their social groups, by giving them recognition or prestige value (Wiedmann, Hennings and Siebels 2009; Vigneron & Johnson 1999; Kim 1998; Brinberg & Plimpton 1986; Bearden & Etzel 1982). Studies affirm that for Americans and French social value of a luxury is appreciated, on the contrary of the Spanish population (Stathopoulou & Balabanis 2019).

2.3.10. Mass Exclusivity Strategy - Examples

Findings in Truong *et al.* (2008) study confirmed that some brands (in this case Calvin Klein and Ralph Lauren) are more likely to be perceived as a more traditional prestige brand rather middle-range, however, product prices of these brands are much more closed to middle-range than traditional luxury.

As a result of mass exclusivity, as it was already established, brands should keep their quality (Amatulli & Guido 2012), however, sometimes that does not happen, in fact, the brand Tous, which is a luxury jewellery brand of 100 years old (Tous 2020), was recently involved in a scandal about quality. The luxury brand was accused of fraud and wrongful publicity, because it was selling jewellery pieces cover in gold and silver, and the tricky part was that each piece insides' were made of plastic and other materials (IOL 2020). The purpose of this directive was to reduce costs, however, according to the Civil Guard review, this practice is illegal and only allowed to give stability to vases, candlesticks or likewise (Sol 2020). Despite the facts, Tous denied its accusations affirming that their products were certified by external labs under the best quality standards (RFI 2020).

The fact that this brand was accused to diminish their quality, to get more revenues, made the brand launch news about how "unbreakable" their company is and it has the purpose to re-establish trust with their clients again (DA Retail 2020).

Another example was Dolce Gabbana, whose strategy to earn more clients in a younger generation range was by influencer marketing. As we know, Facebook, Instagram, WeChat and Twitter are huge examples of social-media that millennials use nowadays (Breves, Liebers, Abt & Kunze 2019; Kemp 2018). And social-media influencers brand advertising has reached high levels of popularity, thus in 2017, 87 per cent of surveyed marketers were using this strategy (Breves, Liebers, Abt & Kunze 2019; Linqia 2018).

Dolce & Gabbana in its 2016/2017 fall/winter collection, hosted in Milan Fashion Week, contacted 49 millennials, who are influencers on Instagram and have millions of followers on social media, to invite these 49 individuals to be models for a night, and the result was a realignment of the brand to a more youthful image (Fashion Network 2017). Nowadays,

Instagram is considered one of the most important tools for influencer marketing, followed only by Facebook (Breves, Liebers, Abt & Kunze 2019; Linqia 2018). Nevertheless, one of the biggest challenges for a luxury brand, in terms of social media, is to identify and select who these influencers are and which ones will have a higher impact on their selected target through their posts (De Veirman, Cauberghe & Hudders 2017; Pophal 2016; Momtaz, Aghaie & Alizadeh 2011). However, there are tools to help in this matter, technologies have been created to identify and track potential influencers for brands and interlink them, technologies such as Traackr and Little Bird which search for people with minimum 10.000 followers to be a suitable brand advocate candidate (De Veirman, Cauberghe & Hudders 2017).

With this information, Dolce & Gabbana hired online well-known influencers such as Chinese actor Chen Xuedong, more known as Chen Cheney, who uses Weibo (online platform) with 24.5 million followers. Also Instagram celebrity Cameron Dallas was invited, due to his 17.4 million fans at the time. And other influencers, such as Juan Pablo Zurita made an appearance in this fashion runway, with 6.7 million fans, and Lucky Blue Smith who is a model with 2.7 million followers (Muret 2017).

The brand not only did this stunt once but twice, when the month after, in the women's fashion show, they invited Pyper America Smith, Kenya Kinski Jones, Pixie Lott, Rafferty Law, Isabel Getty among other celebrities and influencers, to walk the runway in Dolce & Gabbana's collection (Yiassoumi 2017). Some studies say that a celebrity's image endorsing a brand is at most importance to the effectivity of an advertising campaign (Braves, Liebers, Abt & Kunze 2019; Amos *et al.* 2008; McCracken 1989), due to the concept of para-social interaction phenomenon, which results in a nonreciprocal cognitive, affective and cognitive interactions of media personalities and media uses (Braves, Liebers, Abt & Kunze 2019; Schramm & Haartmann; Horton & Wohl 1956). A para-social interaction is when there is an illusion of a face-to-face relationship with a media celebrity and makes the consumer more susceptible to certain opinions and behaviours (De Veirman, Cauberghe & Hudders 2017; Knoll *et al.* 2015; Colliander & Dahlen 2011). Another reason why celebrate endorsement is effective is because of their multidimensional image or cultural meaning, which is transfer to the product and ultimately to the consumers (Koernig & Boyd 2009; McCracken 1989).

Dolce & Gabbana marketing strategy created electronic word-of-mouth, reaching a great number of people (Paul 2019), also, in the same year, according to Muret (2017), they increased their presence in their domestic market. Which led to further their initiatives abroad, resulting in the opening of their first outlet store in Mexico, in the Premium Outlets Punta Norte shopping centre.

The brand, by increasing their online presence, they are creating value (Paul 2019), and also, by creating an outlet, Dolce & Gabbana is massifying their products, thus decreasing their prices and increasing their number of clients, hence creating more value to the brand (Amaldoss & Jain 2005). Their whole sales increased 8.7% during the period of 2016 and 2017, additionally, their retail grew 7.1% reaching 769 million euros, however, their licensing revenue fell 9.2% which is 61.2 million euros (Muret 2017). Licensing revenues is the income earned by the brand when it allows its copyrighted or patented materials to be used by another brand (Hayes 2019).

Another example of a brand that has understood the idea of mass exclusivity is Armani, that has in their DNA exclusivity, quality and class (MartinRoll 2016). This brand has revolutionary fashion retail, being and Emporio, which mean empire, it has democratized fashion by creating different sub-brands for different segments (Global Brands 2015). The brand had seven design lines, and back in 2017 re-branded and stayed with just three, being: high-end Giorgio Armani, mid-market Emporio Armani and the lower-priced Armani Exchange (Wightman-Stone 2017).

The new division in the house was done by aggregating Giorgio Armani Privé with interior design brand Armani/Casa, which as a certain timeless elegance and will be a good asset to the mix. Armani Collezioni and Armani Jeans were absorbed into Emporio Armani, nevertheless, A|X Armani Exchange would also take ownership of the product area previous served by Armani Jeans (Wightman-Stone 2017).

The licensed brand of retail outlets of Armani is A|X Armani Exchange and shows the power that the brand has on the consumer's way of living (Wightman-Stone 2017). Armani Exchange offers products of good quality, that are normally casual, and provide a feeling of luxury to clients, and therefore satisfying the mass-market consumers (Wightman-Stone 2017), who in normal circumstances would not get access to these type of products, hence the brand is adopting a mass exclusivity strategy. Additionally, most of these items are cash cows, because they are the ones that bring most revenue to the company (Kotler 2000).

However, due to the merged of sub-brands, some concerns were lifted about the fact that consumers may feel they are trading down when they are buying items from Armani Collezioni that now it is incorporated into Emporio Armani, hence the client's perception can compromise the brand's value, because, if the product is good and the prices are competitive, with a marketing campaign understandable to the consumer, then this strategy was valued added to the brand (Zargani 2017)..

The collection of H&M, which as a fast-fashion brand, with designer Giambattista Valli is another great example of how luxury can be democratized and sold in lower prices. The brand already worked with Karl Lagerfeld, Versace, Balmain and Moschino to created successful collections (H&M 2019). H&M is a fast fashion brand that was founded in 1947 in a Swedish city and now offers fashion in a sustainable way (H&M 2020).

The brand used celebrity Kendall Jenner to be one of the faces chosen to be on that campaign (Amaral 2019), as a result, the source attractiveness model of McGuire (Moraes, Gountas, Gountas & Sharma 2019; McGuire 1985) explains that celebrities' attractiveness may lead to positive attitudes towards the brand (Moraes, Gountas, Gountas & Sharma 2019; Eisend & Langner 2010; Kamins 1990). Celebrity endorsement used to influence consumer's behaviour, because this celebrities, such as Jenner, are digital influencers, that have been transformed into high profile personalities, and hence they are now used as a tool for social media marketing (Janning 2019).

The collection was so positive embraced by the public that the brand tried to stop product's releasing, buy only let the consumer buy one item of each, because pieces from H&M can sell 22% faster than pieces from other normal brands, and because H&M is against people making a

business of reselling their products (Pymnts 2019). H&M by partnering with a couture designer has increased their visibility and has enabled clients to have luxury products at a reasonable price and good quality, hence, once again, democratising luxury (Amatulli & Guido 2012), and creating huge value to the company, because it gave them visibility and prestige.

Luxury brands are adapting to new markets and strategies, and it is a constant work in progress. Since consumers are lead by desire and need, brands usually play with those human traits (Robalo 2008). These examples of brands bring new angles to reach the masses and increase their cash cow flow (Kotler 2000). However, not all brands, when using these tools to reach clients, create value to their brands, as it was shown, Tous decreased brand value by reducing their quality (Sol 2020). Even though every charge was removed, the damage was done (RFI 2020).

Consumers are individuals of habits that want to fit in groups, thus most want to be apart of a selected elite, hence people with less economical means will try to buy small brand items to show they also can be apart of that segment (Granot et al. 2013), and again, they are the main clients of brands' cash cows (Kotler 2000).

Additionally, people always respect a hierarchy and nowadays new consumers, such as millennials have more economical means and have more possibility to climb that hierarchy ladder (J. Mundel *et al.* 2017, Nowak *et al.* 2006). So, they will want to purchase more luxury items, to properly match their thought of themselves with their reality.

As a result, luxury brands need to reach more masses, and due to this fact, they created strategies to decrease losses, increase profit and create more brand value. By doing everything in house, and in a vertical way, they are already reducing costs in middlemen (Nuevo & Quelch 1998). Luxury brands are getting into the online market to keep up with demand and they can bring more options to the client and bring lower prices (Forbes & Vespoli 2013).

Also by using influencer marketing, luxury brands are expanding their geographic power (Fionda & Moore 2009), thus reaching much more potential clients, and by using online celebrities, they are creating a more natural perception of their message when it is delivered to the consumers, that way, normally it is much better received (De Veirman, Cauberghe & Hudders 2017). Another reason why using celebrities is a good idea, is because people are social, thus they live in groups (Janning 2019; Solomon 2012), and online social media communities work as a vessel to transport messages, so when a person becomes an internet celebrity, they cultivate reputation and as a result, they become influencers, so as the name says, they can influence others, so brands take advantage of this tool (Janning 2019; Solomon 2012).

Luxury brands can modify materials, make collaborations, bring their business online, and can even use social platforms, as long as they do not lower their quality, most of their prices, still create a sense of exclusivity online and continually bringing value to the brand, then they will survive to this new era of fashion democratisation.

3. Research Analysis

3.1. Purposes, questions and methodology

In every investigation is the utmost importance to collect data to support previous allegations and construct a valid answer to the question imposed in this dissertation. Our goals is to design good exploratory studies and to collect, present and analyse data fairly (Yin 2014), therefore after making a thorough literature review on the subject at hands, we found two approaches that would be better suited:

First we did an exploratory qualitative study approach to interview 36 middle-class Millennials, where interviewees were allowed to talk spontaneously even-though the interviews were semi-directed. Then we performed a quantitative and confirmatory study to test hypotheses in order to reach an answer to our question. The studies were organised as the methodological diagram presented below, where the investigation is presented as lineal sequential model (figure 18).

Luxury brands portrait different values towards the public, and as it was previews explained, a brand has to have different characteristics in order to gain brand equity. As Janning (2019; Mendes 2014; Upshaw 1995) shown us on figure 8, brands have valuation equity and identity equity, and when both of them are at a good rate, the brand reaches success, meaning it has a good brand equity.

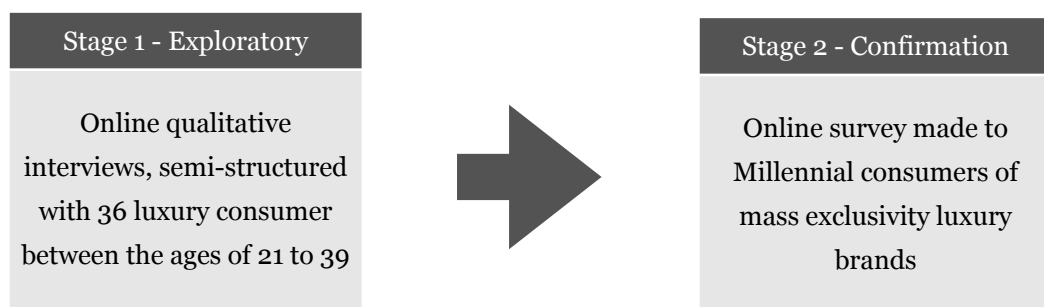


Figure 18 - Methodology, from author

Since there is an expansion in economical and educational opportunities, within several countries, the social standards are evolving, for brands need to keep updated to survive.

As our reality changes, so do our values and what we perceive as necessities. As a result, we chose brands that best represent us as individuals, though, that is not the only reason. People want to stand-out, yet at the same time, they want to belong to a certain group, because since people feel there is safety in numbers, as a result, society is divide into various groups that share education, wealth, taste, among other characteristics.

Hence when speaking of brands, in this case, luxury brands, it is needed to take into account several social phenomenons such as bandwagon (Granot et al. 2013; Dubois 1992), or snobbism

(Granot et al. 2013; Dubois 1992), and lately, luxury excursionists (Amatulli 2015; Dubois and Laurent 1996).

Today, due to improved conditions in terms of the economy worldwide, it made possible for many people to increase their social status, as a result, they feel the need to show their new accomplishments by purchasing expensive products. Still, they do not possess as much wealth as normal luxury consumers hold. Hence brands saw an opportunity to reach this market and increase their revenue, making extensions of their brands that are still selling quality products, at a premium price but they are not all craftsman made, and instead of being exclusive, as luxury brands tend to be, they adopt a strategy to raise as many clients as possible by reaching them in stores and online.

Online started to be an exceptional instrument for certain luxury brands to communicate and influence their designated target, by generating websites and applying influencer marketing to disseminate electronic-word-of-mouth, they were able to reach a considerable number of potential new clients that otherwise would not purchase their products.

However, these strategies to raise cash cow flow and awareness to luxury brands can boost other predicaments, such as whether these manoeuvrings are creating value or decreasing it or if they are being more beneficial or crippling the brand.

Therefore, the problem that we aspire to study is: if these new luxury brand extensions are causing the value to the main luxury brand or if by becoming more attainable they are losing their exclusive status, their clients and ultimately their identity. We want to evaluate if these course of tactics are raising brand equity or diminish it.

To better understand our question, we first assessed the social and economical status in Portugal, to better understand the purchasing power of Portuguese people.

Secondly, we performed a qualitative study to a selected sample of middle-class young people between the ages of 21 to 39 to study their take on luxury, considering previous investigations have found that young adults are consumption-oriented and sophisticated shoppers (Easteman, Iyer, Shepherd, Heugel & Faulk 2018; Jackson, Stoel, & Brantley 2011; Wolburg & Pokrywczynski 2001), with a high level of spending power (Easteman, Iyer, Shepherd, Heugel & Faulk 2018; Martin & Turley 2004; Wolburg & Pokrywczynski 2001) and are goal-oriented, objective and sophisticated in their decisions (Easteman, Iyer, Shepherd, Heugel & Faulk 2018; Martin & Turley 2004). The selected consumers were online interviewed for an hour and were given freedom of speech, nevertheless, the conversations were semi-directed to understand what was the individuals' input on luxury, their perceptions of brands, what they value the most and how often they purchase such items.

The second study was based on a quantitative approach, where it was performed an online questionnaire to 204 people residing in Portugal, to learn what sort of luxury buyers exist in Portugal, what their perception and expertise towards luxury brands are, and factors which they find relevant and value in such trademarks. This method can clarify the previous study and help us reach a decisive answer about whether luxury brands are leading a new era where they

increase their value, and as a consequence, their brand equity, or is this procedure making luxury brands lose their identity, presenting themselves as premium brands.

3.2. Social and Economical Situation in Portugal

As we have been entering a new era in the luxury market denominated pos-modern or globalisation, where luxury has suffered a strong expansion due to new affluent classes appearing (Figueiredo 2019; Roux 2012). Social classes play an important role in the mass exclusivity strategy since there is an imperative need to understand how society thinks to create and set a successful strategy, therefore it is important to analyse Portugal current social-economical state.

As is common knowledge, Portugal is a country located at southwest continental Europe, and it is divided into 308 counties and 3 092 parishes, with a total population of 10 276 617 people in 2018, and its population is divided into three ageing groups: 13,7% from 0 to 14 years old, 10,6% from 15-24 years old, from 25 to 64 was at 53,8% in 2018, and lastly the number of elderly (from 65 years old and above) was 21,8%, according to *Instituto Nacional de Estatística* (2018).

Additionally, in terms of education, in the school year of 2016/2017, there was a growth of 1,6% in terms of students enrolling in high education establishments, comparing with the previous year, which lead to the educational attainment rate in tertiary education stood at 34,3%. There was also an increase of 5,4% of graduated students in that year (*Instituto Nacional de Estatística* 2018). As a result, it is possible to infer that Portuguese people are exponentially becoming more educated.

In 2018, the active population ascended to 52 326 thousand people, corresponding to an activity rate of 59,1% up by 0,1 percentage points (p.p.) from the previous year. The proportion of the active population that has completed higher education increased in 8,3 p.p. (from 18,1% to 26,3%) and the active population that at least completed the secondary school was 18,4 p.p. higher compared to 2017 (from 36,9% to 55,4%). The amount of unemployed population was 3659 thousand people in 2018, corresponding to an unemployment rate of 7,0%, which are the lowest figures since 2011 (*Instituto Nacional de Estatística* 2018). In 2017, according to the List of Personnel of the *Ministério do Trabalho, Solidariedade e Segurança Social* (Ministry of Labour, Solidarity and Social Security), the average monthly (gross) earnings of employees in Portugal amounted to 1 130,79€, which was 2,3% higher than in the previous year, representing a real increase of 0,9%. And 17,3% of the resident population was at risk of poverty in 2017, which is 1.0 p.p. less than in the previous year (18,3%) (*Instituto Nacional de Estatística* 2018).

However, the distribution of monetary income was still characterised by strong inequality, even though it has been declining since 2014. Considering the average expenditure of households by the class of total income per adult equivalent, it was established that households in the 1st quintile (20% of households with lower income) had an average expenditure of 11 453€, that is, just over half (56.2%) of the total average expenditure (20 363€). Households with equivalent total income corresponding to the 5th quintile (20% with higher incomes) registered an average

total expenditure higher than the national average by 61.1% (32 803€) (Instituto Nacional de Estatística 2018).

In terms of purchasing power in Portugal per capita, the Indicator per Capita (IpC), it was taking into account the national reference value (therefore Portugal = 100) in 2017. As a result, in Continental Portugal the value was 100,7, in Açores was 87,3 and in Madeira was 86,5. These showed that in Continental Portugal the purchasing power was above the national reference, more precisely Lisbon Metropolitan Area, which was above average - 124,1, and Porto Metropolitan Area that reached an IpC value of 104,4 (Instituto Nacional de Estatística 2017).

The Percentage of Purchasing Power (Percentagem de Poder de Compra - PPC) comes from the IpC and evaluates the degree of concentration of purchasing power in different territories. As a result, Lisbon Metropolitan Area and Porto Metropolitan Area showed the highest concentration of PPC (52%) in 2017, being 34,2% the Lisbon Area, and 17,5% Porto Area. However, we need to pay attention to the fact that in 2017, these two regions combined 44% of the resident population in the country (27,5% in Lisbon Metropolitan Area, and 16,7% in Porto Metropolitan Area) (Instituto Nacional de Estatística 2017).

3.3. Study 1 - Interviews

Interviewing people was an important tool to understand previously given information in a qualitative matter. These study will be qualitative, but some of its results were turned into the quantitative material to better understand the data that was collected.

As it was previously established, luxury brands are taking a new approach to sell, since the business was running low, hence they created products to be cash cow incomes. These new business strategy is being based on mass exclusivity tactics. When looking at the brand equity of different luxury brands, and their respective strategy, we came into a realisation that some brands when trying to increase profits they whether turn to a pyramid approach (where different luxury segments are all under the same brand name) or a take circular strategy (where the main brand has different sub-brands that have different segments - house of brands).

3.3.1. Purpose

Taking into consideration all that was researched, there was a need to understand further if luxury consumers were aware of this new strategy, and in more particularly, if middle-class people were aware that they are the intended target of this brand tactic.

Nevertheless one of the main purposes of this exploratory research was to understand what the consumer's perspective is towards luxury brands, for us to comprehend better if luxury brands mass exclusivity strategy is adding value to the brand or taking it. As a result, we performed interviews with a group of 36 people, where 2 were excluded due to lack of information provided by the interviewees.

This exploratory study was made to help further create hypotheses to study in a quantitative matter, that was later performed.

3.3.2. Population Sample

After accessing Portugal's social status and average income, we selected 36 Portuguese people based on their previous academic background, which all interviewees were highly educated or were still finishing their tertiary education. Most of them were also employed and some were student workers. Additionally, all individuals were considered middle class due to their average income or due to their parents average income, since most of the younger sample still live at home and are still dependent.

Another factor was the age range, which was previously established to be between the age of 24 to 39, according to different authors that is the Millennials age range. However, we interviewed younger people, from the age of 21 to 24, because some authors affirmed that Millennials started in 1980 and ended in 1996, such as Montez (2016), others say that started in 1982 and ended in 2002 (Keener 2020; Much, Wagener, Breikreutz, & Hellenbrand, 2014), some asserted that Millennials were born between 1992 and 2003 (Bosch, Revilla & Paura 2019; Strauss and Howe 1991), even some authors say millennials are people born in the last two decades of the 20th century (McDonald 2015), lastly, there are a few who affirm that this generation started in 1997 and ended in 1994 and are described as having a high degree of independence and autonomy (Mundel, Huddleston & Vodermeier 2017; Hawkins & Motherbaugh 2012) with a tendency to be highly brand and fashion-conscious (Mundel, Huddleston & Vodermeier 2017; Morton 2002). As we can see, authors do not agree with each other, however, The Boston Consulting Group - BCG, analysed this generation and it has delimited the ages between 16 to 34 (Freitas 2014; Barton *et al.* 2012).

