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Status and Conspicuousness – Are They Related? Strategic Marketing Implications for Luxury Brands

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The purpose of this paper is to develop a scale to measure luxury brands' status and conspicuousness using the new luxury brand context as a reference point. This scale will be utilized to establish empirical evidence that allows an exploration of the relationship between status and conspicuousness as dimensions of luxury brand perception. The study used Confirmatory Factor Analysis and Attribute Rating. The data were collected from 204 consumers in France. Status and conspicuousness are revealed to constitute two different, although related, dimensions of luxury brands and should therefore be measured as distinct constructs when assessing brand luxury. Strategic marketing implications for marketing managers are identified and discussed within the context of the three product categories. This is the first empirical study to use actual consumers in order to explore the difference between status and conspicuousness in assessing luxury brands.

Keywords: branding; conspicuous consumption; luxury; new luxury; status; France

Introduction

Since the early 1990s, the market for luxury goods has been growing at an unprecedented pace. The 2005 estimates by the Boston Consulting Group reached \$840 billion worldwide for luxury goods, far beyond the \$86 billion estimated by McKinsey in 1990 (Fiske & Silverstein, 2004). The Luxury Institute (2007) has suggested that this market would reach one trillion in 2010. Explanations for this dramatic increase in demand may be complex but researchers and practitioners seem to agree on at least two major factors that have accelerated this phenomenon: the economic recovery in most western countries and the unshackled economic growth in South-East Asian nations (Vigneron & Johnson, 1999, 2004); and the increasing number of 'new luxury goods' made available by improving productivity and quality management (Silverstein & Fiske, 2003). New luxury goods differ from traditional luxury goods by being more affordable, more accessible, and by targeting new customers. According to Twitchell (2002, p. 272), these consumers are 'younger than clients of the old luxury used to be, they are far more numerous, they make their money far sooner, and they are far more flexible in financing and fickle in choice'. This phenomenon may be referred to as the democratization of luxury.

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Alongside this boom in the new luxury market there is a renewed interest from both academics and practitioners in luxury consumption research. This renewed interest may be observed by the growing number of recent publications addressing various aspects of luxury consumption including: conspicuous consumption in a contemporary context (e.g. Mason, 2001; Shipman, 2004; Trigg, 2001); ‘trading up’ for new luxury goods (Silverstein & Fiske, 2003, 2005); luxury brands’ construct and measurement issues (e.g. Dubois & Paternault, 1995; Luxury Institute, 2005; Vigneron & Johnson, 1999, 2004); mass marketing of luxury goods (e.g. Nueno & Quelch, 1998; Vickers & Renand, 2003); and status consumption (e.g. Eastman, Fredenberger, Campbell, & Calver, 1997; Eastman, Goldsmith, & Flynn, 1999; O’Cass & Frost, 2004).

Since the publication of the seminal *The theory of the leisure class*, where Veblen (1899) laid down the foundations of conspicuous consumption, luxury products and brands have shouldered new functions. Indeed, the conspicuous consumption theory necessarily ties luxury goods with the mere function of ostentatious display of wealth to indicate status (Mason, 1998). However, status today is also conveyed in more sophisticated and subtle ways (Canterbery, 1998), shifting from ‘waste’ to ‘taste’ (Shipman, 2004). As mentioned previously, with new luxury goods being more affordable and accessible, the modest or even those struggling for subsistence can now imitate and emulate the rich and affluent by driving the same car brand, wearing the same dress brand, and eating in the same high class restaurant. However, while the rich and affluent may consume luxury goods to assert status and membership to the elite class, the modest may consume the same goods to gain status but with a purely conspicuous intention.

As suggested by Mason (2001), the purely conspicuous consumer derives satisfaction from the audience reaction to the wealth displayed and not from the value of the product itself. Status and conspicuousness therefore seem to be two different constructs in the consumer behavior literature. O’Cass and Frost (2004) define status consumption as the personal nature of owning status-laden possessions, which may or may not be publicly displayed. Conspicuous consumption is more oriented toward the evident display of expensive possessions. Yet, in the branding literature, it seems that status and conspicuousness are intertwined into a single one-dimensional construct. For example, the scale developed by Vigneron and Johnson (2004) to measure a brand’s perceived conspicuousness included status-related items.

