

The Core value of luxury brand: rarity or authenticity?

— The irreplaceable place of luxury brand authenticity —

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Abstract

Purpose

Since the industry revolution and especially these two decades, there is amazing transformation in luxury industry as well as the debate on luxury brand and its core value. The paper is to discuss two concepts of luxury brand value: rarity and authenticity based on literature review and second-hand source research.

Methodology:

This paper adopts qualitative methods and reviews the concepts of luxury, luxury brand and their nexus since Industry revolution. We propose the conceptual framework of value that luxury brand adds to its products. And we found that under the Sombart's (1913,1922) definition of luxury, the extensive value created by brand comes from rarity and authenticity.

Findings

To be considered as a luxury brand brand authenticity is more important than rarity which can rise from its origin, identified design, knowhow and so on. As the rapid dilution of rarity and authenticity together with the development of civilization and technology, branding authenticity of a luxury brand can enhance brand rarity which can cover the decrease of that in luxury itself.

Key words

Luxury, luxury brand, authenticity, rarity, brand value

Introduction

Since the Industry Revolution technology in each industry has been developed in an amazing speed. The influence caused by it is too impeccable that the world is changing in an unpredictable direction. The changes in market place are also extraordinary thus scholars

and marketers have done lots of efforts to find the new rules or principles of the market. Except the industries based on new technology or electronic industries, the most typical sample of industry innovation or transformation appears in the luxury industry. As traditional manufacturers, the radical transformation occurred in 1990s. As brand became an independent concept from manufacturer, luxury brand and luxury houses also start to separate. Not as before, the brand is the name of luxury house. Since then the debate on luxury also shifts from ancient luxury to modern luxury and from luxury goods to luxury brand. The boundary between product and brand appears and becomes distinct steady which also impacts luxury industry. What does luxury mean and how about luxury brand?

In common sense, 'luxury' is something related to indulging in self-pleasure and something which is not a necessity (Ghosh and Varshney, 2013). How can luxury become a social label is a long talk, but in ancient Eras luxury more seems to be something unnecessary and a symbol of status in one society (Baudrillard, 1970; Berg, 2012; Veblen, 1898). Because of lack of technology and labors, finding certain rare stones was a really technique and rough task before (Berry, 1994); later on, as the development of civilization and technology, especially these days, neither discovering scarce resource nor producing a refined item is far less difficult than ever before. Uniformity in products due to mass production has led to a social identity crisis which may be the main reason for today's interest in heritage, the past, and the original (Laenan 1989). The process also appears in traditional luxury industry in only several decades. Kapferer and Bastien (2009) mentioned this phenome as "democratization of luxury." What will the dilution of rarity and authenticity arouse in luxury industry? Which changes will happen to luxury brand under this trend?

Luxury and luxury brand

The concept of 'luxury' exists since a long time and has been aspired by many for ages. However, as the concept of brand raised since 1950s, in the academic field as well as market place, 'luxury' has been always mentioned together with 'luxury brand' and even in some occasions these two terms substitute each other. Actually, in the ancient time luxury is luxury, for a brand was still an unshaped concept, only the craftsmen's houses or place of origin stands for certain meaning of luxury, like Chinese Porcelain in 17th century's England (Adams, 2012). But nowadays 'luxury' and 'luxury brand' develop to be two different concepts.

Luxury

In the popular sense of the word, 'luxury' is something related to indulging in self-pleasure and something which is not a necessity (Ghosh and Varshney, 2013). Sombart (1913, 1922) in his famous book 'luxury and capitalism' introduced two aspects of luxury regarding subjective evaluation of "the necessary", quantitative and qualitative, which can be, and in most cases are combined. Quantitative luxury is synonymous with prodigality, while qualitative luxury is the use of goods of superior quality. He also characterized 'luxury goods' as 'refined goods' derived from the concept of qualitative luxury (p.59). 'Luxury is also a swerve positioned with respect to a norm, a rule, a law which change from society to society and era to era, thus,