3.3.3. Method

In this exploratory study, we conducted interviews with 36 candidates, but, we rejected two of them since they did not provide enough information and did not answer a few questions. The interviews were semi-directed, as we asked questions to guide the interviewees. The interviews were in Portuguese since it is their native language.

We split the interview (attachment A.7.) into four sections. First, we collected demographics, second, we learnt the candidate's luxury know-how and brands preferences, third, we understood the interviewee's motivation and desire to purchase luxury items, and finally, we needed to study their input on the venue they would prefer to acquire such objects, and their opinion on luxury brands adopting mass exclusivity procedures. On every question asked to the interviewees, we allow the person to develop their answer as much as he or she wanted.

3.3.4. Results

3.3.4.1. Demographics

As we explained, the first part of the interviews was to collect demographic data, such as age, gender, background education, profession and financial status (if they were dependent on someone or not).

There were 36 initially in this pool of candidates, but we excluded two men since they did not provide enough information for us to analyse, consequently 34 individuals was the total. As a result, we questioned 18 women and 16 men, which gave us a percentage of 53% of women to 47% of men. In this amount of people, the majority have higher education or are finalising their degrees.

Since we are focusing on the Millennial generation, and since there is not an age gap consensus, we asked these questions to people between the ages of 21 and 39 that were considered middle class. What we learnt about this sample was that younger people depend on their parents financially, since most live at home, yet they are on their first jobs or internships. People who are close to 30 years old or more are independent and live alone.

3.3.4.2. Luxury Definition

The second stage was to get their luxury definition, their absolute beloved brand and their motivations to crave for such products.

To get an accurate comparison of what they perceive as luxury and what is the luxury definition, we went to our research and found that luxury is opulence, sumptuous and exuberance (Chen, Zhou and Yu 2016), and luxury brands are characterised by their quality (these can be in terms of materials and their durability), by having high-value transactions (comparing products with the same function with entirely distinct prices), and by being exclusive, handcrafted and distinctive (Fionda & Moore 2009; Kapferer 2008; Radon 2002; Jackson 2001; Nueno & Quelch 1998). Another notion of luxury is its uselessness, meaning it is superfluous (Amatulli & Guido 2012; Berthon et al. 2009; Dubois, Laurent & Czellar 2001; Berry 1994).

Accordingly, when we asked, "*what does luxury mean?*", we compared each answer to our previous definition. As it turns out, most people find luxury often to be a quality product of high monetary worth, that is notable, shows their wealth, and it is exclusive (A.1., figure 35, table 17).

When examining luxury, it is pertinent to consider which luxury characteristics were consistent between different genders (figure 19, A.1., figure 36, table 18). Both genders were consonant, though the quality feature was mentioned by all women and only by 63% of men. Another aspect which variates among genders is superfluosity, as 56% of men and only 33% of women were on the same page. Heritage and aesthetics also had more numerous women mentioned as a relevant trait of luxury.

Asking about luxury brands was another route for us to perceive what manner of luxury the interviewees were referring to when they were defining it, that way we were able to make several

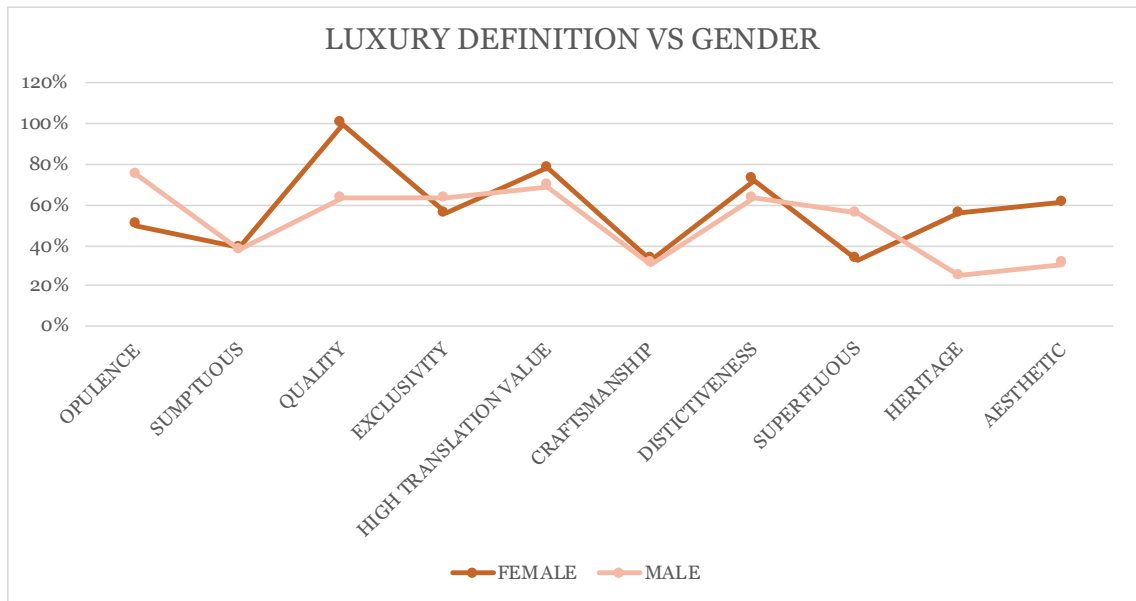


Figure 19 - luxury definition vs gender, from: author

comparisons between their ideas of luxury and the brands they correlate with it. Individuals mention that they associated those brands with clothing, accessories and cosmetic.

The initial procedure was to verify which brands were more popular, next we divided brands by people's gender to understand if there were variations, finally, we compared the chosen brands with the individuals' notion of luxury.

Louis Vuitton and Chanel were the brands that were more mentioned, though Prada, Cartier and Breitling were the least (A.2., figure 37). Nevertheless, most women remarked Louis Vuitton and Chanel as their brand, and Rolex was the men's choice (A.2., figure 38, table 19).

Additionally, when considering each brand and the ratio between genders that chose the same brand, we could observe that Louis Vuitton, Dior, and Chanel had an equal proportion of 75% to 25%. Yet Breitling, Boss, Ralph Lauren, Armani and Rollex were only named by men. Furthermore, only women answered Prada and Cartier.

When we compared luxury knowledge with brands of choice and with gender (dependent variable) (A.2., table 20), we learnt that most women who chose Louis Vuitton picked quality, high transaction value and aesthetics as the definition of luxury, yet most men found distinctiveness to be the main characteristic of luxury.

Cartier and Prada were only mentioned each by one woman. When defining luxury, the one who picked Cartier valued opulence, quality, exclusivity, high transaction value, distinctiveness, superfluousness and aesthetics the most. The woman who spoke about Prada only found quality and exclusivity to be the luxury definition. Breitling was also just named once by one of the men, and he found lux to be mainly about opulence, quality, exclusivity, an high transaction value, distinctive and superfluous.

Only men referred brands such as Hugo Boss, Ralph Lauren, Armani and Rolex. When speaking of Hugo Boss, most people acknowledged luxury to be opulence, sumptuous and high transaction value. When defining luxury, most individuals who said Ralph Lauren's brand,

seemed to understand that quality and superfluousness are what defines luxury. Even so, Armani consumers think luxury is about quality, exclusivity, high transaction value, craftsmanship and distinctiveness. People named Rolex as a luxury brand, and those same individuals find opulence to be one of the main characteristics of the luxury definition.

Only three brands are yet to mention. Thus, when both genders talked about Chanel, women found lux to be about quality and high transaction value, while men noticed its opulence, sumptuously and exclusivity.

When we asked the luxury's definition to people who fancied Gucci as a brand, we had women referring to the exact representation of lux. While men only chatted about opulence, quality and high transaction value.

People from each gender addressed Dior. Though, they did not agree, since women's main feature of luxury is quality, while men established luxury to be as the explanation presented by us.

By crossing each brand selection with luxury knowledge, we learned that the brand they had suggested is what they regarded as a luxury. Hence when asked to define the term, they were revealing what they thought about the brand itself.

We discovered that most interviewees judged brands by their quality and high transaction value. Finally, we found gender to be a depended variable because women and men do not value the same attributes. As a result, when marketers create a new brand's strategies, it is important to understand what each gender values the most, in each brand, to maintain what the consumer sees as the brand's identity.

3.3.4.3. Luxury Motivation

To get these sample's motivation for purchasing luxury products, we first asked them whether they buy these items or not, meaning if they are consumers or not. We found out that 27 of the 34 are active consumers, still, those you are not yet, they want to be soon.

Most consumers acquire luxury accessories and cosmetics twice per year (41%). Two consumers are regular buyers, purchasing ten times per year (7%) (A.3., figure 39, table 21).

When we asked whether they do the actual purchasing, 32 of them answered no, since most luxury products they use were gifts from relatives. Plus, when we asked them to expand on this matter, they revealed they were financially able to acquire such products, but they would prefer to spend it on other stuff, such as to invest or buy cheaper items. They seemed to crave for luxury, but considering their families can afford it for them, they do not see the point in spending their own money. Two of the interviewees do not rely on their relatives to purchase luxury items since they want to invest in such products.

When addressing personal motivation, we previously learned that *motivation* is the process that develops when someone aspires to satisfy a specific need (hedonic or utilitarian). We divided motivation into three main aims: personal, social and product.

Before we gave them specific motivational words to choose from, we first let them talk about the question, which drove us to learn new characteristics of what is relevant for them.

As we talked to them, we observed that the quality and the durability of the product are what drive most people to pay for luxury and trust in the brand. Many interviewees told that exclusivity was the main reason they would spend that much money on a particular item. However, a few people told that they no longer find luxury brands such as Louis Vuitton and Michael Kors as exclusive as they used to be (figure 20, A.3., figure 40, table 23).

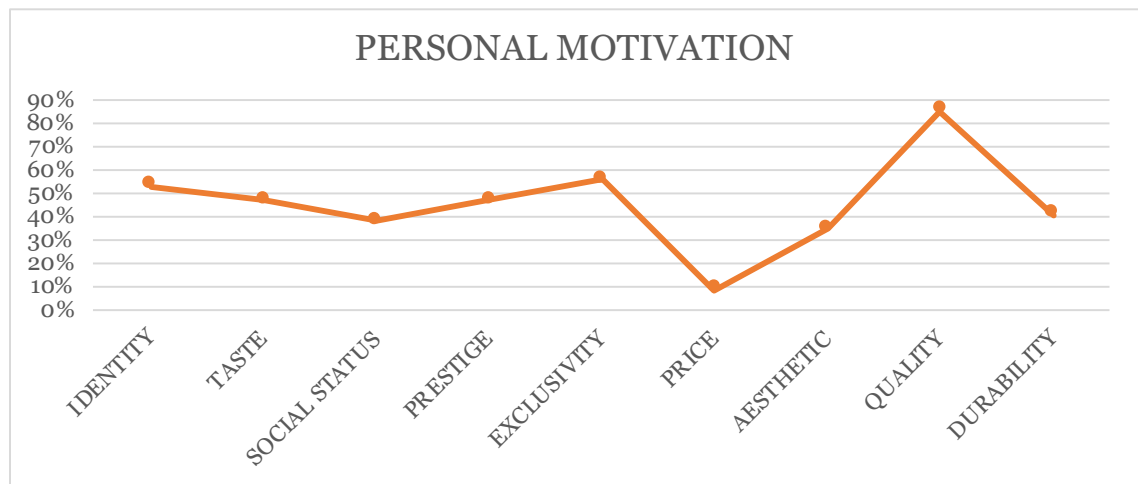


Figure 20 - Personal motivations, from: author

Taste and buying products that go accordingly with their identity were factors to acquire luxury pieces. Considering they saw lux to be a form of art, consequently, it can represent their personality. During conversations, social-status was invariably addressed. Even though many to do associate that trait with their motivation, they recognised that it is an important feature for most people you buy luxury products.

Price happened to be the least discussed trait, since how expensive a product is, it is not a motive to buy it. Though, people who considered this characteristic believed that if an item is of a higher price, it can give a sense of success and satisfaction. In a sense, people value more personal and social motivational traits than a product's capabilities.

When we approach these motivations by gender (A.3., figure 41, table 24), we learnt that women value identity, taste, aesthetics, quality and durability more than men. While men find that social status, prestige and exclusivity are their main reasons to purchase luxury. Added intriguing facts are about the percentage of discrepancy when talking about social status, aesthetics and durability.

When comparing brand preferences and motivation (A.3., table 22), we discovered that there was a relevant number of women, who connect with luxury at a personal level, preferred Cartier and Prada, while men prefer Gucci, associate identity with Breitling, and taste with Dior.

About social motivations, there were standouts in all categories. Most brands that were preferred by men gave importance to social status and prestige, although Rolex, which it was a brand favoured by only men, had a lower percentage on social motivations, even though Rolex's

men valued exclusivity. On the opposite, the combination of prestige and exclusivity was more relevant to women since they chose Prada, Gucci and Dior. Although it might be at a lower social percentage, women who liked Louis Vuitton and Chanel presented somewhat the same score on all social variables.

In terms of the product's motivation, brands referred by women (Cartier and Prada) preferred aesthetic, quality and durability. While women, who specified quality, loved Chanel and Dior. The only woman who suggested Gucci referred all product's features.

The product's feature more relevant to men was quality, and the brands which they associated with were Breitling, Hugo Boss, Ralph Laurent, Armani, Gucci and Dior.

3.3.4.4. Selling platforms and Influential Marketing

We asked whether they would prefer to purchase luxury products online, at physical stores or both. We learnt that 11% of consumers prefer buying online, 81% at physical stores and 7% like to buy at both. The non-consumers revealed that 14% would buy online, 57% at physical stores and 29% at both (A.4., figure 42, table 25).

Most people favoured buying at physical stores since they want to have the whole luxurious experience. Additionally, they talked about monetary reasons, considering they would spend a significant amount of money, they want to be assured by the salesperson and by touching the product itself (figure 21, A.4., figure 43, 44, 45, table 26). However, 94% of people find that luxury brands selling online are a good strategy (A.4., figure 46, table 27).

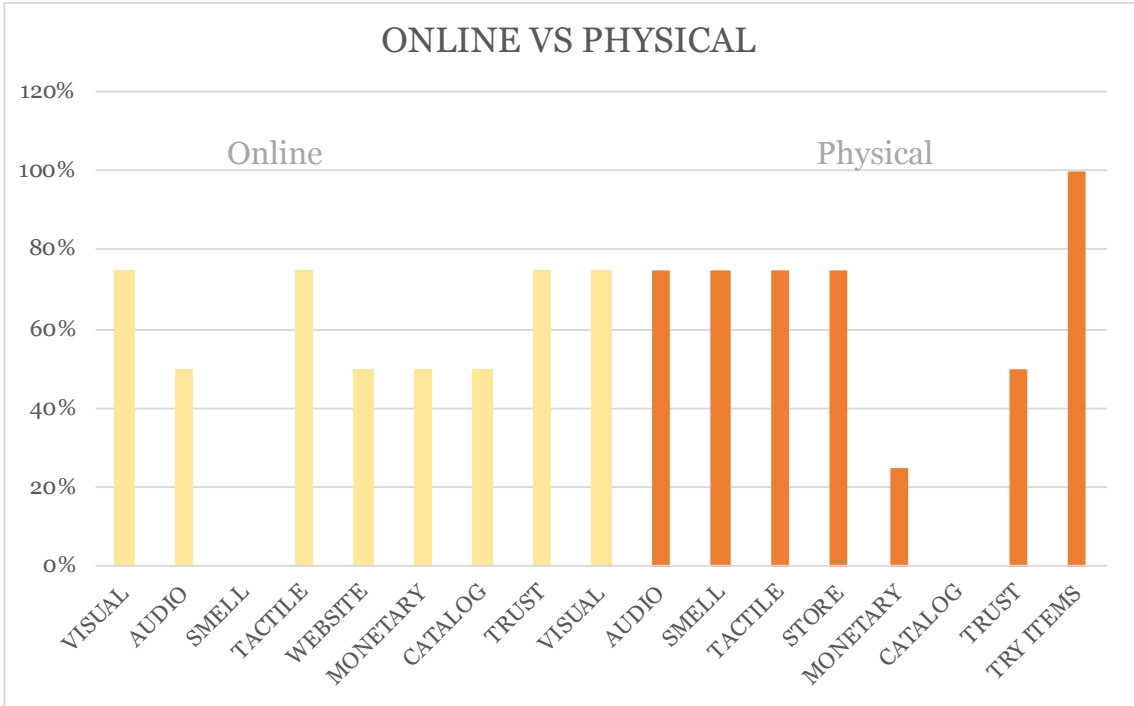


Figure 21 - motivations vs purchase Online/physical, from: author

When talking with online consumers, their main reason for purchasing is economical, as most brands provide discounts and more affordable editions online. While non-consumers believe that the website and packaging are very crucial as they deliver a luxury experience.

When physical store consumers and non-consumers purchase goods, they prioritise the fact that they can touch the product and visualise the store's environment, and both of them value the capability to try on items.

Consumers and non-consumers, that enjoy going to both places, value online and physical store experiences, and trust in the product's quality and delivery.

Luxury brands are recruiting influencers and celebrities to reach more potential consumers, thus we questioned people what their thoughts on this topic were, most talked about how they felt closer to the brand, but some stated that when a bunch of influencers are sponsoring the same product, the interviewees' interest eventually gets lost.

Additionally, they all saw a mass exclusivity strategy as a good idea to increase sales. Nevertheless, some affirmed that they no longer associate brands, such as Louis Vuitton and Gucci, as lux, for they have observed a bunch of influencers and ordinary people using those same brands on the street.

3.3.4.5. Mass Exclusivity's Opinions

In our last question, we let people speak freely. We built a chart with the most popular answers, to learn what middle-class consumers opinions about luxury brands producing more affordable products are (figure 22, A.5., figure 47, table 28).

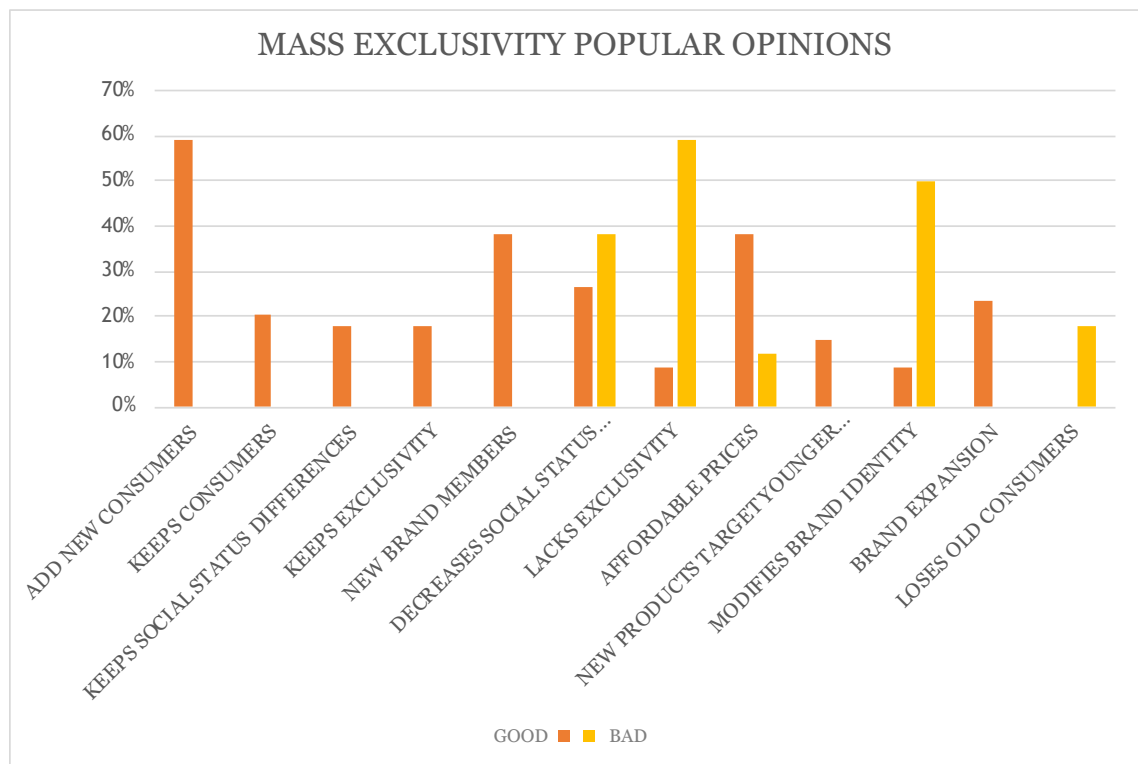


Figure 22 - Mass exclusivity opinions, from: author

On a positive note, 38% found that affordable goods increase revenues, as 59% felt the same about new consumers. It brings new brand members while keeping previous clients. As a result, 24% believes in brand expansion as beneficial.

On average, 26% deemed a good plan to reduce social status differences in population, but, 38% do not agree.

On a negative point of view, 59% believed this tactic would lead to losing exclusivity, 50% understood that it would modify the brand's identity, which 18% assumed it would consequentially drive to losing established consumers.

3.4. Study 2 - Questionnaires

After performing careful literature research and an exploratory qualitative method, we are aiming to test four hypothesis in a quantitative form.

Many studies have been aiming to examine brand equity. However, they do not focus on creating brand equity measurements. Nowadays, people use measures such as the premium price from Aaker (1991, quoted by Yoo & Donthu 2001), the value of the brand's name (Yoo & Donthu 2001; Rangaswamy et al. 1993; Cobb-Walgren et al. 1995) and its multi attributes (Yoo & Donthu 2001; Park & Srinivasan 1994), also they evaluate consumer-based dimensions (Yoo & Donthu 2001; Agarwal & Rao 1996), and a scanner data-based model (Yoo & Donthu 2001; Kamakura & Russell 1993). Additionally, the brand's finances and future incomes and strategies can be a way of measuring a brand's value (Yoo & Donthu 2001; Aaker 1991). As Aaker (1996) explains: measuring brand's value is about whether the brand provides good monetary value, or provides reasons to purchase over its competitors. We focused on evaluating brand equity through the eyes of potential consumers, to learn whether mass exclusivity is a good strategy.

