

The effects of masstige on loss of scarcity and behavioral intentions for traditional luxury consumers

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ABSTRACT

An increasing middle-class segment, eager to trade up in product qualities and consumption behavior, is causing a paradigmatic change in how traditional luxury consumers ascribe value to luxury brands. Guided by commodity theory, we develop three experiments where we show that masstige branding (vs. non-masstige) leads to reduced behavioral intentions for traditional luxury consumers (Study 1) both for public (Studies 1 and 2) and for private goods (Study 3). These effects are mediated by loss of scarcity of the brand (Studies 2 and 3). Finally, we also examine a boundary condition, self-brand connection (Study 3), and show that high self-brand connection can help mitigate the negative effects of loss of scarcity on traditional consumers' behavioral intentions. Overall, this study significantly extends research on masstige and luxury branding and offers important implications. For instance, high self-brand connection leads to a greater likelihood of purchasing masstige brands among traditional luxury consumers.

Keywords: Masstige; Luxury; Loss of scarcity; Self-brand connection; Commodity theory

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1. Introduction

Although Covid-19 severely impacted the luxury sales, the profits remained resilient and specialists forecast a rapid recovery with luxury markets expected to return to 2019 levels by the end of 2022 or early 2023 with an anticipated 10% per annum growth until 2025 (Bain, 2021; Deloitte, 2021). To satiate this new demand, many luxury brands have already implemented or are in the process of implementing strategies to increase their availability and accessibility by engaging in downward brand extensions as well as vertical and horizontal diversification. This has led companies to develop masstige strategy in order to attend to the aspirational mass-market segment (Paul, 2015). Masstige is characterized by mass prestige consumption, wherein to reap the rewards of reaching a larger market, companies allure consumers to trade up for better quality for a reasonable premium, with a careful downward extension of their luxury brands (Silverstein & Fiske, 2003; Kumar, Paul, & Unnithan, 2020). Extant literature pertaining to masstige has focused on the possible positive effects that masstige strategy can have on the behavioral intentions of the flourishing middle class (Truong et al., 2009; Paul, 2015; Kumar et al., 2020; Purohit and Radia, 2022; Das, Saha and Balaji, 2021). Further, extant research has also highlighted the detrimental effect downward brand extensions can have on parent brand (Riley, Pina & Bravo, 2013; Boisvert & Ashill, 2018a, 2018b; Palmeira, Lei, & Valenzuela, 2019). While this body of work offers a rich tapestry of results in regards to the varying effects of masstige strategy among middle income consumers mainly, a lacuna exists within the extant research regarding how traditional luxury consumers ascribe value to luxury when the brand employs masstige strategy. Following Han et al. (2010), we refer to traditional luxury consumers as those wealthy consumers with significantly higher income than their country's GDP per capita who regularly pay a premium

for conspicuously or inconspicuously branded products that serve as signals to their peers. Traditional luxury consumers are considered the mainstay for any luxury brand (Loudenback, 2018; Knight Frank, 2020; Michaelidou, Christodoulides & Presi, 2021). However, extant research is silent on their response to masstige strategy and the mechanism that drives their value attribution to a luxury brand when the brand employs a masstige strategy.

Commodity theory (Brock, 1968) suggests that scarce products, such as luxury goods, are perceived as having greater value than those which are readily available. Based on the notions of scarcity effects on value as captured in commodity theory (Lynn, 1991), we posit that the greater availability and accessibility of luxury brands due to masstige strategy may negatively affect the value that traditional consumers attach to such brands. Prior research shows that when out-group consumers engage in similar consumption, traditional luxury consumers demonstrate varying defection behaviors based on the status threat they feel (Berger and Heath, 2007; Wang and John, 2019). We argue that traditional luxury consumers will show similar defection behaviors when companies employ masstige strategy. We posit that such defection stems from luxury's loss of scarcity value as masstige leads to greater availability. Specifically drawing on commodity theory, this study aims to fill an important gap by examining the effect of masstige strategy on the loss of scarcity values of luxury brands and its subsequent impact on traditional luxury consumers' behavioral intentions. Importantly, we also propose that the increase in loss of scarcity value of brands which follow a masstige strategy can be mitigated through traditional luxury consumers' self-brand connection (Escalas and Bettman 2005; Wang and John 2019).

Employing three experiments, this study offers important contributions to the extant body of knowledge and practice. First, this study contributes to masstige and luxury branding literatures by examining the changes in traditional consumers behavioral intentions towards luxury brands after these brand's use of masstige strategies. Second, it also complements and

extends prior research on social psychology and commodity theory by applying it to a new research field (i.e., luxury branding), and documenting a novel cause for the reduction in luxury scarcity value, namely masstige strategy. Third, the study demonstrates how traditional luxury consumers' self-brand connection can mitigate the loss of scarcity value when luxury brands employ masstige strategy.

2. Literature review

2.1 Masstige strategy

Since the dawn of the 21st century, the emerging middle class – led by their desires, aspirations and increasing buying power – has shifted the luxury landscape significantly (Rosendo-Rios & Shukla, 2023). Recent empirical observations show that many luxury brands are using a variety of strategies including masstige to engage this new aspirational class globally (Wang and John, 2019; Chen et al., 2022; Eastman, Iyer & Babin, 2022). The global expansion of luxury implies that luxury, once restricted to a selected few, is now attainable by the middle and lower classes globally (Silverstein et al., 2008; Bain & Co., 2018; Shukla et al., 2022). Accordingly, masstige, a new category of luxury that lies between exclusivity and mass consumption has emerged to serve this segment (Silverstein & Fiske, 2003; Kumar and Paul, 2018; Paul, 2019; Kim et al., 2019; Chen, Petersen, & Lowrey, 2022; Iaia et al., 2022).

The term “masstige”, acronym for mass prestige or “prestige for the masses”, was first introduced by Silverstein and Fiske (2003) as a response to a new social phenomenon that was beginning to take place in the market: a rapidly increasing middle-class segment eager to trade up to higher levels of quality and taste. To cater to this sweet spot between mass and class, many luxury brands developed masstige strategy by creating a new category of products and services that are priced above the mid-range brands but well below their

classic superpremium products (Silverstein et al., 2008; Truong et al., 2009). Extant literature has already demonstrated some benefits of masstige strategy, showing, for example, that it builds strong brand value in both core and extension brands (Kim et al., 2019), creates positive effects on consumer engagement (Das, Saha & Roy, 2021) and purchase intentions (Katyal et al., 2022) as well as perceived brand happiness, attitudinal loyalty (Purohit and Radia, 2022) and brand passion (Gilal et al., 2022).

