

[Original Article]

Perceived values, price fairness, and behavioral intentions toward luxury fashion brands - A comparison of luxury, luxury-bargain, and non-luxury consumers -

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Abstract

This study examined whether and how consumers who seek a bargain in their shopping for luxury fashion brands differ from traditional luxury consumers or non-luxury consumers on their market-related attitudes. To do so, this study compared multi-dimensional perceived values, fairness price perceptions, satisfaction with purchase, brand loyalty, and future purchase intention among luxury consumers, luxury-bargain seekers, and non-luxury consumers. Data was obtained from online surveys and the market-related attitudes were compared using an ANOVA test. The comparison of three types of consumers revealed that luxury-bargain seekers and regular luxury consumers are distinct consumer markets. Overall, luxury consumers displayed high perceived values and brand loyalty and were fairly satisfied with the purchase at full-prices. On the other hand, luxury-bargain seekers showed significantly low perceived social value, perceived fairness toward the original price of the brands, and brand loyalty. They were satisfied with the bargain purchase but not likely to purchase the luxury at full-prices in the future. Understanding these distinct types of consumers and targeting them with different product and pricing strategies are important for luxury brands and retailers to expand luxury consumer base without diluting their brands' prestige image. Potential marketing strategies based on the findings of this study were suggested.

Keywords: luxury, bargain, perceived value, price fairness, brand loyalty

I. Introduction

Received September 22, 2018

Revised January 22, 2019

Accepted January 23, 2019

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As bargain now means getting the best value for money spent, bargain shopping has become one of the most popular shopping types regardless of gender, age, and social class. The past recession has trained consumers to seek a price bargain for every purchase, and this is not an exception for luxury goods. Consumers have far more access to luxury goods than in the past through luxury departments' off-price stores (e.g., Neiman Marcus Last Call, Saks Off 5th, Nordstrom Rack) and factory outlet malls (e.g., Woodbury Common Premium Outlets). Moreover, online private-sale sites (e.g., Rue Gilt Groupe, HauteLook, Ideeli) have been thriving over

the past decade, attracting aspirational shoppers with deeply discounted well-known luxury brands. One of the leading private sale sites, Rue Gilt Groupe, alone has more than 20 million registered customers and expects to grow more than \$1 billion in annual sales in the next couple of years (Fickenscher, 2018). The limited-time format and member-only access of these sites offer consumers the pleasure of bargain hunting by experiencing shopping as a game and provide luxury retailers an efficient and sophisticated way to get rid of their excess merchandise (Martinez & Kim, 2012).

Recent studies described the phenomenon of the increased availability of luxury to the masses as “democratization of luxury” (Kapferer, 2012), “bandwagon luxury consumption” (Kastanakis & Balabanis, 2012), and “mastige luxuries” (Silverstein & Fiske, 2003; Truong, McColl, & Kitchen, 2009). These studies attribute this phenomenon to emergence of conglomerates (e.g., LVMH Group, PPR Gucci) with different brand portfolio and affordable product offering by luxury brand extension. Others view this phenomenon from the perspective of off-price luxury market and aspirational luxury consumers. Lim, Kim, and Runyan (2013) examined the consumer characteristics and market behaviors (i.e., satisfaction, brand loyalty, future purchase intention) of consumers who seek bargains for their luxury purchases. A study done by Martinez and Kim (2012) investigated consumer characteristics, attitudes, and intentions to purchase luxury from a private sale site. This type of luxury consumption has expanded the luxury market by stretching the boundaries of access to luxury.

The perception of what is a luxury brand depends on the consumer’s evaluation of the desire, need, and perceived value generated by the brand’s ownership (Kemp, 1998; Vigneron & Johnson, 2004; Wiedmann, Hennigs, & Siebels, 2007). Danziger (2005) went so far as to claim that the real currency of the transaction in a luxury market is not money but the perceived value. Researchers (Nia & Zaichkowsky, 2000;

Vigneron & Johnson, 1999; Wiedmann et al., 2007) have identified perceived values of luxury as emotional benefits or intrinsic pleasure, symbolic and social meanings of the brands to conform to the lifestyle of their reference group, superior quality, uniqueness, and conspicuousness. While these studies focused on perceived value related to acquisition of luxury products, other studies (Darke & Dahl, 2003; Grewal, Monroe, & Kirshnan, 1998; Kahneman & Tversky, 1984; Schindler, 1998) pointed out perceived value obtained from taking advantage of the price deal *per se*. Consumers gain not only value of acquiring of the product (i.e., acquisition value) but also psychological value (i.e., transaction value) such as a sense of excitement and pleasure from bargain hunting. Researchers have identified bargain seeking as an important shopping motivation across gender, age, and social class, which leads to consumers’ shopping enjoyment, satisfaction, and purchase intention (Alford & Biswas, 2002; Cox, Cox, & Anderson, 2005; Darke & Dahl, 2003; Ganesh, Reynolds, Luckett, & Pomirleanu, 2010; Garretson & Burton, 2003; Kotzé, North, Stols, & Venter, 2012).

