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**Article**

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# Relation between over-democratisation and luxury fashion brand image

## Abstract

In this day and age, luxury companies embrace the changing face of luxury by opening up their brands to a broader and more contemporary customer group. It includes expanding portfolios with entry-level products, extending the distribution channels and offering lines built upon more affordable pricing strategies. Clearly, this trend raises questions concerning the notion of luxury and the influence on luxurious brand associations, especially in times when brands overstrain their democratisation endeavors by becoming too accessible. Therefore, the purpose of the present study is to investigate the effect of over-democratisation on a luxury brand image. In order to achieve this, luxury expert's perceptions towards over-democratisation and related real-life brand examples were gathered by means of structured interviews. These served as a basis for a subsequent quantitative study, which facilitated to identify and compare the images of given over-democratised brands as against those of well-democratised brands. In accordance with the findings of this research it can be concluded that over-democratisation indeed has a negative effect on the image of a luxury brand. The model, which was derived from the analysis, particularly demonstrates that symbolic image associations have suffered from a luxury brand's overstretching, while functional associations were only slightly weakened or even endorsed. Therefore, brands that intend to preserve their luxurious positioning, while opening up to a wider audience, are alerted to especially protect symbolic brand cues by building upon emotional and psychological bonds to create long-term desires and sustainably fuel the luxury dream.

## 1 Introduction

In the past, luxury was limited to the happy few. It had invoked a closed and elitist, yet dream-like universe that only those of higher rank and power were able to access (Coste-Manière et al. 2012; Dubois/Paternault 1995). Kings, aristocrats, industrialists and other wealthy people possessed the monetary means to consume and own luxury goods in order to differentiate from the poor and demonstrate hierarchy, social status and prosperity (Kapferer 2014; Kapferer/Bastien 2009a). But ever since much has changed: Luxury has acquired a many-faceted significance and has clearly casted off its historical aloofness. Indeed, long-term developments and trends like the

digitalisation, globalisation, internationalisation or changing consumption patterns have made luxury more accessible and available than ever (Iglesias et al. 2011; Keller 2009; Twitchell 2003). “Today luxury is everywhere” (Kapferer/Bastien 2009a: 1) - in airports, in magazines, in shopping streets, in the Internet, on TV (Featherstone 2014; Hennigs et al. 2013b). It is not only reserved for the exclusive elite any more (Yeoman/McMahon-Beattie 2006; Wiedmann et al. 2009) but has been redefined as the “mass marketing phenomenon of everyday life” (Yeoman 2011: 1).

Indeed, since approximately two decades, many brands have been extending their product portfolios with entry-level products that are, compared to the regular price-range offered, actually affordable for the wider public (Kapferer 2006; Truong et al. 2008). The categories of products within which such extension has mainly occurred are fragrances, cosmetics, bags, small leather goods and accessories (Kapferer/Laurent 2016). By means of this democratisation, companies aim to make the brand more approachable, generate stable revenues and eventually turn entry-level product consumers into high-end product consumers (Granot et al. 2013; Keller 2009).

However, there is a considerable risk accompanying this strategy. If brands are too widely opening up to the general public with too many affordable products, it can result in the over-exposure and over-distribution of the brand (Hennigs et al. 2013a). This so-called over-democratisation can be additionally triggered through unfavourable branding decisions concerning the media usage, distribution policies or marketing strategies of a luxury firm (Kapferer/Bastien 2013). A loss of the core upper-class customer base, damage to brand equity, reputation, status and most notably brand image are only a few negative influences a brand’s over-stretching may bring about (Riley et al. 2013; Keller 2009; Lynn 1991; Riley et al. 2004).

Therefore, maintaining and controlling a distinct and consistent brand image and strategy is essential for effective luxury management, particularly in order to be properly and permanently positioned in the high-end market (Keller 2009). Attributes like rarity, high price, exclusivity and best quality are especially important for a luxurious image of a brand and need to be continuously promoted to maintain its magnificent aura (Brun/Castelli 2013; Heine 2010; Keller 2009; Vigneron/Johnson 2004). If customers stop recognizing these attributes, however, the luxury brand will not be authentic any more and is likely to lose its high-end perception and positioning (Fionda/Moore 2009).

Until now, not much research has been focused on the negative effects over-democratisation can actually cause. This is unfavourable since relevant scientific findings would be beneficial for luxury fashion companies that are planning or already involved in the widely prevalent process of democratisation. Hence, the overall aim and question of this research is to find out *to what extent the over-democratisation of luxury fashion brands has an effect on their brand image*.

In order to receive significant answers to this research question the study is structured as follows: It will commence with a literature review to establish a solid foundation of knowledge upon which the research is to be built. In a next step, the methodology of the study will be specified. Then, the empirical data and results of the research will be provided and construed with regards to the previously established theoretical framework. The study ends with a comprehensive analysis and discussion of the results to draw conclusions that respond to the research aim.

## 2 Literature Review

### 2.1 Definition of Luxury

Until now, practitioners and scientists have not yet agreed on a common and unambiguous definition of the term luxury (Brun/Castelli 2013; Vigneron/Johnson 2004) since its concept is a highly dynamic and relative one (Berry 1994). Kapferer and Bastien (2009a) suggest that luxury refers to a strategy or business model, while other researchers state that the meaning of luxury is entirely dependent on the individual and built upon consumer perceptions (Dubois et al. 2001; Vigneron/Johnson 2004). Brun and Castelli (2013) agree that its meaning is subjective and influenced by the social and cultural values of time. Therefore, they stress that luxury does not simply reflect a product, brand or category but rather indicates a symbolic and conceptual dimension. This entails that the functional utility of luxury is much less significant than the intangible, emotional and situational utility (Nueno/Quelch 1998). Consequently, luxury can no longer be solely defined in terms of function or price (Ng 1987) but must take a much more complex view and a multi-dimensional perspective (Vigneron/Johnson 2004). Hence, next to tangible elements like high price, scarcity or excellent quality, luxury brands additionally feature many other characteristics like exclusivity, status, selective distribution, craftsmanship and country of origin (Fionda/Moore 2009; Kapferer 2012; Keller 2009). Still, Vigneron and Johnson (2004) propose that although brands possess such characteristics and are perceived luxuriously, they are likely to differ in terms of their degree of luxuriousness.

### 2.2 Possibilities of Distinction

Due to the wide use and classification of luxury, many researchers have tried to put luxury fashion brands into different levels of luxuriousness in order to better categorize and understand the rationale behind different, partly contrasting strategies and management decisions. Indeed, the level of luxuriousness is perceived as one of the main differentiating factors between high-end

brands (Esteve/Hieu-Dess 2005). As a result, different categories of luxury brands have been postulated, which are, for instance, based on their accessibility by socio-economic classes of customers (Alleres 1990; Kapferer 2006) or on their price and prestige value (Lasslop 2002). Rambourg (2014) has ranked luxury brands within a hierarchy that is based on their accessibility as derived from price and sales points, which serves as the basis for a hierarchy of luxury brands that will guide this research (Figure 1).

