Luxury brand dilution: investigating the impact of renting by Millennials on brand equity

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Abstract:

Modern forms of product acquisition, such as renting, provide consumers with either first-time or increased access at relatively low cost to products of brands that historically have relied on exclusivity as a part of their strategies. This study seeks to determine how the ability of Millennials to rent exclusive luxury brands affects the values of those brands from the consumer perspective (i.e., brand equity). A one-way (traditional vs. masstige brand offered renting option) between-subjects experimental design was used. Results reveal that the means of the brand credibility and brand leadership dimensions of traditional luxury brand equity were decreased significantly after a renting option was offered. Results further show that the means of the brand association and brand credibility dimensions of masstige brand equity were decreased significantly after a renting option was also offered. Implications and future research directions are addressed.

Keywords: consumer brand equity | brand management | brand dilution | luxury brand | mode of acquisition | renting

Article:

Introduction

Modern forms of product acquisition, such as renting, provide consumers with either first-time or increased access at relatively low cost to products of brands that historically have relied on exclusivity as a part of their strategies. This study seeks to determine how the ability of Millennials to rent exclusive luxury brands affects the values of those brands from the consumer perspective (i.e., brand equity). A one-way (traditional vs. masstige brand offered renting option) between-subjects experimental design was used. Results reveal that the means of the brand credibility and brand leadership dimensions of traditional luxury brand equity were decreased significantly after a renting option was offered. Results further show that the means of the brand association and brand credibility dimensions of masstige brand equity were decreased significantly after a renting option was also offered. Implications and future research directions are addressed.

Firms offering apparel and accessories have historically aligned their business strategies with either high production levels of less expensive goods (i.e., mass production) or low production levels of more costly items (i.e., luxury production), with the latter often inspiring trends that are mimicked and/or incorporated by the former (Burns, Mullet, and Bryant 2011; Pouillard 2011; Vigneron and Johnson 1999). Such higher prices and limited distribution result in less consumer access to luxury goods (Solomon 2013; Weidmann et al. 2009). However, luxury and its traditional exclusivity is changing shape (Millward Brown 2015), as long-standing luxury firms (e.g., Louis Vuitton, Gucci) have begun to offer more affordable products (e.g., small wallets, key chains), while moderately priced masstige or bridge brands (e.g., Coach, Kate Spade, Mickael Kors) have experienced momentum (Truong et al. 2009; Vigneron and Johnson 2004). Not surprisingly, personal goods/accessories have been the primary driver of the luxury industry (which includes automobiles, yachts, hospitality, etc.) (D'Arpizio et al. 2014). Nevertheless, the subsector declined in 2013 due to both economic lag and attitude changes of Millennials, specifically toward the consumption of luxury goods (D'Arpizio et al. 2014; Millward Brown 2015).

Born after the Baby Boomers (between approximately the 1980s and the early 2000s), Millennials are information seekers that are heavily engaged in technology (e.g., smart phones) and social media in comparison with their predecessors (Mittendorf 2018; Twenge 2006). Millennials tend to care about the footprint (social and environmental) left behind from their consumption patterns and, as such, are amenable to alternative modes of product acquisition, such as collaborative consumption (Hwang and Griffiths 2017; Mittendorf 2018). Such modes result in different conceptualizations of the meaning of property ownership. Full ownership normally results from a product purchase. Property ownership provides one with the rights to use, alter, retain the benefits from, and transfer the property (Moeller and Wittkowski 2010). Renting, on the other hand, provides not only temporal access but also limited use of the benefits of the product in exchange for a much lower cost compared to its retail price. Thus, Millennials view ownership quite distinctly from the more conventional perspective, which might explain why they have been characterized as having a tendency to be less materialistic (and also more empathetic) than other generations (Hwang and Griffiths 2017).