Similarly, several models and indexes of masstige strategy have been developed (*for a review see* Paul, 2015; Kumar, Paul and Unnithan, 2020; Baber, Upadhyay, Kaurav and Baber, 2020), where masstige strategy has primarily been defined as creating mass prestige by maximizing market share for luxury/premium brands, while keeping prices relatively high. It has mainly been represented in two marketing mix equations, price $P = f(\text{Masstige})$ and $\text{Masstige} = f(\text{Product, promotion and place})$. Hence, masstige strategy is premised upon making moderating high priced luxury products available to the maximum number of consumers by creating mass prestige (Paul, 2018). However, a fundamental tenet for purchase and consumption of luxury is the exclusivity and symbolic self-differentiation (Kapferer & Valette-Florence, 2018) and thus with wider awareness, availability and access, such benefits may be perceived as lost or partially lost by traditional luxury consumers. Hence, there is a need to empirically study the effects of masstige, especially the negative effects of this strategy among traditional luxury consumers.

2.2 Commodity theory and loss of scarcity

Commodity theory deals with the psychological aspects of scarcity (Lynn, 1991).

Commodities are any things, experiences or objects that can be useful, transferable and can be possessed. In social psychology, a product or commodity that is in short supply is perceived to have a greater value than one that is readily available for consumption (Gierl and

Huettl, 2010). A fundamental principle to commodity theory (Brock, 1968, p. 246) suggests that “any commodity will be valued to the extent that it is unavailable”. The unavailability relates to (a) limited supply, (b) costs of acquiring or keeping a product or service, (c) restriction limiting possessions of a product or service, and/or (d) delays in providing a product or service (Lynn, 1991). These unavailability aspects are highly relevant in the context of masstige branding. Masstige brands are targeted at middle classes and thus are not in limited supply compared to their luxury counterpart, are comparatively easier to acquire for a larger market segment, are readily available and there are less restrictions on possessing them. We posit that the increased availability, reduced cost of acquisition and less restrictions may in turn lead traditional luxury consumers to ascribe lower value to masstige brands.

Commodity theory (Brock, 1968) further implies that, besides unavailability, another criterion that commodities must meet is that of value. Value refers to a commodity’s potency for affecting attitudes and behaviors. The scarcity heuristic stems from the idea that the rarer an item is, the more value that item has (Bozkurt and Gilgore, 2019; Chae, Kim, Lee and Park, 2020). Brock (1968) suggested the possibility that people may desire scarce commodities because the possession of scarce commodities conveys feelings of personal distinctiveness (Lynn, 1991). The scarcity of luxury brands enhances their value and enables consumers to differentiate themselves from others (Burns and Brandy, 2001; Kastanakis and Balabanis, 2014). In this regard, luxury brands endeavor to preserve their relative scarce and distinctive value through preventing over-diffusion, which makes them different from non-luxury brands. As such, many luxury brands have always attempted to maintain scarcity value. For instance, Ferrari only produces 7000-10000 cars a year, while demand seem to be much higher globally (Statista, 2021). Similarly, to maintain their scarcity value, many luxury watch companies buy back their stock from retailers (de Burton, 2018) and many luxury fashion brands burn their remaining stock (BBC, 2018). Thus, by maintaining scarcity value,

luxury brands aim to satisfy luxury consumers' needs for distinctiveness, exclusivity and self-differentiation (Park, Rabolt and Jeon, 2008).

2.3 Self-brand connection

Material possessions are very often an extension of the self (Belk, 1989). In the process of using brands to construct one's self-identity, the set of brand features may become linked to the consumer's mental representation of the self (Kauppinen-Räsänen et al., 2018). When such brand associations are employed to construct one's self-identity or communicate the self-concept to others it is referred to as self-brand connection (Escalas and Bettman, 2003). Consequently, brands are perceived to be more important to a consumer the more closely the brands are linked to the self (Escalas, 2004). Researchers argue that self-brand connection is an important construct in determining consumer behavioral intentions (Fetscherin and Heinrich, 2015; Harrigan et al., 2018). For example, in their bibliometric meta-analysis of 392 papers in 101 journals, Fetscherin and Heinrich (2015) point out self-brand connections as one of the main constructs to have an impact on consumer-brand relationships and behavioral intentions. Consumers with strong self-brand connection tend to feel high personal connection to the brand, believe that the brand is part of their self-identity and who they are and communicate their self-concept to others through the consumption of the brand (Wang and John, 2019).

When dissimilar users prefer or own the same products, traditional luxury consumers experience an identity-threat and employ varying coping strategies (Commuri, 2009). In this regard, researchers have established that self-brand connection is employed as a differentiation mechanism by consumers. Ferraro, Kirmani and Matherly (2013) find that consumers with low self-brand connection, exhibit less favorable attitudes towards the brand

if the brand is used by disliked outsiders. In contrast, consumers with high self-brand connection maintain their favorable view of the brand in the face of a disliked brand user. Similarly, Wang and John (2019) show that consumers with high self-brand connection attempt trading up strategies to maintain their relationship with the brand in the face of a self-threat.

3. Hypotheses development

The shift of luxury brands from exclusivity to ‘mass market adoption’ and mass prestige increases their availability (Kumar et al., 2020; Das et al., 2021). As masstige brands become relatively more affordable and widely available, new consumers from middle and lower classes engage in their consumption (Lee, Baumgartner and Winterich, 2018). While this increasing availability satisfies the upsurging middle-class segment, and its eagerness to trade up, prior research has shown that it may also lead to detrimental effects for luxury brands, such as brand image dilution, causing traditional luxury consumers to defect (Silverstein and Fiske, 2003; Shukla, Rosendo-Rios & Khalifa, 2022). Thus, preferences for exclusive products can be explained by the influence of group orientations (Wang & John, 2019). For instance, in the case of counterfeit goods, Commuri (2009) demonstrates that when a brand is increasingly counterfeited and used by dissimilar users, traditional luxury consumers tend to reduce their purchase intentions and also show greater tendency to abandon the brand. Similarly, Berger and Heath (2007) show that luxury consumers avoid options preferred by majorities and abandon preferences shared with majorities. Thus, following commodity theory, we posit that increased access and wider availability of luxury brands that follow masstige strategy may subsequently lead traditional luxury consumers to assign lower value to such brands, causing a reduction in their purchase intentions and greater abandonment intentions.