Performing questionnaires imply collection and conversion of data, provided by several individuals (Figueiredo 2019; Afonso 2015; Tuckman 2000), for pedagogical use, to understand a certain thematic.

3.4.1. Louis Vuitton's background

Our questionnaire was focus on the French brand, Louis Vuitton, since it was the most talked-about during interviews and is a brand that uses the mass exclusivity strategy. The brand has a long history that began during the 1800s and has evolved into a successful international brand. In this yearly years, Louis Vuitton started by designing boxes and trucks, and as time went by, the brand has expanded to point we see it today (Maison - Heritage 2020).

The LVMH group (Moët Hennessy – Louis Vuitton SE) is a multinational corporation which has been aggregation brands for quite sometime now. This company was born when the brand Louis Vuitton merged with Moët Hennessy in 1987 (Moët Hennessy is also a merged company between champagne producer Moët & Chandon and cognac producer Hennessy, in 1971).

This company works with an umbrella strategy, that comprises 75 exceptional Houses that create high-quality products in five major sectors such as wines and spirits, fashion and leather goods, perfumes and cosmetics, watches and jewellery and selective retailing (LVMH 2020). This company also has a vertical integration, meaning that they control every aspect from distributors, suppliers, supply chain and retail locations, which at the long run, helps the company to become cost-efficient (Nueno & Quelch 1998).

Louis Vuitton is one of the oldest multinational luxury brands with a substantial market share in Japan and North America. During the 1960s-1980s LV's strategy to target international markets was focus on high and middle-income countries first and later expand to lower-income ones (Paul 2019; Paul & Ferroul 2010). The brand invested in new product categories such as

jewellery, watches and eyewear, and one of their strategies is to open stores at the best possible locations, such as city centres, which has helped attract more high-income consumers (Paul 2019; Ferroul 2010). Additionally, when the luxury market reached a saturation point, this brand shifted its target to middle-class people as well continuously targeting the higher class individuals. Therefore, the brand started to focus on product and promotion strategies, without lowering their prices. Although, most brand bag's average between \$1000 and \$3000, the brand could reach a wider market of consumers, by introducing new product's categories, such as ready-to-wear (Paul 2019).

When it comes to mass promotion, LV continuously uses celebrity endorsements and sports sponsorships to reach popularity, nonetheless, remains the in control when it comes to maintaining the balance between popularity and prestige, which leads to withholding high-income consumers, and invites newer middle and upper incomers to the brand (Paul 2019).

3.4.2. Hypotheses

To understand better our main question, we studied several hypotheses. By recognising that luxury brand's value comes from successful brand equity, we wanted to test several equity values to conclude whether a mass exclusivity strategy is viable in luxury brands, or not.

Following Upshaw's equity model, we learnt that two types of equities combine, create the total brand's equity. The valuation equity (that is related to the brand's finances) and identity equity (which influences the consumer, and has attributes such as name awareness, brand loyalty logo, communications, among others).

Therefore, to examine if mass exclusivity strategies are working in favour of luxury brands, we focus on the consumer's perception of luxury brands, hence on identity equity, since we already know that this strategy was created to increase profits (valuation equity) by generating cash cow products. When looking at Aaker's Brand Equity Model, we are faced with several brand traits that influence the consumer's interpretation and value towards the brand.

3.4.2.1. Brand Loyalty

Brand loyalty happens due to an emotional dimension that the consumer holds with the brand. As it was previous explained, by generating trust and creating an experience with the consumer, brands are forming a bond between client and brand (R. Lutfi & T. Altintas 2018; Allender & Richards 2012). While speaking to the middle-class consumer, we learnt that when luxury brands formulate a trusting atmosphere around it, the new consumer feels more confident and at ease with the idea of purchasing such an expensive product, additionally, when the brand expands its selling points, people are more able to experience the brand in-store and create closeness with it. Nevertheless, consumers know old luxury brands due to many reasons, one being the environment people live in, meaning, young people who watch their relatives using certain luxury products' extensions. It creates an aura of trust and love around the brand. It is an emotional connection and by having luxury products accessible to middle-class consumers, they can experience the brand and perpetuate this emotional reaction. As a result, to test our

two hypotheses, we measured brand loyalty as follow: “I like this brand because of my brand knowledge”, “I would recommend this brand to my friends and relatives”, “ I love to buy this brand regardless of price”, “I consider myself to be loyal to LV, “LV would be my first choice”, “I will not buy other brands if LV is available at the store” and “I will not buy other brands if Louis Vuitton is available at the store” (seven-point scale).

H1 - Mass exclusivity does not negatively affect Millennials' loyalty towards luxury brands.

3.4.2.3. Perceived Quality

When looking at reasons to purchase luxury products, the quality was the most rated on interviews, as everyone felt that a luxury brand should have high-quality products. Nevertheless, the perception of quality is relevant to the position and differentiation, to the brand's prices, to extensions and reasons to purchase (Janning 2019; Aaker 1991). Quality can be perceived as a functional dimension which is referring to the benefits of the product and basic functions (Wiedmann, Hennings and Siebels 2009; Sheth, Newman and Gross 1991).

People believed that luxury brands are expensive due to quality, craftsman work and exclusivity, yet, they still assumed those affordable products maintain high standard quality patterns, but they understand that those same products are smaller and mostly done industrially. As a result, the brand does not reduce its prices, as mass exclusivity has roots in product and promotion strategies, hence they retain premium/moderately high prices (Paul 2019). However, due to the luxury product's promotion, the brand can be seen of less value because it is no longer limited (Amaldoss & Jain 2005). Hence, to test our two hypotheses, we measured quality perception as follow: “The likely quality of LV is extremely high”, “I believe this brand is known for its high quality”, “The likelihood that LV would be functional is very high”, “I believe this brand meets international standards” and “I believe LV loses value because it is no longer limited” (seven-point scale).

H2 - Affordable brand extensions' luxury products do not negatively affect Millennials' quality perception of luxury brands.

3.4.2.4. Brand Awareness and Associations

One characteristic of mass exclusivity strategy is to generate brand awareness. Luxury brands are targeting middle classes that can pay higher prices (Correia 2016; Silverstein & Fiske 2003) by going into social media, using celebrities, or using other kinds of online or physical promotion, they are creating repeated and memorable exposure to brand elements, as a result, these displays add to the established brand links in the consumer's memory, hence, encouraged brands' connections with the product (Langaro, Rita & Salgueiro 2018; Aaker 1991), and develop a feeling of familiarity (Langaro, Rita & Salgueiro 2018; Keller 2003a; Hoyer and Brown 1990). Therefore, to test our three hypotheses, we measured brand awareness as follow: "I can recognise LV among other competing brands", "I am aware of LV", "Some characteristics of LV

come to my mind quickly", "I can quickly recall the symbol or logo of LV", "I have difficulty in imagining LV in my mind (reversed scored)" (seven-point scale).

H3 - Mass exclusivity strategy does not negatively affect Millennials' luxury brand awareness.

3.4.2.5. Brand Mass Associations

People consume luxury products mostly due to their need of belonging to a group and be socially well-positioned, or to satisfy their personal needs, taking into account their scale of priorities (Amatulli & Guido 2012; Wiedmann, Hennigs & Siebels 2009). As we previously mentioned, wealth can be associated with social status, resulting in people purchasing luxury products. The consumer's lifestyle is what distinguishes him or her from others (Solomon 2018) and their desire for status motivates their purchasing behaviour (Eastman, Goldsmith & Flynn 1999). To test our hypothesis, we measured brand associations as follow: "I would buy this because of mass prestige", "I would pay a higher price for this brand for status quo", "I believe that individuals in my country perceive this brand as prestigious", "I consider this brand a top-of-mind brand in my country (seven-point scale).

H4 - Social status has a positive effect on Millennials purchasing luxury products.

3.4.3. Method

To analyse our hypotheses, and conclude whether they were positive or negative, we performed a questionnaire to middle-class Millennials born between 1980 and 1996.

To create our questionnaire, we adapt the multidimensional consumer-based brand equity scale, from Yoo and Donthu (2001), with Paul's (2019) masstige model and measure of brand management study. As it was explained in Yoo and Donthu (2001, p.11) study, its purpose was "to develop a psychologically sound and cross-culturally generalisable measure of brand equity by testing Aaker's (1991) and Keller's (1993) conceptualisations". Additionally, we performed a few questions created by us to better analyse our hypotheses.

3.4.4. Instruments

Brand and product category experiences were measured by a set of questions, which some were adapted from Yoo and Donthu (2001) and Paul (2019) studies, and others were created by the author. The purpose was to assess people's point of view on store experiences and if they own luxury products.

The Measure of Multidimensional Brand Equity (MBE) is a scale of multidimensional consumer-based brand equity, which it suggests ten items measure of MBE (Yoo and Donthu 2001). Its dimensions enable comparisons between cross-cultural, and its scores may be considered indicative of cross-cultural differences in constructions. The ten items are not added because it may be considered inappropriate due to the ten items not being evenly distributed.

The test helps to understand whether Louis Vuitton's brand equity remains positive despite its mass exclusivity strategy (Yoo & Donthu 2001, p.10). The test has 10 questions classified into 3 dimensions: brand loyalty (3 questions), perceived quality (2 questions) and brand awareness/associations (5 questions). Each answer was given on a Likert scale of 7 points, where 1 = Strongly Disagree, 2 = Disagree, 3 = More or Less Disagree, 4 = Undecided, 5 = More or Less Agree, 6 = Agree and 7 = Strongly Agree.

The Masstige Index Measure (Paul 2019) is a set of 9 questions divided into three dimensions: brand knowledge (5 questions), perceived quality (2 questions) and excitement and status (2 questions), which were adapted and incorporated into MBE categories to simplify the questionnaire and its analysis. Its purpose is to "measure masstige marketing effectiveness in different markets" (Paul 2019, p.309). Each answer was given on a Likert scale of 7 points, where 1 = Strongly Disagree, 2 = Disagree, 3 = More or Less Disagree, 4 = Undecided, 5 = More or Less Agree, 6 = Agree and 7 = Strongly Agree.

The Convergency Validity With a Measure of Overall Brand Equity (OBE) (Yoo & Donthu 2001) is a convergent validity check of the MBE, which uses four-items to support the convergent validity of MBE, using the same group of participants (Yoo & Donthu 2001, p.11). Each answer was given on a Likert scale of 7 points, where 1 = Strongly Disagree, 2 = Disagree, 3 = More or Less Disagree, 4 = Undecided, 5 = More or Less Agree, 6 = Agree and 7 = Strongly Agree.

3.4.5. Population Sample

In an initial state, we collected 301 responses to our questionnaire, however, only 204 are valid since 49 were incomplete and 48 did not meet the criteria of the studied sample as they neither lived in Portugal or were part of the age range established. As a result, after triage, this study sample has 68 male individuals (33,3%), 135 female people (66,2%) and 1 non-binary person (0,5%). Most subjects are from Lisbon's Metropolitan Area (63,2%), others are from Centre (19,1%), North (5,4%), Autonomous Region of Madeira (3,4%), Autonomous Region of Açores (3,4%), Alentejo (2,9%) and Algarve (2,5%). Additionally, 181 people said they did not have children (88,7%), while 16 have one child (7,8%) and 7 have 2 to 4 children (3,4%).

When it comes to education, most interviewees have a bachelor's degree (45,6%), other participants have a master's degree (38,7%), 12th grade (7,8%), professional course (3,9%), 9th grade (2,5%) and PhD or higher (1,5%). Nevertheless, 75 of our participants do not receive a wage (36,7%), thus they are probably unemployed or on internships. There are 16 people with less than the minimum salary (7,8%), 55 with a salary between 635€ and 1000€ (27%), 35 with a wage between 1001€ and 1500€ (17,2%), 11 people earn between 1501€ and 2000€ (5,4%), 7 individuals with a salary between 2001€ and 2500€ (3,4%), and finally 5 people with wages over 2501€ (2,5%).

3.4.6. Procedure

To perform this study, we created a questionnaire in the online platform Qualtrics. We translate it into Portuguese since the target sample lives in Portugal.

The online distribution occurred between the 27th of May and 4th of June of 2020. We used social media platforms (such as Instagram and Facebook) to share the online link with as many people as possible.

When people opened the questionnaire's link, they saw an explanation of the purpose of the questionnaire and that it would take less than 10 minutes. They were informed that their participation was voluntary and that every data was completely confidential and anonymous. Only after accepting performing the questionnaire, they were presented with the questions. Before starting each questionnaire's section, we bestowed the scale they would use.

We collected socio-demographic information which we considered relevant to perform our analysis, such as age, gender, education, residence, salary and family dependents. Next, we collected data about product and store experience, lastly, we performed questions about brand equity.

3.4.7. Results

In this section, we are going to present our results. On the first approach, we show descriptive results from our product and brand experience section. We developed this part as a complement to Study 1 since it was more of an exploratory nature. The scale used was nominal (yes, no and do not know questions), to assess if this generation possesses and uses luxury brand items.

The brand equity portion was used to refute our hypothesis. We performed a Likert scale between 1 and 7, going from "Strongly disagree" to "Strongly agree". To evaluate internal consistency we used the Cronbach's test, where we applied the internal coefficient of 0.70 of Nunnally's suggested parameter as a comparison to our alpha results (cited by Iacobucci & Duhachek 2003) and also we compared our scale results with Manerikar and Manerikar (2015) parameters. Additionally, according to the Central Limit Theorem, we can assume that every sample of $n \geq 30$ approximates a normal distribution (also known as a "bell curve"), therefore our study has $n=68$ in some of the first section's questions and $n=204$ for all the rest, which means this theorem can be confirmed in this investigation (Nogueira 2019; Marôco 2018; Dancey & Reidy 2017). However, to prove our hypotheses and to check the Central Limit Theorem, a normality test was performed to ensure if the sample was normal to distribute, which as it turned out, it was not.

We applied non-parametric tests to examine our sample, more precisely a One-Sample Wilcoxon Signed Rank test. To test our hypotheses we applied a significance level of $p < 0.05$ as a reference to reject the null hypothesis. Every procedure was performed in SPSS software program.

3.4.7.1. Product and Brand Experience Analysis

After asking social-demographic questions, we moved on to product and brand experience. This analysis, as it was explained, is a complement to the interviews. Therefore, we found that from the 204 people that answer our questionnaire: 30.4% has a luxury bag, 67.2% does not and 2.5% does not know. From the 30.4% (n=62) of people who owns a bag, 48.4% bought it with their monthly income. When we asked if they bought any product from Louis Vuitton, 15.7% (32) said yes and 84.3%(172) said no. From the 32 people, 22 (68.8%) purchase products at the physical store, 9 (28.1%) did not and 1 (3.1%) did not know, while 21 (65.6%) bought products through the online store and 11 (34.4%) did not.

Moving forward, we focused on brand experience. As a result, 33.3% (68) interviewees visited Louis Vuitton physical store, 65.7% did not (134), and 1% (2) did not know. Meanwhile, 37.3% (76) visit LV's website, 61.3% (125) did not, and 1.5% (3) did not know.

We asked the 204 if they feel intimidated when going to LV's physical store, 29.9% (61) answered yes, 58.3% (119) did not, and 11.8% (24) did not know. To better understand these scores, we then asked if they preferred to go to the online store because they feel intimidated at the physical one, as a result, 24% (49) said yes, 62.7% (128) said no, and 13.2% (27) did not know.

Additionally, when speaking about comfort, we asked the 204 if they feel comfortable going to the physical store: 41.7% (85) said yes, 31.4% (64) do not, and 27% (55) do not know. Next, we inquired if they would rather purchase LV's products at the physical store because it was more comfortable: 34.8% (71) answered yes, 34.3% (70) said no, and 30.9% (63) said they did not know; because it was easier: 47.1% (96) said yes, 29.9% (61) said no and 23% (47) do not know; because of the store experience: 35.3% (72) said yes, 36.3% (74) said no and 28.4% (58) do not know; because they want to touch and see the product: 74.5% (152) said yes, 14.2% (29) said no and 11.3% (23) do not know.

When analysing the online experience, we repeated some questions. When we asked if they would rather buy products at LV's online store because it was more comfortable: 29.9% (61) said yes, 45.6% (93) answered no and 24.5% (50) do not know; because it's easier: 35.3% (72) answered yes, 42.6% (87) said no, and 22.1% (45) do not know; because of the online experience: 18% (37) said yes, 50.5% (103) said no, and 31.4% (64). We also asked if they buy or would purchase LV's products online because they trust the website: 38.2% (78) said yes, 25% (51) said no and 36.8% (75) do not know.

Furthermore, we asked about brand awareness in terms of where they recognise the brand. This section was rated from 1 to 7, 1 being "completely disagree" and 7 "completely agree". When people were asked if they recognise LV due to: social media – the mean was 2.98, the mode was 1; its website – the mean was 2.30, the mode was 1; its history – the mean was 4.92, the mode was 7; its publicity – the mean was 4.42, the mode was 5. Lastly, we presented with the statement "I believe Louis Vuitton loses values because it is no longer exclusive" the answers' mean were 3.79 and its mode was 4.

3.4.7.2. Descriptive Analysis

As can be seen, table 4 is divided into four categories which correspond to the hypothesis confirmation and an overall brand equity test. We performed the Cronbach's alpha for every section and when analysing the Cronbach's alpha by exclusion, we did not find significant items to dismiss that would increase the consistency value.

In terms of Brand Loyalty, we can see that it has a mean of 2.76 (SD = 1.32), which is a lower value compared to the medium point on the answering scale (4 = Neither agree or disagree), hence it reveals a negative loyalty to LV's brand in Portugal. When looking at the sub-scales, every mean value is under 4, where Likability is 3.49 (SD = 1.57) and the Loyalty sub-scale from the MBE test revealed a mean of 2.03 (SD = 1.39), which is also a low score. As in terms of internal consistency of this scale, the overall was 0.86 and the sub-scales were 0.80 for Likability and 0.87 for Loyalty (MBE test), which are considered good scores by Manerikar and Manerikar (2015).

When it comes to Perceived Quality, we discovered that the results' mean is 4.99 (SD = 1.14), which is above the threshold, pointing that people have a positive response to this category. The sub-scales also demonstrated a relatively positive perception of quality (MBE test) and mass quality, with means of 4.86 (SD = 1.26) and 5.08 (SD = 1.20) respectively. Additionally, the Cronbach's Alpha of this section was 0.86, again it is considered a good score. Nevertheless, when it comes to the sub-scales, both tests presented a relatively similar consistency since Brand Quality (MBE test) was 0.78 and Mass Quality Perception was 0.79, which when we look at individually, again their scores are considered good.

Looking into Brand Awareness and Associations and its sub-scales, we noticed that this sample acknowledges the brand since the overall mean score of this test was considered positive (mean = 4.49). However, when we look at the sub-scales individually we noticed that the Brand Awareness/Association MBE test has a considerably positive mean of 5.56, whereas the Mass Associations has a negative mean of 3.84. This means that people resident in Portugal know the brand and can quickly recognise it, however, when it comes to mass associations such as people's mass prestige views and status quo association, the mass exclusivity strategy might not be working at its fullest, since people are recognising the brand but do not want to spend their money on mass luxury products. Nevertheless, observing the sub-scales' internal consistency, it is noticeable the difference between Awareness/Associations (MBE), which is 0.80, and the Mass Association that is 0.65, which is considered acceptable by Manerikar and Manerikar (2015). However, the overall Cronbach's alpha is 0.75, which is a good value.

Finally, when we take a closer look at the Measure of Overall Brand Equity test (OBE), which is a convergent validity check of the MBE, that it is four items unidimensional measure of brand equity (Yoo & Donthu 2001). This test has a high consistency value of 0.90 which is high intercorrelation between the test items (Manerikar & Manerikar 2015). As we can observe, the mean is 2.76 (SD = 1.60), which is considered negative, since it is below the threshold. This leads to the thought that Louis Vuitton's brand equity in Portugal might be lower than it should be, regardless of the reason.

Table 4: Means, standard deviations and scale index of brand loyalty, perceived quality, brand awareness/associations and OBE test.

	n ^o items	Mean	Std. Error	Std. Deviation	Cronbach's Alpha	Cronbach's Alpha based on standardised items
Brand Loyalty	6	2.76	0.09	1.32	0.863	0.87
Likability	3	3.49	0.11	1.57	0.80	0.80
Loyalty (MBE test)	3	2.03	0.10	1.39	0.87	0.87
Perceived Quality	5	4.99	0.08	1.14	0.86	0.86
Brand quality (MBE test)	2	4.86	0.09	1.26	0.78	0.79
Mass quality perception	3	5.08	0.08	1.20	0.79	0.79
Brand Awareness/ Associations	9	4.79	0.07	1.00	0.75	0.75
Awareness/ Associations (MBE test)	5	5.56	0.09	1.27	0.80	0.80
Mass Associations	4	3.84	0.08	1.23	0.65	0.63
OBE Test	4	2.76	0.11	1.60	0.90	0.90

From: author

3.4.7.3. Brand Loyalty

The hypotheses considered to Brand Loyalty are:

H_1 - Mass exclusivity does not negatively affect Millennials' loyalty towards luxury brands.

H_{01} - Mass exclusivity has no effect on Millennials' loyalty towards luxury brands.

If H_{01} has a mean value of $\mu=4$, then the mass exclusivity strategy is neither helping nor damaging the brand. If the H_1 has a mean value of $\mu>4$, then the mass exclusivity strategy is not harming. Additionally, if the p -value is lower than alpha, then we reject H_{01} , however, if the p -value is equal or higher than 0.05, then we do not reject H_{01} nor accept it.