The extant literature therefore appears to be contradictory with the consumer behavior strand pointing to status and conspicuousness as two separate constructs. However, the luxury branding literature points to the two constructs as being single and intertwined. There is therefore a need to clarify this confusion in an area of research, which is important for academics and practitioners alike, especially in terms of brand positioning strategies for luxury firms.

The aim of this study is to investigate whether status and conspicuousness actually constitute two different although related constructs in branding utilizing the luxury market as a reference point. A key component of the study is to examine the strategic implications for marketers targeting luxury markets. The aim is to provide new knowledge in relation to the strategic marketing issues that present themselves to marketers in relation to the relationship between status and conspicuousness in luxury markets and in particular with reference to the increasingly important new luxury marketplace.

New luxury brands

The scope of this study goes beyond the traditional luxury market, which is composed of very exclusive brands with the highest price tags. It includes new luxury brands that are more affordable and can be found in most shopping malls or department stores. A Polo Ralph Lauren or Calvin Klein shirt can be found in outlet stores at prices as low as $19 in the United States and €25 in Europe. BMW offers starting prices at lower than €21,000 for its 1 series, while the least expensive Tag Heuer watch can be purchased at €700. Several major factors have contributed to this affluence of new luxury brands. First, consumers' purchasing power in western countries has never been as high, while the growing middle class has higher disposable incomes to consume hedonic and status products. Second, substantial gains in productivity, and the emergence of low labor cost countries as the factories of the world, have allowed mass production of high quality products with decreasing costs and therefore prices. Furthermore, consumers are getting more sophisticated in their taste, more educated, more culturally curious, and have nurtured a desire for product personalization (see Silverstein & Fiske, 2005). They are also more materialistic, placing greater value on status possessions (Eastman et al., 1997). More and more consumers are now therefore willing and able to pay a price premium for higher quality, higher status products.

Supported by the increased scale of mass production means, new luxury brands have emerged to satisfy these new consumer needs. A growing number of luxury manufacturers have stretched their brands to capture these enthusiastic middle-class consumers by offering lower entry-prices. Among the most evident examples are BMW and its 1 series car, Calvin Klein jeans sold at discount retail stores, and online retailers offering luxury watches at half-price tags. Koehn (2001) notes that it was 200 years ago when Josiah Wedgwood noticed that people from a particular social class seemed to have an innate tendency to ape the habits and purchases of the income class directly above them, thus directing a sizeable portion of their spending towards social emulation. Belk (1988) points out that this desire for social emulation has always been around and touches even the most modest consumer in Third World countries. Now, more than ever, consumers can emulate the elite by acquiring new luxury goods, which are now more affordable and accessible by the masses.

Status and conspicuousness

Status and conspicuousness are two of the most important dimensions of brand luxury (Vigneron & Johnson, 1999, 2004). Status-laden brands are those that contain high perceived quality, luxury and class (Shermach, 1997). Status-laden brands may be purchased for internal reasons (self-reward) or external reasons (signal wealth), and they may or may not be displayed publicly (O'Cass & Frost, 2004). Conspicuous brands are those that are purchased for purely external reasons, that is for systematic public display in order to signal wealth (Amaldoss & Jain, 2005). The difference between status and conspicuousness, evident in the most recent consumer behavior literature within this context, has been argued by some researchers (e.g. O'Cass & Frost, 2004). However, it seems that the most recent literature in luxury branding within this context has so far considered status and conspicuousness as a single one-dimensional construct (e.g. Vigneron & Johnson, 2004).

In the world of luxury brands, it may appear intuitive to think that some brands are more conspicuous than others because they hold more materialistic values or are more fashionable. Historically, synonyms of wealth and affluence in luxury brands have always been Rolex for watches, Mercedes for cars, or Louis Vuitton for leather products. Consumers could buy a similar brand with the same or even higher status and price, but this similar brand would certainly not have the same communicative power for conveying status. Consequently, it would appear inaccurate to assume that a brand's prestige can be measured by mixing perceived status and perceived conspicuousness, as the latter appear to be two different constructs, constituting two different dimensions of prestige. However, this is what the branding literature is supporting in its contentions.