H1: Masstige strategy will lead to lower purchase intentions (H1a) and greater abandonment intentions (H1b) among traditional luxury consumers.

Similarly, masstige strategy implies that luxury brands are now marketed to a large and growing middle-class segment. When such a large segment of consumer start consuming previously inaccessible luxury brands, the scarcity value that traditional luxury consumer may ascribe to such brands will also reduce. With their notion of rarity principle, Kapferer and Valette-Florence (2018) argue that increasing penetration has a negative impact on a luxury brand's desirability. This is embedded in the scarcity heuristic which pertains to reduction in ascribed value due to increased availability (Bozkurt & Gilgore, 2019; Chae et al., 2020). Hence, although the short-term financial results may seem promising, the emergence of "mass luxury" might eventually lead to luxury brands losing their status of rarity and exclusivity. Likewise, we argue that the wider availability and accessibility of luxury products due to masstige strategy will exert a negative impact and will lead traditional luxury consumers to feel the loss of scarcity, which in turn, will translate into lower consumer purchase intentions and increased abandonment intentions among traditional luxury consumers.

H2: Loss of scarcity will mediate the effects of masstige strategy on consumer behavioral intentions (i.e., reduced purchase intentions (H2a) and greater abandonment intentions (H2b)) among traditional luxury consumers.

As argued earlier, when luxury brands employ masstige strategy, they lose their scarcity value and, in turn, traditional luxury consumers may avoid purchasing such brands. In this regard, we posit that consumer response will differ based on their level of self-brand connection. Self-brand connection reflects the degree to which a given brand gets

incorporated into the self-concept (Kauppinen-Räsänen et al., 2018). For consumers with high self-brand connection, the brand is deeply embedded in their self-concept (Escalas and Bettman, 2005). Further, high self-brand connection consumers feel that the brand defines their identity and it would be an affront to their self-identity if they avoid using the brand (Khalifa and Shukla, 2021). A number of studies demonstrate that consumer with high self-brand connection demonstrate defensive behaviors when the brand's status is threatened (Ferraro et al., 2013; Wang & John, 2019). These defensive behaviors are observed among consumers with high self-brand because their self-identity is linked to the brand. On the other hand, consumers with low self-brand connection do not feel the same level of emotional attachment with the brand (Ferraro et al., 2013). Hence, when the luxury brand uses masstige strategy and faces loss of scarcity, these traditional luxury consumers with low self-brand connection will exhibit lower purchase intentions.

H3: When luxury brands use masstige strategy, self-brand connection will moderate the relationship between loss of scarcity and purchase intentions such that high self-brand connection will mitigate the loss of scarcity among traditional luxury consumers.

4. Experimental design and method

We explore our predictions in three studies. In study 1, we examine the direct effects of masstige branding on purchase intentions among traditional luxury consumers. It also extends the findings to abandonment intentions, the opposite of purchase intentions. For this study, we asked participants to identify their favorite luxury watch brand and randomly assigned participants to either a masstige or a non-masstige scenario. Using a different sample of traditional luxury consumers, Study 2 investigates the loss of scarcity as a mediator for the relationship between masstige branding and both purchase intentions and abandonment

intentions using sunglasses as a product category. While studies 1 and 2 investigate the effects of masstige branding using public goods, study 3 adds further robustness to our findings by examining these effects in a different context, private luxury goods, namely perfume. A separate group of traditional luxury consumers participated in Study 3 which also tests the effects of self-brand connection as a moderator that may help in mitigating the negative effects of masstige branding. In doing so, the study used a 2 x 2 between group experimental design. We employed experimental design in this study to demonstrate that across different luxury product categories (watches, sunglasses and perfumes) and different manipulations for masstige branding the observed effect is robust.

4.1 Study 1

Study 1 aims at testing our basic prediction that masstige branding will reduce consumer purchase intentions and increase abandonment intentions for traditional luxury consumers.

4.1.1 Method

In total, 134 traditional luxury consumers ($M_{\text{age}} = 20.07$ years; $SD = 2.40$; 45.5% Female) in Spain, who regularly purchase and use global luxury brands, participated in the study. As the sample required for the study is unique, participants were recruited using snowball sampling. The mean annual income for the participants was greater than EUR 90,000 which is almost three times the Spanish GDP per capita of EUR 23,325/ 27,057\$ (Worldbank, 2021), and it is considered to be within the highest income ranges in Spain (Murillo-Gili, 2019). Moreover, the participants regularly purchased and used global luxury brands (e.g., LVMH, Gucci, Prada, Rolex, Patek Philippe, Armani, Cartier, Bulgari, Chanel, Mont Blanc among others). The participants were informed that they would be engaging in a memory experiment involving their knowledge of situations. The participants read the basic definition of luxury

(not necessarily essential, desirable items that are expensive and difficult to obtain) and asked to select their favorite luxury watch brand. Subsequently, they were randomly shown a scenario wherein their favorite brand was either a masstige brand (vs. not masstige) coded as -1 (vs. 1) respectively (please see Appendix A for scenario details).

After reading the scenario, participants were asked to complete a few filler tasks and then exposed to manipulation checks relating to masstige strategy. The manipulation check for masstige was captured using the scale adopted from Shukla, Rosendo-Rios and Khalifa (2022). The Likert scale captures masstige through 3 items “I find that X branded watches are now being mass produced, “I think X branded watches have lost their distinctiveness”, “In my mind, X branded watches have lost their exclusivity” using a 7-point scale ($\alpha = .84$) with strongly disagree and strongly agree as anchors. Following this, participants’ purchase intentions of the brand ($\alpha = .94$) were measured using 4-item semantic differential scale (Unlikely/Likely; Very improbable/Probable; Impossible/Possible; No chance/Certain) derived from Jones, Mothersbaugh and Beatty (2000). Likewise, abandonment intentions ($\alpha = 0.97$) were measured by asking respondents to state their likelihood of abandoning the brand, using the same scale (Unlikely/Likely; Very improbable/Probable; Impossible/Possible; No chance/Certain).

