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The current research advances novel theorizing on how two core dimensions of social judgment—competence and warmth— affect how luxurious a brand is viewed by consumers. While competence cues enhance luxury perception for non-luxury brands, warmth cues enhance luxury perception for brands that have already established themselves as luxuries.

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What Makes a Luxury Brand: The Effect of Competence and Warmth Cues on Luxury Perception
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EXTENDED ABSTRACT

Luxury, a concept once used to delineate class-oriented exclusivity, appears to becoming increasingly popular and prevalent among today’s mass market consumers. Not only has the size of the global luxury market grown exponentially to approximately 1 trillion dollars, but consumers are joining the world of luxury consumption from mature and emerging markets alike (BCG report 2010).

Given the large footprint of luxury products and services, an important challenge for marketers is to better understand the antecedents of a brand being perceived to be a luxury. The current research explores whether and how luxury perception can be influenced by cues of competence and warmth. While warmth is an assessment of others’ intentions towards the self, competence captures others’ ability to carry out intentions towards the self (e.g. Fiske, Cuddy, Glick, & Xu, 2002; Fiske, Cuddy, & Glick, 2007). Applying this framework to branding, Aaker, Garbinsky, and Vohs (2012) found that while being judged high on either competence or warmth contributes to purchase intention for a brand, being judged high on both warmth and competence gives brands an extra boost in purchase intention, which they termed the “golden quadrant”. However, in many situations, a brand might have the bandwidth to only advertise or represent itself as either competent or warm. The present research asks how each of these factors independently contributes to the luxury perception for brands.

Based on prior literature, we propose that just as competence cues signal ability to act on one’s actions in an interpersonal context (Fiske, Cuddy, Glick and Xu 2002), the same cues could signal a brand’s ability to produce superior products and services when judging a brand or a product. We further suggest that competence is the first important marker of luxury. Therefore, we predict that relative to warmth cues, competence cues increase luxury perception of new brands or brands not associated with being luxurious. However, building on the “golden quadrant” concept, we predict that once a brand has established itself to be a luxury brand, because competence is more likely to be inherently linked to the product, as a consequence we suggest warmth cues may contribute more strongly to additional luxury perception. Four studies tested the above novel hypotheses.

Experiments 1a and 1b: The first two studies tested the effect that competence cues contribute to luxury perception through subtle variations of color or taglines on advertisements. Experiment 1a manipulated warmth and competence by either adding a warmth-related word (e.g. passion, sincerity) or a competence-related word (e.g. talented, intelligence) on the same mock advertisements. Experiment 1b manipulated warmth and competence by slightly altering the color tone on real print advertisements from well-known brands (e.g. Forever 21, Swatch) to be either a warm tone or a cool tone.

In both experiments, participants saw two advertisements with either warmth cues or competence cues. After viewing each advertisement, participants answered two items on the luxury perception of the advertisement on 7-point scales (“How much luxury do you associate with this ad?” “How much status/prestige do you associate with this ad?”) 1 = Not at all, 7 = Very much). Results show that in both experiments, participants rated the advertisements with competence cues as more luxurious compared to advertisements with warmth cues (p = .01, .005 respectively). An additional control condition in experiment 1b demonstrates that it is competence cues that elevate luxury perception (p = .001) instead of warmth cues lowering luxury perception compared to the control condition (n.s.).

Experiment 2: The next experiment tested the proposed interaction effect that once a brand reaches luxury status, warmth cues enhance luxury perception more than additional competence cues. A 2 (cues: competence vs. warmth) × 2 (brand status: non-luxury vs. established luxury) between-subject design was adopted for the current study. Brand status was manipulated by using real print advertisements from well-known non-luxury brands (Forever21 and Swatch) or established luxury brands (Hugo Boss and Omega watch). Similar to Experiment 1b, warmth and competence were manipulated by altering the color tone on either advertisement to be warm or cool toned. Participants saw two advertisements in a random order and answered questions on luxury perception of the advertisements after seeing each advertisement, similar to Experiments 1a and 1b. Results show a significant two-way interaction (p < .001) between warmth/competence cues and brand status. For non-luxury brands, advertisements with a cool color tone are judged as more luxurious (p = .02) compared to the same advertisements with a warm color tone. However, for brands with an established luxury image, it is advertisements with a warm color tone that are judged as more luxurious compared to the same advertisements with a cool color tone (p = .08).

Experiment 3: As Experiment 2 manipulated brand status by adopting real-life brands, the current study sought to replicate Experiment 2 in a more controlled setting with brand status manipulated through description of the brand. The current study adopted a 2 (cues: competence vs. warmth) × 2 (brand status: non-luxury vs. established luxury) between-subject design. To manipulate brand status, we informed participants at the start of the experiment that they would either see advertisements from “various new brands that hope to establish a reputation as luxury brands” or “various brands that have established a reputation as luxury brands.” Competence and warmth cues were manipulated similar to Experiment 1a, in which either warmth or competence related words were displayed on the same mock advertisements as taglines. Results show a significant two way interaction (p = .003) in which advertisements with competence cues were rated higher on luxury perception for non-luxury brands (p = .04) while advertisements with warmth cues were rated higher on luxury perception for established luxury brands (p = .03).

Conclusion and Contributions. The findings contribute to the literature on warmth and competence by identifying distinct stages of brand development in which either competence or warmth contributes to luxury perception. The current research has important implications for brands by suggesting that a brand should build a luxury image by sequentially displaying first competence cues and then warmth cues.

REFERENCES