luxury is always relative and impossible to define it without situating it in time and space' (Sicard, 2013:25). She summarized three directions of the swerve: upward (direct descendant of court society); laterally (difference instead of superiority) and downward (association with some sort of transgressive behavior: an obscenity, a misdemeanor and an indecency) (Sicard, 2013:27-31). Berry (1994) categorized luxury goods as sustenance (food and drinks), shelter (accommodation), clothing (apparel with various accessories) and leisure (holiday, etc.). Because of the obvious different features of each category, the emerging luxury brand in this paper mainly indicate the brand that provides refined clothing including not only apparel but accessories like bags, jewelries, etc. Scholars also discussed the history and nature of luxury (Sombart, 1913/1922; Berry, 1992) and its social function and purchasing motivation (Sombart, 1913/1922; Laveleye, 1889; Veblen, 1898; Leibenstein, 1950). Since last century the debate on luxury extended to modern luxury and ancient luxury, or new luxury and old luxury. Berg (2012) pointed out that in sociological theories new luxuries were created out of the division of labour and the expansion of commerce; old luxuries conveyed excessive displays with large bodies of retainers. Alleres (1990) builds on the dimension of socio-economic class in the context of luxury goods and sees it as a hierarchy consisting of three levels based on the degree of accessibility. This hierarchy is comprised of three levels: products that are extremely high-priced which offer the owner exceptional social prestige; luxury products attainable by the 'professional' socio-economic class in the intermediate luxury level and the accessible luxury level where luxury products that are attainable by the middle socio-economic class who are implicitly perceived as trying to achieve a high social status by their purchase behaviour (Figure. 1).

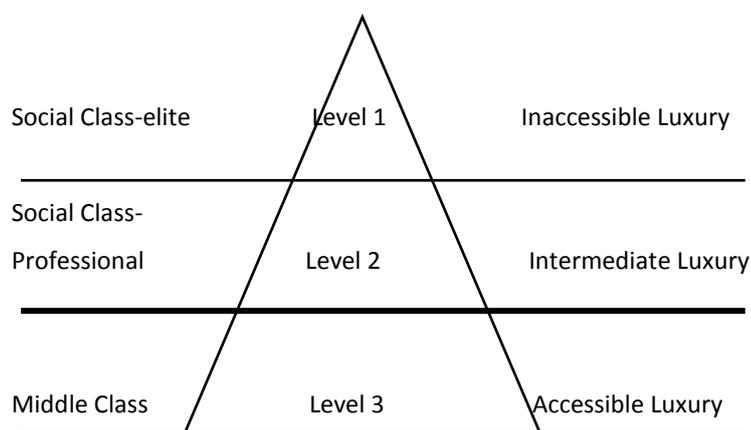


Figure 1A Hierarchy of Luxury Goods Products (Alleres 1990)

Then, one doubt arises together with the process of democratization of luxury. That is what makes prices of two similar products (like white cotton shirt) so different, one is non-brand and the other is offered by a luxury brand?

Luxury brand

In AMA dictionary a brand is a name, term, design, symbol, or other feature that distinguishes an organization or product from its rivals in the eyes of the customer. Although lots of literatures and research intend to identify 'luxury brand', the definition usually composites with a list of adjectives, like exclusive (Kapferer, 1997). Research on luxury brand cannot avoid discussing the nature of luxury, but few literatures tell their differences or the nexus. Brands are interfaces: they mediate between production and consumption and stand for industrial production of differences (Baudrillard, 1970/2003) and a hegemonic vehicle for endless diversity (Askegaard, 2006). From the view of Maslow's hierarchy of needs, brands become an extension of the self, present value which is a statement to others as well as an expression of inner, true self (Kornberger, 2010, p.9). The extensive value created by a brand despite of product has been a hot issue for decades, including some famous theories such as brand equity (Aaker, 1991) and brand identity (Kapferer, 2001). Almost these theories emphasize the tremendous value generated from a brand not only a product especially its symbolic value (Levy, 1959, 1999); and, the symbolic and cultural value for luxury is one of its nature (Bourdieu, 1984; Veblen, 1899; Mauss, 2006; Sombart, 1913/1922; Berry, 1992; Douglas & Isherwood, 1979; Hirsch, 1977). Then, how about luxury brand? Researchers on luxury brand (for example Keller, 1986; Berthon et al., 2009; Brakus et al., 2009; Vickers and Renand, 2003; Vigneron and Johnson, 2004; Gofman et al., 2010; Kapferer, 1998, 1999) research a consensus that symbolic value is one of critical parts of luxury brand and distinguish a luxury brand from common commercial brands. When a product-commodity becomes a brand, its value is supplemented by a number of further associations (Danesi, 2006: 3, 21). Branding generates 'luxury brand' from 'luxury' and makes it a more complicated issue. The divergence lies in the way how a brand creates the symbolic value as luxury and by what brand associations. However, by reviewing recent research on luxury brand, few research points out the further associations added by brand instead of luxury goods itself (see table.1).