In light of the transformation of the luxury industry, one of the ensuing questions centers on the effect of the renting phenomenon promulgated primarily by Millennials on the value of the brands they rent, which have traditionally enjoyed more exclusivity (Lawson 2012). It is important for leadership in the luxury sector to understand consumers' quest for affordable access to luxury brands via renting in order to manage this alternative market segment, while maintaining exclusivity and brand assets as measured by brand equity (Aaker 1996). Thus, the primary purpose of this study is to experimentally investigate how the ability of Millennials to rent luxury products affects the value of the luxury brands in such consumers' minds (i.e., brand equity). Results of this experimental study are crucial for assisting strategic marketing decisions and addressing research gaps relative to brand equity literature within the context of non-ownership consumption. Below is a review of the literature that serves as the foundation of this study. Next are the resultant research questions and hypotheses and a description of the research methodology. This is followed by the results section and the discussion and implications section, which includes limitations and suggestions for future research.

Literature Review

Mode of Acquisition

Consumption involves all levels of activity relating to a market entity, from acquisition of the resource, to the use and subsequent disposal of it (Holbrook 1987; Macinnis and Valerie 2009).

Naturally, there are various manners in which to effectuate each of these consumer activities. For example, one can dispose of used apparel by donating it (Ha-Brookshire and Hodges 2009), rather than simply tossing it into the garbage. Likewise, there are a myriad of ways in which to acquire entities in today's market. The arguably more traditional manner of product acquisition is purchasing, which transfers the ownership of the item and entitles the purchaser to the rights of use, benefit retention, alteration, and transfer (Moeller and Wittkowski 2010). Apart from purchasing-to-own a product, there are additional ways for consumers to enjoy the use of products and services. These modes of acquisition do not result in ownership, but rather, limited/temporal access and rights to use the entity. These alternative modes of acquisition take the forms of sharing, collaborative or access-based consumption, and renting (Bardhi and Eckhardt 2012; Belk 2007, 2010, 2014; Durgee and O'Connor 1995; Moeller and Wittkowski 2010).

Renting is not necessarily novel (as, for example, home rental is practically ancient). Renting is also generally connected with a lack of full and complete ownership. For this reason, renting has not customarily been exercised as a mode of acquisition for more everyday items. Nevertheless, within the past decade, more modern forms of renting have emerged that have rapidly associated everyday entities (e.g., car sharing). This, in turn, has increased consumer access to certain items. For instance, the ability of consumers to rent luxury products at affordable prices provides greater access to these products that consumers did not have previously (Raju 2014). Without paying the retail price to gain full ownership of an item, consumers are charged a fee on a rental occasion and/or a monthly or annual membership fee depending on the product category and rental period ranging from hours to months (ChatvijitCook 2017). Greater access for consumers has translated to increased revenues for firms competing in the rental market (Bertoni 2014; Lerman 2014), which suggests a shift in product acquisition and consumption patterns among US consumers toward renting, rather than purchasing, apparel and accessories goods.

Services, such as renting, have typically been linked to a lack of ownership for patronizing consumers. Further, services are distinguishable from goods due to the propensity of services to be intangible, perishable, heterogeneous, and inseparable from the seller (Wyckham et al. 1975). The most prominent difference between services and goods has essentially hinged on the issue of tangibility (Shostack 1977; Zeithaml et al. 1985). Nonetheless, arguments exist positing that goods and services are more similar than different (Wyckham et al. 1975), evidenced by the development of a continuum for categorizing market entities based on whether they are dominated by more tangible or intangible aspects (Shostack 1977). In the retail sector, the view exists that all goods can be classified as services, considering the actual benefits that goods afford consumers (Winsor et al. 2004). The literature on services, coupled with the reality that renting apparel and accessories results in lack of actual possession and limited product availability (Winsor et al. 2004), suggests that the renting phenomenon would likely be classified as more of a service than a good. In time, the practice may require its own classification as such consumer behavior grows, and market players engage in responsive innovations.

For the purposes of this study, we conceptualize the phenomenon of renting everyday apparel and accessories items as more of a service. 10.