4.1.2 Results

The masstige manipulation was successful ($F(1, 132) = 22.31; p = .000$) wherein respondents found masstige to be significantly higher in the masstige condition ($M = 3.75; SD = 1.44$) than in no-masstige condition ($M = 2.61; SD = 1.30$). As the scenarios involved the protagonist’s occupation, we controlled for this effect by comparing the masstige versus non-masstige condition across two different occupational status (i.e. Juan as a waiter – lower occupational status; and Juan as an investment banker – higher occupational status). We first

employed a one-way ANOVA to examine the effects of occupational status and found it to be non-significant on purchase intentions ($F(1, 132) = 0.16$; $p = .691$) and abandonment intentions ($F(1, 132) = 1.51$; $p = 0.221$). Moreover, we also conducted a between-group ANOVA to ascertain if there was an interaction effect between masstige conditions and the occupational status conditions. The interaction effect was non-significant for both purchase intentions ($F(1, 132) = 0.13$; $p = 0.716$) and abandonment intentions ($F(1, 132) = 0.01$; $p = 0.948$).

Following manipulation checks, we employed one-way ANOVA and the results revealed a direct effect of masstige on purchase intentions ($F(1, 132) = 6.69$; $p = 0.011$) and abandonment intentions ($F(1, 132) = 6.51$; $p = 0.012$). Respondents were less likely to purchase the masstige brand ($M = 3.47$; $SD = 1.02$) than in non-masstige condition ($M = 3.96$; $SD = 1.10$). Similarly, respondents were more likely to abandon the brand in masstige condition ($M = 2.45$; $SD = 1.18$) than in non-masstige condition ($M = 1.93$; $SD = 1.11$).

4.1.3 Discussion

Results from study 1 support our main prediction regarding the link between masstige and behavioral intentions, as regards to both purchase intentions (H1a) and abandonment intentions (H1b). Prior literature shows that when dissimilar users engage in similar consumption, traditional luxury consumers demonstrate varying defection behaviors based on the status threat they feel (Berger and Heath, 2007; Wang and John, 2019). Expanding this research, our results demonstrate that traditional luxury consumers will also show defection behaviors when companies employ masstige strategy and are less likely to purchase the masstige brand. Hence, employment of masstige strategy may actually discourage traditional luxury consumers from buying luxury brands. We posit that loss of scarcity may be the mechanism driving this observed defection effect and confirm this possibility in study 2.

4.2 Study 2

In study 1 we compared the effects of masstige versus non-masstige in the context of luxury watches. In study 2, we test loss of scarcity as the mechanism driving the effect of masstige branding on purchase intentions and abandonment in the context of luxury sunglasses. We chose a different product category context (i.e., luxury sunglasses) which is a unisex product and it also allows us to further examine robustness of our study findings in varying industry context. Beyond the change in industry context, we also changed the manipulation to be an advert rather than a story. The variation in manipulation adds further to the robustness of our findings to demonstrate that the effects of masstige strategy are consistent irrespective of the type of manipulation (i.e., a text-based scenario versus an advertisement). In this experiment, the independent variable was masstige (versus non-masstige), loss of scarcity was the mediator, and the dependent variable was purchase intentions. Similarly, we also investigated this mediation effect in the opposite direction by measuring consumer abandonment intentions.

4.2.1 Method

108 luxury consumers in Spain who regularly used luxury brands participated in this study ($M_{\text{age}} = 23.12$ years; 47.2% female). As in study 1, participants were recruited using snowball sampling, and the participants' mean annual income of EUR 105,000 was significantly higher than Spain's per capita GDP of EUR 29,600. The participants were informed that they would be evaluating an advertisement for luxury sunglasses. They were provided with the basic definition of luxury, and were asked to name their favorite luxury sunglasses brand. They were then randomly shown an advert in which their favorite sunglasses brand remained non-masstige (coded as 1) or became masstige (coded as -1) (see Appendix B for advertisement

details). The image size, font type, format, and other aspects remained the same, but the advertising copy or words used differed. For instance, the masstige advert stated that *“Everyone is part of the luxury eyewear experience. Eyewear for everyone made in our factories worldwide,”* whereas in the non-masstige condition, the advertising copy was *“Your exclusive luxury eyewear experience. Exclusively made for you by craftsmen. Luxuriously yours.”*

After reading the scenario, the participants were asked to complete some filler tasks, and were exposed to manipulation checks relating to masstige ($\alpha = 0.91$), as in study 1. The mediation of loss of scarcity was then measured through items derived from Townsend and Shu (2010), captured using a seven-point Likert scale. The items included: “I observe that now a days, a lot of people own X branded sunglasses,” “I do not think X branded sunglasses are a rarity anymore,” and “I see a lot of people using X branded sunglasses regularly” ($\alpha = 0.87$). As in study 1, participants’ intentions to purchase the brand ($\alpha = 0.95$) were measured using items derived from Jones et al. (2000). Abandonment intentions ($\alpha = 0.95$) were measured by asking respondents to state their likelihood of abandoning the brand, using the same scale (Unlikely/Likely; Very improbable/Probable; Impossible/Possible; No chance/Certain).

4.2.2 Results

The masstige manipulation was successful ($F(1, 106) = 60.31$; $p = 0.000$), as respondents found masstige to be significantly higher in the masstige condition ($M = 5.06$; $SD = 1.45$) than in the non-masstige condition ($M = 2.81$; $SD = 1.56$).

Consistent with our theorization, the results revealed a significant effect of masstige on loss of scarcity ($F(1, 106) = 52.18$; $p = 0.000$). Participants felt more loss of scarcity in the masstige condition ($M = 4.99$, $SD = 1.40$) than in the non-masstige condition ($M = 2.91$, SD

= 1.51). As in study 1, masstige strategy had a direct effect on purchase intentions ($F(1, 106) = 33.54$; $p = 0.000$), as participants expressed significantly lower purchase intentions in the masstige condition ($M = 2.65$; $SD = 1.30$) than in the non-masstige condition ($M = 4.03$; $SD = 1.10$). Masstige branding also increased participants' abandonment intentions ($F(1, 106) = 22.83$; $p = 0.000$; $M = 3.57$; $SD = 1.14$) compared with the non-masstige condition ($M = 2.52$; $SD = 1.16$).