Table 1 Review of luxury brand dimensions.

<i>Keller (1986)</i>	<i>Functional</i>	<i>Experienti-al</i>	<i>Symbolic</i>			
Vigneron and Johnson (2004)	Conspicuousness	Uniqueness	Quality	Hedonism	Extended self	
Berthon et al. (2009)	Functional	Experiential	Symbolic			
Brakus et al. (2009)	Behavioural	Feelings	Cognition			
Vickers and Renand	Functionalism	Experientialism	Symbolic	Interactionism		

(2003)						
Gofman et al. (2010)	Design	Style	Experience	Emotions	Exclusivity	
Heine and Phan (2011)	Price	Quality	Aesthetics	Rarity	Extraordinariness	Symbolic meaning
Reyneke et al. (2011)	Modern	Classic	Post-modern	Wabisabi		

Source: Walley, K., Adams, H., Custance, P., Copley, P. and Perry, S. (2013). The key dimensions of luxury from a UK consumers' perspective. Marketing Intelligence & Planning. Vol. 31 No. 7, pp. 823-837; modified by author.

According to the literatures in sociology, a necessary condition of luxury is refined goods, which means its functional, physical and aesthetic attributes must research a basic standard higher than mass products. Despite of this part, the above research can be abstracted in to two attributes: rarity and authenticity.

Hypotheses-1 Rarity and authenticity contributes to framing a luxury brand.

Rarity and Authenticity

As mentioned above, one key factor together with luxury since born is rarity but due to the development in science and technology as well as changes in market, the boundary of rarity became blurred. Scholars in luxury and marketing intend to find the trail and its tendency (Berry, 1992; Catry, 2003), however, hitherto it has merged into a complex concept instead of its explanation on dictionary. Catry (2003) summarizes his findings on rarity as below:

Table2. The rarity of luxury brand (Catry, 2003)

Natural rarity	Techno-rarity	Limited edition	Information-based scarcity
Limited availability of	Innovations in product	Virtual supply	Information communicated
Raw ingredients,	features:	constraints:	to consumers:
Components,	New product,	A maximum number of	High price,
Production capacity,	New technology,	special pieces,	Distribution,
Human expertise,	Creation of designers,	Together with events	Advertising,
etc.	etc	Special orders and	Public relations,
		series of one,	Stratification of designers,
		etc.	etc.

All these factors are listed in other researchers or marketers' manuscripts together or separately (Kapferer and Bastien, 2009; Verhallen and Robben, 1994; Groth and McDaniel, 1993; Vigneron and Johnson, 2004; Gofman et al., 2010).

Hypotheses-2 Luxury brand rarity includes two aspects: brand rarity and product rarity.

If under Sombart's (1913, 1922) definition of luxury, natural rarity, techno-rarity and limited edition belongs to product rarity and information-based rarity contributes to luxury brand rarity.

Hypotheses-2.1 Natural rarity, techno-rarity and limited edition contribute to product rarity

Hypotheses-2.1 Information-based rarity contributes to luxury brand rarity.