We performed a test to check if our data follows a normal distribution. What we found was that for Brand Loyalty our sample does not follow a normal distribution, since the p -value is lower than 0.05, as we can see on table 5 and figures 23 and 24. Since our sample does not follow a normal distribution, we are not able to perform the One-Sample T-test. Instead, we used the test to evaluate our hypotheses (table 6 and 7, and figure 25). By using this test, we learn that the p -value is lower than 0.05 (p -value < 0.05), which means there is a significant effect, hence we reject the null hypothesis, and accept H_1 .

Table 5: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	p -value	Statistic	df	p -value
Loyalty	0.14	204	0.00	0.93	204	0.00

a. Lilliefors Significance Correction

From: author

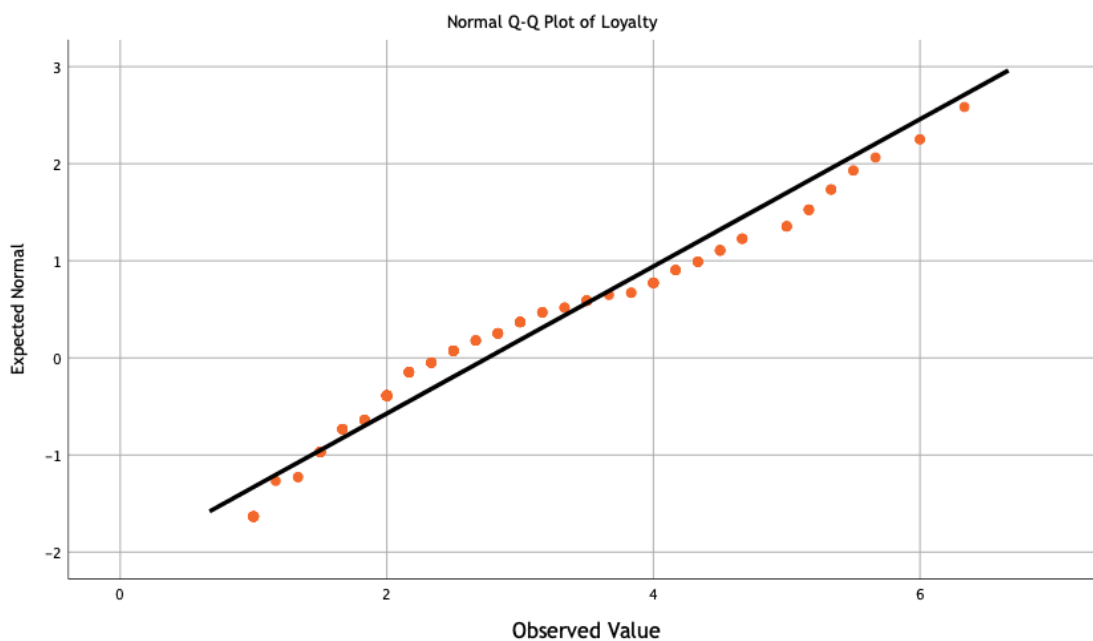


Figure 23 - Normality loyalty result, from: author

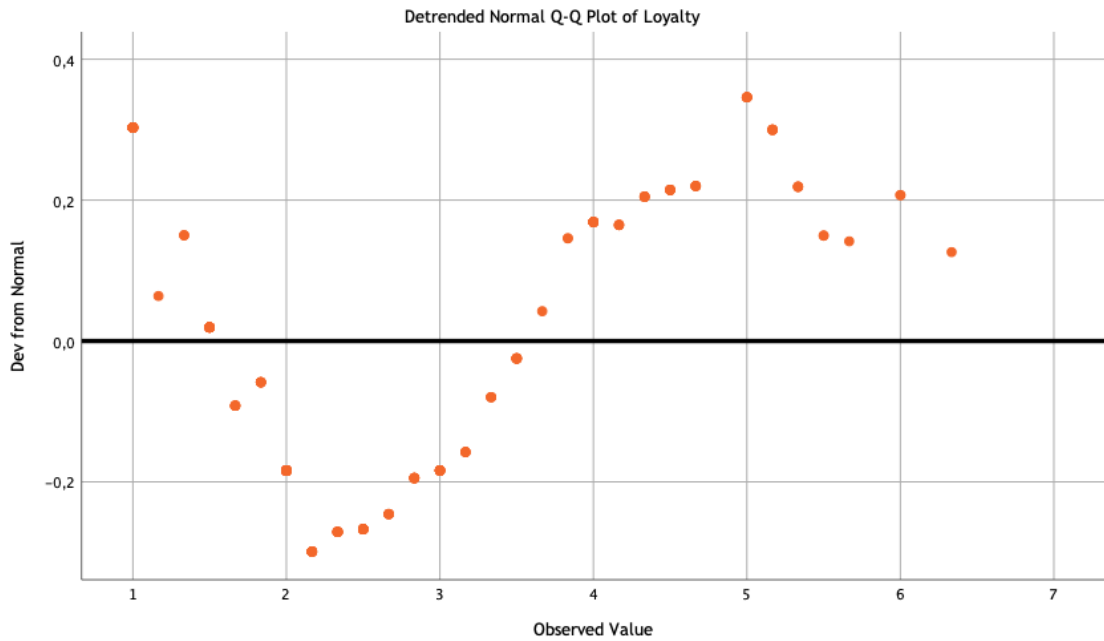


Figure 24 - Detrended From Normal - Loyalty, From: Author

<i>Table 6: Hypothesis Test Summary - Loyalty</i>			
Null Hypothesis	Test	<i>p-value</i>	Decision
The median of Loyalty equals 4,00.	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,050.

From: author

Table 7: One-Sample Wilcoxon Signed Rank Test Summary Loyalty

Total N	204
Test Statistic	1722.50
Standard Error	776.16
Standardized Test Statistic	-9.84
Asymptotic Sig. (2-sided test)	0.00

From: author

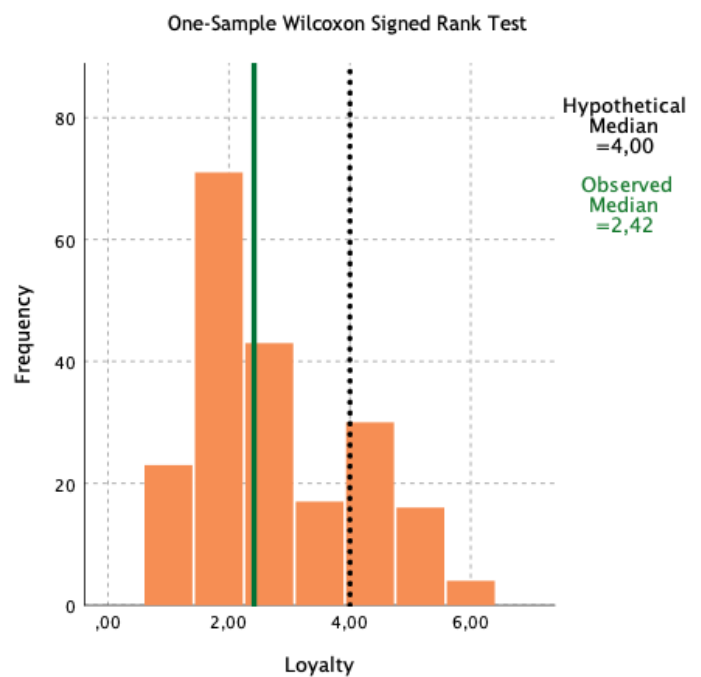


Figure 25 - Wilcoxon signed rank test loyalty, from: author

3.4.6.4. Perceived Quality

The hypotheses considered to Perceived Quality are:

H_2 - Affordable brand extensions' luxury products do not negatively affect Millennials' quality perception of luxury brands.

H_{02} - Affordable brand extensions' luxury products have no effect on Millennials' quality perception of luxury brands.

If H_{02} has a mean value of $\mu=4$, then the mass exclusivity strategy is neither helping nor damaging the brand. If the H_2 has a mean value of $\mu>4$, then the mass exclusivity strategy is not harming. Additionally, if the *p-value* is lower than alpha, then we reject H_{02} , however, if the *p-value* is equal or higher than 0.05, then we do not reject H_{02} nor accept it.

We used the Shapiro-Wilk test to check if our data follows a normal distribution. However, our sample does not follow a normal distribution, since the *p-value* is lower than 0.05 ($p=0.002<0.05$), as we can observe in table 8 and figures 26 and 27. Again we follow suit with the One-Sample Wilcoxon Signed Rank test to evaluate our hypotheses (table 9 and 10, and figure 28). The results showed that H_{02} is rejected since the *p-value* is lower than 0.05 ($p=0<0.05$), therefore, H_2 is confirmed.

Table 8: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	<i>p-value</i>	Statistic	df	<i>p-value</i>
Quality	0.07	204	0.02	0.98	204	0.002

a. Lilliefors Significance Correction

From: author

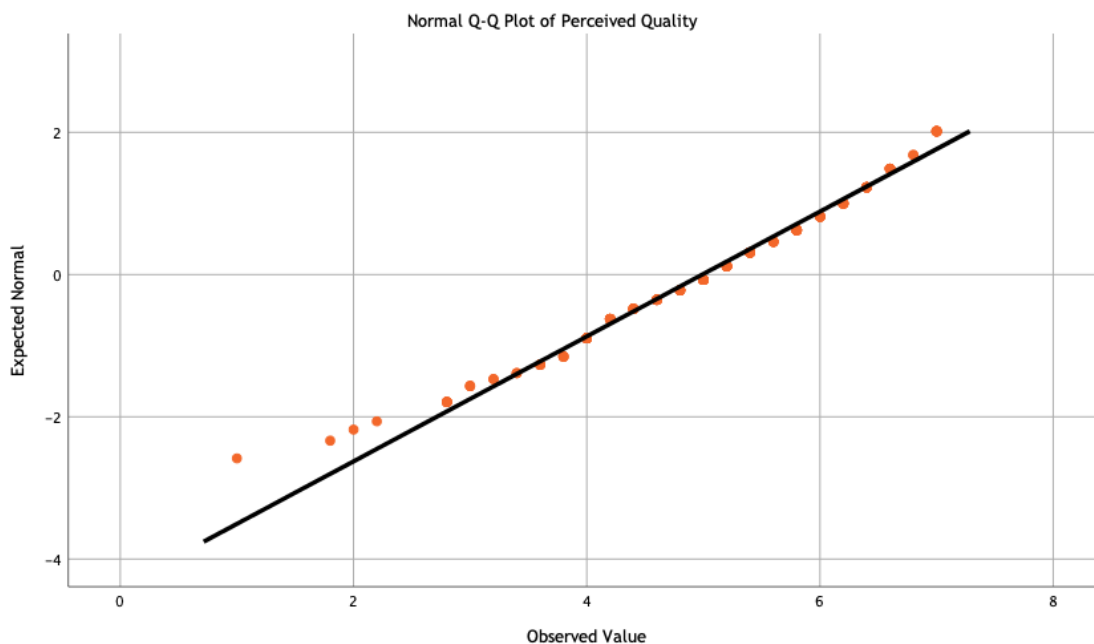


Figure 26 - Normality quality result, from: author

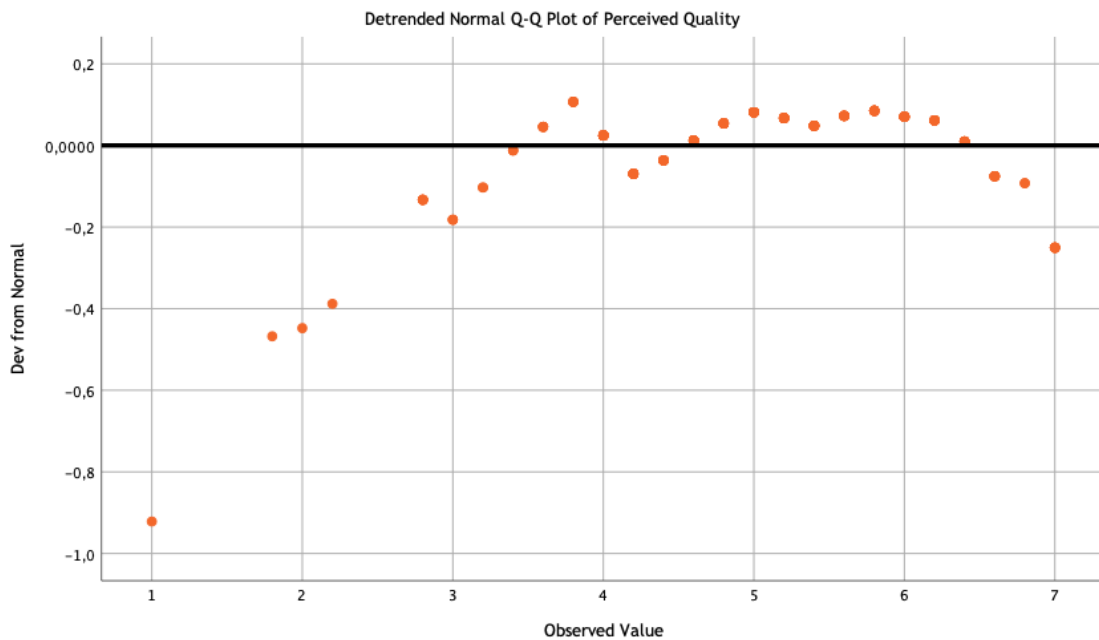


Figure 27 - Detrended from normal - quality, from: author

Table 9: Hypothesis Test Summary - Perceived Quality			
Null Hypothesis	Test	p-value	Decision
The median of Quality equals 4,00.	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,050.

From: author

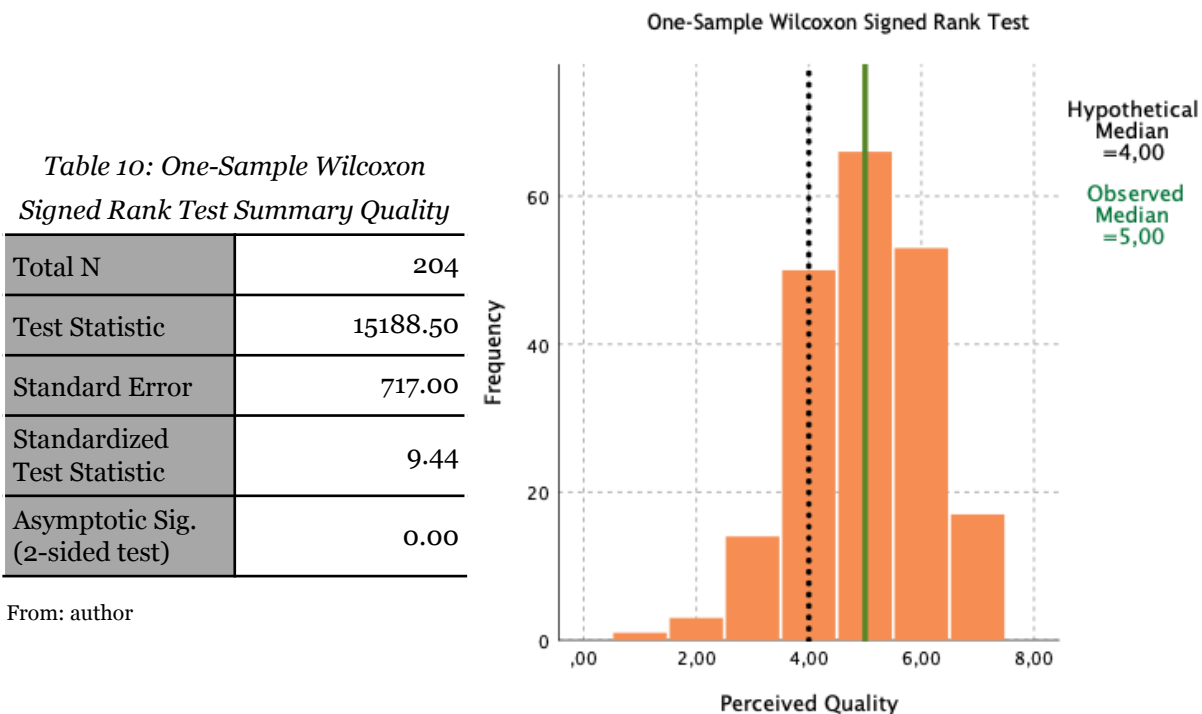


Table 10: One-Sample Wilcoxon Signed Rank Test Summary Quality

Total N	204
Test Statistic	15188.50
Standard Error	717.00
Standardized Test Statistic	9.44
Asymptotic Sig. (2-sided test)	0.00

From: author

Figure 28 - Wilcoxon signed rank test quality, from: author

3.4.6.5. Brand Awareness and Associations

The hypotheses considered to Brand Awareness and Associations are:

H_3 - Mass exclusivity strategy does not negatively affect Millennials' luxury brand awareness.

H_{03} - Mass exclusivity strategy has no effect on Millennials' luxury brand awareness.

If H_{03} has a mean value of $\mu=4$, then the mass exclusivity strategy is neither helping nor damaging the brand. If the H_3 has a mean value of $\mu>4$, then the mass exclusivity strategy is not harming. Additionally, if the p -value is lower than alpha, then we reject H_{03} , however, if the p -value is equal or higher than 0.05, then we do not reject H_{03} nor accept it.

Again, we checked our data to know if it has a normal distribution, and as a result, it does not, since the p -value is lower than 0.05, as we can see in table 11 and figures 29 and 30. After analysing our hypotheses, we observed that the mass exclusivity strategy is not having a negative impact on the brand awareness and its associations, hence we reject the H_{03} , and accept H_3 ($p=0.0<0.05$) (figure 31, tables 12 and 13).

Table 11: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	p -value	Statistic	df	p -value
Awareness/Associations	0.10	204	0.00	0.97	204	0.00

a. Lilliefors Significance Correction

From: author

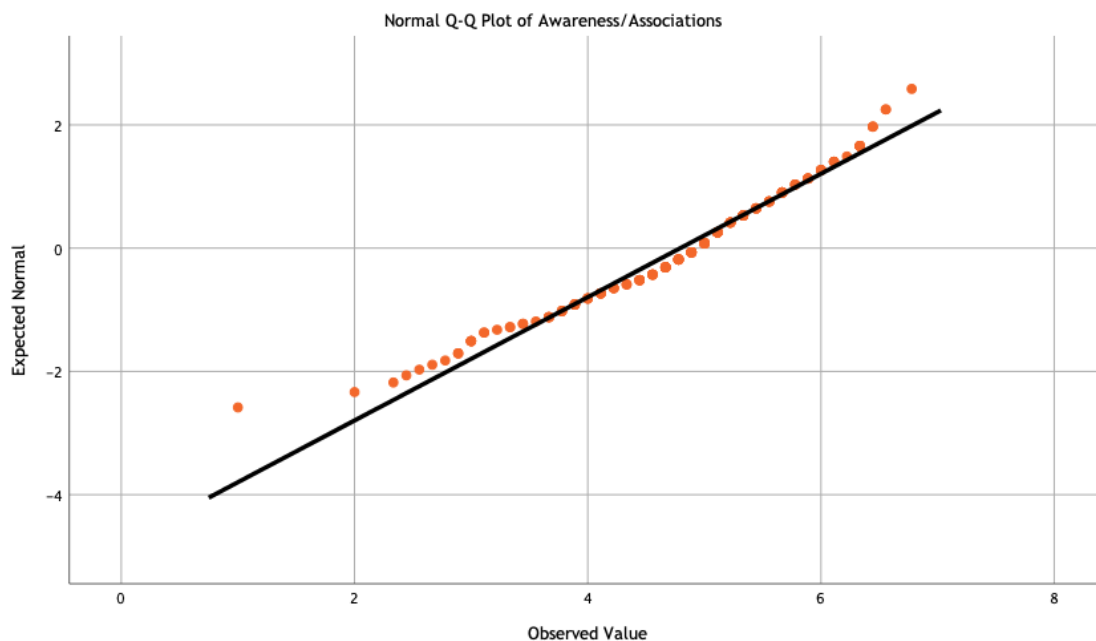


Figure 29 - Normality Awareness/associations result, from: author

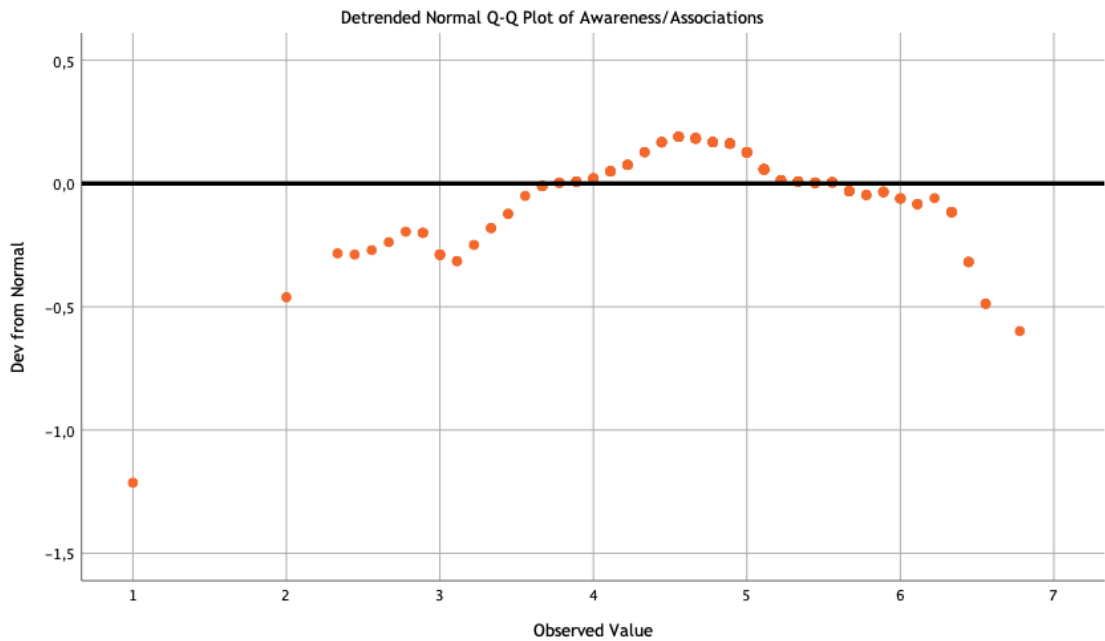


Figure 30 - Detrended from normal - awareness/associations from: author

Table 12: Hypothesis Test Summary - Awareness/Associations			
Null Hypothesis	Test	p-value	Decision
The median of Awareness/Associations equals 4,00.	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,050.