Research aim

The purpose of this study is to investigate whether status and conspicuousness are two different constructs in measuring brand prestige utilizing new luxury markets as a reference point. More precisely, the investigation will determine if consumers can differentiate between the perceived status and perceived conspicuousness of brands in three product categories (cars, fashion designers, and watches). Previous work from O'Cass and Frost (2004) provided some evidence that these two dimensions are distinct constructs. Nevertheless, their study was limiting in terms of the sample used (students), the methodology (Confirmatory Factor Analysis only), the scope of the product categories as well the number of brands included (four brands within one product category). This current study is an extension to their study by using real consumers as the sample, Confirmatory Factor Analysis and Perceptual Mapping, and twenty-six brands across three product categories.

Strategic marketing implications for marketers targeting luxury markets, particularly new luxury markets, will be identified and examined in relation to the findings coming forward from the research. It is hoped the creation of new knowledge in this increasingly important but unresolved context will aid marketing practitioners while also encouraging further research in this area.

Methodology

Overview

This study utilized factor analysis, which is viewed as particularly appropriate for studies with latent variables (Bartholomew & Knott, 1999). The study consisted of four main steps: (1) item generation for status and conspicuousness; (2) brand selection; (3) questionnaire design and sampling method; (4) data collection and analysis. These steps will now be discussed in more detail.

Item generation

A total of ten items were adapted from O'Cass and Frost (2004) who conducted an exploratory study of status consumption and conspicuous consumption tendencies. These ten items were submitted to twenty consumers for feedback in two sub-sequent pre-tests utilizing semi-structured interviews in order to retain items that are clearly free of ambiguity and irrelevance. Semi-structured interviews were preferred over focus groups because the items were deemed to be very personal and private. There

Table 1. Status and conspicuousness items.

Status	Conspicuousness
1) To what extent can this brand indicate a person's social status?	1) To what extent is this brand a symbol of prestige?
2) To what extent is this brand a symbol of achievement?	2) To what extent does this brand attract attention?
3) To what extent is this brand a symbol of wealth?	3) Can a person use this brand to impress other people?

was a risk that public exposure in focus groups would have biased answers or prevented respondents to fully express their thoughts. The pre-testing resulted in six items being finally retained (see Table 1).

Brand selection

In total, nine brands of cars, nine brands of fashion designers, and eight brands of watches were selected. The selection process utilized brand surveys published online by a semi-public owned French institute (CSA), to include only brand names that had sufficient awareness in France. Price was used as an indicator of the brand positioning in terms of prestige. Past research has supported the use of price as an indicator of prestige for a product or brand (e.g. Nueno & Quelch, 1998; Vigneron & Johnson, 2004).

The selected brands span from lower-market brands to luxury brands (see Table 2). Most studies concerning luxury brands have rarely included lower market brands probably because these brands are viewed by many researchers to be irrelevant when investigating prestige. However, it is contended that if a study included only luxury brands, any point of comparison between the brands would only be a comparison between luxury brands. It was therefore decided to include lower market brands to provide a point of comparison for luxury brands. Thus, it would be able to estimate not only the distance between the luxury brands, but also the distance between the luxury brands and the lower market brands.

Table 2. Selected brands.

Cars	Fashion designers	Watches
Renault	Hugo Boss	Adidas
BMW	Gucci	Casio
Fiat	Celio	Rolex
Audi	Armani	Seiko
Opel	H&M	Breitling
Peugeot	Polo Ralph Lauren	Swatch
Toyota	Calvin Klein	Omega
Volkswagen	Zara	Gucci
Mercedes	Levi's	

Questionnaire design and sampling method

The questionnaire asked the respondents to rate the brands on a scale between 1 and 10 according to the six items. Rating brands between 1 and 10 refers to a method called 'Attribute Ratings' which utilizes factor analysis to determine perceptual maps. This method was preferred over other methods such as Semantic Differential, MDS or Discriminant Analysis because it is more suitable for dealing with affective dimensions when determining brand positioning and utilizing factor analysis (Huber & Holbrook, 1979). Two pre-tests were conducted to produce the final version of the questionnaire.