The bottom of the hierarchy constitutes everyday luxuries that are very accessible, but still perceived as little indulgences with a positive impact on the consumer's mood or self-esteem. The next two tiers cover premium brands which are divided into affordable luxury and the accessible core. Together they provide the highest quality and price-performance ratio in the respective product category. Thereafter follow the superpremium and prestige brands for which intangible and symbolic features like heritage, uniqueness and exclusivity gain in importance, while the price-quality ratio is becoming less relevant. The subsequent tier is the luxury core and refers to brands that provide very high priced, primarily handmade products with excellent quality made and very fine craftsmanship. Eventually, ultra high-end brands constitute the top tier of the luxury hierarchy creating unique works of art with extreme inaccessibility and no price limit.

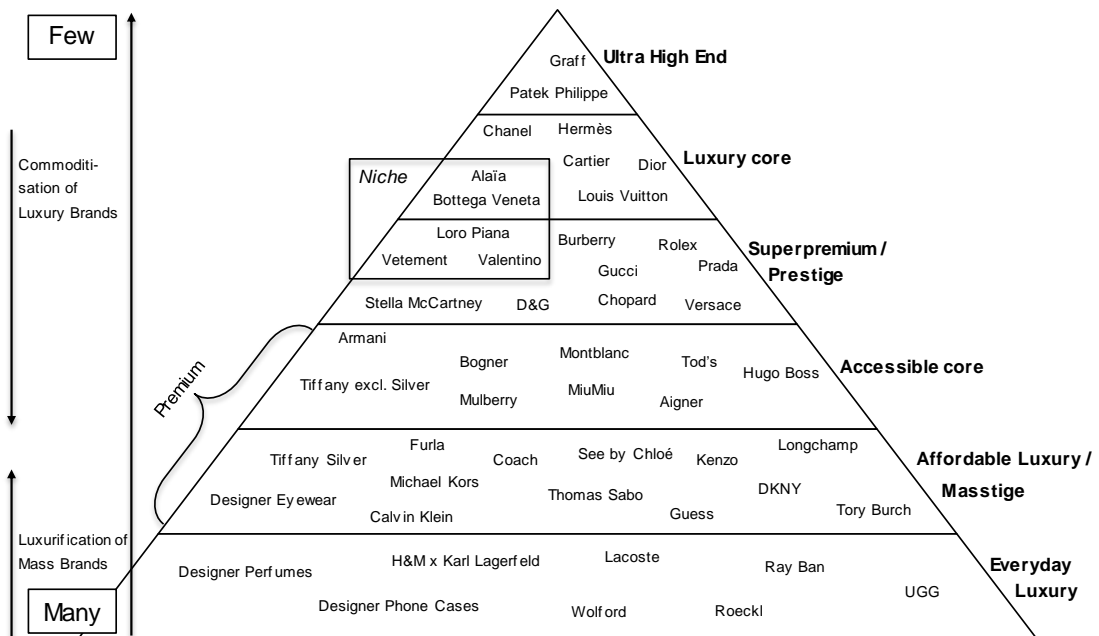


Figure 1: *Luxury Brand Hierarchy*  
 Source: *own illustration based on Rambourg (2014)*

## 2.3 Luxury Brand Image

One of the most important features for luxury brands constitutes the brand image. While brand identity is the self-image and the internal aspirations of a company (Meffert/Burmann 2005), the brand image is concerned with the actual perception of a brand that is built in the consumer's mind through different associations (Herzog 1963; Keller 1993; Roy/Banerjee 2008), which are created through six brand image elements: decisive ones like rarity, exclusivity, uniqueness and history and weaker yet necessary elements like expensiveness and quality (Dubois/Paternault 1995; Kapferer 2014; Radon 2012; Stegemann 2006). A strong brand image is vital for luxury companies since it serves as a key competitive advantage and creator of value and wealth (Keller 2009). Besides, it is essential for effectively positioning a brand in the luxury context and distinguishing it from key competitors (Brun/Castelli 2013).

If the brand image, however, is weakened or distorted, it is likely to have a negative impact on the respective luxury company. It may lead to brand dilution, followed by a degradation and devaluation of the luxury status (Kort et al. 2006; Sutherland/Sylvester 2000). Consumers are likely to become confused about what to associate with the brand and may perceive that its products are not worth the money any more (Dauriz/Tochtermann 2013). The loss of vital luxury brand image attributes like exclusivity and uniqueness will further alienate previously loyal customers and lead to a decline in long-term sales and revenues (Vigneron/Johnson 2004). Such luxury brand image dilution can be triggered by several factors like a changed pricing strategy, specific marketing and communication tactics, the usage of digitalisation, the quality of products and services or a new positioning strategy (Keller 2009; Shimp/Andrews 2013; Wiedmann/Hennigs 2013).

## 2.4 (Over-) Democratisation of Luxury

Since two decades there has been a trend observable that is disrupting the traditional notion of luxury brands (Dubois/Laurent 1995; Kapferer 2006; Wong/Ahuvia 1998), labelled the democratisation of luxury (Nueno/Quelch 1998; Yeoman/McMahon-Beattie 2006). More specifically, it implies that there is an increasing accessibility and visibility of luxury in the mass market. Entry-level products like fragrances, accessories, bags or cosmetics are distributed and marketed in such a way that they are especially appealing to the less affluent and mass consumers (Pavione/Pezzettini 2014). As a result, luxury has become easier available and more affordable than traditional luxury goods while its exclusivity has become more lax (Yeoman/McMahon-Beattie 2006).

The main reasons for the democratisation are the increased wealth of consumers as well as a stronger middle class, leading companies to expand the brand reach to capture more consumers

and increase product purchases (Quelch 2007). Pavione and Pezzetti (2014) additionally stress that through the comparably lower prices and better accessibility, there is happening an expansion of the market improving a luxury company's financial performance in terms of revenues and sales. Furthermore, the democratisation is likely to help people lose the fear of approaching the luxury world since entry-level products are more affordable and easier accessible while still providing the desired luxury experience (Kapferer/Bastien 2009a). As a result, consumers of entry-level products tend to buy higher-priced items of the luxury brand in the future.

There is, however, a negative side coming along with this trend. If, in the consumers' perception, the luxury brand becomes too available and is too widely distributed, it is likely to lead to over-democratisation. This implies that the respective luxury brand has opened up too widely to the public and has over-stretched its brand appearance and product portfolio (Riley et al. 2013; Keller 2009). Over-democratisation may have a negative impact on the perception of exclusivity and can down-grade the luxury brand value (Pavione/Pezzetti 2014). It may further question whether the goods sold can still be classified as luxury goods (Kapferer/Bastien 2009b). This is because fundamental luxury characteristics like price and exclusivity are losing their importance within the democratisation strategy, which is likely to blur the luxurious image positioning of the brand (Nuevo/Quelch 1998; Silverstein et al. 2003).