From: author

Table 13: One-Sample Wilcoxon Signed Rank Test Summary Awareness/Associations	
Total N	204
Test Statistic	17424.00
Standard Error	819.19
Standardized Test Statistic	9.00
Asymptotic Sig. (2-sided test)	0.00

From: author

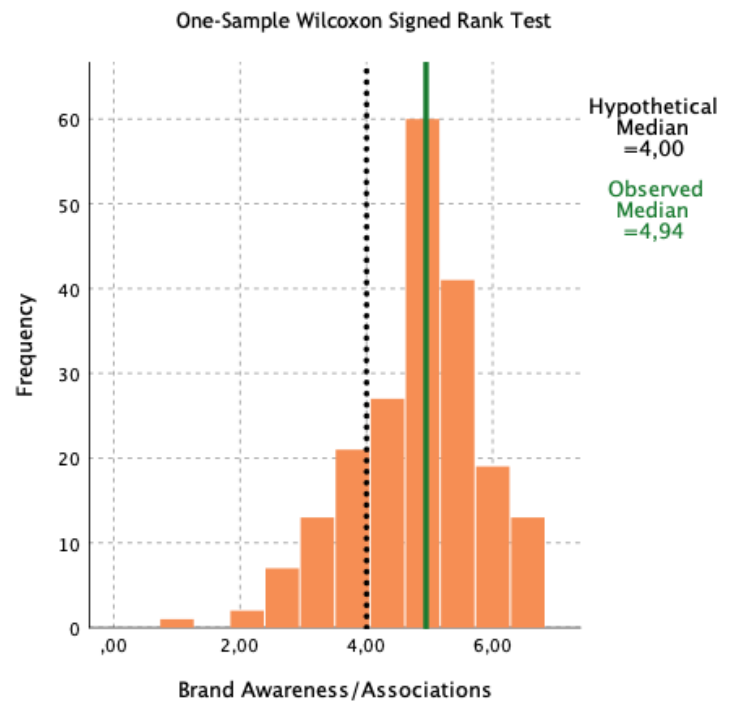


Figure 31 - Wilcoxon signed rank test Awareness/associations, from: author

3.4.6.6. Brand Mass Associations

The hypotheses considered to Mass Associations are:

H_4 - Social status has a positive effect on Millennials purchasing luxury products.

H_{04} - Social status has no effect on Millennials purchasing luxury products.

If H_{04} has a mean value of $\mu=4$, then the mass associations are neither helping nor damaging the brand. If the H_4 has a mean value of $\mu>4$, then social status is having a positive effect on purchasing habits. Additionally, if the p -value is lower than alpha, then we reject H_{04} , however, if the p -value is equal or higher than 0.05, then we do not reject H_{04} nor accept it.

Moreover, we started by doing the Shapiro-Wilk normality test to observe whether the sample follows a normal distribution or not. We discovered that this sample does not follow a normal distribution since the null hypotheses - $H_0 = \text{normal distribution}$ - is not confirmed ($p=0<0.05$) (table 14 and figures 32 and 33).

We do not reject the null hypothesis based on the One-Sample Wilcoxon Signed Rank test, because the p -value is equal to 0.05 ($p=0.05$). The hypothesis H_4 is not accepted, since we do not reject or confirmed the null hypothesis (table 15 and 16, figure 34).

Table 14: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	p -value	Statistic	df	p -value
Mass Associations	0.12	204	0.000	0.97	204	0.00

a. Lilliefors Significance Correction

From: author

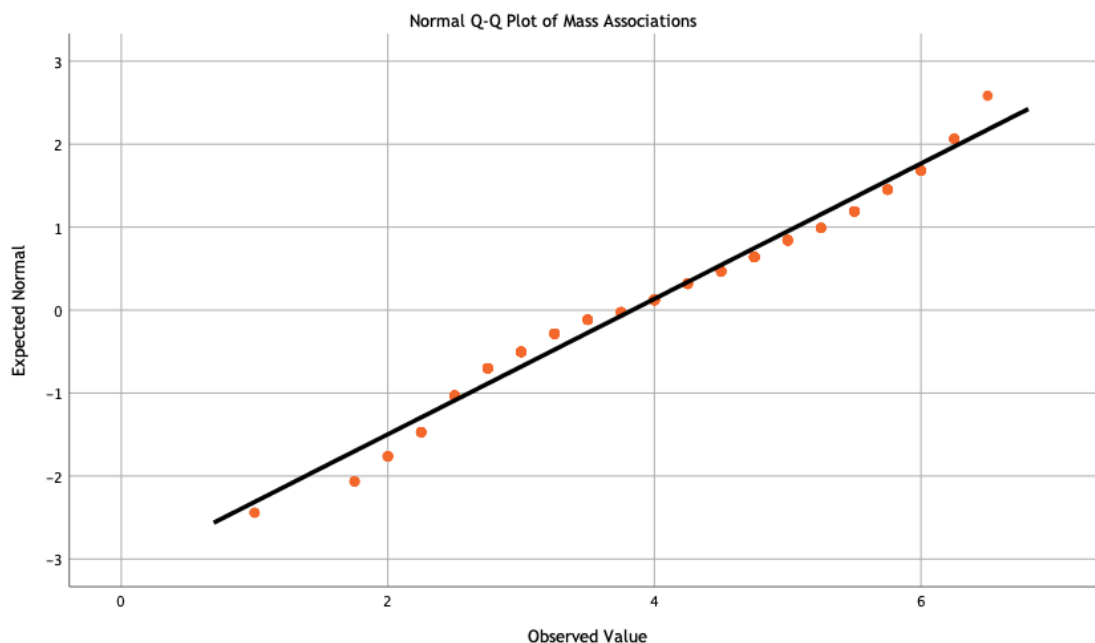


Figure 32 - Normality mass associations result, from: author

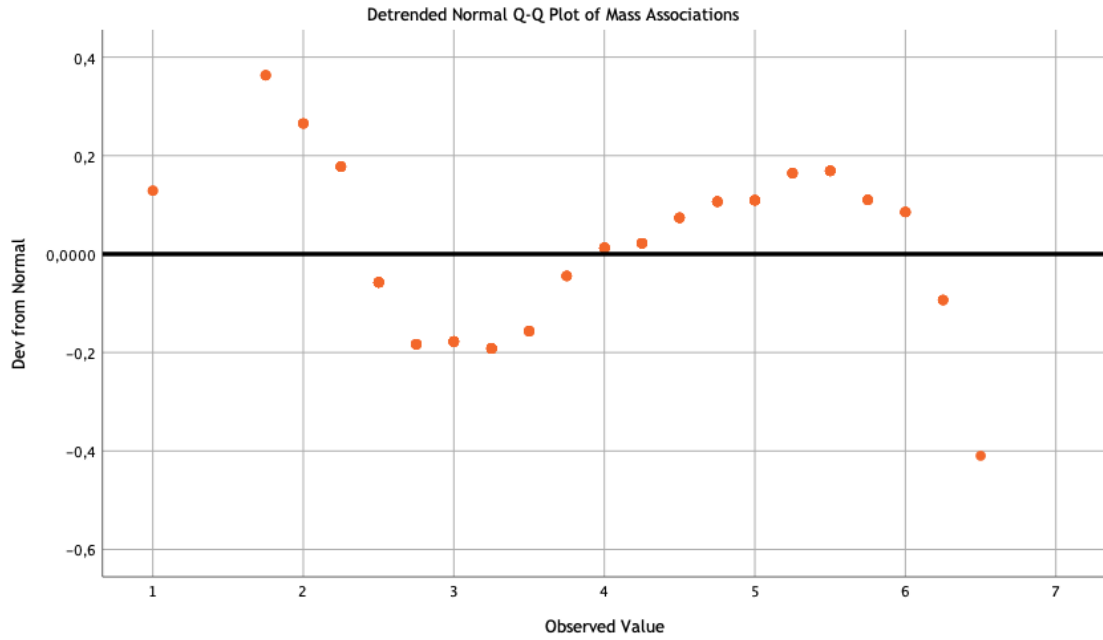


Figure 33 - Detrended From Normal - Mass Associations From: Author

Table 15: Hypothesis Test Summary - Mass Associations			
Null Hypothesis	Test	p-value	Decision
The median of Mass Associations equals 4,00.	One-Sample Wilcoxon Signed Rank Test	0.05	Do not reject the null hypothesis.

Asymptotic significances are displayed. The significance level is ,050.

From: author

Table 16: One-Sample Wilcoxon Signed Rank Test Summary Mass Associations

Total N	204
Test Statistic	7240.50
Standard Error	733.42
Standardized Test Statistic	-1.98
Asymptotic Sig. (2-sided test)	0.05

From: author

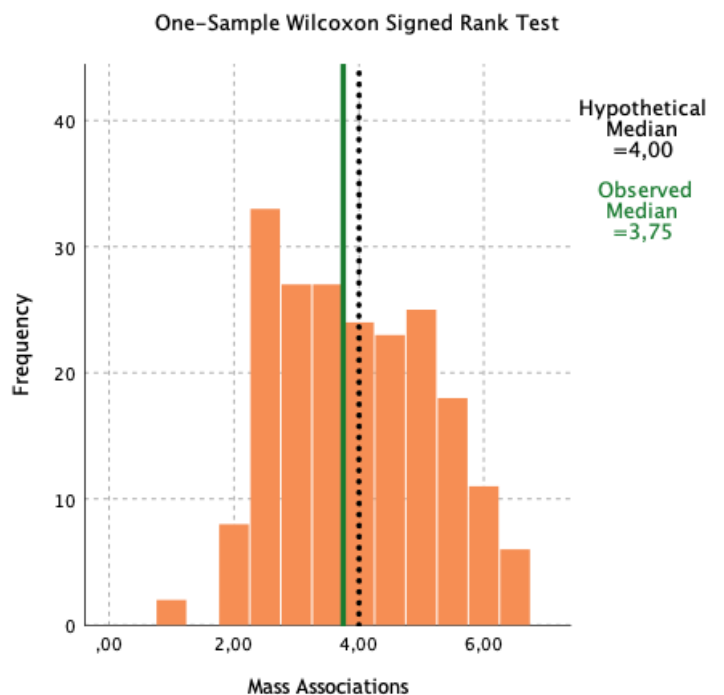


Figure 34 - Wilcoxon signed rank test Mass associations, from: author

4. Discussion

This investigation has the purpose to understand if the mass exclusivity strategy is creating or diminishing the Millennials' points of views towards luxury brands. We performed two studies: the first one that was more of an exploring nature (qualitative) and a second study (quantitative) for analysing better these groups opinions regarding a luxury brand - Louis Vuitton.

Luxury brands are a topic that is well studied, however, in Portugal, there are many studies focus on middle-class consumer's approach to these types of brands. Hence, we find our investigation appropriate since there is a lack of information and when it comes to mass exclusivity, fewer studies were found and none were based on Portuguese resident individuals. We based our investigation on the literature review and tried to compare our findings with theories from different authors.

4.1. Study 1

Study 1 was focused on millennials since authors thought they are a flamboyant generation, that has monetary means to spend on luxury, and signalling fashion consciousness and status to others are their goals. We learnt that this interview sample understood the concept of luxury, despite, genders disagreeing regarding what they value the most. Women's interpretation of luxury was about quality, while men focused on opulence. Nonetheless, when overlying data, both genders think alike.

The study's motivational stage was to explain what makes this kind of consumer to want such lavishing products. Authors such as Shukla (2011), Eastman (*et al.* 2018), Scott (2010), or Truong, McColl and Kitchen (2009) explained that inner urge is the most influential and powerful tool to affect consumer's motivation, yet, this is normally induced by external agents, as a result, people hold the need to create an image of themselves that corresponds to the social image they want to accomplish, to belong to a particular group. Our external appearance upholds our social position in society. Other reasons for obtaining luxury goods are the desire to recreate the wealthiest's lifestyle, or the social class right above their own. Moreover, people buy these products due to excellent quality and performance, since they favour products that last. Nonetheless, some people use luxury as a self-reward for a job or task well done, or to make themselves feel happy and self-loved.

In term of results, we realised a connection between the luxury brands they referred to their luxury interpretation and ultimately with their buying motivation. Most brands they chose were brands established on the market, and when they were explaining their luxury definition, they were describing what makes them believe that those were luxury and their views of them. However, when they were talking about their motivations, they were showing us what the brand makes them feel, whether was at a personal level, social or the product itself.

When they related quality and high value with such brands, they saw how elaborate and expensive those brand products' are, as a result, some feel if they have those products, they will be wealth or be apart of a higher status, thus owning luxury products would bring confidence to

them. While others felt having such expensive, crafted and quality product to be a reward to them because owning luxury products were considered a pleasure by the interviewees. Additionally, both kinds of people created an emotional connection to luxury brands, because they want to be apart of that brand's tribe, and feel accepted by that group.

This generation might crave for luxury and be considered by some authors a generation of large economical means, though, we recognised author's data might be wrong when it comes to Portuguese Millennials. Portuguese younger people, on average, have lower incomes than the stable average salary. But how would they have money to buy such luxurious brand products? We learnt that 79% of the interviewees were consumers, and the other 21% wanted to be. The 79% is a substantial amount of young people, still, the majority does not do the purchasing by themselves, rather their relatives are the ones doing it and giving luxury products to their children. This happens because younger people want to invest their money or need to pay house bills. But they do not aspire to lose such luxuries. Nevertheless, because we are dealing with middle-class people, luxury products can only be purchased once or twice a year, in special circumstances and only more affordable items.

This market of affordable luxury products brings more clientele to luxury brands, for before luxury was intangible by most, and now it is plausible for more than a few. Though, people find going to physical store important, since when they are buying such expensive items, they want to feel all the experience that comes with it.

When young people go to such stores they usually bring one of their parents with them, even if they are 30 years old, because they value their opinion on the quality and luxury knowledge, and another reason is that they feel intimidated by the environment and need someone to do the purchasing itself. Which leads to some younger people acquiring luxury products online, as it is less intimidating, they can see prices in advance and still have the brand experience with the website and packaging.

Younger people pay close attention to Instagram, Snapchat and TikTok influencers, YouTubers, and celebrities. As a result, luxury brands started growing that sort of marketing to approach potential consumers. Millennials have different role models that, sometimes, are ordinary people that became famous, due to a simple video, or because they are models, or even because they have shown their closets. There are niches for everyone. Luxury brands, such as Dior, conceived campaigns targeting those content viewers, by asking a great number of influencers to post a photograph online, on a particular day, with the same singular bag. The bag became a huge success and was a highly demanded product. As a result, that product became viral. The brand reached large levels of popularity and was more attainable to the public eye.

Even though Dior became popular and developed affordable viral products, our interviewees considered it a luxury brand. They know the brand, they comprehend its history, they value their craftsmanship and they want Dior's products. As a consequence, the brand increased revenues and popularity, and did not lose exclusivity, because those affordable products were small and took considerably less effort to make, therefore, exclusive, high-quality products are still unavailable to the masses, that universe of glamour and tradition is just for a few.

Nevertheless, most interviewees considered if the strategy is not well planned, brands will eventually lose their luxury status. The most mentioned brand was Louis Vuitton, and we believed that happen due to the great amount of popularity around LV pattern bags and due to great brand counterfeiting. Notwithstanding, most told us at a long run they no longer view Louis Vuitton's brand as a luxury, since everyone, from influencer to common people, can have that iconic pattern, which means, the brand is losing exclusivity, and also quality because some consumers, that were interviewed said that their bags were starting to break after using them four times. Those two conditions are imperative for consumers to consider a brand to be luxurious.

Finally, electronic word of mouth is a powerful tool that marketers are using nowadays. When encouraging people longing for luxury by constantly showing them aesthetically pleasing products that are being used by younger people's favourite celebrity or influencer, they are playing with desires and feelings of belonging to certain clubs. By converting to be more popular and affordable, some are beginning to acknowledge brands such as Gucci and Louis Vuitton as premium brands, rather than a luxury. However, Ralph Lauren and Armani whose brands' houses have different labels, for different segments, are completely regarded as a luxury, since people who buy premium products, know that they are only getting a taste of the luxury brand, and not the actual high-end product. As it turns out, that strategy also affiliates new consumers, and lower house brands are a steppingstone for consumers to reach the more high-priced luxury label.

4.2. Study 2

After taking into consideration all gather information from study 1, it was performed a second quantitative study, to further investigate the mass exclusivity thematic. This study has four hypotheses that were created to understand if this brand strategy is doing any damage to luxury brands. As it was already studied, middle-class people are getting a bigger interest in luxury products, since they have become more assessable to ordinary people. Most luxury brands have developed brand extensions of their top brand. Some created different types of product categories which are all under the same hat. The brand Louis Vuitton was chosen because it was one of the most talked-about during interviews and because of its mass exclusivity strategy.

When trying to answer our questions about whether mass exclusivity brings value to the brand or not, we needed to understand what the word value in this context would mean, since this word can have a different meaning to several people. During our interviews, people would talk about value in completely different ways from each other, therefore it was important for us to find a way to evaluate a brand's value through the consumer's point of view. When we studied brand equity models such as Aakers (1996) and Upshaw (Janning 2019; Upshaw 1995), we realised that there are two ways of evaluating brand's value: first by looking into its finances and the second its identity. Therefore, the word "value" instead of being an abstract concept, became a measurable asset of a brand, since we can measure popularity, understand if the brand is creating brand love, or even whether the brand is becoming memorable to the consumer.

However, when we look at mass exclusivity studies, some are based on the financial point of view, others are focused on an analysis of a particular brand, but not many are on brand's identity value given by the consumer. Because we could not find studies of luxury brand's mass exclusivity strategy results on Portuguese resident population, then we understood that we could not analyse and compare whether a certain luxury brand is actually creating brand loyalty toward its potential consumers, or if the perceived quality increased due to this strategy, or even know is it was the mass exclusivity the culprit of the brand's awareness and its associations. So we cannot test whether this strategy is increasing value for a luxury brand. What we can learn and examine is whether this strategy is not harming a certain brand's equity, in this case, Louis Vuitton.

As it was explained, we performed a questionnaire to millennials with two sections, being the first about product and brand experience and the second based on an adaptation of the brand equity's measure models of Yoo and Donthu (2001) and Paul (2019) to confirm our hypotheses.

When we looked at our product and experience results, we focus on luxury bags, since it was the most talked-about accessory on interviews. We found that in our sample only a small amount of people has a luxury bag, which makes sense since most are middle-class consumers that earn slightly below the average Portuguese salary (1 130,79€) but still above the minimum wage. It was surprising to learn that we had people within our sample that bought Louis Vuitton's products, and even more surprising that same small sample there was not a significant difference between visiting the physical store and going to LV's online website, however, most individuals, in our sample, visit neither. Additionally, we asked if they feel intimidated going to the physical store and if so, if that was the reason they would prefer going online. However, only a small percentage felt intimidated at LV's store, therefore, intimidation is not a relevant factor for people to visit LV's website.

We learned that most people have never been to the LV's physical store, but if they were to purchase a brand product, they would prefer buying it at the brick store since it is more comfortable, easier and they can touch the product. Although, when they were asked if they would prefer buying at the physical store because of the store experience provided, there was not a significant difference between the people who answered *yes* and the individuals who said *no*, and on top of that, there were a lot of individuals saying they *did not know*, this might happen because many people have not entered LV's facilities. Nonetheless, most people would not go to the website to purchase items, and most do not find it more comfortable or easier to purchase through this platform. Also, the online experience is not a contributive factor to make these people want to purchase LV's products online. However, when they were asked if they trust the brand's website, there wasn't a significant difference between *yes* and *do not know*. This probably results of the fact that most people of our sample never purchase an LV's product, and since it is a high price object, they seem to prefer to go to the physical store to assure themselves that their money is being well spent while meeting their hedonic needs. This confirms Ecommerce Europe (2019) report about people liking to see and touch the product before buying or have a strong loyalty to physical shops or a forced habit for shopping in-store.

Furthermore, we wanted to understand from where people would recognise Louis Vuitton's brand, and we learnt that social media is not a big factor, neither is its website, however, individuals did find the brand's history a recognisable feature for them and also its publicity over-all (which can be from word of mouth, the website and social media, from magazines and other factors). Lastly, to complement study 1, we asked if they would find LV is losing value due to not being exclusive, and people neither agree nor disagree with this statement, which may show that even if the brand is more accessible, people do not perceive exclusivity as value factor for diminishing the brand's worth.

When analysing our hypotheses, we were searching to understand if Louis Vuitton has high brand equity in Portugal, hence we perform a questionnaire that involved the adaptation of the *Measure of Multidimensional Brand Equity (MBE)* test, the *Masstige Index Measure* test and *The Convergence Validity With a Measure of Overall Brand Equity (OBE)* test. We also divided our section into four main categories. Three would help conclude whether our hypotheses are confirmed, and the last would show the brand's equity in Portugal.

Looking at the means of each section we were able to understand that people resident in Portugal are not loyal to the brand. This section scored poorly in terms of likability and most of all, on MBE's loyalty test. While in terms of quality, people associate the brand to quality, even on the sub-scale of mass quality perception, which might lead to the partial conclusion that this strategy might not be harming the brand. When it comes to awareness and associations scale, we found people know the existence of the brand and can recall it easily. However, when we take a closer look to mass association sub-scale, we notice that it scored relatively lower than expected. This can occur due to social-status associations and perceived prestige since we noticed that most people do not buy LV's products for social-status seeking or mass prestige, contrary to popular belief, but they do find the brand prestigious and top of the mind in this country. When look into MBE mean (4.36), which can be done by weighted arithmetic mean, shows that LV's brand equity is acceptable, however, when performing the OBE test we noticed that the results are low, since when people are presented with a product with the same characteristics and quality, would not purchase Louis Vuitton. As a result, when looking at the overall tests' means, we find that LV's brand equity in the millennial generation, in Portugal, is not strong.