The questionnaires were administered to real consumers ($N=204$) in six different locations in Lyon (France) at three different times of the day over a period of two weeks. This dispersion in location and time is strongly recommended to reduce unforeseen biases when using convenience samples (Ferber, 1977). The sample size ($N=204$) was deemed sufficient. Although there is no agreement on a rule of thumb for sample sizes in factor analysis, some researchers have suggested minimum sizes. Barrett and Kline (1981), suggested an N of 50 minimum for all studies, while Gorusch (1983) and Hatcher (1994) suggested a minimum subject to an item ratio of 5:1 in Exploratory Factor Analysis (EFA). Nevertheless, a common rule of thumb is a ratio of 10:1 (Nunnally, 1978). The sample size in this study surpasses both the recommended minimum size ($N=204$) and ratio (ratio of 34:1).

Consumers were aged between 21 and 41, thus ensuring a reasonable age gap to reduce within-sample heterogeneity that could weaken the strength of tests (Calder, Philips, & Tybout, 1981). Moreover, a quota method was utilized in order that the sample would reflect the actual population (50% male, 50% female, and no more than 20% students).

Results

The results reported consist of three factor analyses, one analysis for each product category.

Sample adequacy

The KMO test measures the sampling adequacy, that is, if the data collected are likely to factor well. The Bartlett test of sphericity tests the overall significance of all correlations within a correlation matrix. A common rule of thumb suggests that a KMO score above 0.5 is adequate and a high Bartlett score with a significance level of <0.5 is significant. All three analyses met the KMO requirements with scores between 0.89 and 0.94 and also the Bartlett test requirements with chi-squares above 6979 and significance levels of 0.00000.

Variance explained

The extraction method used a varimax rotation to facilitate interpretation and Principal Component Analysis. After rotation, the percentages of variance explained by the two factors were almost equivalent and were very stable across product categories (see Table 3).

Table 3. Variance explained.

Comp	Initial Eigenvalues			Eigenvalues after rotation		
Cars	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	4,102	68,372	68,372	2,621	43,679	43,679
2	,656	10,938	79,310	2,138	35,631	79,310
Comp	Initial Eigenvalues			Eigenvalues after rotation		
Fashion	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	4,144	69,075	69,075	2,441	40,689	40,689
2	,687	11,449	80,524	2,390	39,835	80,524
Comp	Initial Eigenvalues			Eigenvalues after rotation		
Watches	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4,423	73,717	73,717	2,586	43,099	43,099
2	,465	7,747	81,464	2,302	38,365	81,464

Factor loadings

The six items consistently loaded on two factors in all product categories as expected. The Conspicuousness items loaded on factor 1 and the Status items loaded on factor 2 (see Table 4). Although these two factors seem to co-vary, this consistency in factor loadings across all three product categories showed that respondents were able to distinguish the status from the conspicuousness of the brands. Moreover, Cronbach's alphas for the status items and the conspicuousness items were all above 0.90 across all product categories, showing a very high level of reliability.

Perceptual maps

Perceptual maps were produced by calculating average factor scores for each brand. These factor scores were then used as coordinates for each brand. The maps were two-dimensional with Status and Conspicuousness being the two dimensions. Positions on the maps indicate the perceived status and conspicuousness of the brands (see Figures 1, 2, and 3).

In Figure 1, although Fiat and the other lower-market brands have approximately the same level of status, respondents seem to perceive Fiat as being much more inconspicuous. Figure 2 highlights the difference between status and conspicuousness even more clearly. Even though Levi's is perceived as a low-status brand, it is virtually as conspicuous as Polo Ralph Lauren. From Figure 3 it can be noticed that the relationship between status and conspicuousness is a more linear one, with the exception of Gucci scoring much lower than Breitling on status but being higher in conspicuousness. All these visual examples seem to point toward a noticeable difference between perceived status and perceived conspicuousness, especially in relation to certain brands.

Discussion of findings

The findings from the car industry brands provide particularly interesting observations pointing to differences between the constructs of status and

Table 4. Factor loadings.