To capture the mediating effects of loss of scarcity on the relationship between masstige branding and purchase intentions, we employed PROCESS macro model 4 (Hayes, 2013) with a bootstrapping procedure (5,000 resamples), with masstige as the independent variable, loss of scarcity as the mediator, and purchase and abandonment intentions as the dependent variables. The results revealed that masstige influenced loss of scarcity ($F(1, 106) = 52.18$; $p = 0.000$; $\beta = -1.04$; $p = 0.000$; $CI(95\%) = [-1.33, -0.75]$). Furthermore, loss of scarcity had a significant influence on both purchase intentions ($\beta = -0.36$; $p = 0.000$; $CI(95\%) = [-0.50, -0.21]$) and abandonment intentions ($\beta = 0.45$; $p = 0.000$; $CI(95\%) = [0.32, 0.59]$). The indirect effect of masstige on purchase intentions through loss of scarcity was significant, as demonstrated by 95% confidence intervals that excluded zero ($CI(95\%) = [0.20, 0.59]$). A similar indirect effect was observed for abandonment intentions ($CI(95\%) = [-0.70, -0.28]$), suggesting that loss of scarcity mediated the relationship between masstige and abandonment intentions.

[Insert Figure 1 about here]

4.2.3 Discussion

Our conceptualization suggests that masstige strategy has a negative impact on purchase intentions through the mediating effect of loss of scarcity (H2a). This effect also holds in the opposite direction for abandonment intentions as predicted (H2b). The scarcity of luxury

brands enhances their value and enables consumers to differentiate themselves from others (Bozkurt & Gilgore, 2019; Chae et al., 2020). When companies use masstige strategy, it results in increased availability, reduced cost of acquisition and less restrictions on possessing these products (Paul, 2015). Thus, consistent with our theorization grounded in the commodity theory, the results of study 2 show that higher levels of masstige strategy leads to greater loss of scarcity for traditional luxury consumers. This higher loss of scarcity, in turn, reduces purchase intentions and increases abandonment intentions.

4.3 Study 3

This study is developed with a focus on how brands may mitigate the negative effects of masstige by employing self-brand connection strategies. In study 2, we examined loss of scarcity as an underpinning mechanism driving the effect of masstige strategy on both purchase intentions and abandonment intentions in the context of a public good (luxury sunglasses). In study 3, we use a private good (luxury perfume) that is less conspicuous and invisible, although ownership of such products conveys distinctiveness signals (Bearden & Etzel, 1982). To confirm this context, we carried out a pre-study of consumers ($n = 20$), asking participants to recognize five of the best-selling perfume brands globally: Coco Mademoiselle, Dolce and Gabbana Light Blue, J'adore by Christian Dior, Eternity by Calvin Klein, and Pleasures by Estée Lauder (Tri, 2021). In a blind test, none of the participants was able to recognize any of the brands accurately. However, when informed of the brands, the participants identified them as luxury brands.

This different context is used to provide further evidence of the pervading effects of masstige. Thus, in this experiment, masstige (versus non-masstige) is the independent variable, loss of scarcity remains the mediator, self-brand connection is the moderator, and purchase intentions remains the dependent variable.

4.3.1 Method

In this study, the 125 participants ($M_{\text{age}} = 26.13$ years; 49.60% female) were consumers in Spain who had previously bought luxury goods (mean annual income > EUR 80,000). They were informed that they would be evaluating an advertisement for luxury perfumes, were provided with the basic definition of luxury, as in study 1, and were asked to name their favorite luxury perfume brand. They were then randomly shown an advert in which their favorite perfume brand had either implemented masstige strategy or not (see Appendix C for advertisement details). Similar to study 2, the advert differed in the advertising copy. For instance, in the masstige condition (coded as -1) the advert stated that *“Everyone is part of the luxury perfume experience. Perfume for everyone made in our factories worldwide,”* whereas in the non-masstige condition (coded as 1), participants saw the same advert with the words *“Your exclusive luxury perfume experience. Exclusively made for you by craftsmen. Luxuriously yours.”*

After reading the scenario, the participants were asked to complete some filler tasks, and were then exposed to manipulation checks relating to masstige, as in study 1 ($\alpha = 0.87$). As in study 2, the mediation of loss of scarcity ($\alpha = 0.86$) was measured using items developed by Townsend and Shu (2010). For self-brand connection ($\alpha = 0.94$), we employed the items derived from Escalas and Bettman (2005), for instance, “X reflects who I am”, “I can identify with X”, “I feel a personal connection with X”. Participants’ intentions to purchase the brand ($\alpha = 0.96$) were measured using items derived from Jones et al. (2000).

4.3.2 Results

The masstige manipulation was successful ($F(1, 123) = 40.07$; $p = 0.000$), as respondents found masstige to be significantly higher in the masstige condition ($M = 4.89$; $SD = 1.82$) than in the non-masstige condition ($M = 3.00$; $SD = 1.51$).

Consistent with the previous studies, masstige had a direct effect on purchase intentions ($F(1, 123) = 17.93$; $p = 0.000$), as participants in masstige condition expressed significantly lower purchase intentions ($M = 3.16$; $SD = 1.43$) than in the non-masstige condition ($M = 4.11$; $SD = 1.04$). Similarly, masstige led to a significant increase in loss of scarcity ($F(1, 123) = 41.49$; $p = 0.000$; $M = 5.14$, $SD = 1.48$) compared with the non-masstige condition ($M = 3.40$, $SD = 1.54$).

[Insert Figure 2 about here]

We employed PROCESS macro model 14 (Hayes, 2013) with a bootstrapping procedure (5,000 resamples) to capture the mediating effects of loss of scarcity and the moderating effects of self-brand connection on the relationship between masstige and purchase intentions. The independent variable was masstige, the mediator was loss of scarcity, the moderator was self-brand connection, and the dependent variable was purchase intentions. The results revealed that masstige positively influenced loss of scarcity ($F(1, 123) = 41.49$; $p = 0.000$; $\beta = -0.87$; $p = 0.000$; $CI(95\%) = [-1.14, -0.60]$), and loss of scarcity significantly influenced purchase intentions ($\beta = -0.44$; $p = 0.000$; $CI(95\%) = [-0.70, -0.17]$). The index of moderated mediation ($CI(95\%) = [-0.12, -0.03]$) confirmed that self-brand connection moderated the relationship between loss of scarcity and purchase intentions ($\beta = 0.08$; $p = .002$; $CI(95\%) = [0.03, 0.14]$). As shown in Figure 3, traditional luxury consumers with low self-brand connection demonstrated significantly lower purchase intentions when the loss of scarcity was high ($CI(95\%) = [-0.44, -.09]$). However, loss of scarcity did not lead to significant differences in purchase intentions among these consumers when their self brand-connection was high ($CI(95\%) = [-0.10, 0.19]$).