These studies have examined the impact of getting a bargain and psychological value obtained from a bargain on consumers’ market-related attitudes such as perceived value, satisfaction, and purchase intention in the context of general consumer goods. However, whether and how these bargain shoppers’ attitudes differ in the conflicting contexts between regular luxury consumption and non-luxury consumption has not been revealed in existing research. Because the concept of getting a bargain contradicts the core value of luxury such as premium prices and status symbols (Jackson & Haid, 2002; Moore & Birtwistle, 2005; Vigneron & Johnson, 1999), a bargain shopping experience for luxury may have different implications from bargain shopping for general consumer goods or traditional luxury consumption. As the size and growth of luxury bargain consumer base become difficult to overlook, there is also an increased concern

that price discount strategies may convey an unfitting brand worth and eventually dilute the mystique of luxury (Keller, 2009; Lim et al., 2013).

This study aims to examine whether and how consumers who seek a bargain differ from traditional luxury consumers or non-luxury consumers on their three attitude components (i.e., cognition, affect, and behavioral intention) (Breckler, 1984). More specifically, this study examines and compares multi-dimensional perceived values (cognition), fairness perception toward price paid (cognition/affect), fairness perception toward original price (cognition/affect), satisfaction with purchase (affect), brand loyalty (behavioral intention), and future purchase intention at full-prices (behavioral intention) among the three types of consumers. By doing so, this study attempts to provide practical implications and suggestions for marketing strategies to luxury fashion marketers.

II. Research Backgrounds

1. Perceived value and satisfaction

Perceived value has been an important element to achieve the market place advantage (Sweeney & Soutar, 2001). Perceived value is defined as a cognitive comparison of total benefits to total sacrifices, taking into consideration all aspects of a product's benefits and prices (Lam, Shankar, Erramilli, & Murthy, 2004). Sheth, Newman, and Gross (1991) viewed consumer choice behavior as a function of multiple consumption values and suggested five value dimensions (i.e., social, emotional, functional, epistemic, and conditional value) that make different contributions in different choice situations. Sweeney and Soutar (2001) argued that epistemic value and conditional value were less important in the context of durable goods and quality and price were functional subfactors that contributed separately to perceived value. Consequently, they proposed four perceived value dimensions of social, emotional, quality, and price value. In the context of luxury consumption,

Vigneron and Johnson (1999) categorized luxury consumers' prestige-seeking behaviors into five value constructs (i.e., social, emotional, conspicuous, unique, and quality value). The concept of social value is in line with Park and Lessig's (1977) value-expressive reference group influence. Social value relates to the product's ability to enhance social self-concept or a liking for the reference group. Publicly visible luxuries such as clothing and jewelry items are more susceptible to reference group influence and purchasing behaviors of these luxuries are highly influenced by social value (Bearden & Etzel, 1982; Sheth et al., 1991). Emotional value refers to the utility derived from the feelings or affective states that relate to the subjective intangible benefits beyond a product's functional benefits (Sweeney & Soutar, 2001). Previous studies identified the emotional value as an essential benefits generated from luxury products (Dubois & Laurent, 1996; Vigneron & Johnson, 2004). Quality value is the utility generated from the perceived quality and expected performance of the product (Sweeney & Soutar, 2001). Vigneron and Johnson (1999) argued that perceived quality plays an important role in consumers' perceptions of prestige on the brand. This study examines and compares the three types of consumers (i.e., luxury, luxury-bargain, and non-luxury consumers) on their perceived values. Thus, this study focuses on social value, emotional value, and quality value, which are equally relevant to the three types of consumers.

Satisfaction is defined as consumers' overall feelings created from the perceived value (Woodruff, 1997). While perceived value is regarded as a cognitive evaluation that captures the discrepancy between benefits and sacrifices, satisfaction is an affective evaluative response that varies along a hedonic continuum from unfavorable to favorable (Hunt, 1993; Sweeney & Soutar, 2001). Previous studies (e.g., Bagozzi, 1982; Choi, Cho, Lee, Lee, & Kim, 2004; Lam et al., 2004; Spreng, Dixon, & Olshavsky, 1993) have found that perceived value influenced consumer

satisfaction positively. Darke and Dahl (2003) found that value of a bargain (monetary and non-monetary rewards) increased satisfaction through fairness perception. This study explores how getting a bargain plays a role in perceived value dimensions and satisfaction in the context of luxury.