The Apparel and Accessories Industry and the Role of Luxury Brands

In efforts to entice consumers, firms offering apparel and accessories in today's market range in terms of retail channels (from small chains to big box store chains), production and distribution, brand personalities (i.e., human traits), and pricing strategies (Aaker 1996; Burns et al. 2011;

Solomon 2013). These differences result in varied brand positions, or the unique places that different brands occupy in the apparel and accessories sector (Herrmann and Huber 2000). Companies combine cues relating to pricing, distribution, and personality, among other things, to position themselves in ways that will appeal to their target markets (Burns et al. 2011; Truong et al. 2009; Solomon 2013).

The manner in which apparel and accessories brands distribute their offerings to consumers (primarily through either exclusive, selective, or mass channels) usually falls in line with their positioning and target market (Burns et al. 2011). To illustrate, exclusivity is paramount to the luxury industry and is achieved not only by higher pricing, discussed in more detail below, but also by the use of exclusive distribution and retail channels (Burns et al. 2011; Weidmann et al. 2009). This is why a Chanel brand wallet, for example, would not be available at Target (i.e., more of a mass retailer). Retail channels for luxury brands consist of company-owned monobrand stores, certain department stores, specialty stores, off-price and airport stores, and online (D'Arpizio et al. 2014). Brands that are more mass market are available in greater varieties of retail channels, and as such, are not as exclusive as luxury brands.

In terms of positioning in relation to pricing, brands tendto keep their offerings within a certain price range, which can be labeled as lower/budget, moderate, better, high end/designer, etc. (Burns et al. 2011). Some brands position themselves as more mass market (i.e., priced moderate-tolow and easily available), while others position themselves as more luxurious (i.e., high priced and less accessible) (Weidmann et al. 2009). Luxury brands cue their target market with higher prices, which are believed to signal status and prominence to others (Lichtenstein et al. 1993). Thus, luxury brand consumption occurs less for functional reasons and more for status and prestige (Amaldoss and Jain 2005; Truong et al. 2009). More affordable luxury products that convey similar prestige are produced by brands that are often labeled as masstige or neo-mass luxury brands (Truong et al. 2009; Vigneron and Johnson 2004). Thus, a neo-mass brand is one that features prices just above middle-range products.

As indicated above, high-cost items, especially luxury brand apparel and accessories, comprise a sizeable portion of the products associated with the recent renting phenomenon (Burns et al. 2011; Moore and Taylor 2009; Raju 2014). The literature reveals that consumer perceptions of the prestige of luxury brands stems, at least in part, from the exclusivity of the brands (Weidmann et al. 2009). The literature also indicates that the flow of luxury brand consumption among consumer segments can be explained by two theories that have hovered over the apparel and accessories sector for quite some time. The theory of conspicuous consumption holds that wealthy individuals consume luxury goods to display their affluence and to signify status (Veblen 1899). The trickle-down theory posits that, in attempts to emulate these individuals, the masses in lower social classes adopt and mimic the trends of the upper class individuals (Simmel 1957). Thus, apparel and accessories, and especially luxury products within that sphere, have largely been used by upper social classes and thereafter diffused among the masses (Burns et al. 2011; Simmel 1957; Truong et al. 2010; Veblen 1899).

Luxury renting that is made possible by popular websites, such as Rent the Runway and Bag Borrow or Steal (Bardhi and Eckhardt 2012; Ka¨rkka¨inen 2013; Lawson 2012), has provided access to luxury brands for broader groups of consumers (i.e., those that may not have purchased luxury brand products before). This recent shift in mode of product acquisition for luxury brands may render them less exclusive due to high pricing in limited distribution channels (a trait upon which luxury brand strategy is based) (Weidmann et al. 2009) and, ultimately, have an effect on these brands. The next section addresses the manner in which effects on these brands may be assessed.

The effect of renting on luxury brand equity

One of the manners in which to assess the effects of marketplace actions is by measuring whether they cause changes in the equity of the brands at issue (Phau and Teah 2009; Pullig et al. 2006). Brand equity is considered to be the additional value that a brand affords a product (Farquhar 1989). From the consumer vantage point, brand equity is the image of a brand that exists in consumers' minds, or brand knowledge (Ailawadi and Keller 2004; Keller 1993). Changes in brand equity due to market occurrences can be either positive (i.e., reinforced brand equity) or negative (i.e., diluted brand equity) (Loken and John 1993; Pullig et al. 2006).