	Cars	
	1	2
Prestige	**,813**	,315
Status	,211	**,890**
Achieve	,468	**,706**
Attract	**,856**	,345
Wealth	,491	**,720**
Impress	**,850**	,332
	Fashion	
	1	2
Prestige	**,818**	,287
Status	,258	**,861**
Achieve	,389	**,810**
Attractive	**,838**	,352
Wealth	,429	**,796**
Impress	**,817**	,391
	Watches	
	1	2
Prestige	**,847**	,306
Status	,365	**,812**
Achieve	,395	**,833**
Attractive	**,729**	,508
Wealth	,439	**,803**
Impress	**,756**	,485

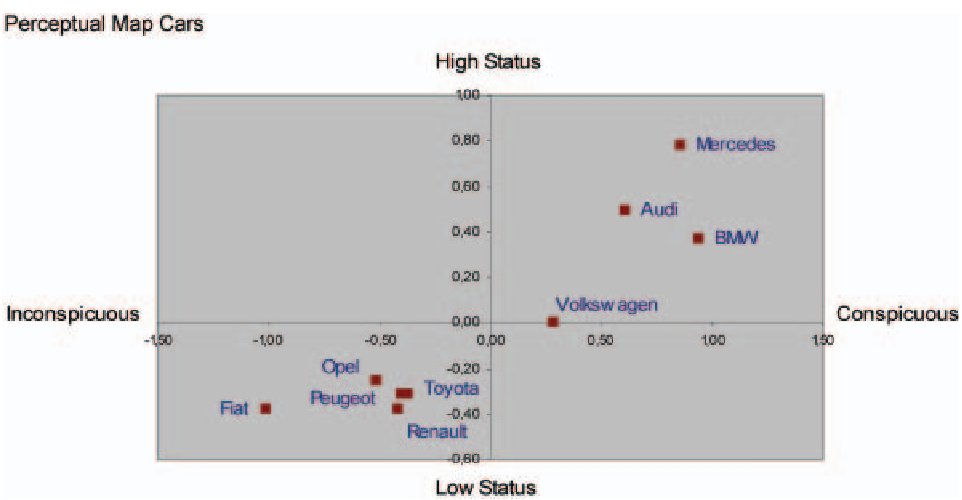

Figure 1. Perpetual map – cars.

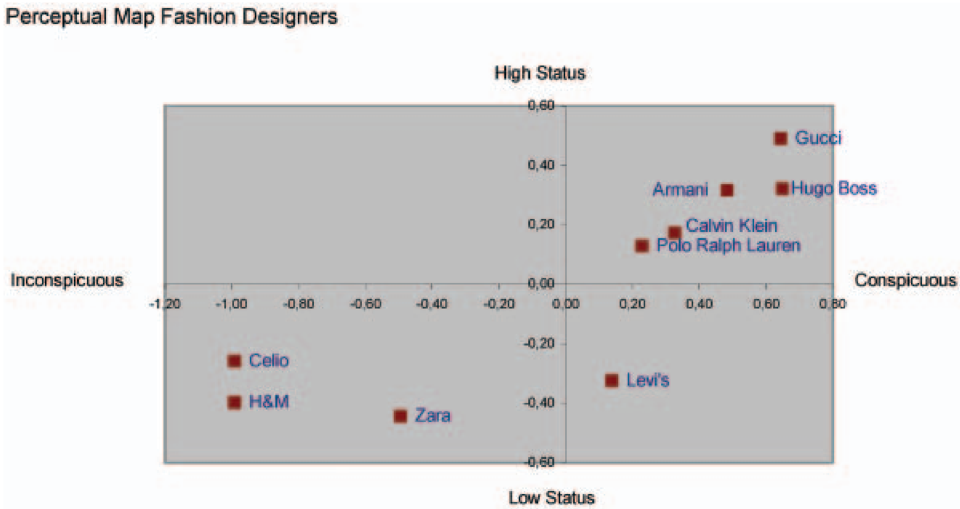

Figure 2. Perpetual map – fashion designers.