While analysing our hypotheses, we found H₁ intriguing. Brand loyalty plays a big role when it comes to luxury brands. When it is established, then a bond is developed between client and brand (R. Lutfi and T. Altintas 2018; Allender and Richards 2012). We accepted this hypothesis since *p-value* was lower than 0.05. However, since the mean was also lower than 4 ($\mu < 4$), we believe we cannot confirm H₁, because we do not know if is, in fact, the mass exclusivity strategy that is the one harming the brand's loyalty. There might be several factors that can be responsible for it (e.g. culture), and we can only confirm the mass exclusive strategy is not damaging the brand when $\mu > 4$. Moreover, this shows most middle class millennials do not trust or even like Louis Vuitton, as a result, we find H₁ inconclusive.

Additionally, we accepted hypotheses H₂ and H₃, since each *p-value* were lower than 0.05 and $\mu > 4$, which means that millennials' points of view on mass exclusivity strategy is not harming

brand's perception of quality nor brand's awareness and associations. The brand is investing in promotion and quality every day, hence mass exclusivity might be working in terms of increasing popularity among middle-class individuals, and increasing revenue. Paul (2019) explains that the mass exclusivity model helped the brand generate approximately 20%-30% of worldwide revenue from the United State.

Nevertheless, we rejected H₄ (*p-values* <0.05) and we are comfortable to affirm that social status does not have a positive effect on Millennials purchasing luxury products. Which goes against Eastman (*et al.* 2018; Mundel, Huddleston and Vodermeier 2017) theories about millennials tending to spend money as a goal of signalling fashion consciousness and status to other people. However, it agrees with Granot (*et al.* 2013; Silverstein and Fiske 2003a), who explained that this traditional idea is changing, due to an economic shift, since brands understand that clients are more likely to pay a premium price and create an emotional attachment to the brand rather than purchase the item just because it is expensive or due to its value as a means to show the consumer's status. Nevertheless, if we combine the information from interviews, we can speculate that most millennials have their relatives purchasing luxury products for them, as a result, they are not the ones with the means to buy such expensive goods, therefore, they only acquire a product if they really like its quality and aesthetics.

5. Conclusion

5.1. Studies' implications

The purpose of this dissertation was to explain whether mass exclusivity is a valid strategy for luxury brands. Since there are not many studies on the subject and the fact that we were not able to find one about luxury brands putting this strategy into place in Portugal, we find our study utmost importance to brands that are trying to use mass exclusivity in this country.

First, we want to answer two of our initial questions of what is mass exclusivity and what brand value means to consumers. Therefore, mass exclusivity, as we see it, is a strategy that most luxury brands are putting into place to increase popularity (by using influencer marketing) and revenues (by creating cash cow products). It evolves targeting a middle-class population that have the means to purchase smaller luxury products or even one big item, once or twice a year. The brand usually expands to different markets, creating brand extensions, such as cosmetics and perfumes, or even creating smaller accessories (such as keychains, wallets, spectacles and watches), smaller and less detailed bags and some clothing items, which sometimes are in partnership with fast-fashion companies, thus being more accessible to a larger amount of population. Another strategy is to develop more affordable sub-brands, with different names, that are under the same hat, meaning they are associated with their primary luxury brand. The luxury brand plays with consumer's desires and create promotional campaigns (online or physical) with celebrities and sponsorships to reach as many people as possible, from different generations and countries. They also do not lower their prices and normally have vertical integration, meaning that they control every aspect from distributors, suppliers, supply chain and retail locations, which at the long run, helps the company become cost-efficient.

The brand's value can be seen as the brand's equity. Brand equity is defined by a combination of associations and behaviours between brand, retailer and organisation which allows the brand to increase substantially its sell's volume and margins that it would not be able to happen without the brand name and the tactical advantage that provides over its competitors (Correia 2016; Luthesser 1988). However, we wanted to define brand equity by the consumer's perspective, which is regarding what is the consumer's perspective on utility, loyalty or clear image of a product, when the consumer is facing the brand and observing the product through that brand concept (Ailawadi, Lehmann & Neslin 2003; Leuthesser 1988). "Customer equity is the preamble of financial equity. Brands have financial value because they have created assets in the minds and hearts of customers, distributors, prescribers, opinion leaders" (Kapferer 2008, p. 10). Therefore, to understand if a strategy is creating a certain value on a brand, there is the need to study the brand's equity through the potential consumer's point of view.

Secondly, to understand if this strategy is creating or decreasing value towards brands, we need to understand what the consumers' believes are and what is important to them. Hence, after researching on the matter, we learnt that people purchase for two main reasons: when they have a basic need (utilitarian), or when they want to satisfy a more hedonic need. The last one is connected to our aspirations, education, ambition and social and economical status. This desire is to exploit by fashion brands, to make us longing for their products. While performing our first

exploratory study, we learnt that people related quality and high monetary value with luxury brands. They understand how elaborate and expensive such brand products' are, hence, some feel if they possess those products, they would be wealth or apart of a higher status, thus owning luxury products would bring them confidence. However, in the quantitative study, we notice most people do not buy because of social-status. While others felt having such expensive, crafted and quality product to be a reward because owning luxury products were considered a pleasure by the interviewees. Additionally, both kinds of people created an emotional connection to luxury brands, because they want to be apart of that brand's tribe, and feel accepted by that group.

Thirdly, we performed a quantitative study to test our finds during our literature review and interviews, to reach a solid conclusion. While developing our hypotheses, we quickly perceived that we would no longer test whether the mass exclusivity strategy brought value to a brand, since there was no before and after test comparison made in Portugal (at least we were enabled to find it). Therefore, we could only test if this strategy was not harming a certain luxury brand, in this case, we used Louis Vuitton since it was the most talked-about during interviews and it is one of the oldest luxury brands that happen to be using mass exclusivity.

To evaluate Louis Vuitton's brand equity and if mass exclusivity is not damaging the brand, we adapted Aaker's brand equity model (1996), Yoo and Donthu (2001) brand equity measure model and Paul's masstige measuring model, and focus on brand loyalty, perceived quality and brand awareness and associations. Overall we find the mass exclusivity strategy is not harming Louis Vuitton.

Finally, when looking at all the information from the literature review, interviews and questionnaires, we believe that not only is this strategy not damaging the brand, but is also increasing value, because it is creating more awareness (through influencer marketing) onto potential clients and is being more approachable. Even though millennials are aware of the brand since a young age, due to parental and family influences, we strongly believe that this strategy is the reason why young people are developing more receptive relationships with the brand. Nevertheless, we also believe the brand still needs to increase its brand loyalty in Portugal, since it was the least scored factor and might be damaging to brand love, desire and ultimately the brand's relationship with potential consumers. Table 17, and attachment C - table 35, (which has more information), summarises both studies, that ultimately lead to the conclusions explained above.

Table 17 - Summarise Studies Table

Study 1				Study 2			
Demographics				Demographics			
Gender				Gender			
Female	Male	Total		Female	Male	Non-Binary	Total
53%	47%	34=100%		66.2%	33.3%	0.5%	204=100%
Date of Birth				Date of Birth			
1980-1985	1986-1990	1991-1999	Total	1980-1985	1986-1990	1991-1996	Total
5.9%	17.6%	76.5%	34=100%	11.8%	11.8%	76.5%	204=100%

Motivation				Hypothese 1 - Loyalty			
Personal	Identity	53%			Mean	Std. Deviation	Mode
	Taste	47%		Brand Loyalty	2.76	1.32	2
Social	Social status	38%		Null Hypothesis	Test	p-value	Decision
	Prestige	47%		Median of Loyalty = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis
	Exclusivity	56%		Hypothese 2 - Quality			
Product	Price	9%			Mean	Std. Deviation	Mode
	Aesthetic	35%		Brand Quality	4.99	1.14	4
	Quality	85%		Null Hypothesis	Test	p-value	Decision
	Durability	41%		Median = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis
Mass Exclusivity Opinions				Hypothese 3 - Awareness/Associations			
	Good idea	Bad idea			Mean	Std. Deviation	Mode
Add New Consumers	59%	0%		Awareness/Associations	4.79	1.00	5
Keep existing Consumers	21%	0%		Null Hypothesis	Test	p-value	Decision
Keep social status differences	18%	0%		Median = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis
Keep exclusivity	18%	0%		Hypothese 4 - Mass Associations			
New brand members	38%	0%			Mean	Std. Deviation	Mode
Decreases social status differences	26%	38%		Mass Associations	3.84	1.23	3
Lacks exclusivity	9%	59%		Null Hypothesis	Test	p-value	Decision
Affordable prices	38%	12%		Median = 4	One-Sample Wilcoxon Signed Rank Test	0.05	Do not reject the null hypothesis
New products target younger people	15%	0%		OBE Test			
Modifies brand identity	9%	50%			Mean	Std. Deviation	Mode
Brand expansion	24%	0%		OBE Test	2.76	1.60	1
Loses old consumers	0%	18%					

from: author

5.2. Limitations

There were a few limitations to this dissertation since it is important to point it out that we did not find many studies on the matter of subject, and we did not discover any study performed in Portugal. It is also important to refer that these studies have an exploratory nature, hence the results must be carefully interpreted.

Our studies would benefit from a larger sample, however, since the beginning of 2020, we are experiencing a pandemic called SARS-COV-2, more commonly name Covid-19 (SNS24, 2020), which has created difficulties to reach out to people. Many people refused to be subject to interviews due to lack of time and were unavailable to answer our questionnaire since most were working from home or had other home responsibilities. Hence, we did not create different questionnaires with several luxury brands because of that same reason, therefore we cannot make a general conclusion about this strategy.

Lastly, due to Covid-19, we were not able to frequent the university's library for a great amount of time, hence we could only count with online information, and that is why there are not many book references in this dissertation.

5.3. Further investigations

To investigate this subject into a more profound level, it would be advantageous to replicate our studies, with several and larger samples and with various luxury brands, to better support and compare our findings, and to develop a more general conclusion about this strategy.

An intriguing future investigation would be to explain why some luxury brands are not promoting enough brand loyalty towards middle-class consumers in Portugal, and how mass exclusivity might help this matter.

Additionally, it would be interesting to compare these samples' results with other generations, to discover if there are differences in mass exclusivity strategy consumers' responses. Finally, it would be good to perform this same study in other countries, since we adapted scales from studies that were already used in other countries.

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7. Attachments

A. Study 1

A.1. Luxury definition



Figure 35 - luxury definition, from: author

<i>Table 18 - Luxury Definition</i>		
	n	n%
Opulence	21	62%
Sumptuous	13	38%
Quality	28	82%
Exclusivity	20	59%
High Transaction Value	25	74%
Craftsmanship	11	32%
Distinctiveness	23	68%
Superfluous	15	44%
Heritage	14	41%
Aesthetic	16	47%

from: author

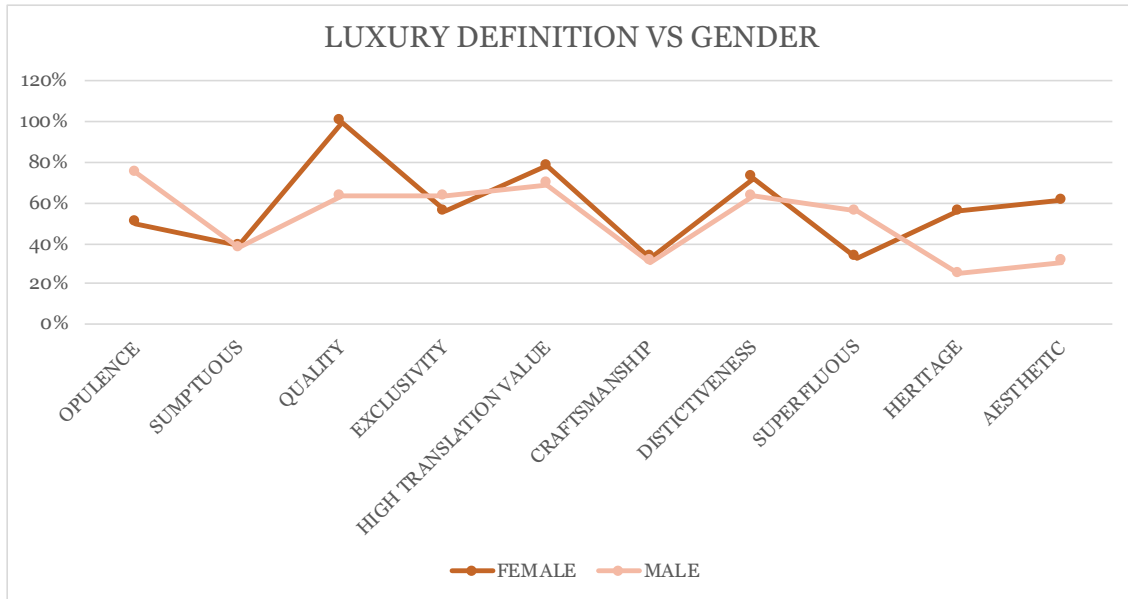


Figure 36 - luxury definition vs gender, from: author

	Female	Male
Opulence	50%	75%
Sumptuous	39%	38%
Quality	100%	63%
Exclusivity	56%	63%
High Transaction Value	78%	69%
Craftsmanship	33%	31%
Distinctiveness	72%	63%
Superfluous	33%	56%
Heritage	56%	25%
Aesthetic	61%	31%

from: author

A.2. Luxury brands

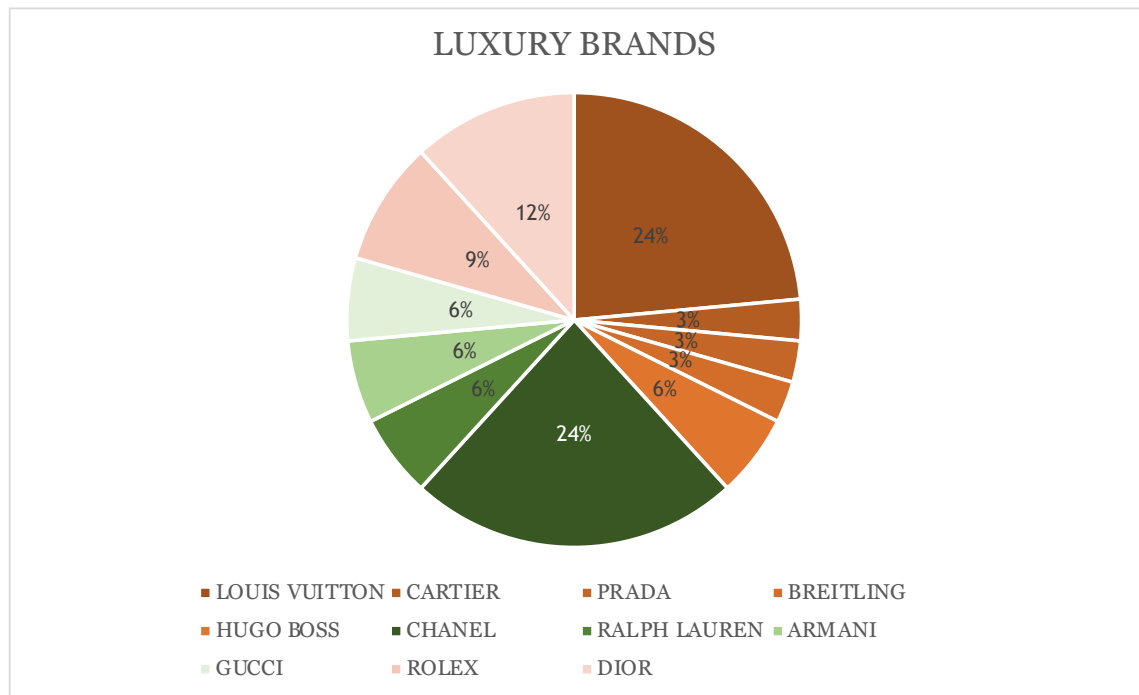


Figure 37 - luxury brands, from: author

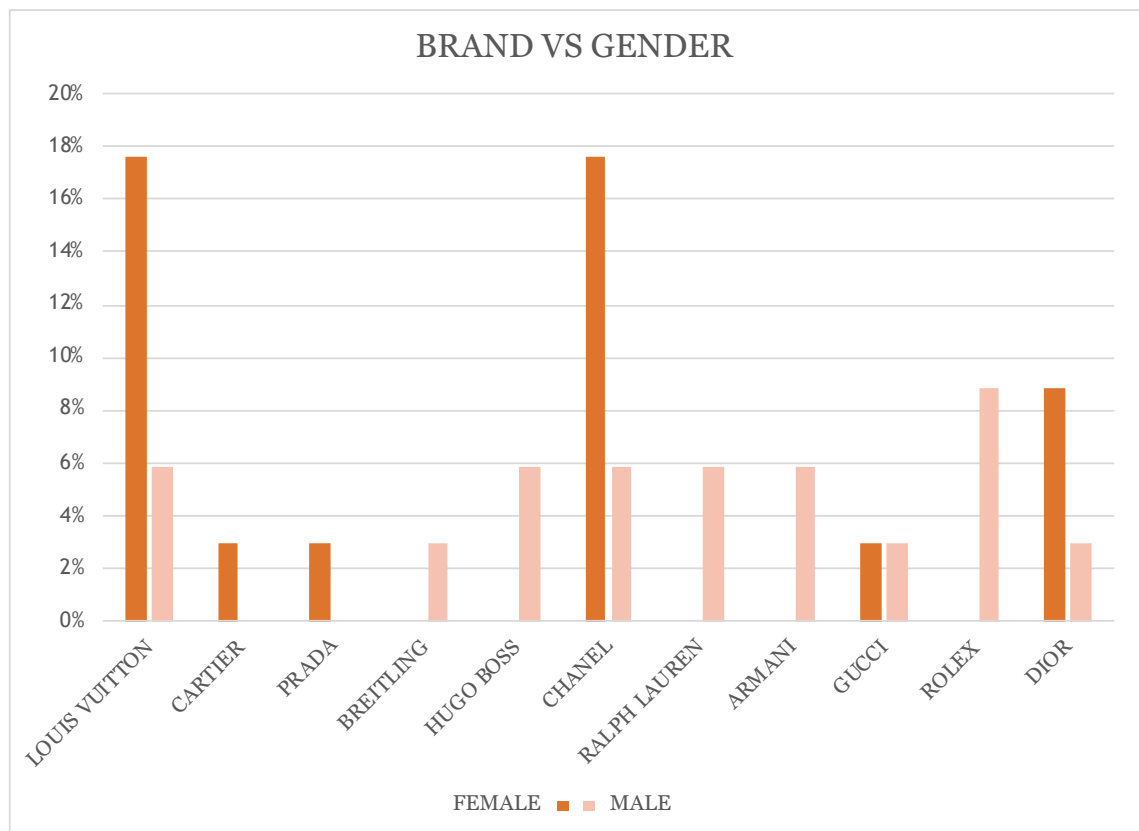


Figure 38 - brand vs gender from: author

	Female	Male
Louis Vuitton	18%	6%
Cartier	3%	0%
Prada	3%	0%
Breitling	0%	3%
Hugo Boss	0%	6%
Chanel	18%	6%
Ralph Lauren	0%	6%
Armani	0%	6%
Gucci	3%	3%
Rolex	0%	9%
Dior	9%	3%

from: author

	Total		Opulence		Sumptuous		Quality		Exclusivity		High Transaction Value		Craftsmanship		Distinctiveness		Superfluous		Heritage		Aesthetic	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Louis Vuitton	6	2	50%	0%	50%	0%	100%	0%	50%	50%	83%	50%	17%	0%	67%	100%	33%	0%	83%	50%	83%	50%
Cartier	1	0	100%	0%	0%	0%	100%	0%	100%	0%	100%	0%	0%	0%	100%	0%	100%	0%	0%	0%	100%	0%
Prada	1	0	0%	0%	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Breitling	0	1	0%	100%	0%	0%	0%	100%	0%	100%	0%	100%	0%	0%	0%	100%	0%	100%	0%	0%	0%	0%
Hugo Boss	0	2	0%	100%	0%	100%	0%	50%	0%	50%	0%	100%	0%	0%	0%	50%	0%	50%	0%	0%	0%	0%
Chanel	6	2	67%	100%	33%	100%	100%	50%	33%	100%	100%	50%	50%	50%	83%	50%	17%	50%	50%	50%	33%	50%
Ralph Lauren	0	2	0%	50%	0%	0%	0%	100%	0%	0%	0%	50%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%
Armani	0	2	0%	50%	0%	50%	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%	50%	0%	50%	0%	50%
Gucci	1	1	100%	100%	100%	0%	100%	100%	100%	0%	100%	100%	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
Rolex	0	3	0%	100%	0%	33%	0%	33%	0%	63%	0%	33%	0%	33%	0%	67%	0%	67%	0%	0%	0%	33%
Dior	3	1	0%	100%	33%	0%	100%	100%	67%	100%	33%	100%	33%	100%	67%	100%	33%	100%	33%	100%	67%	100%