### 3 Methodology and Model

#### 3.1 Hypotheses and Research Model

Based on the literature review a research model was developed to illustrate the proposed negative relation between over-democratisation and the brand image elements and consequently the luxury fashion brand image (Figure 2), the latter constituting the dependent variable of the research. The following six hypotheses have guided the study:

*H1: Over-democratisation has a negative effect on the perception of exclusivity.* When a luxury brand becomes ubiquitous and over-exposed in the market, its selectiveness and thereby its exclusiveness will suffer and directly and negatively affect the luxurious brand image (Hennigs et al. 2013a).

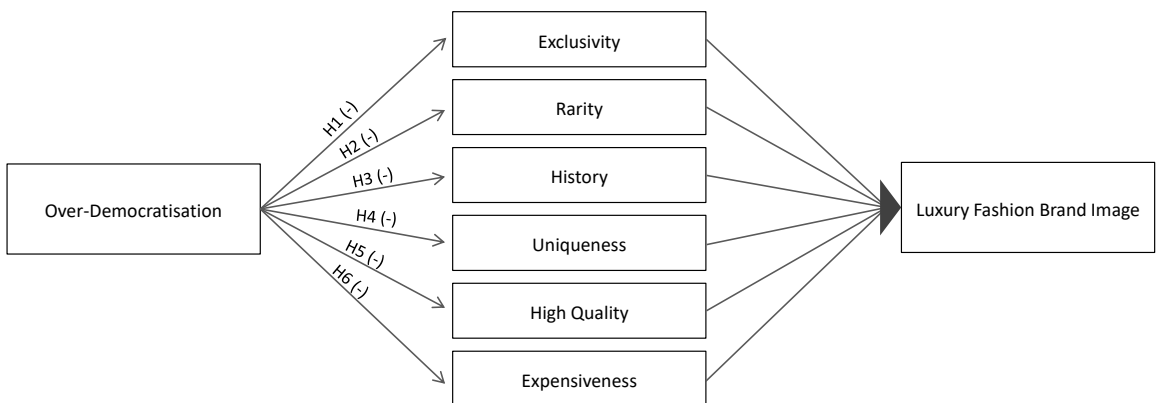
*H2: Over-democratisation has a negative effect on the perception of rarity.* When consumers do not perceive the luxury brand as rare but rather as available and commonplace, its desire and appeal will decrease and negatively influence the brand image (Makkar et al. 2014).

*H3: Over-democratisation has a negative effect on the perception of history.* When a luxury brand establishes itself in the mass and fashion market, its authenticity of heritage and thereby the dream value accompanying the brand's history will fade and will have a negative effect on consumer attitudes and luxury brand image (Dubois/Paternault 1995; Kapferer 2014).

*H4: Over-democratisation has a negative effect on the perception of uniqueness.* When a luxury brand provides widely spread and overly visible products, consumers cannot use them to enhance their self-image any more, which has a negative effect on the brand's luxury image (Tynan et al. 2010; Vigneron/Johnson 2004).

*H5: Over-democratisation has a negative effect on the perception of high quality.* When a luxury brand is predominantly targeting the low-end of the luxury market with widely affordable prices, consumers are likely to connect low quality associations to the brand (Aaker 1991; Randall et al. 1998), which may have an obvious unfavourable influence on a luxurious brand image.

*H6: Over-democratisation has a negative effect on the perception of expensiveness.* When a luxury brand is offering too many products at affordable prices, consumers will associate a low price range with the luxury brand, which is negatively affecting the luxurious brand image (Miyazaki et al. 2005).



**Figure 2:** Research Model: Proposed Effect of Over-Democratisation on Luxury Brand  
**Source:** own illustration

### 3.2 Qualitative Study

The qualitative study aimed at investigating luxury experts' attitudes and perceptions towards over-democratisation and learn about real-life brand examples. This was achieved by drawing and interviewing a non-probability convenience sample (Saunders et al. 2009) consisting of five expe-



rienced managers and researchers that are working in and teaching about the luxury fashion industry. All participants have several years of work experience with world-renowned luxury fashion brands and differ in their professional backgrounds. The interviews took place face-to-face, via telephone and Skype. They were constructed as problem-centred interviews and based on the qualitative interview phases as proposed by Lamnek (2005). Before conducting the interviews, the guideline was reviewed and pre-tested to resolve any misunderstands or difficulties referred to its wording, structure or content. With the respondents' consent, all interviews were documented with audiotapes and written notes in order to organise and prepare the material for subsequent transcribing and analysing. The analysis of data obtained through the interviews was based on a simple frequency content analysis as proposed by Mayring (2010). During the whole research process it was strictly adhered to all applicable ethical rules and principles in order to guarantee an accurate, legitimate and risk-free research.

### 3.3 Quantitative Study

The results of the qualitative research served to build the online questionnaire that was used as data collection tool in the quantitative study. The cohort for the quantitative survey should consist of at least 200 luxury consumers, connoisseurs and advocates of any age and gender and was drawn by a non-probability purposive sampling method (Saunders et al. 2009). The data collection was undertaken by means of a digital questionnaire constructed via the online survey tool SurveyMonkey. The channels used to distribute the survey link were social media platform Facebook, business networking sites LinkedIn or Xing and the ISM-Intranet. The survey language was English. The question design was, apart from one optional comment box at the end, closed, i.e. in the form of Multiple Choice Questions and one Matrix/Rating Scale to facilitate the participation and simplify the subsequent data analysis. The questions could be answered within less than five minutes to maximize the response rate and were directed towards how the brand images of previously detected over-democratised brands are perceived as against well-democratised brands. The questionnaire was pre-tested and discussed in order to guarantee a comprehensible, clear and easy execution (Saunders et al. 2009).

The evaluation of the quantitative data was executed through the use of descriptive statistics and graphs in SPSS (Saunders et al. 2009) as well as own calculations. First of all, it was analysed the effect on the overall brand image of luxury brands. For this it was explored how many survey

participants associate a luxurious image with a democratised brand compared to how many participants do not associate a luxurious image with the brand. Generally, the more respondents associate a luxury brand with the given elements i.e. the higher the percentage of responses, the more luxurious the brand is considered. In turn, the more respondents associate none of these elements with the respective brand, the less luxurious the brand image is perceived. If these un-luxuriously rated brands have also been identified over-democratised in the qualitative study, proof is given to the proposed negative relationship between over-democratisation and luxury brand image.