[Insert Figure 3 about here]

4.3.3 Discussion

Study 3 strengthens the validity of our theorization and the substantive implications of our conceptualization by confirming the negative effects of masstige on purchase intentions. It also lends further robustness to the mediating effect of loss of scarcity on the relationship between masstige and purchase intentions. Prior literature confirms that self-brand connection is one of the key factors in determining consumer behavioral intentions (Fetscherin and Heinrich, 2015). Researchers also argue that brand dilution depends on the self-brand connection of the person, and that consumers with low self-brand connection are prone to dislike the brand when it used by disliked outsiders. On the contrary, observers with high self-brand connection maintain their favorable view of the brand because their strong bond with the brand prevents them from negative behaviors (Ferraro et al., 2013). In line with these findings and our initial conceptualization, we demonstrate that when loss of scarcity is increased due to masstige, high self-brand connection may mitigate this negative effect, and consumers would be more willing to purchase the brand that had used masstige strategy. Additionally, this convergence of findings between public and private goods confirms the robustness of the masstige effect, ruling out a possible alternative explanation that the masstige effect may be visible only in public contexts.

5. General discussion

Luxury goods have always thrived on exclusivity. However, with the rapid economic growth and the rise of consumerism among global middle classes, many luxury brands have adopted a novel masstige strategy to increase their reach and profitability (Silverstein et al., 2008; Paul, 2018). Prior research has offered varying positive (Paul, 2015; Kim et al., 2019) and negative (Riley et al., 2013; Boisvert & Ashill, 2018a, 2018b; Palmeira, et al., 2019) outcomes of masstige strategy predominantly focusing on the middle classes (for a review see

Kumar et al., 2020). Yet, how traditional luxury consumers would react to such a strategy by their beloved luxury brands remains unknown. Across three studies, we show that masstige strategy increases loss of scarcity, which in turn, negatively affects traditional luxury consumer's behavioral intentions. In line with Commodity theory (Brock, 1968), which suggests that scarce products, such as luxury goods, are perceived as having greater value than those which are readily available, our results show that masstige strategy has a negative impact on both traditional luxury consumers' purchase intentions (study 1) and abandonment intentions (studies 1 and 2). We show that this effect is driven by loss of scarcity (studies 2 and 3). This effect is observed for both public (studies 1 and 2) and private goods (study 3). Extending prior debate on the role of self-brand connection in influencing consumer behavioral intentions (Escalas and Bettman 2005; Wang and John 2019), we also demonstrate the potential role of self-brand connection in moderating the negative effects of masstige on purchase intentions (study 3).

5.1 Theoretical implications

This research makes three significant theoretical contributions. First, it adds to the previously under-research phenomenon of masstige and to the broader field of luxury branding literature. It does so by demonstrating a boundary condition for the positive effects of masstige strategy. While earlier research has shown that masstige strategy can lead to greater engagement and acceptance among middle classes (Truong et al., 2009; Riley et al., 2013), we show that such strategy can have a detrimental effect on traditional luxury consumers' behavioral intentions.

Second, complementing prior research in social psychology and commodity theory (Brock, 1969; Lynn, 1991), we demonstrate a new cause of loss of scarcity, namely masstige strategy. This arises because masstige strategy is perceived as eroding the scarcity value that

traditional consumers associate with luxury goods as a commodity. Studies have shown that traditional luxury consumers are highly sensitive in regard to projecting their self-identity (Commuri, 2009; Han et al., 2010). When a luxury brand uses a masstige strategy, its userbase increases to middle classes (Paul, 2018). This increased accessibility and availability erodes the scarcity value attached to the once exclusive luxury brand among traditional luxury consumers. Consequently, due to the loss of scarcity, masstige strategy hinders traditional luxury consumers' need to extend their own selves, reducing their purchase intentions. Such a strategy also leads to increased abandonment intentions among traditional luxury consumers due to the loss of scarcity.

Lastly, this study extends research on self-brand connection (Escalas & Bettman, 2003). The study illustrates conditions under which the strength of self-brand connection can reduce the adverse effects of loss of scarcity on purchase intentions for luxury brands that employ masstige strategy. Luxury brands are regularly portrayed as extensions of the self (Khalifa & Shukla, 2021). Further, among consumers with high self-brand connection, brands are deeply ingrained in their identity expression (Escalas & Bettman, 2005; Ferraro et al., 2013). Thus, when a luxury brand faces loss of scarcity due to masstige strategy, consumer response varies substantially based on their self-brand connection. Traditional luxury consumers with low self-brand connection do not have a deeper relationship with the brand. Hence, they tend to avoid purchasing the brand when they feel that the scarcity value is lost. On the other hand, traditional luxury consumers with high self-brand connection feel that the brand defines their identity (Wang and John, 2019). Therefore, even if the brand loses its scarcity value due to masstige strategy, their own self-brand connection acts as a barrier to such a loss. They perceive that avoiding the purchase of the brand or abandoning the brand would be an offence to their self-identity and hence they continue to their relationship.

5.2 Managerial implications

Despite the managerial relevance of masstige strategy, very little is known about how this strategy affects traditional luxury consumers' behavioral intentions. Our research fills this important gap, with major implications for luxury brand management. Across three studies, the findings suggest that masstige strategy may not always have positive outcomes for luxury brands. Our research shows that masstige gives rise to loss of scarcity values for traditional luxury consumers. Therefore, luxury brands should approach masstige strategy with utmost caution. In this respect, we offer guidance on how luxury brand managers should approach this process to avoid undesired outcomes for their brands for which they have spent substantial resources in building global brand equity.

Masstige strategy, by nature, increases the luxury brand's accessibility and availability, which in turn, leads to loss of scarcity. Scarcity is one of the coveted values associated with luxury goods (Kastanakis and Balabanis, 2014), especially for traditional luxury consumers. Hence, how a luxury brand handles scarcity value may become critical in the successful implementation of masstige strategy and maintaining relationships among traditional luxury consumers. Thus, managers can increase the perceived value of the brands that have employed masstige strategy by manipulating the perceived scarcity of those products. This may be achieved for example, by incurring in supply-induced scarcity marketing practices, such as producing limited editions of products, restricting the maximum order sizes for products and promotional offerings, as well as by other marketing strategies like designing advertising campaigns focused on scarcity value or using exclusive distribution channels to foster scarcity.