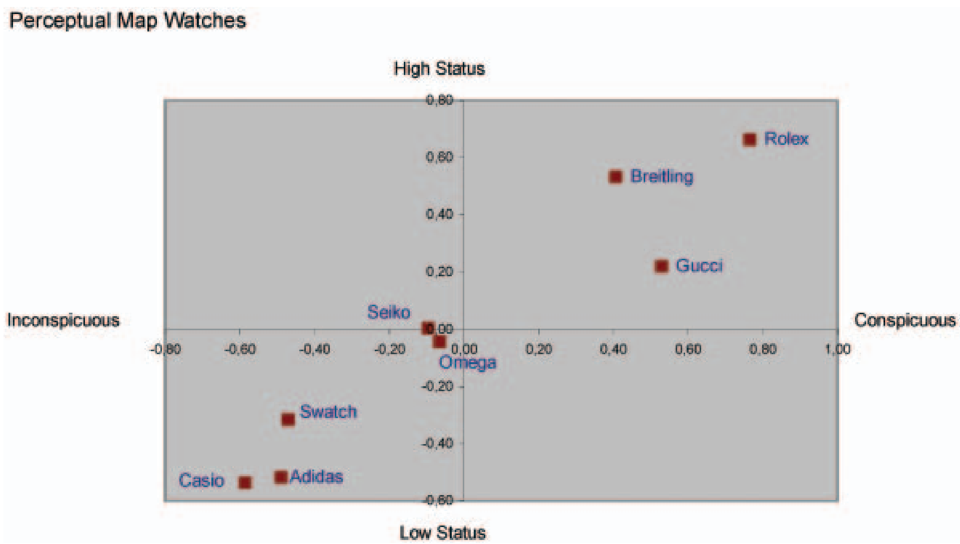

Figure 3. Perpetual map – watches.

conspicuousness. Since conspicuousness is very much a matter of image and appearance, a very low score on this dimension for a brand appears to denote an important image problem. The example of Fiat seems particularly relevant within this context. Fiat scores equally high with most other lower-market brands on status but scores much lower in conspicuousness. This suggests a weakness in how consumers perceive the brand in terms of being visually attractive and capable of improving the owner's image publicly – important in new luxury segments. Interestingly, the Audi brand shows a higher level of status among the consumer sample while a lower level of conspicuousness than the BMW brand. BMW has stretched its brand into new luxury markets with the 1 series model. There is a danger with this type of strategy in that while the brand may appeal to more new luxury segments it may also be potentially damaged in terms of the status consumers perceive from the brand. This was an issue raised within the in-depth interviews with consumers. Volkswagen is another interesting finding. The company, long a resident of the mass market with its 'people's cars', has purposively attempted to push its brand into new luxury markets, building upon its unrivalled reputation for build quality. The perceptual mapping clearly reveals that the consumer samples' view is that this strategy has worked, particularly in relation to conspicuousness. However, it would appear that within the status construct 'the people's car' may have some way to go. Importantly, in the context of this research, these findings point to a difference between the constructs of status and conspicuousness.

The case of Levi's also provides interesting findings within the fashion industry context, whereby the brand scores as low as lower-market brands on status, but compares more closely to luxury brands in relation to conspicuousness. During the in-depth interviews, some respondents suggested that Levi's was 'the conspicuous brand of the poor teenagers'. This suggests that Levi's consumers may use this brand to emulate the members of the social stratum directly above them – traits of new luxury markets. Historically, Levi's has been a worldwide well-known brand enjoying a strong image especially among teenagers. However, the brand's products have progressively shifted from trendy up-market jeans stores to mass merchandisers, especially in France, where the mass retail industry is well developed. This has resulted in this famous brand becoming more affordable and accessible to teenagers from lower income households. This shift may explain the somewhat paradoxical situation where the brand enjoys a healthy conspicuous image but is perceived as a lower-status brand.

Within the luxury watches sector it is interesting to note that while Gucci compares well to Breitling in terms of conspicuousness, it does not compare well in terms of status. Breitling is perceived as a traditional brand of watch, which has long been seen as a symbol of wealth. Gucci, on the other hand, is not a traditional watch maker and would be much more appealing to new luxury consumers wishing to simply 'show off some bling' to their peer group. Again it is important to note that status and conspicuousness can be different in nature in measuring brand prestige within these different contexts.