This study collectively conceptualizes brand equity as being comprised of the following dimensions: brand awareness, brand associations, brand credibility, perceived brand quality/leadership, and brand loyalty (Aaker 1996; Erdem and Swait 1998). Brand awareness refers to the strength of a brand in consumer minds (Pappu et al. 2005). Brand associations are links to the brand (of varied strength) in the memories of consumers and include brand credibility (Aaker 1991, 1996), which refers to the trustworthiness and sincerity of a brand (Erdem and Swait 1998). Perceived quality encompasses consumer evaluation regarding an offerings overall superiority or excellence (Zeithaml et al. 1988). As this dimension may lack the ability to capture changes in brand marketing dynamics, perceived quality may be augmented with leadership variables to encompass sales leadership, product class innovation, and consumer acceptance, which collectively provide insight as to the popularity of brands (Aaker 1996). Finally, brand loyalty refers to a consumer's dedication to a brand, represented by continued, consistent re-patronage

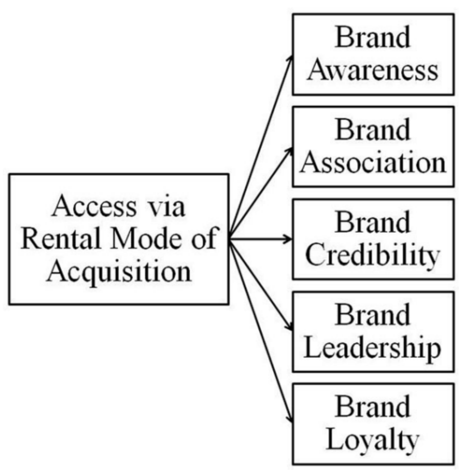

Figure 1. Conceptual Framework

(Oliver 1997). The relationships between the variables can be explained by the model provided in Fig. 1.

Research questions and development of hypotheses

Academic research has identified rental motives (Durgee and O'Connor 1995) and preferences (Moeller and Wittkowski 2010) and investigated conditions suitable for renting (Moore and Taylor 2009); yet, few studies have focused on consumer behavior related to renting. Even fewer studies seem to cover the recent influx in renting luxury brand products (Raju 2014), which prompts an inquiry as to whether newfound consumer access to these luxury brands affects them in any way (Lawson 2012; Weidmann et al. 2009). The literature reveals that the manner in which to assess the effects of marketplace actions on brands is through the measurement of changes in brand equity (Phau and Teah 2009; Pullig et al. 2006) represented by the dimensions of brand awareness, brand associations, brand leadership, brand credibility, and brand loyalty, (Aaker 1991, 1992; Erdem and Swait 1998). The extent to which dimensions of luxury brand equity are diluted is contingent upon the beliefs of the female population that was linked to non-ownership consumption in previous research (as the consumers) (e.g., Bardhi and Eckhardt 2012; Lawson 2011; Mittendorf 2018). The results showed that this group tends to possess predispositions to consume luxury products, such as status consumption and materialism (Lawson 2011). At the same time, Millennials and college students are the target markets of rental providers, namely Rent the Runway, because they are prone to move away from ownership to subscribing and sharing (Bertoni 2014; Ka¨rkka¨inen 2013). Despite their lower levels of disposable income in comparison with traditional consumers of luxury goods, Millennials and college students with the desire for status are enticing for rentailers, as well as for masstige and traditional luxury brands, as these individuals will earn more in the future.

As indicated above, luxury brands position themselves as exclusive, which is complimented by their higher pricing and limited distribution (Burns et al. 2011; Herrmann and Huber 2000; Weidmann et al. 2009), resulting in lower consumer accesses to luxury brands than mass market brands. Luxury brands focus on smaller-scale production of more cutting edge designs, often placing luxury brands at the forefront of new products and trends (Burns et al. 2011; Vigneron and Johnson 1999). The result is consumption of luxury brand apparel and accessories by the upper social class due, in large part, to the beliefs that such consumption signals status and prominence to others (Veblen 1899; Lichtenstein et al. 1993; Vigneron and Johnson 1999). In an effort to emulate those consuming luxury brands, the masses then desire access thereto (Burns et al. 2011; Simmel 1957).