Second, our evidence also shows that high self-brand connection may mitigate the loss in scarcity value perceived by traditional luxury customers when companies use masstige strategy, and hence foster their purchase intentions. Consumers with strong or high self-brand

connections are especially important because they are often a brand's most loyal customers. Consumers connect with brands to form, reinforce and enhance their self-identity. There are many ways in which luxury companies can strengthen consumer self-brand connection. For instance, they can organize special private events, gatherings and parties that provide the traditional luxury consumers with an opportunity to engage with the company, its brands and the community. For instance, brands such as Michael Kors use private events and celebrity parties for specific customer groups. Similarly, Coach creates exclusive night shows and parties for selective clientele in cities such as New York and London. Such activities that encourage consumer-brand interactions, may reinforce self-brand connection. This, in turn, can create the need to belong and the inclination to continue the relationship with the luxury brand even when the scarcity value is reduced due to masstige strategy. Additionally, luxury companies can also employ opinion leaders and brand advocates that traditional luxury consumers can relate to in their offline and virtual marketing campaigns. Similarly, practitioners can also use influencers to connect their brands with customers. For instance, brands such as Kate Spade and Furla engage with a number of Instagram influencers as Naomi Watanabe, Jon Kortajarena and Sonya Esman among others. Such approaches will strengthen consumers' self-brand connection. Further, many luxury brands have created and maintain large virtual brand communities, or can make use of digital marketing communication strategies, such as email marketing through newsletters for example, mobile applications, etc. Likewise, collaborations with other companies that may provide special services to the traditional luxury consumers can help enhance self-brand connection. Additionally, we suggest that marketing managers also consider special offers to traditional luxury consumers. For instance, they could offer special gifts for special occasions such as consumers' birthdays. Furthermore, by involving distinctive opinion leaders or brand advocates that traditional luxury consumers identify with, brands can enhance self-brand

connection, which would in turn stimulate and encourage continued engagement with the brand.

6. Limitations and future directions

Despite the implications for scholars and practitioners, the present research also involves some limitations to be taken into account. First, the present study is only based on two behavioral outcomes measures: purchase and abandonment intentions. Second, the geographic and cultural context (Spain) is another limitation that needs to be acknowledged. Finally, our study only focused on the traditional luxury consumers while there are many other luxury consumer segments in the market. These limitations offer a number of future avenues for research.

Future research should continue to identify behavioral consequences specific to consumer evaluations of masstige branding. For instance, consequences of masstige strategy on brand prestige, equity, loyalty and advocacy need further examination. Beyond loss of scarcity, researchers might also examine other potential symbolic processes that may underpin the negative effects of masstige branding in traditional luxury consumers, such as for example self-esteem or need for status. We have identified that self-brand connection can mitigate the negative effects of masstige branding, however future studies should also explore further moderating possibilities, including other personality traits such as consumer involvement and need for uniqueness. A further interesting avenue will be to examine conditions under which self-brand connection will not act as a barrier to loss of scarcity when masstige strategy is employed by luxury brands. For instance, if the brand becomes solely masstige and does not retain its luxury status in the marketplace, will the self-brand connection of traditional luxury consumers facilitate their continued relationship remains an interesting question. Another interesting area of research will be to compare the differences

among luxury consumer segments. For instance, will modern luxury consumers or those with lesser means react to masstige strategy in similar fashion as traditional luxury consumers? With luxury brands globalizing at a rapid pace, questions pertaining to their brand origin and consumer cultural orientation may offer further insights on masstige strategy success.

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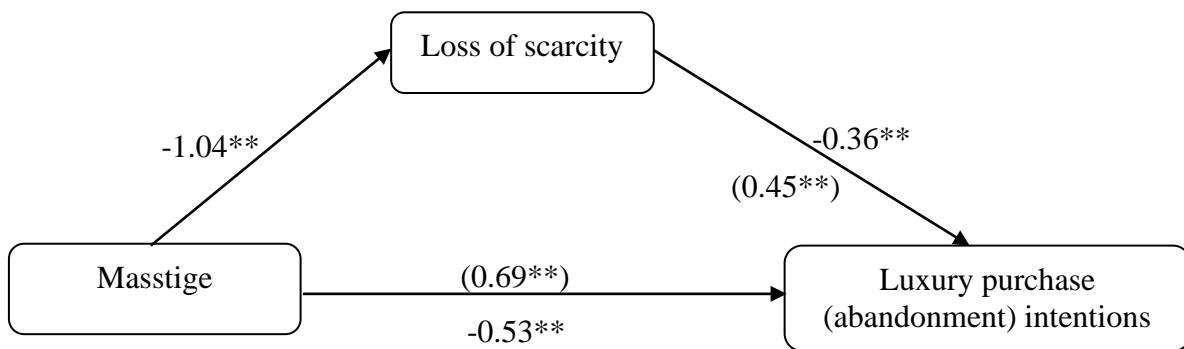


Fig. 1. Mediation analysis for purchase intentions and abandonment intentions (Study 2).
Notes: * $p < .05$, ** $p < .001$; values outside the arrows relate to purchase intentions, and values inside within brackets relate to abandonment intentions.

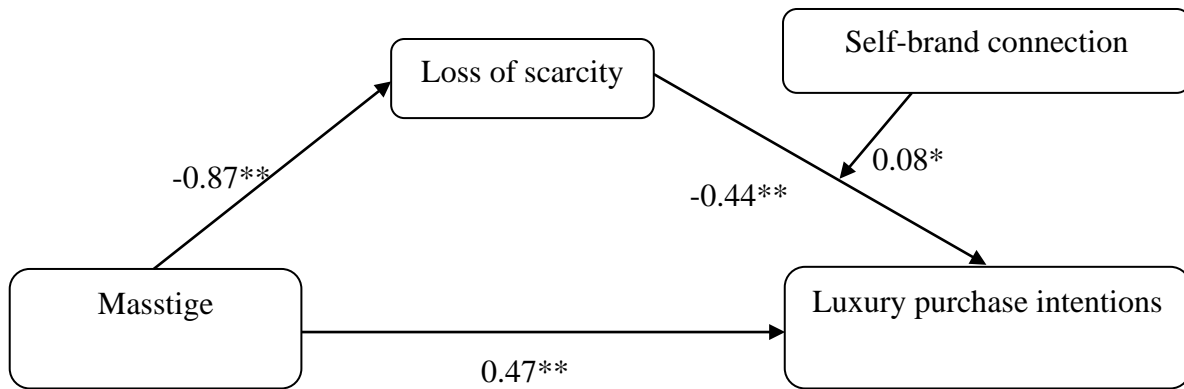


Fig. 2. Mediated moderation analysis (Study 3)

Notes: * $p < .005$, ** $p < .001$.