from: author

A.3. Motivation

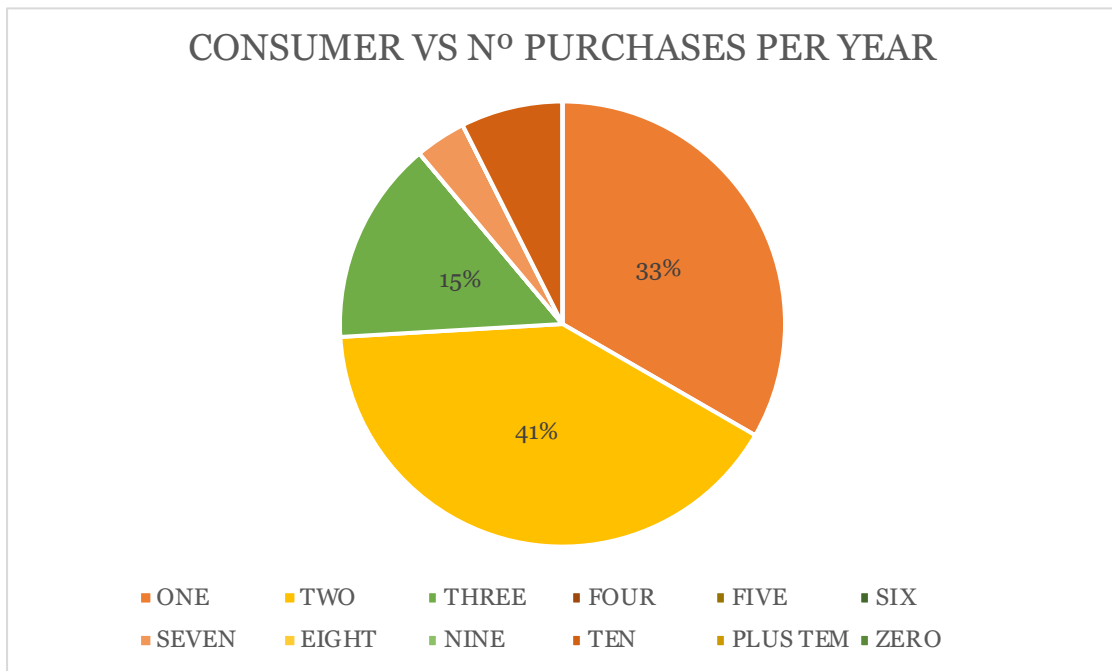


Figure 39 - consumer vs purchases per year, from: author

Table 22 - Consumer vs n° purchases per year

Consumer		N° purchases per year			
	n	n%		n	n%
Yes	27	79%	One	9	33%
			Two	11	41%
			Three	4	15%
			Four	0	0%
			Five	0	0%
			Six	0	0%
			Seven	1	4%
			Eight	0	0%
			Nine	0	0%
			Ten	2	7%
			Plus ten	0	0%
No	7	21%	Zero	0	0%
Total	34	100%	Total	27	100%

from: author

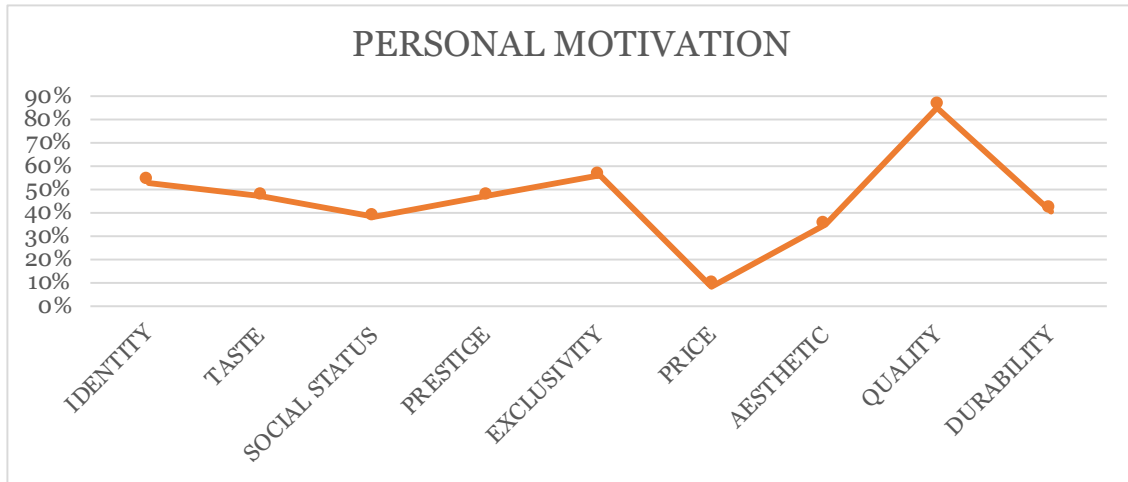


Figure 40 - Personal motivations, from: author

Table 23 - Personal Motivation to Purchase

	Total		Personal				Social						Product							
			Identity		Taste		Social Status		Prestige		Exclusivity		Price		Aesthetic		Quality		Durability	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Louis Vuitton	6	2	33%	50%	67%	50%	17%	50%	17%	50%	33%	100%	17%	0%	33%	50%	83%	0%	67%	0%
Cartier	1	0	100%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%	100%	0%	100%	0%	100%	0%
Prada	1	0	100%	0%	100%	0%	0%	100%	0%	100%	0%	0%	0%	0%	100%	0%	100%	0%	100%	0%
Breitling	0	1	0%	100%	0%	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
Hugo Boss	0	2	0%	0%	0%	0%	0%	100%	0%	100%	0%	50%	0%	0%	0%	0%	0%	100%	0%	0%
Chanel	6	2	83%	50%	50%	0%	17%	0%	33%	0%	67%	100%	0%	0%	50%	0%	100%	50%	67%	0%
Ralph Lauren	0	2	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
Armani	0	2	0%	50%	0%	50%	0%	100%	0%	100%	0%	100%	0%	0%	0%	50%	0%	100%	0%	0%
Gucci	1	1	0%	100%	0%	100%	100%	0%	100%	0%	100%	0%	100%	100%	100%	0%	100%	100%	100%	100%
Rolex	0	3	0%	67%	0%	67%	0%	0%	0%	33%	0%	67%	0%	0%	0%	0%	0%	67%	0%	33%
Dior	3	1	67%	0%	33%	100%	33%	100%	100%	100%	0%	100%	0%	0%	33%	100%	100%	100%	33%	0%

from: author

Table 24 - Personal Motivation

Personal	Identity	53%
	Taste	47%
Social	Social Status	38%
	Prestige	47%
	Exclusivity	56%
Product	Price	9%
	Aesthetic	35%
	Quality	85%
	Durability	41%

from: author

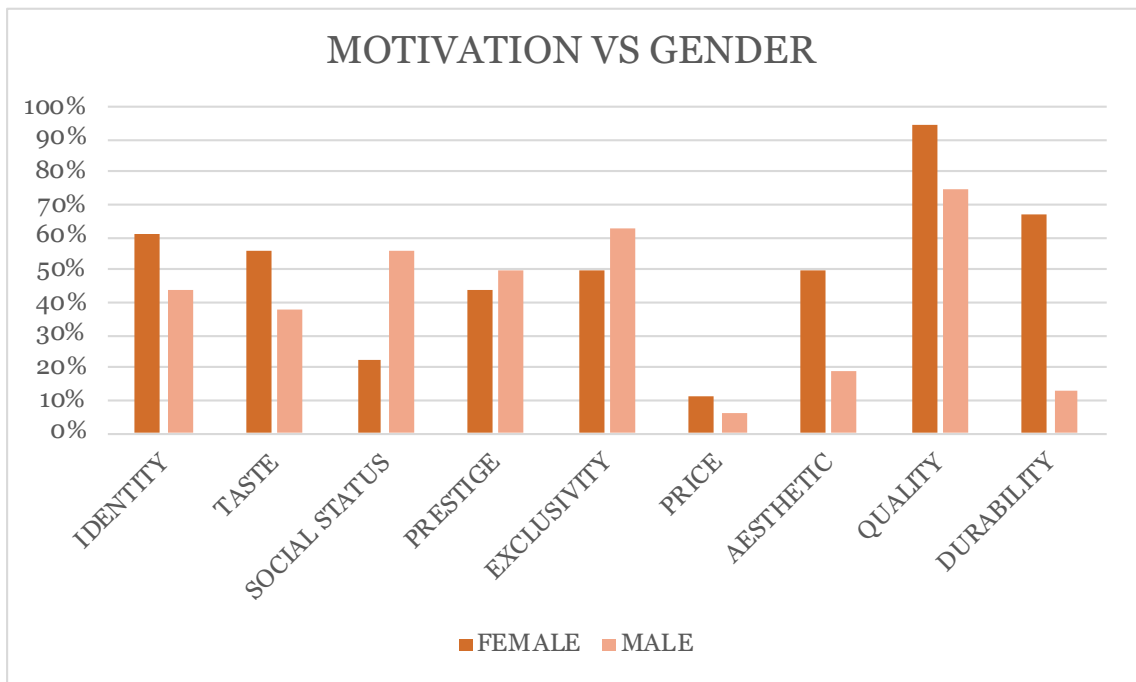


Figure 41 - Personal motivations vs gender, from: author

		Female	Male
Personal	Identity	61%	44%
	Taste	56%	38%
Social	Social Status	22%	56%
	Prestige	44%	50%
	Exclusivity	50%	63%
Product	Price	11%	6%
	Aesthetic	50%	19%
	Quality	94%	75%
	Durability	67%	13%

from: author

A.4. Selling platforms

Table 26 - Place of purchase

	Consumer		Non Consumer	
	n	n%	n	n%
Online	3	11%	1	14%
Physical	22	81%	4	57%
Both	2	7%	2	29%
Total	27	100%	7	100%

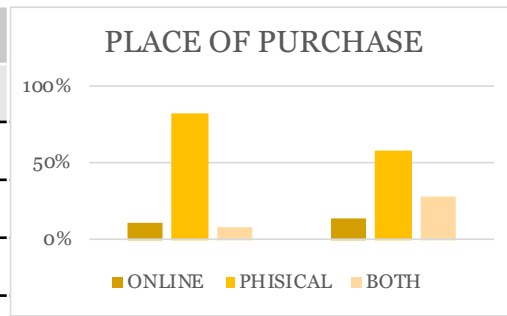


Figure 42 - place of purchase , from: author

from: author

Table 27 - Place of purchase vs motivation

		Consumer		Non Consumer		Total	
		n	n%	n	n%	n%	
Online	Visual	2	67%	1	100%	75%	
	Audio	1	33%	0	0%	25%	
	Smell	1	33%	0	0%	25%	
	Tactile	1	33%	1	100%	50%	
	Website	1	33%	1	100%	50%	
	Monetary	3	100%	0	0%	75%	
	Catalog	1	33%	1	100%	50%	
	Trust	3	100%	1	100%	100%	
Physical	Visual	17	77%	4	100%	81%	
	Audio	15	68%	3	75%	69%	
	Smell	12	55%	3	75%	58%	
	Tactile	18	82%	3	75%	81%	
	Store	12	55%	3	75%	58%	
	Monetary	12	55%	2	50%	54%	
	Catalog	0	0%	0	0%	0%	
	Trust	16	73%	3	75%	73%	
Both	Online	Visual	1	50%	2	100%	75%
		Audio	2	100%	0	0%	50%
		Smell	0	0%	0	0%	0%
		Tactile	1	50%	2	100%	75%
		Website	1	50%	1	50%	50%
		Monetary	2	100%	0	0%	50%
		Catalog	1	50%	1	50%	50%
		Trust	1	50%	2	100%	75%
	Physical	Visual	1	50%	2	100%	75%
		Audio	1	50%	2	100%	75%
		Smell	1	50%	2	100%	75%
		Tactile	1	50%	2	100%	75%
		Store	1	50%	2	100%	75%
		Monetary	1	50%	0	0%	25%
		Catalog	0	0%	0	0%	0%
		Trust	1	50%	1	50%	50%
Try Items	2	100%	2	100%	100%		

from: author

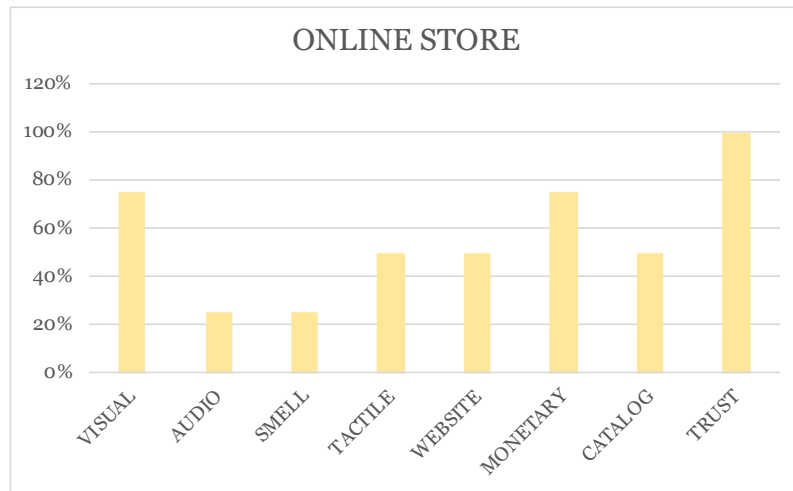


Figure 43 - motivations vs purchase online, from: author



Figure 44 - motivations vs purchase physical, from: author

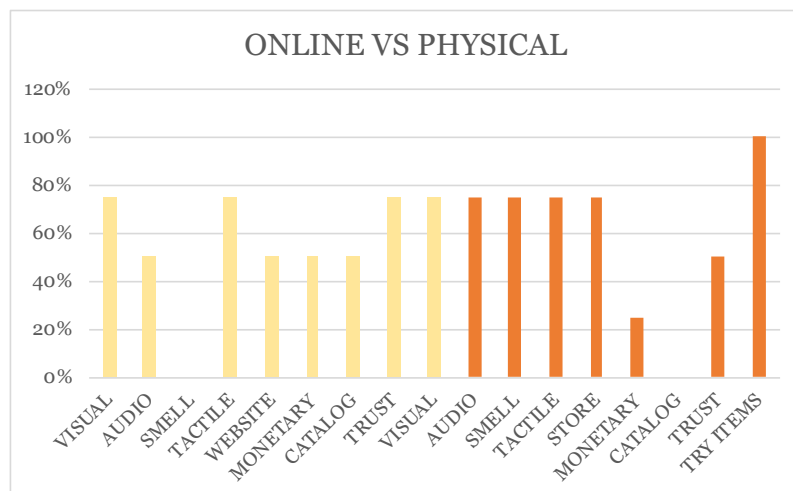


Figure 45 - motivations vs purchase Online/physical, from: author

<i>Table 28 - Brand Selling Online</i>		
	n	n%
Bad Idea	2	6%
Good Idea	32	94%
Total	34	100%

from: author



Figure 46 - SELLING ONLINE, from: author

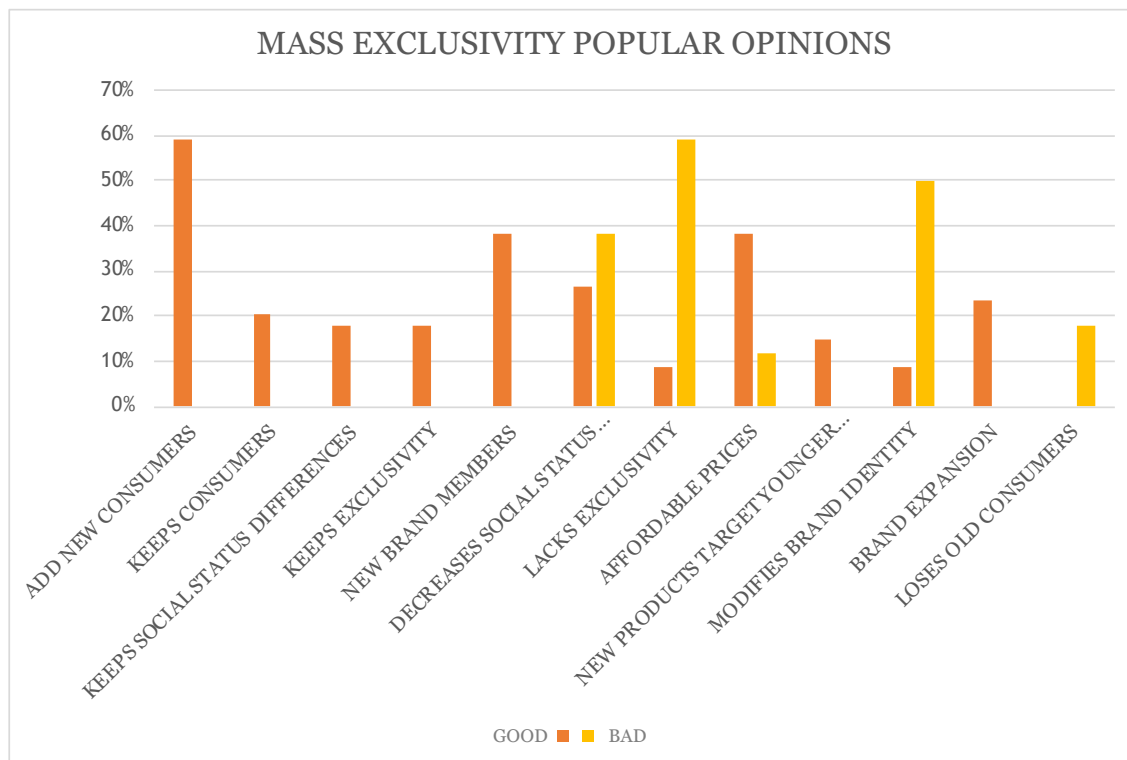


Figure 47 - Mass exclusivity opinions, from: author

<i>Table 29 - Mass Exclusivity Opinions</i>		
	Good idea	Bad idea
Add New Consumers	59%	0%
Keep existing Consumers	21%	0%
Keep social status differences	18%	0%
Keep exclusivity	18%	0%
New brand members	38%	0%
Decreases social status differences	26%	38%
Lacks exclusivity	9%	59%
Affordable prices	38%	12%
New products target younger people	15%	0%
Modifies brand identity	9%	50%
Brand expansion	24%	0%
Loses old consumers	0%	18%
Total	34	100%

from: author

A.6. Interviewed candidates

Table 30 - Interviewed candidates

Name	Age	Gender	Residence	Profession	Work status
Patrícia Almeida	24	F	Almada	Designer/Student	Unemployed
Joana Alves	25	F	Sintra	Designer/Student	Employed
Sara Nogueira	28	F	Lisboa	Human Resorces	Employed
António Alves	26	M	Leiria	Economist	Employed
David Morais	25	M	Lisboa	Law Student	Unemployed
Marcos Rodrigues	27	M	Lisboa	Airline assistant	Employed
Hugo Matos	25	M	Porto	Airline assistant	Employed
Beatriz Fernandez	23	F	Almada	Airline assistant	Employed
Catarina Afonso	24	F	Lisboa	Artist	Employed
André Pequito	24	M	Castelo Branco	Designer/Student	Employed
Francisco Pereira	29	M	Lisboa	Banker	Employed
Beatriz Casqueiro	30	F	Portalegre	Biologist	Employed
Gonçalo Farmhouse	26	M	Lisboa	Lawyer	Employed
Beatriz Ender	25	F	Lisboa	Law Student	Unemployed
André Cajudo	28	M	Lisboa	Economist	Employed
Bernardo Dionísio	24	M	Porto	Manager student	Unemployed
Beatriz Vidal	24	F	Lisboa	Designer/Student	Unemployed
Constança Henriques	26	F	Lisboa	Student	Unemployed
Duarte Costa	32	M	Viseu	Engineer	Employed
Francisco Branco	34	M	Sintra	Engineer	Employed
Helena Gonçalves	38	F	Lisboa	Architect	Employed
Hugo Barbosa	30	M	Algarve	Biologist	Employed
Inês Gonçalves	21	F	Lisboa	Law Student	Unemployed
João Silva	24	M	Porto	Student	Unemployed
Leonor Guerra	23	F	Setúbal	Designer/Student	Unemployed
Margarida Dias	23	F	Oeiras	Designer/Student	Employed
Marta Martins	30	F	Lisboa	Biologist	Employed
Pedro Mendes	23	M	Lisboa	Air Force Pilot/Student	Employed
Rita Maçorano	24	F	Lisboa	CEO company	Employed
Sofia Escária	24	F	Lisboa	President Fed. Académica Lisboa	Employed
Tomás Carvalho	26	M	Lisboa	Designer/Student	Unemployed
Tatiana Simões	33	F	Lisboa	Designer	Employed
Bruno Gonçalves	39	M	Lisboa	Airline assistant	Employed
Inês Grasina	28	F	Lisboa	Magazine Editor	Employed

from: author

A.7. Interview guide in english and Portuguese

1. What is luxury? *O que é o luxo para si?*

1.1. What is the first fashion brand it comes up when thinking of luxury? *Qual é a primeira marca de moda que associa a luxo?*

2. Do you buy luxury products or do you want to buy in the future? *Compra produtos de luxo ou quer comprar no futuro?*

2.1. What kind of products and which brands? *Que tipo de produtos e respectivas marcas?*

2.2. How many times per year? *Com que frequência compra por ano?*

3. What is your motivation to purchase these luxury brand products? *O que o leva a desejar produtos de marcas de luxo?*

4. Where do you buy luxury products? *Local onde compra produtos de luxo?*

5. What is your opinion in luxury brands selling online? *Qual é a sua opinião das marcas de luxo venderem online?*

5.1. Do/Would you buy luxury products online? *Compra/compraria produtos de luxo online?*

5.2. What do you think about influencer marketing? *O que acha de marcas de luxo usarem influencers e celebridades para transmitir imagem?*

6. What is your opinion about luxury being accessible to the masses and what implications do you think this might have for the luxury brands that adhere to this trend? *Qual é a sua opinião sobre o luxo estar acessível às massas e que implicações acha que isso possa trazer para as marcas de luxo que aderem a essa tendência?*

B. Study 2

B.1. Questionnaire in English

This questionnaire is carried out as part of the dissertation of the Master's Degree in Branding and Fashion Design, from the University of Beira Interior in conjunction with the European University - IADE.

Due to the Millennial generation's economic growth, the purchasing power of these individuals has been increasing, and consequently there has been a greater demand for luxury items. Thus, luxury brands saw an opportunity to expand their market by creating brand extensions and products that are more accessible to the middle class. This questionnaire aims to assess the perception of the people living in Portugal and their relationship to fashion brand Louis Vuitton.

We ask that people born between the year 1980 and 1996 (inclusive), and who reside in Portugal, answer this questionnaire. The questionnaire takes less than 10 minutes to answer, and each person must only answer it once, until it closes on June 4, 2020. Questions marked with (*) are mandatory and responses are anonymous and confidential.

Thank you in advance for your cooperation!