The findings suggest a difference in how consumers perceive brands in terms of the constructs of status and conspicuousness within the new luxury market reference point of this research. Therefore, it appears that it is inaccurate to consider these two dimensions as a single entity, as postulated in the current branding literature (Vigneron & Johnson, 2004). Some individuals purchase luxury brands to gain status both internally (improving self-respect and self-esteem) and externally (others' approval and envy). Others purchase luxury brands to gain status primarily for external motives such as how others perceive them. Buying and using luxury brands for conspicuous reasons is more a matter of image and appearance.

Veblen (1899) laid down the foundations of conspicuousness consumption with *The theory of the leisure class*. However, that period was more homogeneous in a context where luxury goods were mostly the fruits of craftsmanship, expensive and affordable only by the most wealthy and affluent. Social emulation consisted of gaining status by displaying wealth or at least pretending to own it. Today, however, the ever increasing emergence of new luxury goods brings higher quality and value products to the masses, making the visual barriers between the rich and the modest hazier. In this new context, status is also conveyed in more subtle ways through a combination of education, culture and knowledge, and legitimate wealth (Shipman, 2004), but it is no more necessarily claimed in public.

Strategic marketing implications

Marketers operating in luxury markets need to take note of a number of important strategic marketing implications arising from the findings of this research. Taking the example of Fiat, there seems to be a significant strategic marketing issue in relation to a low perception among consumers of the conspicuous benefit of owning a Fiat car. While based on emotional grounds, this image weakness becomes a competitive issue (O'Cass & Frost, 2004), putting even greater pressure on lower prices as a 'compensatory' advantage for consumers who may purchase a Fiat for its price rather than for its attractiveness and image enhancement power. Nowadays, a sole competitive advantage based upon price seems hardly sustainable (see Avlonitis & Indounas, 2005). Fiat has in many ways tarnished their image by consistently appearing at the bottom of customer satisfaction surveys due to poor build quality and poor after sales service.

Contrast this with Volkswagen who would have been competing in the same market as Fiat only a few years ago. As revealed in the discussion Volkswagen has aggressively pursued a marketing strategy that has attempted to build on the company's unrivalled build quality in order to push the brand up-market into new luxury segments particularly. Indeed current prices of Volkswagen models reflect this move comparing closely now to premium car manufacturers such as Audi. The strategy has clearly resonated with the sample consumers in this study who perceive the Volkswagen brand as being more beneficial in terms of offering conspicuousness benefits than other former rivals in the mass market segments Volkswagen has been attempting to move out of. However, the problem for Volkswagen is how far to go with this strategy before it begins to dilute its premium Audi brand, which now lies perilously close to the Volkswagen brand in terms of conspicuousness in the perceptual map. To ensure a long-term success, the Volkswagen Group will need to ensure that it develops a systematic approach toward proper integration of brand identity (for each of its brands) and its image with targeted consumers (DelVecchio, 2000; Roy & Banerjee, 2007).

BMW has strategically moved in the opposite direction in its branding approach. With the launch of the 1 series and the Mini Cooper the company has stretched its brand more into mass market segments with an appeal to greater numbers of new luxury segments in particular. The strategic implications seem evident from the findings of this research. The company has lost ground to Audi on consumer status perceptions while being ahead of Audi in relation to conspicuousness perceptions. The danger for BMW is that a drop in status may harm sales to certain consumers in its more exclusive markets for 3, 5, and 7 series cars. These consumers may value status more than conspicuousness benefits.

For Levi's, the brand has progressively become more available in a range of outlets which would not have traditionally reflected the brand image it wants to portray. Recent battles with prominent multiple retailers have failed to adequately protect the brand from shifting into these types of marketing channels. From a strategic marketing perspective however, the question remains for Levi's whether this shift will affect the brand's conspicuous advantage in the long run. The findings reveal a significant distance between consumer perceptions of status and conspicuousness in relation to Levi's. If a fashion brand is perceived as so significantly low in status, then its inherent conspicuousness will necessarily fade to the point where it is unconceivable for consumers to purchase the brand in order to gain status through its conspicuous power (Grant & Stephen, 2005). The result is that Levi's will fail to attract the increasingly important consumer segments from the new luxury markets.