Meanwhile, since the Industrial Revolution increased mass production, there has been tension between imitation and authenticity (Orvell 1989). It is this struggle between consuming the mass production while desiring the original that engages and ignites consumers' quest for an authentic consumption or product experience. Over the last century, this tension has intensified due to technological advances, facilitating the effective simulation of authenticity (Halliday 2001). Researchers have demonstrated that authenticity is critical in both product consumption and the role consumers play within many subculture and communal consumption experiences (Holt 1997; Muniz, Albert and O'Guinn 2001; Penaloza, 2000). Authenticity generally centers on a brand or experience as being original and grounded in tradition and history (Beverland, 2005; Beverland et al, 2008; Ilicic and Webster, 2014). Authenticity can be classified as indexical or iconic authenticity (Grayson and Martinec, 2004). Indexical authenticity of brand means to be the original, not an imitation (Huntington, 1988, p. 157; Bruner, 1994, p. 400) and emphasizes on an object being 'the real thing', both legitimate and genuine (Benjamin, 1969; Kingston, 1999; Ilicic and Webster, 2014). Additionally, one brand with high iconic authenticity will be thought to be an object that 'resembles something that is with indexical authenticity' (Grayson and Martinec, 2004, p. 298; Ilicic and Webster, 2014), where an object is an 'authentic reproduction' or an 'authentic recreation' of the original (Bruner, 1994, p. 399; Peterson, 1997, p. 208). Fritz, et al. (2017) find that brand authenticity can be influenced by the identified variables (i.e. brand heritage, brand nostalgia, brand commercialization, brand clarity, brand's social commitment, brand legitimacy, actual self-congruence and employee's passion). Moreover, brand authenticity positively affects brand relationship quality, which in turn positively influences consumers' behavioral intentions. Meanwhile, brand authenticity can increase brand uniqueness and stimulate consumer's purchase intention (Coary, 2013; Frits, et al., 2017).

Tanble 3 Review on brand authenticity

Fritz, et al. (2017)	Coary (2013)	Grayson and Martinec (2004)	Ilicic and Webster, (2014)
brand heritage,	Being the Category Pioneer	Indexical authenticity	Celebrity authenticity
brand nostalgia,	Maintaining the Original Product	iconic authenticity	Heritage and essence

		Rare material, components	High-tech Know-how	Special orders, etc.	High price PR	History, Culture	Symbolic tattoo	True to self, Social events	Pioneer
IWC	Pilot	○	○	○	○	○	○	○	○
Rolex	Oyster	○	○	○	△	○	○	△	○
Zenith	Chronomaster	○	○	○	△	○	△	△	○
Cartie	Panthère	△	○	○	○	○	○	○	○
Blancqain	Villeret	△	○	○	△	○	○	○	○
GS	✘	△	○	○	△	✘	✘	✘	○
Longines	Master	✘	△	✘	△	△	△	△	△
Tissot	✘	✘	△	✘	✘	△	✘	△	✘

Conclusion and future direction

The results shows that there are three dimensions of overlaps to certain extend that is the technologic authenticity, techno-rarity and information-based rarity, The authenticity in technology has an positive impact on luxury brand rarity so as to enhance luxury brand value. When categorizing these brands, we also found that almost the luxury watches has the similar explanations about its iconic product rarity especially function, components but the difference appears in their statements their authenticity like history, culture and the diverse meaning hiding in their symbolic tattoo or pattern. This value created by authenticity increase brand rarity to distinguish a brand product from another though with the similar function.

=>Hypothese 5 Brand authenticity has a positive impact on rarity which enforces brand rarity to be perceived as luxury..

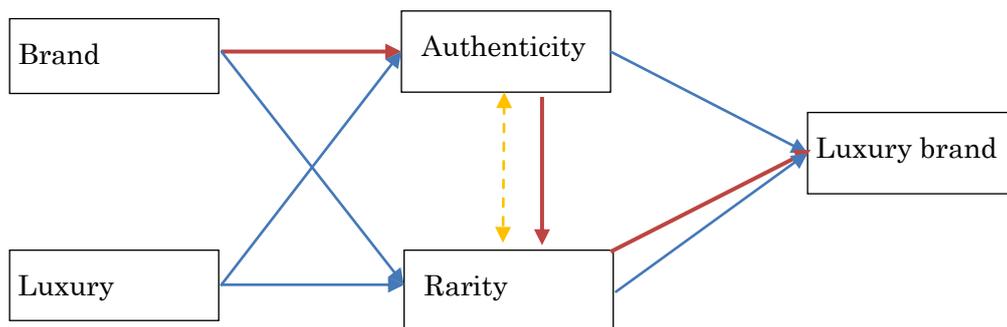


Figure 3. Modified conceptual framework of perceived luxury brand extensive

In the future research, we will analyse how these two influences consumer's perception on a luxury brand in a quantitative way. The dimensions and attributes of authenticity should be studied more concretely.

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