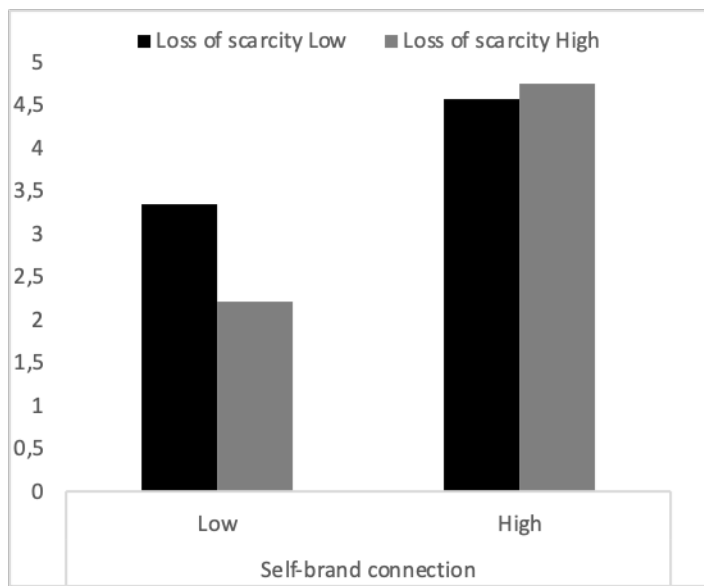


Fig. 3. Moderating effects of self-brand connection on loss of scarcity and purchase intentions (Study 3)

APPENDICES:

Appendix A: Study 1 scenarios

Masstige, low status

Imagine you are going to a friend's birthday party. You are wearing your favorite luxury watch—X. You know that considerable financial and emotional efforts were required to purchase this X watch, so you wear it with pride. At the party, you see a waiter wearing a similar watch. You are surprised to see this, and so enquire how he obtained such a costly watch. The waiter, whose name is Juan, tells you that X branded watches are now available much more widely than previously. Juan also mentions that many people like him are acquiring this X branded watch nowadays.

Masstige, high status

Imagine you are going to a friend's birthday party. You are wearing your favorite luxury watch—X. You know that considerable financial and emotional efforts were required to purchase this X watch, so you wear it with pride. At the party, you are introduced to Juan by one of your friends, who informs you that Juan is a celebrated and award-winning investment banker who manages his own hedge fund. You see that Juan is wearing a similar watch to yours. In your conversation, Juan tells you that X branded watches are now available much more widely than previously. Juan also mentions that many people like him are acquiring this X branded watch nowadays.

No masstige, low status

Imagine you are going to a friend's birthday party. You are wearing your favorite luxury watch—X. You know that considerable financial and emotional efforts were required to purchase this X watch, so you wear it with pride. At the party, you see a waiter wearing a similar watch. You are surprised to see this, and so enquire how he obtained such a costly

watch. The waiter, whose name is Juan, tells you that X branded watches are still highly exclusive. Juan also mentions that many people like him can only dream of acquiring this X branded watch nowadays.

No masstige, high status

Imagine you are going to a friend's birthday party. You are wearing your favorite luxury watch—X. You know that considerable financial and emotional efforts were required to purchase this X watch, so you wear it with pride. At the party, you are introduced to Juan by one of your friends, who informs you that Juan is a celebrated and award-winning investment banker who manages his own hedge fund. You see that Juan is wearing a similar watch to yours. In your conversation, Juan tells you that X branded watches are still highly exclusive. Juan mentions that many people like him continue to acquire this X branded watch nowadays.

Appendix B: Study 2 advertisements

Masstige advertisement

Everyone is part of the luxury eyewear experience

NOW

Style,
elegance,
& status.

Eyewear for everyone made in our factories worldwide.

The advertisement features a pair of black, wrap-around sunglasses with green-tinted lenses resting on a light-colored stone ledge. In the background, there is a swimming pool with clear blue water. The text 'Everyone is part of the luxury eyewear experience' is written in a white, outlined font at the top. Below it, the word 'NOW' is prominently displayed in a bold, white, serif font, enclosed within a hand-drawn red heart. To the left of the sunglasses, the words 'Style, elegance, & status.' are written in a purple serif font on a light orange rectangular background. At the bottom, a purple banner contains the text 'Eyewear for everyone made in our factories worldwide.' in a white sans-serif font.

No-masstige advertisement

Your exclusive luxury eyewear experience

NOW

Style,
elegance,
& status.

Exclusively made for you by craftsmen. Luxuriously yours.

This advertisement is visually identical to the one above, featuring the same pair of sunglasses on a stone ledge with a swimming pool in the background. The text 'Your exclusive luxury eyewear experience' is at the top in a white, outlined font. The word 'NOW' is in a bold, white, serif font inside a hand-drawn red heart. The purple text 'Style, elegance, & status.' is on the left. The bottom purple banner contains the text 'Exclusively made for you by craftsmen. Luxuriously yours.' in a white sans-serif font.

Appendix C: Study 3 advertisements

Masstige advertisement



Everyone is part of the luxury perfume experience

NOW

Style,
elegance,
& status.

Perfumes for everyone made in our factories worldwide.

The advertisement features a black, faceted perfume bottle with a cloud-shaped cap, centered within a red, hand-drawn heart. The background shows green eucalyptus leaves. The text 'Everyone is part of the luxury perfume experience' is at the top in a blue-outlined font. Below it, 'NOW' is in a large, white, outlined font. To the left, a yellow box contains the text 'Style, elegance, & status.' in purple. At the bottom, a purple bar contains the text 'Perfumes for everyone made in our factories worldwide.' in white.

No-masstige advertisement



Your exclusive luxury perfume experience

NOW

Style,
elegance,
& status.

Exclusively made for you by craftsmen. Luxuriously yours.

This advertisement is identical in layout and visual elements to the Masstige advertisement, featuring the same perfume bottle, heart, and background. The text 'Your exclusive luxury perfume experience' is at the top in a blue-outlined font. Below it, 'NOW' is in a large, white, outlined font. To the left, a yellow box contains the text 'Style, elegance, & status.' in purple. At the bottom, a purple bar contains the text 'Exclusively made for you by craftsmen. Luxuriously yours.' in white.