Gucci's marketing strategy in the watches sector appears to be correct in relation to its brand image. It realizes it will not compete in market segments where status is important and consumers prefer the traditional brands that correlate to wealth and standing. Gucci realizes that its strength lies within certain new luxury consumer segments' perceptions of conspicuousness, 'showing off bling or conspicuous style and panache'. The results of this study reveal how it is positively perceived on this construct compared to Breitling, while being significantly lower in relation to the status construct. Gucci has focused upon how consumers associate themselves, from a conspicuousness perspective, developing clever communication strategies that build on this (see Shukla, 2008).

New luxury goods and brands provide consumers with status through conspicuousness. However, although these two dimensions are correlated, the findings of this report reveal that they can vary relatively highly in terms of distance in relation to certain sectors and consumer segments. Furthermore, because they are correlated, the results of this research also reveal that a low score on one dimension is more likely to drive the other dimension down. Further, the greater the distance between the two dimensions, the greater the risk that the brand will lose ground on the strongest dimension. The Levi's findings clearly illustrate this point. For the new luxury brand manager, in many cases, it will be crucial to maintain a reasonable level of coherence between perceived status and perceived conspicuousness. However, importantly this research has also revealed that in certain contexts, for example Gucci in the luxury watches sector, the marketing strategy will be to build strongly on one construct, which in this case is conspicuousness. Importantly, new luxury brands are now more affordable and accessible by the masses. For brands that have traditionally relied on status as a selling point there is a threat of brand dilution if marketing strategy attempts to move more toward these masses. The BMW findings reveal that the launch of the 1 series and the Mini Cooper has stretched the brand firmly into this territory. Therefore, the line between these brands and the lower-market brands, which predominantly compete on price, tends to be thinner, and the risks associated with brand dilution can be greater.

Limitations and future research

The first limitation of this study lies in the age group surveyed, which was kept within the range of 21–41 years old in order to reduce within-group heterogeneity. Nonetheless, we have reasons to believe that if replicated using a moderately older age group, the study would produce very similar results, notably because we used price as the principal indicator for brand selection. A much older age group could prove to be much more problematic, for example, a survey published by CSA showed considerable differences in brand perceptions for cars between teenagers (below 18) and elders (above 65). Another limitation is a geographic one since the study was carried out in France, though the perceptions of the brands by the sample are relatively consistent with international brand surveys (e.g. the Luxury Institute Brand Index). Replication of the study in another country should pay special attention to brand selection.

The constructs of status and conspicuous consumption have revived interest from both researchers and practitioners in a world where luxury goods have been enjoying two-digit growth since the early 1990s. The economic boom in South-Asian countries not only reinforces this growth but also seems to provide sustainable market growth opportunities. Growing materialistic values, new forms of social emulation, and increasing worldliness constitute other important reasons to support more research into the constructs of status and conspicuous consumption, especially in the context of new luxury goods and brands. Potential research opportunities are numerous: (1) brand related topics including brand extension strategies and brand dilution for new luxury brands; (2) consumer behavior including new consumer needs in terms of status and image improvements; (3) empirical testing, since researchers have produced many conceptual models and theories, which are supported by little empirical evidence; (4) market segmentation based on new consumer needs for luxury goods.

Conclusion

The main contention of this research has been to reveal within the study context a difference between the constructs of status and conspicuousness in measuring brand prestige within luxury market contexts. While the two often overlap, this study has revealed that there are often occasions when they will be different in nature when measuring brand prestige. While Audi is revealed by the findings as being stronger on status than BMW it is also weaker on conspicuousness. BMW has stretched its brand into lower market segments and it would appear from the findings this could have damaged consumer perceptions of status in relation to the brand while attracting new luxury brand segments who value conspicuousness more. For managers, there is another strategic marketing threat highlighted in relation to allowing the status of their luxury brands to fall to a significantly low level. If the status of their brands falls to a significantly low level, as is the case at Levi's, the contention of this paper is that there may be little to encourage consumers to purchase the brand in order to project conspicuousness among their reference group. The greater the distance between the two dimensions, the greater the risk that the brand will lose ground on the strongest dimension. However, as shown in the Gucci findings, there are also occasions when marketing strategists may want to build on one construct such as conspicuousness in order to target consumers who are seeking this construct more than status. Gucci realized it could not compete in the watches sector on status with companies such as Breitling and played to its strategic strengths in entering the luxury watch market to appeal particularly to new luxury market segments.

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