Renting, by definition, is a non-ownership transaction (Durgee and O'Connor 1995; Moeller and Wittkowski 2010). Within that domain, renting luxury products is made possible by virtue of an indirect, secondary distribution point, as rental companies acquire luxury products directly from the brands, and then proceed to rent them to consumers. By doing so, rental companies make luxury brands more accessible than they would be otherwise (i.e., when purchasing was the only mode of acquisition). By making luxury more accessible to the masses, renting luxury products essentially greases the wheels of the trickle-down effect, which in turn causes the initiators of the trend to abandon it (Simmel 1957). Some brands have a negative reaction when their products are acquired by certain individuals (Century 2006; Coulson 2006). Due to the general negativity associated with greater access to luxury brands due to the lower prices and distribution, particularly when the masses adopt and/or acquire them (by whatever means available), we believe the brand equity of both traditional luxury brands and masstige luxury brands, represented by the dimensions of awareness, associations, leadership, credibility, and loyalty (Aaker 1991; 1992; Erdem and Swait 1998), will experience negative effects once the brands are accessible via rental services. Accordingly, we assert the following two hypotheses:

H1 Millennial consumers are less likely to display a favorable degree of equity of a traditional luxury brand as measured in terms of (a) brand awareness, (b) brandassociations, (c) brand leadership, (d) brand credibility, and (e) brand loyalty when a traditional luxury brand offers a renting option for its fashion products while shopping online; and

H2 Millennial consumers are less likely to display a favorable degree of equity of a masstige luxury brand as measured in terms of (a) brand awareness, (b) brand association, (c) brand credibility, (d) brand leadership, and (e) brand loyalty when a masstige luxury brand offers a renting option for its fashion products while shopping online.

Methodology

Design and sample

The research employs a pre–post, scenario-based survey method. As today's luxury market contains a mix of traditional, high-cost luxury brands and more affordable luxury brands (Truong et al. 2009), the study manipulates brands accordingly, using one brand of each type. The Balenciaga and Tory Burch brands were selected based on their availability on both of the more popular fashion/luxury rental sites, Rent the Runway and Bag Borrow or Steal, (Bardhi and Eckhardt 2012; Ka¨rkka¨inen 2013). The pricing of Balenciaga accessories is in line with more high-cost traditional luxury brands, while the pricing of Tory Burch accessories is not as high, and slightly above middle-range accessories (Burns et al. 2011). As such, Balenciaga served as the high-cost, traditional luxury brand, while Tory Burch served as the masstige luxury brand.

To account for the recent phenomenon of luxury product rental, the initial (pre) scenario provided purchasing as the only available mode of acquisition. Subsequently (post), the available modes of acquisition included both purchasing and renting. Thus, a one-way (traditional vs. masstige luxury brand offered renting option) between-subjects experimental design was employed. The scenario included the average retail price and rental price of the selected brands based on the pricing published on the rental websites.

Data were collected from a sample of 270 graduate and undergraduate college students, a cohort luxury brands target (Doss and Robinson 2013), from an apparel and retail program in the southeast. This sample is appropriate for this study given its homogeneous nature and exposure, to both traditional and masstige luxury brands to a certain extent. Moreover, with less experience with the purchase of luxury products compared to general population, this sample may be more likely to provide a more organic response to the hypothetical scenarios without bias toward buying luxury products found in the traditional consumers of luxury products. A paper-and-pencil survey was distributed to students enrolled in various courses in the apparel and retail department at the university. The participants were randomly assigned to complete the survey related to either traditional or masstige luxury brand. A total of 240 useable responses were analyzed for further analyses.