As a preliminary step the researcher summarized the weighted percentages of the elements per brand to derive at its overall rated luxury brand image: Previously, it was expounded that the elements expensiveness and high quality are significant for a luxury brand image, however mutually illusive. This means that they cannot lead to a luxurious brand image by themselves due to their less dominant power in symbolizing luxuriousness but instead need to occur in combination with the other elements. As a result, the number of responses related to expensiveness and high quality constitute less decisive values and receive a lower weighting (0,5). The other four elements are considered to contribute equally to a luxurious brand image (1). All elements are weighted accordingly and summed up in the following self-constructed formula:  $x_{sum}\%: (1 \cdot x_1\%) + (0,5 \cdot x_2\%) + (1 \cdot x_3\%) + (1 \cdot x_4\%) + (1 \cdot x_5\%) + (0,5 \cdot x_6\%) < a\%$ , whereby  $x_1$ = uniqueness,  $x_2$ =expensiveness,  $x_3$ =exclusivity,  $x_4$ =rarity,  $x_5$ =history,  $x_6$ =high-quality and  $a$ =none. Variable  $a$  serves as reference value against which the sum  $x_{sum}$  is to be compared. The formula was applied to each output i.e. each brand of the frequency analysis to assess the overall luxury brand image. If the percentage sum of weighted luxury brand image elements ( $x_{sum}$ ) is higher than the percentage of abstinence of luxuriousness ( $a$ ), then the respective brand is not considered over-democratised and is still associated with a considerable degree of luxuriousness ( $x_{sum} > a$ ). If the sum, however, is lower than the reference value, the brand is not considered a luxury brand any more ( $x_{sum} < a$ ). In that case, it was checked whether these non-luxurious brands were also labelled over-democratised in order to come to the respective conclusion.

Thereafter, the analysis focused on the average ratings of the individual brand image element. For this, each brand image element of all well-democratised and all over-democratised luxury brands was summarized, averaged and compared. The averages indicate the strength of the

respective brand image element. The higher the rated average, the stronger are the luxury associations with the given element. For instance, if well-democratised brands are on average perceived higher in terms of uniqueness than over-democratised brands, this entails that being over-democratised negatively affects the associations with uniqueness. In addition, the higher the difference between the averages, the more significant the result.

## 4 Research Findings

### 4.1 Qualitative Study

The five interviewees chosen have proven valuable for the qualitative data collection. They have different professional backgrounds in the field of luxury as well as work experiences ranging from 11 to 32 years. Besides, the experts pursue different professions at different employers, which are positioned in different tiers of the luxury hierarchy such as Chanel, Montblanc or Karl Lagerfeld. This diversity was needed and useful as it enabled the researcher to retrieve diverse angles on and experiences with the democratisation in the luxury context.

The first result is that the majority of interviewees mentioned Chanel and Hermès as real luxury fashion brands. This supports the previously proposed luxury hierarchy, in which these two maisons are positioned in the core luxury rank. Brands like Louis Vuitton and Bottega Veneta were also addressed multiple times, additionally confirming their top tier positions. While all these brands are popular in the luxury segment, they additionally share a long authentic history, unique creative potential, excellent craftsmanship and an exceptionally high perceived value. According to the experts these are the main characteristics that make a brand appear luxurious and iconic.

Next, all interviewees share a similar definition of the democratisation of luxury. Also named inflation of luxury brands, it is described as a way of brand stretching or expansion to open up to a wider customer base through decreased barriers of accessibility. While some consider this a natural phenomenon to survive in the modern luxury industry, others describe it as a deliberate growth strategy luxury brands adopt to expand their customer base and generate higher sales and revenues. During the interviews it was further highlighted that the democratisation is a balancing act between brand preservation or brand protection and growth objectives or upholding cross-generational relevance. This entails that luxury brands following this strategy strive to cautiously grow while not losing their exclusive and luxurious brand image.

According to the experts, brands that have been able to successfully manage this are Chanel, Hermès and Prada. Other well-democratised brands are Louboutin, Moncler and Guerlain, which

have not expanded into other product categories but instead keep focussing on their core business and original handcraft. Valentino, Dior and Chloé were named as further examples. Brands like Longchamp and Hugo Boss are considered both over- and well-democratised. This illustrates the subjectivity of and differences in the perception of how brands are developing and positioned in the market. Also, Louis Vuitton is perceived either at the edge of being over-democratised or as already having failed to protect its brand from the negative side effects the democratisation strategy entails. This shows the indistinct image the brand has built with its marketing strategy over the last years.

By all luxury experts, Michael Kors is classified as over-democratised. Also Louis Vuitton was repeatedly mentioned as a brand that is over-stretched. Other brands that were named in this context are Coach, Calvin Klein and Armani, while Guess, Tory Burch and Marc Jacobs were also said to having lost their luxury brand image. In particular, Pierre Cardin was referred to as a typical, even famous, example in the history of modern luxury brands as it has over-expanded its portfolio and destroyed its luxury positioning as a result of its democratisation.

According to the interviewees, brands that are over-democratised have a few characteristics in common. Most notably, they are losing their added value and are increasingly reduced to their functional and tangible elements. This means that the symbolic and psycholocial dimension is shrinking and the brand's distinctiveness is discontinued. Over-exposure, over-distribution and too affordable prices (also through the use of discounts) over-democratised a luxury fashion brand and lead to the loss of luxurious elements like rarity, heritage, exclusivity or uniqueness. As a result there is no possibility for distinction, no unique character, no added value any more with which a brand can differentiate and position itself in the luxury segment.

It is clear from the findings that the phenomenon of democratisation exists and that many popular luxury brands are already involved in the process. Overall, twelve luxury brands have been extracted from the interviews. These were Michael Kors, Coach and Armani classified as over-democratised brands, almost over-democratised brands Louis Vuitton and Calvin Klein, well-democratised brands like Chanel, Dior, Hermès and Prada and those that could not be clearly classified like Tiffany & Co., Longchamp and Hugo Boss. This selection covers brands chosen by experts, that are both successfully and unsuccessfully democratising, which has laid an insightful foundation for the subsequent part of the research study.

## 4.2 Quantitative Study

### 4.2.1 Sample and Consumption Behaviour

In total, the online survey was accessible for about a week and brought together  $n=283$  quantifiable responses. By means of a multiple response frequency test, it was determined that 45% of the respondents belong to the category Luxury Consumers, 44,7% consider themselves Luxury Connoisseurs and 10,3% were Luxury Advocates. Since more than one answer could be given in this question, people were able to choose more than one group they felt being part of.

By means of a simple frequency test, it was determined that the respondents are composed of 193 (i.e. 68,2%) females and 90 (i.e. 31,8%) males. Plus, the age distribution of the sample is clearly condensed with 73,9% of the respondents being aged between 19 and 25 years. The age group of 26 to 35 year-olds accounts for the second largest share (19,8%) of the overall population. Thus, more than 93% of respondents were millennials, the multifaceted Generation Y that consists of digital natives that are social, connected and value driven (Remy 2016). Due to the age distribution, most respondents (77,7%) have indicated that their current occupational status is student or graduate. 21,5% of the sample are employed.