1. Demographic (chose one option for each question)

Q.1. Date of birth:

(1979 and before); (1980 to 1985); (1986 to 1990); (1991 to 1996); (1997 and after)

Q.2. Gender:

(Male); (Female); (Non-binary); (I rather not answer)

Q.3. Residence:

(North) (Center); (Metropolitan Lisbon Area); (Alentejo); (Algarve); (Autonomous Region of Madeira); (Autonomous Region of Açores); (Outside Portugal)

Q.4. Literary abilities:

(9^o grade) (12^o grade) (Professional course) (Bachelor's Degree) (Master's Degree) (Ph.D. or higher)

Q.5. Salary:

(do not have salary) (less than 634€) (635€-1000€) (1001€-1500€) (1501€-2000€) (2001€-2500€) (more than 2501€)

Q.6. Children:

(None) (1) (2-4) (More than 4)

2. Products a brand experience (chose *yes*, *no* or *do not now*, according to what you feel it is right for you)

Q.7. I currently use/own some luxury bag.

Q.8. I only use/own some luxury bag because it was offered to me.

- Q.9. I bought luxury bags with my income.
- Q.10. I bought Louis Vuitton products.
- Q.11. I visited the Louis Vuitton physical store.
- Q.12. I visited the Louis Vuitton online store.
- Q.13. I bought Louis Vuitton products in the physical store.
- Q.14. I bought Louis Vuitton products in the online store.
- Q.15. I feel intimidated when I go to the Louis Vuitton store.
- Q.16. I prefer to go to the online store because I feel intimidated in the physical store.
- Q.17. I feel comfortable going to the Louis Vuitton store.
- Q.18. I prefer/would prefer to buy Louis Vuitton products at the physical store because it is more comfortable.
- Q.19. I prefer/would prefer to buy Louis Vuitton products in physical stores because it is easier.
- Q.20. I prefer/would prefer to buy Louis Vuitton products in the physical store due to the experience I have in store.
- Q.21. I prefer/would prefer to buy Louis Vuitton products at the physical store because I can touch and see the product live.
- Q.22. I prefer/would prefer to buy Louis Vuitton products online because it is more comfortable.
- Q.23. I prefer/would prefer to buy Louis Vuitton products online because it is easier.
- Q.24. I buy/would buy Louis Vuitton products online because I trust the site.
- Q.25. I prefer/would prefer to buy Louis Vuitton products online for the online experience.

3. Brand Recognition (chose from 1 to 7, being 1- completely disagree and 7- completely agree)

- Q.26. I recognise Louis Vuitton due to social media
- Q.27. I recognise Louis Vuitton due to its website
- Q.28. I recognise Louis Vuitton due to its history
- Q.29. I recognise Louis Vuitton due to its publicity.
- Q.30. I believe that Louis Vuitton loses value because it is no longer exclusive.

4. Brand Loyalty (chose from 1 to 7, being 1- completely disagree and 7- completely agree)

- Q.31. I like this brand because of brand knowledge.
- Q.32. I would recommend this brand to my friends and relatives
- Q.33. I love Louis Vuitton, regardless of the price.
- Q.34. I consider myself to be loyal to Louis Vuitton.
- Q.35. Louis Vuitton would be my first choice.

Q.36. I will not buy other brands if Louis Vuitton is available at the store.

5. Perceived Quality (chose from 1 to 7, being 1- completely disagree and 7- completely agree)

Q.37. The likely quality of Louis Vuitton is extremely high.

Q.38. The likelihood that Louis Vuitton would be functional is very high.

Q.39. I believe Louis Vuitton is known for its high quality.

Q.40. I believe that the relationship between aesthetics and functionality is high.

Q.41. I believe this brand meets international standards.

6. Brand Awareness and Associations (chose from 1 to 7, being 1- completely disagree and 7- completely agree)

Q.42. I can recognise Louis Vuitton among other competing brands.

Q.43. I am aware of Louis Vuitton.

Q.44. I consider this brand a top-of-mind brand in my country

Q.45. Some characteristics of Louis Vuitton come to my mind quickly.

Q.46. I can quickly recall the symbol or logo of Louis Vuitton.

Q.47. I have difficulty in imagining Louis Vuitton in my mind. (reversed scored)

Q.48. I would buy Louis Vuitton products because of mass prestige

Q.49. I would pay a higher price for this brand for status quo

Q.50. I believe that individuals in my country perceive Louis Vuitton as prestigious.

6. Four-item OBE (overall brand equity) (1 = strongly disagree and 5 = strongly agree)

Q.51. It makes sense to buy Louis Vuitton instead of any other brand, even if they are the same.

Q.52. Even if another brand has the same features as Louis Vuitton, I would prefer to buy Louis Vuitton.

Q.53. If there is another brand as good as Louis Vuitton, I prefer to buy Louis Vuitton.

Q.54. If another brand is not different from Louis Vuitton in any way, it seems smarter to purchase Louis Vuitton.

B.2. Questionnaire in Portuguese

O presente questionário é realizado no âmbito da dissertação do Mestrado Branding e Design de Moda, da Universidade da Beira Interior em conjunto com a Universidade Europeia - IADE.

Devido ao crescimento económico na geração Millennial, o poder de compra destes indivíduos tem vindo a aumentar, e conseqüentemente tem ocorrido uma maior procura de itens de luxo. Assim, as marcas de luxo viram uma oportunidade de expandir o seu mercado criando extensões de marcas e produtos que são mais acessíveis à classe média. Este questionário tem como objectivo avaliar a percepção dos Portugueses em relação à marca de luxo Louis Vuitton.

Solicitamos que as pessoas nascidas entre o ano 1980 e 1996 (inclusive), e que residam em Portugal, respondam a este questionário. O questionário demora menos de 10 minutos a responder, e cada pessoa só deve responder ao mesmo uma vez, até ao seu encerramento no dia 4 de Junho de 2020. As perguntas marcadas com (*) são obrigatórias e as respostas são anónimas e confidenciais.

Agradecemos desde já a sua colaboração!

1. Dados Demográficos (Escolha um opção)

Q.1. Ano de nascimento

(1979 ou antes); (1980 a 1985); (1986 a 1990); (1991 a 1996); (1997 ou depois)

Q.2. Género com que se identifica

(Masculino); (Feminino); (Não binário); (Prefiro não responder)

Q.3. Residência

(Norte); (Centro); (Área Metropolitana de Lisboa); (Alentejo); (Algarve); (Região Autónoma da Madeira); (Região Autónoma dos Açores); (Fora de Portugal)

Q.4. Habilitações literárias

(9º ano); (12º ano); (Curso profissional); (Licenciatura); (Mestrado); (Doutoramento ou superior)

Q.5. Ordenado mensal bruto

(Não tenho ordenado mensal); (menos de 634€); (635€ - 1000€); (1001€ - 1500€); (1501 - 2000€); (2001€ - 2500€); (mais de 2501€)

Q.6. Descendentes

(Nenhum filho); (1 filho); (2-4 filhos); (mais de 4 filhos)

2. Experiência de marca e produto (escolha *sim*, *não*, ou *não sei*, de acordo com o que acha correcto)

Q.7. Atualmente uso/possuo alguma mala de luxo.

Q.8. Somente uso/possuo alguma mala de luxo porque me foi oferecido.

- Q.9. Comprei malas de luxo com o meu rendimento.
- Q.10. Comprei produtos da marca Louis Vuitton.
- Q.11. Visitei a loja física da Louis Vuitton.
- Q.12. Visitei a loja online da Louis Vuitton.
- Q.13. Comprei produtos da marca Louis Vuitton na loja física.
- Q.14. Comprei produtos da marca Louis Vuitton na loja online.
- Q.15. Sinto-me intimidado ao ir à loja física da Louis Vuitton.
- Q.16. Prefiro ir à loja online porque me sinto intimidado na loja física.
- Q.17. Sinto-me confortável ao ir à loja física da Louis Vuitton.
- Q.18. Prefiro/preferia comprar produtos Louis Vuitton na loja física porque é mais confortável.
- Q.19. Prefiro/preferia comprar produtos Louis Vuitton em lojas físicas porque é mais fácil.
- Q.20. Prefiro/preferia comprar produtos Louis Vuitton na loja física devido à experiência que tenho em loja.
- Q.21. Prefiro/preferia comprar produtos Louis Vuitton na loja física porque posso tocar e ver o produto ao vivo.
- Q.22. Prefiro/preferia comprar produtos Louis Vuitton online porque é mais confortável.
- Q.23. Prefiro/preferia comprar produtos Louis Vuitton online porque é mais fácil.
- Q.24. Compro/compraria produtos Louis Vuitton online porque confio no site.
- Q.25. Prefiro/preferia comprar produtos Louis Vuitton online pela experiência online.

3. Reconhecimento da marca (escolha de 1-7, sendo 1-discordo totalmente e 7-concordo totalmente)

- Q.26. Reconheço a Louis Vuitton devido às redes sociais.
- Q.27. Reconheço a Louis Vuitton devido ao seu website.
- Q.28. Reconheço a Louis Vuitton devido à sua história.
- Q.29. Reconheço a Louis Vuitton devido à sua publicidade.
- Q.30. Acredito que a Louis Vuitton perde valor porque já não é exclusiva.

4. Lealdade à marca (escolha de 1-7, sendo 1-discordo totalmente e 7-concordo totalmente)

- Q.31. Gosto da Louis Vuitton pelo conhecimento que tenho da marca.
- Q.32. Recomendaria a Louis Vuitton aos meus amigos e parentes.
- Q.33. Adoro a marca Louis Vuitton, independentemente do preço.
- Q.34. Considero-me leal à Louis Vuitton.
- Q.35. Louis Vuitton é a minha primeira escolha.

Q.36. Não comprarei outras marcas se a Louis Vuitton estiver disponível na loja.

5. Qualidade percebida (escolha de 1-7, sendo 1-discordo totalmente e 7-concordo totalmente)

Q.37. A probabilidade da Louis Vuitton ser de qualidade é extremamente alta.

Q.38. A probabilidade da Louis Vuitton ser funcional é muito alta.

Q.39. Acredito que a Louis Vuitton é conhecida pela sua alta qualidade.

Q.40. Considero que a relação entre estética e funcionalidade é alta.

Q.41. Considero que esta marca respeita padrões internacionais de qualidade.

6. Reconhecimento da marca e associações (escolha de 1-7, sendo 1-discordo totalmente e 7-concordo totalmente)

Q.42. Consigo reconhecer a Louis Vuitton entre outras marcas concorrentes.

Q.43. Estou consciente da existência da Louis Vuitton.

Q.44. Considero a Louis Vuitton uma marca de destaque no meu país.

Q.45. Algumas características da Louis Vuitton vêm-me à mente rapidamente.

Q.46. Lembro-me rapidamente do símbolo ou logotipo da Louis Vuitton.

Q.47. Tenho dificuldade em imaginar a marca Louis Vuitton. (pontuação revertida)

Q.48. Compraria produtos Louis Vuitton devido à massificação do prestígio da marca.

Q.49. Pagaria um preço mais alto por esta marca pelo status quo.

Q.50. Acredito que as pessoas no meu país vejam a Louis Vuitton como marca prestigiada.

7. Valor total de marca OBE (escolha de 1-7, sendo 1-discordo totalmente e 7-concordo totalmente)

Q.51. Faz sentido comprar Louis Vuitton em vez de qualquer outra marca, mesmo que sejam iguais.

Q.52. Mesmo que outra marca tenha os mesmos recursos que a Louis Vuitton, eu preferiria comprar Louis Vuitton.

Q.53. Se houver outra marca tão boa quanto a Louis Vuitton, prefiro comprar Louis Vuitton.

Q.54. Se outra marca não é diferente da Louis Vuitton, parece-me mais inteligente comprar Louis Vuitton.

B.3. Descriptive Analysis Tables

<i>Table 31 - Demographics</i>							
Date of birth							
1980-1985		1986-1990		1991-1996		Total	
11.8%		11.8%		76.5%		204=100%	
Gender							
Male		Female		Non-Binary		Total	
33.3%		66.2%		0.5%		204=100%	
Residence							
North	Centre	Lisbon	Alentejo	Algarve	Madeira	Açores	Total
5.4%	19.1%	63.2%	2.9%	2.5%	3.4%	3.4%	204=100%
Literary abilities							
9th Grade	12th Grade	Professional course		Bachelor	Master	PhD or higher	Total
2.5%	7.8%	3.9%		45.6%	38.7%	1.5%	204=100%
Salary							
do not have salary	less than 634€	635€-1000 €	1001€-1500 €	1501€-2000 €	2001€-2500€	more than 2501€	Total
36.8%	7.8%	27.0%	17.2%	5.4%	3.4%	2.5%	204=100%
Children							
None	1 Child		2-4 Children		More than 4		Total
88.7%	7.8%		3.4%		0%		204=100%

from: author

Table 32 - Product and Brand Experience Descriptive Analysis

Questions	Yes	No	Do not know	Mode	Total
I currently use/own some luxury bag	30.4%	67.2%	2.5%	No	204=100%
I only use/own some luxury bag because it was offered to me	48.4%	51.6%	0%	No	62=100%
I bought luxury bags with my income	51.6%	48.4%	0%	Yes	62=100%
I bought Louis Vuitton products	15.7%	84.3%	0%	No	204=100%
I visited the Louis Vuitton physical store	33.3%	65.7%	1.0%	No	204=100%
I visited the Louis Vuitton online store	37.3%	61.3%	1.5%	No	204=100%
I bought Louis Vuitton products in the physical store	68.8%	28.1%	3.1%	Yes	32=100%
I bought Louis Vuitton products in the online store	65.6%	34.4%	0%	Yes	32=100%
I feel intimidated when I go to the Louis Vuitton store	29.9%	58.3%	11.8%	No	204=100%
I prefer to go to the online store because I feel intimidated in the physical store	24.0%	62.7%	13.2%	No	204=100%
I feel comfortable going to the Louis Vuitton store	41.7%	31.4%	27.0%	Yes	204=100%
I prefer/would prefer to buy Louis Vuitton products at the physical store because it is more comfortable.	34.8%	34.3%	30.9%	Yes	204=100%
I prefer/would prefer to buy Louis Vuitton products in physical stores because it is easier	47.1%	29.9%	23.0%	Yes	204=100%

I prefer/would prefer to buy Louis Vuitton products in the physical store due to the experience I have in store.	35.3%	36.3%	28.4%	No	204=100%
I prefer/would prefer to buy Louis Vuitton products at the physical store because I can touch and see the product live	74.5%	14.2%	11.3%	Yes	204=100%
I prefer/would prefer to buy Louis Vuitton products online because it is more comfortable.	29.9%	45.6%	24.5%	No	204=100%
I prefer/would prefer to buy Louis Vuitton products online because it is easier.	35.3%	42.6%	22.1%	No	204=100%
I buy/would buy Louis Vuitton products online because I trust the site.	38.2%	25.0%	36.8%	Yes	204=100%
I prefer/would prefer to buy Louis Vuitton products online for the online experience.	18.1%	50.5%	31.4%	No	204=100%

from: author

Table 33 - Brand Recognition

Questions	N Statistic	Minimum Statistic	Maximum Statistic	Mean		Std. Deviation Statistic	Mode
				Statistic	Std. Error		
I recognise Louis Vuitton due to social media	204	1	7	2.98	0.143	2.038	1
I recognise Louis Vuitton due to its website	204	1	7	2.30	0.117	1.674	1
I recognise Louis Vuitton due to its history	204	1	7	4.92	0.143	2.048	7
I recognise Louis Vuitton due to its publicity.	204	1	7	4.42	0.134	1.909	5
I believe that Louis Vuitton loses value because it is no longer exclusive.	204	1	7	3.79	0.114	1.622	4

from: author

Table 34 - Descriptive Statistics Study

Questions	N Statistic	Minimu m Statistic	Maximu m Statistic	Mean		Std. Deviatio n Statistic	Mode
				Statistic	Std. Error		
Brand Loyaly							
I like this brand because of my brand knowledge	204	1	7	4.11	0.124	1.772	4
I would recommend this brand to my friends and relatives	204	1	7	3.67	0.132	1.879	4
I love to buy this brand regardless of price	204	1	7	2.68	0.134	1.920	1
I consider myself to be loyal to Louis Vuitton	204	1	7	2.22	0.118	1.685	1
Louis Vuitton would be my first choice	204	1	7	1.64	0.108	1.537	1
I will not buy other brands if Louis Vuitton is available at the store	204	1	7	1.92	0.101	1.436	1
Perceived Quality							
The likely quality of Louis Vuitton is extremely high	204	1	7	5.28	0.100	1.427	7
The likelihood that Louis Vuitton would be functional is very high	204	1	7	4.43	0.095	1.354	4
I believe the relationship between aesthetic and functionality is very high	204	1	7	4.64	0.103	1.471	4
I believe this brand is know for its high quality	204	1	7	5.33	0.100	1.434	7
I believe this brand meets international standards	204	1	7	5.27	0.097	1.387	4
Brand Awareness/Associations							
I can recognise Louis Vuitton among other competing brands	204	1	7	5.40	0.119	1.697	7
I am aware of Louis Vuitton	204	1	7	6.56	0.067	0.958	7
Some characteristics of Louis Vuitton come to my mind quickly	204	1	7	4.52	0.144	2.055	5
I can quickly recall the symbol or logo of Louis Vuitton	204	1	7	5.75	0.128	1.830	7

I have difficulty in imagining Louis Vuitton in my mind (reversed scored)	204	1	7	5.57	0.126	1.795	7
I would buy this brand because of its mass prestige	204	1	7	2.94	0.129	1.845	1
I would pay a higher price for this brand for status quo	204	1	7	2.67	0.133	1.895	1
I consider this brand a top-of-mind brand in my country	204	1	7	4.02	0.129	1.844	4
I believe that individuals in my country perceive this brand as prestigious	204	1	7	5.71	0.097	1.390	7
OBE Test							
It makes sense to buy Louis Vuitton instead of any other brand, even if they are the same	204	1	7	2.63	0.130	1.851	1
Even if another brand has the same features as Louis Vuitton, I would prefer to buy Louis Vuitton	204	1	7	2.66	0.126	1.800	1
If there is another brand as good as Louis Vuitton, I prefer to buy Louis Vuitton	204	1	7	2.72	0.121	1.724	1
If another brand is not different from Louis Vuitton in any way, it seems smarter to purchase Louis Vuitton	204	1	7	3.04	0.128	1.827	1

from: author

C. Studies Summarised

<i>Table 35 - Summarise Studies Table</i>							
Study 1				Study 2			
Demographics				Demographics			
Gender				Gender			
Female	Male	Total		Female	Male	Non-Binary	Total
53%	47%	34=100%		66.2%	33.3%	0.5%	204=100%
Date of Birth				Date of Birth			
1980-1985	1986-1990	1991-1999	Total	1980-1985	1986-1990	1991-1996	Total
5.9%	17.6%	76.5%	34=100%	11.8%	11.8%	76.5%	204=100%
Motivation				Hypothes 1 - Loyalty			
Personal	Identity	53%		Mean	Std. Deviation	Mode	
			Brand Loyalty	2.76	1.32	2	
	Taste	47%	Likability	3.49	1.57	3	
			Loyalty (MBE)	2.03	1.39	1	
Social	Social status	38%	Null Hypothesis	Test	p-value	Decision	
	Prestige	47%	Median of Loyalty = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis	
	Exclusivity	56%	Asymptotic significances are displayed. The significance level is ,050.				
				Hypothes 2 - Quality			
Product	Price	9%		Mean	Std. Deviation	Mode	
			Brand Quality	4.99	1.14	4	
	Aesthetic	35%	Brand quality (MBE)	4.86	1.26	4	
			Mass Quality	5.08	1.20	5	
	Quality	85%	Null Hypothesis	Test	p-value	Decision	
	Durability	41%	Median of Quality = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis	
					Asymptotic significances are displayed. The significance level is ,050.		
Luxury Definition				Hypothes 3 - Awareness/Associations			
	n	n%			Mean	Std. Deviation	Mode

Opulence	21	62%	Awareness/ Associations	4.79	1.00	5
Sumptuous	13	38%	Awareness/ Associations (MBE)	5.56	1.27	7
Quality	28	82%				
Exclusivity	20	59%	Null Hypothesis	Test	p-value	Decision
High Transaction Value	25	74%				
Craftsmanship	11	32%				
Distinctiveness	23	68%	Median of Awareness/ Associations = 4	One-Sample Wilcoxon Signed Rank Test	0.00	Reject the null hypothesis
Superfluous	15	44%				
Heritage	14	41%				
Aesthetic	16	47%	Asymptotic significances are displayed. The significance level is ,050.			
Place of purchase vs Motivations			Hypothese 4 - Mass Associations			
	Physical	Online		Mean	Std. Deviation	Mode
Visual	81%	75%	Awareness/ Associations	4.79	1.00	5
Audio	69%	25%				
Smell	58%	25%	Mass Associations	3.84	1.23	3
Tactile	81%	50%				
Website	58%	50%	Null Hypothesis	Test	p-value	Decision
Monetary	54%	75%				
Catalog	0%	50%	Median of Mass Associations = 4	One-Sample Wilcoxon Signed Rank Test	0.05	Do not reject the null hypothesis
Trust	73%	100%				
Try Items	73%	/	Asymptotic significances are displayed. The significance level is ,050.			
Mass Exclusivity Opinions			OBE Test			
	Good idea	Bad idea		Mean	Std. Deviation	Mode
Add New Consumers	59%	0%	OBE Test	2.76	1.60	1
Keep existing Consumers	21%	0%	Brand Recognition			
Keep social status differences	18%	0%		Mean	Std. Deviation	Mode
			I recognise Louis Vuitton due	2.98	2.038	1

Keep exclusivity	18%	0%	to social media			
New brand members	38%	0%	I recognise Louis Vuitton due to its website	2.30	1.674	1
Decreases social status differences	26%	38%				
Lacks exclusivity	9%	59%	I recognise Louis Vuitton due to its history	4.92	2.048	7
Affordable prices	38%	12%				
New products target younger people	15%	0%	I recognise Louis Vuitton due to its publicity.	4.42	1.909	5
Modifies brand identity	9%	50%				
Brand expansion	24%	0%	I believe that Louis Vuitton loses value because it is no longer exclusive.	3.79	1.622	4
Loses old consumers	0%	18%				
Total	34	100%				

from: author