Procedure and instrument

In step 1, participants were asked about their prior experiences with apparel and accessories made by luxury brands (i.e., only purchased, only rented, both purchased and rented, neither). If neither was selected, the participant would be directed to exit the survey. In the next step, participants were given general information (date founded, founder, logo, and product categories) about one of the two luxury brands used and were asked to imagine being interested in an apparel or accessory product from the brand. Participants were told that the only way to acquire the product was to buy it at the purchase price. The purchasing costs of the product were calculated by averaging the purchases prices of products that were featured on the rental websites for the two brands (for the Balenciaga brand, the cost was $1500.00; for Tory Burch, the cost was $375.00). Participants responded to scaled questions to capture their perspectives of the value of the brands via brand equity.

Subsequently, participants were exposed to the same brand information; however, they were advised that the product could now be either purchased at the price, or rented for a period of 1 month at a lower cost. The rental costs were also calculated by averaging the rental prices of products that were featured on the rental websites for the two brands (for the Balenciaga brand, the rental cost was $175.00; for Tory Burch, the rental cost was $55.00). Respondents again responded to scaled questions related to brand equity. Participants also responded to items reflecting their values and motivations, brand involvement, and prior rental experience. Demographics were also obtained related to participants' (1) gender, (2) age, (3) personal monthly income, (4) year in school, and (5) ethnicity.

All measures were adapted from existing scales and assessed using a 6-point Likert-type scale. With respect to the measurement of the dimensions of brand equity, brand awareness was measured with items such as: ''I know what brand X looks like;'' and, ''I can recognize brand X among other competing brands'' (Yoo et al. 2000). Brand associations were measured with items related to the brand's ability to convey prestige and distinctiveness from other brands (e.g., ''Brand X signals high status,'' and ''Brand X is different from competing brands in this nature'') (Aaker 1996; Pappu et al. 2005). Brand leadership items related to brand innovation and popularity (e.g., ''Brand X is known for innovative design,'' and ''Brand X is a leading brand in accessories'') (Aaker 1996). Brand credibility was measured with items such as: ''Brand X makes a trustworthy impression,'' and ''Brand X makes a sincere and honest impression'' (Erdem and Swait 1998).

Results

Participant characteristics

Usable questionnaires were completed by 240 participants. Most participants were female (87%, n = 208), and 64% of the participants (n = 152) were between the ages of 19 and 21. Over half of participants had monthly incomes of less than $500 (54%, n = 129), followed by $501 to $999 (27%, n = 65). The lower monthly income was one of quintessential characteristics of participants for this study because it likely prompted them to understand the rental conditions and the difference between the retail price and the rental price. Sophomores (35.6%, n = 85) and juniors (26%, n = 62) composed over 50% of the sample. In terms of ethnicity, Caucasians were the majority (25.5%, n = 61), followed by African–Americans (20.5%, n = 49), and a sizable number of Asian–Americans (19.2%, n = 46).

Hypothesis testing

Using SPSS, an exploratory factor analysis was employed to establish unidimensionality, validity, and reliability of the scales. Factors with eigenvalues greater than 1 and items with factor loadings greater than .50 were retained (Chen and Wang 2009). All measures displayed acceptable reliability, ranging from 0.75 (i.e., brand leadership) to 0.95 (i.e., brand awareness). With respect to the first hypothesis, a paired samples t test was used to compare young consumers' evaluations of a traditional luxury brand after they received an option to rent the fashion products while shopping online. Results showed that means of two dimensions of brand equity were decreased significantly after a renting option was offered to the consumers while shopping online: brand credibility ($M_{Pre\text{-}Scenario} = 4.28$ vs. $M_{Post\text{-}Scenario} = 3.57$, $M_{Diff} = 0.70$, $t = 6.33$, $p > .001$); and brand leadership ($M_{Pre\text{-}Scenraio} = 4.35$ vs. $M_{Post\text{-}Scenario\text{-}} = 3.68$; MDiff = 0.67, $t = 7.19$, $p < .001$) (see Table 1). Thus, H1 was partially supported.