Asking respondents about the last luxury brand they bought an item from was intended to uncover some purchasing patterns and give an indication about the current favourite and top-selling brands in the personal luxury categories. The results from the frequency analysis clearly indicate that the top five most purchased luxury brands are internationally known companies that offer more than one of the eight product types: premium brand Michael Kors, core luxury brand Chanel, accessible luxury brand Hugo Boss, Louis Vuitton and Calvin Klein. These top five brands were recently bought by 35,6% of the total sample. Surprisingly, all of them have been detected as either well- or over-democratised in the previously undertaken qualitative study. They offer commercial items that are widely distributed, popular and desirable, especially among affluent and younger customers.

### 4.2.2 Perception of Luxury Brand Image per Brand

Michael Kors (MK) is taken as the example of analysis: It is positioned in the premium tier of the luxury hierarchy and belongs to the masstige or affordable luxury brands but has been termed over-democratised by the luxury industry experts in the qualitative study. Most respondents in the quantitative study associate functional elements like a high price and high quality with MK (Figure 3). To check whether the perceived brand image has been affected by the brand's over-exposure, it will be compared how many respondents actually associate the brand with luxury

elements and how many respondents do not relate any of them to the brand. For this, the percentage sum of all brand image elements is calculated and compared with the reference value 42,5%. This constitutes the percentage of the respondents indicating that they associate none of the given luxury brand image elements with MK. Inserting percentages into the proposed formula results in:  $(1 \cdot 4,902\%) + (0,5 \cdot 22,22\%) + (1 \cdot 11,11\%) + (1 \cdot 1,634\%) + (1 \cdot 0,98\%) + (0,5 \cdot 16,67\%) = 38,07\%$ . This sum is 4.4 percentage points *smaller* than the reference value ( $X_{\text{Sum}} < a$ :  $38,1\% < 42,5\%$ ), which indicates that Michael Kors is not perceived luxurious any more. Rather, it alludes to the conclusion, that the over-overdemocratisation has caused the brand to negatively influence and dilute the luxury elements and thereby the overall luxurious brand image.

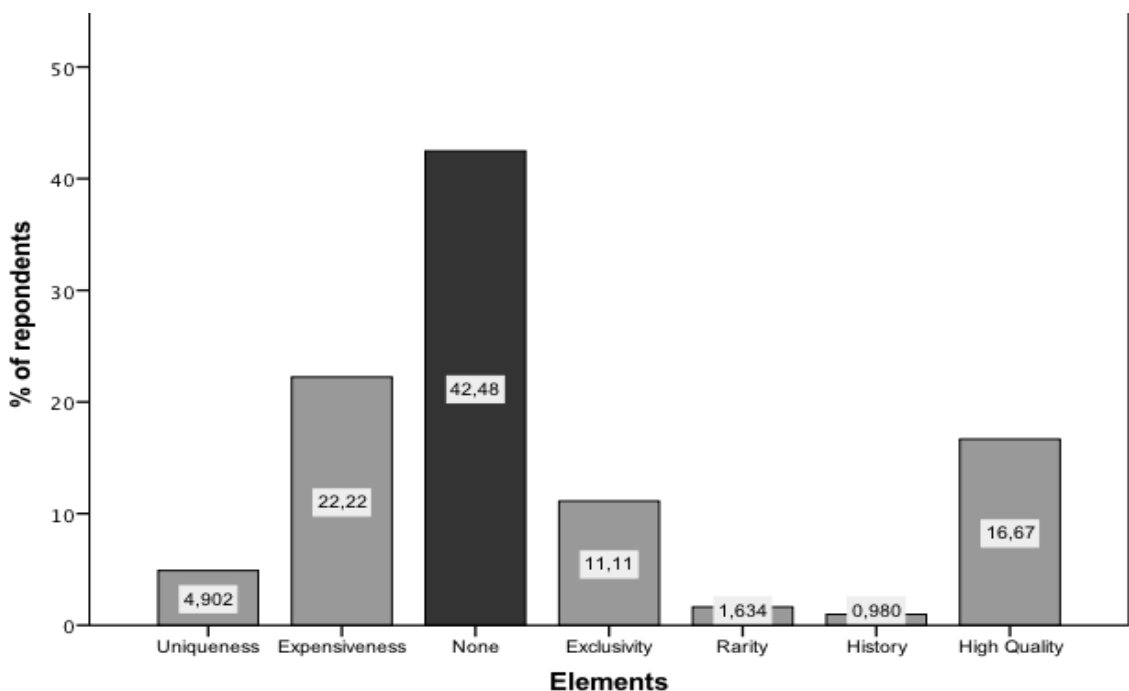


Figure 3: Michael Kors: Frequencies of Luxury Brand Image Elements  
Source: SPSS

Figure 4 provides an overview of all reviewed brands visualising the reference values (grey), the calculated luxury brand image sums (black) and the positive or negative discrepancy between these values (hatched). The brands have been sorted from the highest to the lowest rank in terms of most frequently associated luxury brand image elements. Comparing the sums of the luxury brand image element percentages indicates that the luxury brand most associated with the luxury brand image elements is Hermès. Thereafter follow Chanel and Dior. Calvin Klein, Longchamp, Michael Kors and Coach are least related to the luxury brand attributes.

