Should Luxury Brands Shout Or Whisper? the Effects of Brand Prominence on Consumer Perceptions of Responsible Luxury
Catherine Janssen, IESEG School of Management, France
Joëlle Vanhamme, EDHEC Business School, France
Sina Leblanc, EDHEC Business School, France

Recent literature suggests that consumers do not necessarily perceive luxury and CSR as compatible. This research investigates the effect of brand prominence on consumers’ attitudes toward responsible luxury brands and evidences a dual mediation process through consumers’ CSR beliefs and perceived congruity between their identity and that of the brand.

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EXTENDED ABSTRACT
Increasingly, luxury brands engage in corporate social responsibility (CSR). However, research suggests that consumers do not necessarily perceive luxury and CSR as compatible concepts (Torelli, Monga, and Kaikati 2012). Gaining a clearer understanding of factors that affect the perceived compatibility between luxury and CSR is thus of critical importance for luxury brands managers. This research addresses this issue by investigating the effect of brand prominence—or “the extent to which a product has visible markings that help ensure observers recognize the brand” (Han, Nunes, and Drezé 2010, 15)—on consumers’ attitudes toward responsible luxury brands, and evidences its underlying processes.

Considering luxury’s idiosyncratic nature, whether a brand is perceived as a luxury brand likely depends on the abstract brand concepts (Park, Milberg, and Lawson 1991) that consumers associate with it; and the same reasoning applies to the notion of responsible luxury (Torelli et al. 2012). Previous literature indicates that brand concepts affect brand evaluations through the motivations they activate automatically (Chartrand et al. 2008). Schwartz (1992) proposes four types of motivational values: self-enhancement, self-transcendence, openness, and conservation. Some of them conflict (e.g., self-enhancement vs self-transcendence), but others are more compatible. Drawing on Schwartz (1992), Torelli et al. (2012) highlight that luxury brands are primarily associated with concepts that emphasize self-enhancement values (e.g., conspicuousness, success), and are thus conflicting with the self-transcendence values of caring for society associated with CSR. As a result, consumers may perceive that something is “not right” when they confront responsible luxury, which in turn results in unfavorable brand evaluations. We argue, however, that this effect varies depending on the prominence of the brand’s mark on products.

Luxury brands can mark their products by choosing either a loud/conspicuous branding strategy or a more quiet/discreet one (Han et al. 2010). When a luxury brand communicates about CSR, this relative brand prominence may affect the extent to which consumers will perceive the brand to be socially responsible (i.e., CSR beliefs). Specifically, the conspicuous display of the brand likely increases the salience of the notions of conspicuousness and status associated with luxury more than a quiet branding strategy, thereby triggering a more pronounced sense of contradiction between CSR-associated self-transcendence values and luxury-associated self-enhancement values. Consumers’ CSR beliefs should therefore be less favorable for loud luxury brands than for quiet ones. In line with previous literature on consumer responses to CSR, we in turn expect a positive relationship between consumers’ CSR beliefs and brand attitudes.

However, CSR rarely is the most important criterion considered by consumers when purchasing luxury items (Davies, Lee, and Ahonkhai 2012). Thus, it is unlikely that CSR beliefs would be the sole mediator of that effect. Previous research on luxury outlines that consumers may use luxury brands to support and develop their identity (Dittmar 1994; Wiedmann, Hennigs, and Siebels 2007). As consumers tend to prefer brands which are associated with personality traits congruent with their own (Singy 1982), consumer attitudes toward loud and quiet luxury brands may therefore also partly depend on how consumers view themselves (i.e., self-identity) and on the congruity they perceive between their identity and that of the brand. Consumers with a more extravagant [modest] self-identity should perceive higher self-congruity with loud [quiet] responsible luxury brands. In turn, higher perceived self-congruity should lead to more favorable brand attitudes (Aaker 1999). Perceived self-congruity is therefore a second mediator in our model.

To test our hypotheses, we employed a between-subjects design with a sample of 124 consumers who read a description of the hypothetical luxury brand Sarine. Participants were randomly assigned to one of two conditions. Those in the loud [quiet] branding condition were asked to read a brand description that emphasized the prominent [discreet] display of the brand name on [inside] the products it offers. Both scenarios also included information about Sarine’s CSR activities. Participants then completed several items that measured, on 7-point scales, their brand attitudes, CSR beliefs, self-identity, and perceived self-congruity with the brand (all Cronbach alphas > .7). In addition, we included measures for two potential covariates (environmental consciousness and luxury consumption habits).

As expected, participants in the loud branding condition have significantly less favorable CSR beliefs (M=4.65) than participants in the quiet branding condition (M=5.44; t(122)= 4.261, p < .001) and the effect of CSR beliefs on brand attitudes is significant and positive (β=.401; t(116)= 5.624, p < .001). Results further show that brand prominence and consumers’ self-identity have a multiplicative effect on consumers’ perceived self-congruity with the brand (β=.738; t(118)=3.627, p < .001). According to our spotlight analysis, participants with a more modest self-identity perceive lower self-congruity with a loud brand (M=2.66) than with a quiet brand (M=4.22; β=-1.565; t(118)=-5.375, p < .001) but there are no significant differences between loud and quiet brands for participants with a more extravagant self-identity (3.44 vs. 3.48, p > .05). In turn, perceived self-congruity has a significant, positive effect on brand attitudes (β=.314; t(116)=5.077, p < .001). We tested the prediction that both CSR beliefs and self-congruity mediate the effect of brand prominence on brand attitudes using the PROCESS bootstrapping method (Hayes 2013; “model 8”; 10000 bootstrap samples). Results confirmed the dual mediation process: self-congruity mediates the joint effect of brand prominence and consumer self-identity on brand attitudes (index of moderated mediation: B=.232, SE=.078, CI95:.101 to .408) and the indirect effect of brand prominence on brand attitudes through CSR beliefs is significant for all levels of consumers’ self-identity (B ranges from -.189 to -.363, none of the CI95 include 0).

This research contributes to literature on consumer responses to CSR, and to responsible luxury in particular (Janssen et al. 2014; Torelli et al. 2012), and demonstrates how brand prominence affects consumers’ evaluations of luxury brands. In so doing, this research also extends previous work on brand prominence (Han et al. 2010). Our research highlights that responsible luxury brands should carefully evaluate how their branding strategy affects brand evaluations and provides guidelines for managing CSR and branding strategies more effectively (whispering seems more effective!).
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