Regarding the second hypothesis, results showed that means of all dimensions of masstige luxury brand equity, except brand loyalty, were decreased after a renting option was offered to the consumers: brand awareness ($M_{Pre\text{-}Scenario} = 4.33$ vs. $M_{Post\text{-}Scenario} = 4.10$, $M_{Diff} = 0.23$, $t = 3.50$, p\ .01); brand association ($M_{Pre\text{-}Scenario} = 4.09$ vs. $M_{PostScenario} = 3.99$, $M_{Diff} = 0.09$, $t = 2.04$, $p < .05$); brand leadership ($M_{Pre\text{-}Secnario} = 3.99$ vs. $M_{Post\text{-}Scenario} = 3.55$; $M_{Diff} = 0.45$, $t = 6.35$, $p < .001$); and brand credibility ($M_{Pre\text{-}Scenario} = 4.31$ vs. $M_{Post\text{-}Scenario} = 3.65$, $M_{Diff} = 0.66$, $t = 6.81$, $p < .001$) (see Table 2). Thus, H2 was also partially supported.

Discussion and implications

Discussion of major findings

The purpose of our research was to determine whether renting, as a mode of acquisition for luxury apparel and accessories products, affects the equity of luxury brands. Specifically, we sought to investigate whether increased access to luxury via renting negatively affects and/or dilutes the value of the brands from the perspective of Millennials. We found that once luxury brands are accessible via renting, as opposed to only being available for purchasing, the equity of the brands is negatively affected.

Specifically regarding hypothesis 1, where the brand was a higher priced, traditional luxury brand, brand credibility and brand leadership were diluted once the available mode of acquisition for the brand changed to include renting (in partial support of H1). Specifically regarding hypothesis 2, where the brand was a more affordable, masstige luxury brand, brand awareness, brand credibility, brand leadership, and brand associations were diluted once the available mode of acquisition for the brand changed to include renting (in partial support of H2).

As brand credibility was diluted for both the traditional luxury brand and the masstige luxury brand, this dimension will be addressed first. Brand credibility refers to the ability of a brand to deliver what they promise, encompassing the positivity (or negativity) of the brand's image, whether the brand makes a sincere and honest impression, and whether the brand is reliable in terms of innovation (Erdem and Swait 1998). A decrease in the dimension relates to more risk associated with the firm (Erdem et al. 2002). The decrease indicates that, by virtue of being accessible and affordable via renting as a mode of acquisition, a luxury brand is evaluated as more negative and risky. This negativity can be explained by the trickle-down effect associated with

Table 1 Pre- and post-test of the traditional luxury brand equity dimensions and results of paired sample t test (N = 119)

	Pre-test		Post-test		Paired sample *t* test		
	Mean (SD)	Cronbach's Alpha	Mean (SD)	Cronbach's Alpha	Mean diff.	*t* value	*p* value
Brand awareness	4.33 (1.44)	.93	3.88 (1.12)	.95	0.15	1.90	.006
Brand associations	4.09 (0.98)	.91	4.26 (0.99)	.92	0.01	0.28	.777
Brand credibility	4.31 (0.84)	.91	3.57 (1.02)	.86	0.70	6.33	.001***
Perceived brand quality/leadership	3.99 (0.89)	.83	3.68 (1.04)	.75	0.67	7.19	.001***
Brand loyalty	2.33 (1.28)	.89	2.25 (1.15)	.92	-0.02	-.29	.776

*p < .05; **p < .01; ***p < .001

Table 2 Pre- and post-test of the neo-mass luxury brand equity dimensions and results of paired sample t test (N = 121)

	Pre-test		Post-test		Paired sample *t* test		
	Mean (SD)	Cronbach's Alpha	Mean (SD)	Mean (SD)	Cronbach's Alpha	Mean (SD)	Mean (SD)
Brand awareness	4.33 (.44)	.95	4.10 (1.16)	.97	0.23	3.50	.001***
Brand associations	4.09 (0.98)	.92	3.99 (1.06)	.93	0.09	2.04	.05*
Brand credibility	4.31 (0.84	.88	3.65 (1.00)	.87	0.66	6.81	.001***
Perceived brand quality/leadership	3.99 (0.89)	.79	3.54 (0.88)	.72	0.45	6.35	.001***
Brand loyalty	2.33 (1.28)	.91	2.30 (1.06)	.92	0.03	0.54	.589

*p < .05; **p < .01; ***p < .001

accessibility and affordability of trends by the masses and subsequent relinquishment by the initiators (Simmel 1957). The dilution of brand credibility for the traditional luxury and masstige brand is in conformity with hypotheses 1 and 2.