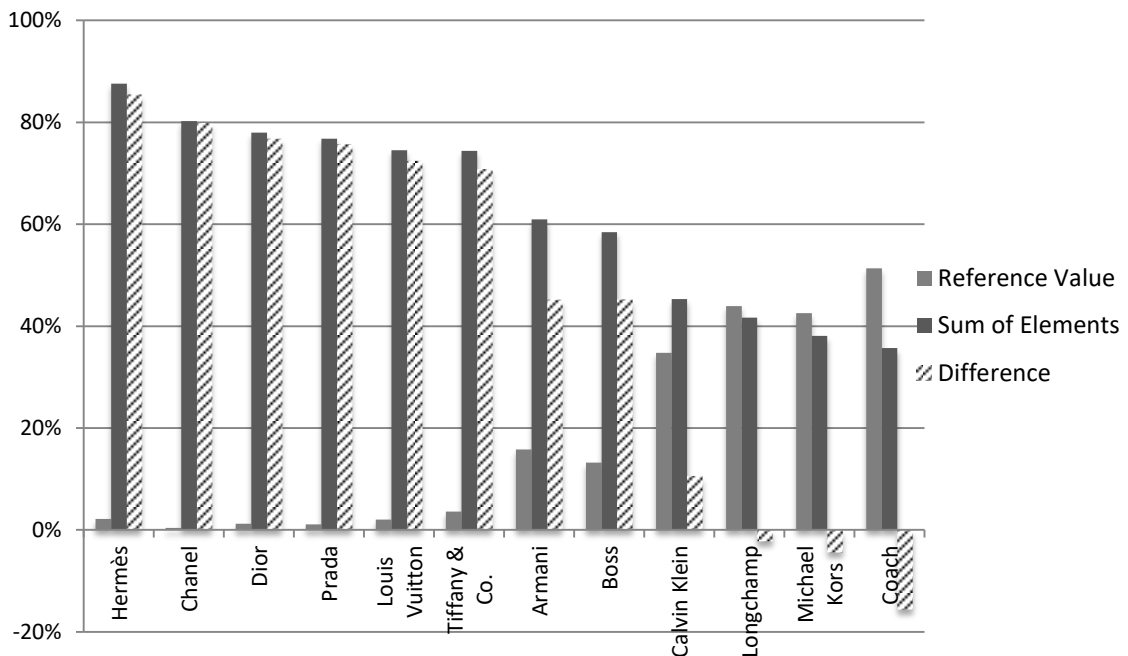


Figure 4: Overview Luxury Brand Image Frequencies

Source: SPSS

The higher the positive discrepancy (hatched) between the reference value and the sum of percentages, the stronger is the respective brand anchored as a luxury brand. If the reference value is higher than the sum of elements, the difference is negative, implying that no sufficient luxury brand associations can be found. The bar chart illustrates that Longchamp, Michael Kors and Coach are showing a negative difference (dashed frame), which means that the respondents do not perceive these brands as luxurious. They have also been classified over-democratised in the qualitative study and are positioned in the lower premium luxury segment as masstige brands.

Clearly, Coach is rated least luxurious since the reference value is the highest as compared to the other brands, while its luxurious elements are the weakest. For Calvin Klein the luxurious perception is only slightly stronger than the reference value, which implies that the luxury associations with the brand are existent but not particularly strong, even ambivalent. The same goes for Longchamp, which however, shows a less luxurious overall image. The two of them have been assessed as being over-democratised by the luxury experts.

Hugo Boss and Armani, both positioned as accessible core in the hierarchy, show a similar tendency with a medium strong luxury brand image. Although Armani is stronger related to the luxury brand image elements than Boss, it is at the same time less associated with luxury. This

demonstrates that the perception of the brand is increasingly ambivalent. Both brands have been rated as over-democratised while Boss has also been classified as well-democratised.

Tiffany & Co. belongs to the brands that received most luxury brand image associations although the results of the qualitative study rated it as almost over-democratised. Louis Vuitton has even been classified fully over-democratised but is still strong in luxury brand image associations. However, compared to Prada, Louis Vuitton is positioned higher in the luxury hierarchy although its perception of luxuriousness is lower. Dior and Chanel take second and third place, while Hermès is clearly the brand most associated with the luxury brand image elements. However, it can be seen that almost no-one of the survey participants cannot relate any of the elements to Chanel. In comparison, more than 2% consider Hermès not luxurious.

#### 4.2.3 Perception of Luxury Brand Image Elements

Having elaborated on how the overall brand image of different luxury companies is perceived by the respondents of the survey has already given valuable insights into the impact of over-democratisation. In order to go further into detail, it will be analysed how each brand image element of the over-democratised luxury brands is assessed on average as compared to that same element of the well-democratised brands. Figure 5 illustrates how each brand image element is rated on average for over-democratised (dashed line) and well-democratised brands.

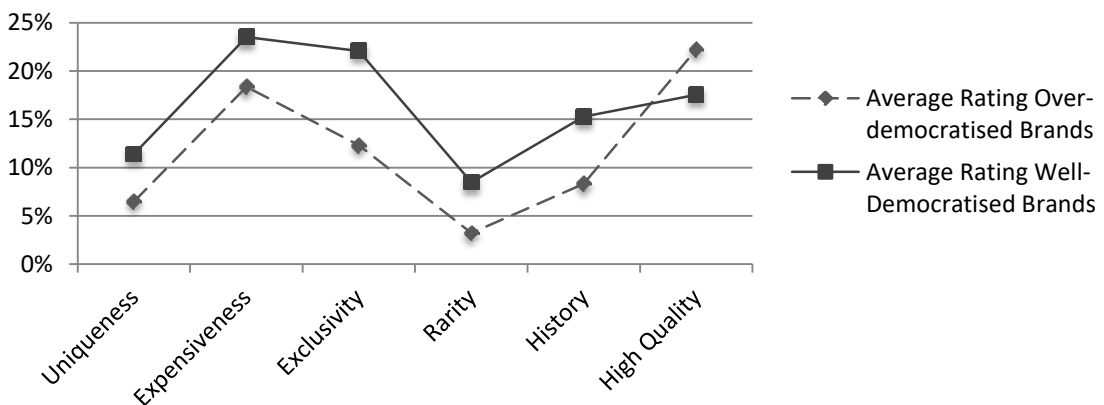


Figure 5: *Luxury Brand Image Elements Comparison*  
Source: *own illustration via Excel*

The graph shows that the over-democratised brands score less than 6,5% in terms of associated *uniqueness*. In comparison, the well-democratised brands achieve an average percentage score of 11,4%. Overall, this results in a 43,2% difference, which indicates that the survey respondents



consider over-stretched brands clearly less unique. Also, uniqueness is a brand image element that is not chosen frequently when finding associations with luxury brands.

The peak in the graph demonstrates that luxury brands tend to be more associated with *expensiveness* as decisive value for luxuriousness. More precisely, over-democratised brands achieve a percentage score of 18,4%, while 23,5% of respondents associate expensiveness with well-democratised brands. The fact that well-democratised brands are rated 22% more expensive suggests that the perception of expensiveness is also influenced by over-democratisation. However, the difference is not as big as it was for the uniqueness associations. This supports the proposed assumption that the price is less influential on luxuriousness than the other attributes.

*Exclusivity* is a luxury brand image element that has proven particularly decisive for the perceived luxuriousness. The graph illustrates that 12,31% of the respondents still associate the over-democratised brands with exclusivity, while for the well-democratised brands it is 22,1%, which is a difference of more than 44%. This result indicates that the overall perception of exclusivity is certainly negatively affected by a luxury brand being over-stretched.

The scores on *rarity* are clearly the lowest for both the over- and well-democratised brands. The former are associated by only 3,2% of the respondents with rarity, while the latter receive an average percentage of 8,5%. This is a clear difference of more than 62% and suggests that the over-democratisation of luxury brands negatively influences the perception on rarity. Plus, it can be viewed that rarity is a brand image element that is not chosen frequently when findings associations with luxury brands.

The graph further depicts that there is a difference in how the participants of the survey perceive the luxury brands in terms of *history* and heritage associations. The over-democratised brands were associated by 8,35%, the well-democratised brands by 15,29% of the respondents with history. This is a difference of more than 45% and demonstrates that over-stretched brands are less associated with history related brand cues which adds to the dilution of the overall brand image.

Finally, together with expensiveness, *high quality* was assumed to be less influential on the perceived luxuriousness than the other attributes. The graph even shows that over-democratised brands are more associated with high quality (22,3%) than are well-democratised luxury brands (17,5%). This result entails that the perceived quality of a brand is not proven to be negatively affected by over-stretching and is even stronger related to brands that are over-democratised.

## 5 Discussion and Conclusion

### 5.1 Verification and Discussion of Hypotheses

The aim of the study was to investigate the effect over-democratisation may have on the image of a luxury brand. In order to summarize the overall results, the proposed hypotheses will be shortly recapped and discussed based on the given findings.

*H1: Over-Democratisation has a negative effect on the perception of exclusivity.* As proposed, the research has revealed that luxury brands, which were labeled over-democratised, have indeed received a clearly lower rating on exclusivity than those declared well-democratised. This was expected since democratising a brand involves broadening the customer base, increasing the sales points and being more visible to a wider target audience (Makkar et al. 2014; Silverstein et al. 2003). At the time when the products become saturated they make the brand appear ubiquitous. As a matter of course this is contrary to an exclusive brand image and will damage the exclusivity as well as luxuriousness if not handled cautiously enough.

*H2: Over-Democratisation has a negative effect on the perception of rarity.* The results of the research approve that over-democratised brands are perceived strikingly less rare than successfully democratised brands. Increasing the availability and accessibility of a luxury brand by means of affordable entry-level products is the primary principle accompanying the democratisation strategy (Dalton 2005; Makkar et al. 2014; Silverstein et al. 2003). However, opening up too widely decreases a luxury brand's appeal of being a dream by diluting its desirability and symbolic value. Thereby, over-democratised luxury brands become a victim of their own success and pursuit of economic growth since the popularity of their products makes the brand appear ordinary and common instead of scarce (Kisabaka 2001). As a result, the loss of the perception of rarity contributes to a weaker luxury brand image.

*H3: Over-Democratisation has a negative effect on the perception of history.* Being a real luxury brand implies being a brand with a distinct history; a brand of tradition with a rich heritage, in which consumers can immerse during their brand and shopping experience (Danziger 2005). This study has demonstrated that over-democratised brands are assessed lower in terms of associated historical values as compared to well-democratised brands. Due to the omnipresence of both products and brand name, consumers do not base their purchasing decision on the fascinating brand story but rather on the short term trendiness and popularity of the fashion products. As a result, the notion of brand heritage becomes irrelevant in the consumer's mind and decreases the perceived luxuriousness and fascination of the luxury brand.

*H4: Over-Democratisation has a negative effect on the perception of uniqueness.* The results of this research have proven that brands that were labelled over-democratised have indeed received a lower rating on their perceived uniqueness. Originally, the notion of uniqueness is an essential attribute that a luxury brand should employ in order to maintain its desirability and brand value (Wiedmann et al. 2009). Consuming a luxury brand that represents uniqueness and singularity serves as a way of enhancing one's self-image and expressing one's position in a given societal circle (Ko/Megehee 2012). Consequently, an overused luxury brand turns into a luxury branded mass brand that is not able to transfer uniqueness to the beholder and thereby loses its appeal. As a result, lost uniqueness associations contribute an over-democratised luxury brand to dilute its luxurious image.

*H5: Over-Democratisation has a positive effect on the perception of high quality.* It was assumed that the perceived quality associated with a luxury brand that is over-democratised will decrease due to the expansion of its affordable product lines. The research has revealed, however, that precisely the opposite is true. Indeed, the quality of over-democratised brands was on average higher rated than of well-democratised brands. This finding was unexpected and suggests that people attach a better price-quality ratio to over-democratised brands and therefore perceive the overall quality performance of these brands as superior (Bastien/Kapferer 2013). This seems reasonable because the majority of customers are more likely to have experienced and positively perceived the quality of a more affordable premium product as compared to one of exorbitant prices. Apparently, over-democratised brands are following the comparative strategy of a premium brand to offer the best value in the category and are therefore not associated with lower levels of quality even after their trade down. As a result, the over-democratisation endorses the perception on quality, assumingly as a compensation for the weak symbolic associations.

*H6: Over-Democratisation has a negative effect on the perception of expensiveness.* The survey results have revealed that the perceived price is indeed lower for over-democratised brands compared to well-democratised brands. Although the relation is not as strong as for the other elements, consumers tend to associate the over-stretched brands with more affordable and thereby less expensive products. This contributes to a less strong luxury brand image. The most likely explanation for this comparably weak negative relationship is that over-democratised brands are losing their authenticity but are still marketed as a luxury brand, which is why consumers somehow maintain their perception or association of high prices. Besides, it can be assumed that the over-democratised lines are still benefitting from the halo effect of its past fame or the more luxurious lines in a way that expensiveness is still associated to the overall brand name (Kapferer 2012; Kapferer/Bastien 2009a).

Figure 6 constitutes the final model of the discovered relations between over-democratisation and each luxury brand image element. The symbolic elements exclusivity, rarity, history and uniqueness have all been clearly negatively affected (--), while expensiveness has shown a weaker negative relationship (-). In contrast, associations with quality have been enhanced through the over-democratisation of a brand (+). Accordingly, the elements differ in their vulnerability and sensitivity but together generate an explicit tendency to the overall relation to the brand image. Hence, since the symbolic elements have been attached a higher influence on the luxury brand image as compared to the functional elements, it can be ascribed an overall negative relationship between over-democratisation and luxury fashion brand image. Therefore, over-democratisation has a negative effect on a luxury fashion brand image when its symbolic associations are weak, or when functional elements are stronger than symbolic brand cues.