The existence of a renting option also diluted brand leadership for the traditional luxury and masstige brand. This refers to the overall popularity and consumer acceptance of the brand in terms of product innovation, market leadership, and position as a trendsetter (Aaker 1996). As luxury brands are often associated with product and/or trend initiation (Vigneron and Johnson 1999), vast adoption thereof by more than a select group (i.e., luxury purchasers) is indicative of movement further along the product/trend lifecycle (Simmel 1957). Increased access to luxury brands via renting results in consumers viewing the brands as less innovative and trendsetting, particularly when such brands are traditional luxury design innovators (Burns et al. 2011), comporting with both the first and second hypothesis.

Regarding the second hypothesis, the decrease in masstige brand awareness, which accounts for whether or not consumers know about the brand (Aaker 1991, 1996), suggested that consumers were less likely to recognize the masstige brand when the brand participated in fee-based rental environments. It is possible that the lower rental price also increased uncertainty upon the authenticity of the masstige brand. Likewise, the dimension of brand associations for the masstige luxury brand was diluted. Associations are links to the brand in the memories of consumers (Aaker 1991) and can include brand credibility (Aaker 1996). Brand associations incorporate trust and liking of the brand, along with specific personality aspects, which were related to luxuriousness and prestigiousness (Aaker 1996) in this study. Specifically, brand associations here related to the masstige brand's ability to convey prestige and distinctiveness from others. Thus, consumers seem to believe that greater access to a masstige brand, which is already less prestigious than traditional luxury brand due to more affordable pricing (Truong et al. 2009; Vigneron and Johnson 2004), decreases its prestigiousness. Accordingly, it is no surprise that brand associations were diluted for the masstige brand (i.e., it is viewed as less prestigious once more accessible via renting as a mode of acquisition). The dilution of brand awareness and brand associations with respect to the masstige brand is in harmony with hypothesis 2.

Academic and managerial implications

Our study contributed to the literature by providing information about the effects of the modern renting phenomenon, which indicates that there has been a shift in product acquisition and consumption patterns among Millennial US consumers. Research on non-ownership modes of acquisition can expand theories related to alterations in consumption patterns. As such, the study of alternative modes of acquisition, and renting specifically, is important to the study of consumer behavior. Within the context of retail, and particularly apparel and accessories, a study revealing how luxury brands (and other companies that serve as vanguards for products and trends) are affected by changing consumption patterns is also vital.

The managerial implications of these findings also relate to the effects discovered with regard to brand equity of luxury brands. Brand equity is a major asset requiring time, money, and maintenance (Keller 1993; Lahiri and Gupta 2009) by all firms, in addition to luxury brand companies. Uncovering when brand equity can be affected by market changes and altered consumption patterns is important to brand managers charged with brand building, maintenance, and leverage in today's market. Negative effects on brand equity may even warrant or require responsive strategies by the firms affected by such changes.

Limitations and future research

This study does not account for potential agreements rental companies may have with the luxury brands offered for rent (i.e., where the luxury brands have knowledge of and/ or allow their products to be rented). Should these relationships exist, they may not incorporate all the brands offered by the rental companies. As such, future research can involve the rental companies to determine whether said relationships exist and their nature thereof.

Additional limitations surround the sample of the study. First, the sample consisted of students in an apparel and retail program, some of which may be generally more aware of and familiar with the firms used. Consumers with different demographics may not have as much awareness of, or familiarity with, the companies. Additionally, the majority of participants' monthly incomes were lower than $500, which may contribute to the likelihood that increased access via renting and paying only the rental fee becomes more appealing to the participants when compared to buying at the retail price. As a result, brand equity scores may differ with a different demographic sample.

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