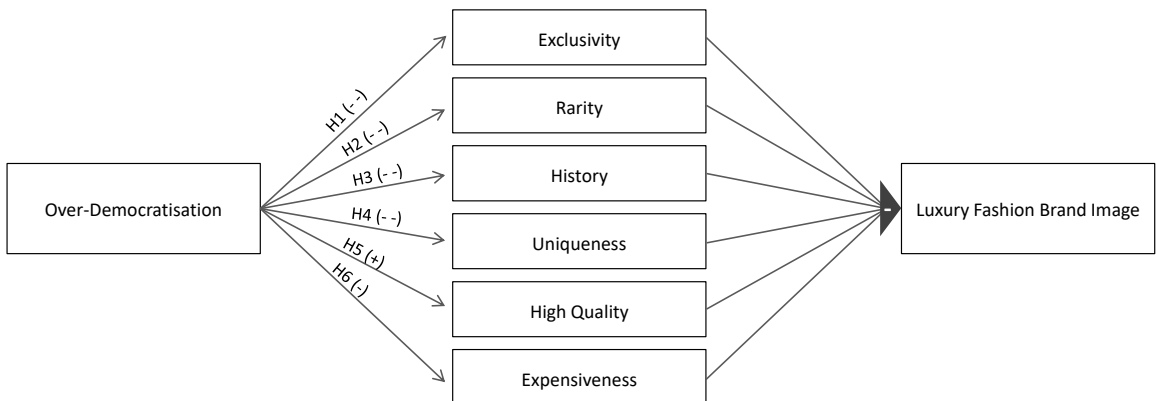


Figure 6: Research Model: Actual Effect of Over-Democratisation on Luxury Brand Image  
Source: own illustration

The study has further revealed that only masstige brands have lost their luxury brand image as a consequence of being over-democratised. This clearly approves the postulation of Riley et al. (2013) who have argued that premium brands tend to be more vulnerable and easier diluted than luxury brands since they have by definition a lower symbolic utility (Bastien/Kapferer 2013; Stegmann 2006). Indeed, they provide and communicate a high functional value through high quality and price but deliver little added value through less emotional, social and other intangible benefits. For instance, over-democratised brand Michael Kors is missing deep symbolism since it does not communicate its history or origin but rather focuses on a modern product and lifestyle promotion, which does not create the needed degree of desirability of a real luxury brand. Coach has over-expanded its retail, provides many discounts and focusses on logo-covered bags, which has turned it into a brand for the masses. Finally, Longchamp has commercialised its colourful signature bags in such a way that they have quickly become overexposed which made them appear ordinary, even obtrusive. Consequently, customers tend to have primarily the inexpensive, overly

visible bags in mind when thinking about Longchamp, which has led to a downgrade of the overall brand value and luxuriousness. The same has also happened to Michael Kors with its overdistributed handbags in a way that customers are usually unaware of (more expensive) product categories other than entry level products. All these over-democratised brands have weak symbolic values, which evidently negatively affected their luxury brand images. It shows that although expensiveness and quality are factors that are clearly associated with these brands, they are non-symbolic, assumed and not sufficiently strong to prevent brands from losing their luxurious image as a result of being over-democratised.

In contrast to over-democratised masstige or premium brands diluting their luxury brand image, over-democratised brands ranked higher in the luxury hierarchy like Chanel did not experience such negative impact. These brands provide a higher symbolic utility, which has apparently prevented them from derogating their brand images as a result of their over-exposure. Indeed, Louis Vuitton and Tiffany & Co. have proven to be less vulnerable to losing their brand image since associations with intrinsic values, and in particular exclusivity and heritage, were attached strongly enough to their brands. This entails, that the act of over-democratising is not dangerous per se if a brand possesses strong symbolic cues it can lean onto.

Besides, it was found that within the top six brands in terms of luxurious brand image (Figure 4), all except Louis Vuitton have been rated highest in associations of expensiveness and exclusivity. This demonstrates that both the price and the brand's ability of being limited to a restricted number of people increases and influences heavily the perception of luxuriousness. Louis Vuitton, however, seems to compensate for the lower ratings of exclusivity by means of very strong heritage cues. Apparently, the brand's story telling and branding activities are exceedingly effective and successfully distracts from its comparably weak uniqueness and rarity associations. This suggests that brands are able to uphold a luxurious brand image with the help of single very strong luxury image elements when the overall luxuriousness is not yet diluted.

Overall, being over-democratised does not necessarily mean being badly democratised or unsuccessfully democratised. Tiffany, for instance, is successfully over-democratised by resolving the balancing act between being known and opening up to as many (potential) customers as possible, while remaining a desirable and dreamlike luxury brand. Indeed, it is still associated with strong luxury brand cues and is clearly able to benefit from the accessibility strategy. Hence, over-democratisation does not necessarily exclude the notion of luxury if the respective brand is still investing in upholding the image of an exclusive, historical and desirable brand. Additionally, a company may decide to deliberately follow the over-democratisation strategy to turn its brand into a premium one and thereby position itself in a lower, more sales-driven tier of the luxury

hierarchy. Reasons for this may be purely economic in nature, as an attempt to survive or even target group specific to lengthen the lifecycle and remain relevant in the future.

## 5.2 Implications and Outlook

The practical and theoretical contribution of this study is manifold.

On the one hand it benefits and encourages practitioners to reconsider their strategies and be more cautious in democratising luxury brands since brands quickly become saturated and lose their appeal and positioning in the market. The subsequent rebuilding of the brand can take years of consistent effort, money and time investment and should be prevented by accurately planning, executing and controlling all measures directed to a broader target group. Moreover, managers must consider that luxury brand image elements are influenced to a different extent by the over-democratisation, alluding to the priorities that are necessary for marketing and communication measures to be chosen to successfully stage a luxury brand. The study also teaches managers that symbolic elements like exclusivity are those that prevent a brand from losing its luxurious image as a result of over-democratisation and must be particularly promoted.

On the other hand, the study has brought about enriching input for the theoretical body of knowledge on luxury and luxury brand democratisation. It has successfully closed the knowledge gap between over-democratisation and luxury brand image and provides a model that properly defines the negative relationship between these two variables when symbolic associations are weak, or rather, when functional associations are stronger than symbolic brand cues. This substantiates the research of Nueno and Quelch (1998) and Miller and Mills (2012) who already emphasised the importance of the symbolic utility of a brand in shaping its luxurious image. The study further confirms the relevance of luxury brand image characteristics as proposed by scholars like Dubois et al. (2001) and Keller (2009). In this context, it further stresses, however, that the key questions for positioning luxury should now shift from what are the elements of luxury to how strong are these elements actually perceived by the wider public. Only then it can be detected the actual luxuriousness of a brand since the expression of characteristics in a wider context seems to be essential. In addition, the study is valuable for determining which luxury brand image elements are more common and which ones are harder to be associated with. More precisely, there is a relative lack of image associations related to rarity and uniqueness, which alludes to the fact that these dimensions are suppressed by the popularity and commercialization of the brands chosen for this research.

Overall, the complex research design was highly valuable and effective in reaching the proposed research goal. Leaving out either of the empirical studies would have made the results clearly less

significant and less straightforward. Nevertheless, the time constraints led to restrictions like a limited conclusiveness and generalizability of the qualitative study results due to the small number of experts or the exposure of the researcher bias since the quantitative sampling was based on the judgement of the researcher. Such restrictions have limited the author to exploit all possible opportunities in closing the research gap. Hence, the proposed model cannot be exhaustive and must be tested in order to build a generalizable and holistic picture of the relationship at hand. Therefore, on the basis of undertaking this study, future research is recommended and should be concerned with a national focus of the study as well as an overall extension and update of the whole research and proposed luxury brand hierarchy.

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