2. Perceived value of getting a bargain

Acquisition-transaction utility theory (Thaler, 1983) posit that a consumer's behavior depends not only the value of a good relative to its price (acquisition value), but also on the consumer's perception of the deal itself (transaction value). The transaction value relates to hedonic value of bargain shopping such as pleasure of finding a good deal and pleasure of bargain hunting, rather than acquisition value of the purchased good (Lichtenstein, Netemeyer, & Burton, 1990; Thaler, 1983). By paying a low price compared with a consumer's reference price or price others pay, the consumer feels achievement and excitement from their "smart" behaviors which lead to greater satisfaction (Darke & Dahl, 2003; Schindler, 1989). In bargain shopping, consumers view the pleasure of bargain hunting as an implicit competition between buyers as well as a competition between buyer and seller (Tauber, 1972) and gain ego-expressive excitement and a sense of pride in their ability to obtain bargains (Schindler, 1989). Grewal, Monroe, et al. (1998) found that transaction value generated from getting a bargain increased consumers' perceived acquisition value in the context of general consumer goods.

In contrast, Darke and Chung (2005) claimed that a discounted offer decreases perceived quality value of the product and subsequently undermines the values of the discount (i.e., transaction value), through negative price-quality inferences relating to the lower selling price. They argued that consumers may use the lower discount price as an indication of low quality, rather than thinking they are getting the same quality item at a lower price. However, the negative price-quality inferences were not applied when there

was quality assurance that the quality of the promoted item has not changed. In the context of luxury bargain, consumers may perceive that the discounted items as inferior goods that are out-of-season items or less popular items than products sold at full-prices. Or consumers' brand trust and explicit original prices may serve as quality assurance. This study examines these contradicting arguments in the luxury bargain context.

3. Perceived price fairness, luxury consumption, and a bargain

Consumers' fear of perceived exploitation and their perception of price (un)fairness constrain firms' profitability by driving certain consumer attitudes and behaviors such as consumer satisfaction and purchase intention (Bolton, Warlop, & Alba, 2003; Campbell, 1999; Martins & Monroe, 1994; Sinha & Batra, 1999; Vaidyanathan & Aggarwal, 2003). Perceived price fairness has been defined as a cognitive judgement of whether a price is deemed reasonable and just based on a comparison of the price with a reference price such as past prices, competitor prices, and vendor costs (Bolton et al., 2003). Xia, Monroe, and Cox (2004) pointed out that a price fairness judgement is subjective and tends to be biased by the buyer's self-interest, thus affect is an important element that accompanies the cognition of price equality or inequality. They argued that the judgement and feelings associated with advantaged (other consumers pay more) and disadvantaged (other consumers pay less) price inequality are different. In other words, the negative feeling associated with price inequality is weaker when the inequality is to the buyer's advantage (e.g., unease or guilty) than when it is to the buyer's disadvantage (e.g., anger or outrage). Extending this view, this study argues that fairness judgement and the feeling associated with advantaged price inequality can be positive (e.g., pleasure or excitement) when the buyer attributes this advantaged price inequality to "smart" behavior and his/her own skill to

find a good deal. This argument is supported by Darke and Dahl's (2003) finding that fairness perception of the deal was an importance non-monetary source of satisfaction with bargains. They found that bargains increased fairness perception that led to a higher level of satisfaction with the purchase.

The principle of dual entitlement (Kahneman, Knetsch, & Thaler, 1986) suggest that price differences can be justified by cost differences. Price-quality schema (Lichtenstein, Ridgway, & Netemeyer, 1993) suggests that higher prices can be justified by perceptions of increases in product quality. Luxury brands are those whose price and quality ratios are the highest of the market (McKinsey Corporation, 1990), which implies that the quality and cost may not fully justify premium prices of luxury. On the other hand, emotional- and social-values of luxury beyond quality may play a part in price fairness judgment. These conflicting views raise a question of whether and how consumers' price fairness perceptions towards luxury brands differs from those towards non-luxury brands.

Consumer reference prices can be originated from competitor price as well as vendor cost or quality perception. The same brand may be sold at different price points at competing stores that offer different level of convenience, service, or store atmosphere. Bolton et al. (2003) found that consumers were willing to pay higher prices to a vendor who carries higher cost, their fairness perceptions favored a less expensive competitor. Thus, consumers who purchase luxury at a bargain through off-price stores may show higher fairness perceptions toward the price they pay than luxury consumers do.

However, getting a bargain may influence consumers' fairness perception towards original price of the brand. Adaptation level theory (Helson, 1964) posits that consumers adapt to environmental cues and judge the stimuli (e.g., incoming price information) in relation to internally existing standards and they adjust their internal standards in the direction of the given

environmental cues. As luxury goods get more accessible at bargain prices, a consumer's perception of the price of the luxury may shift towards lower price points and may perceive the original price of luxury brand as less fair. Thus, consumers who purchase a luxury brand at a bargain may not willing to buy the luxury at a full price in the future.

III. Research Methods

1. Data collection and sample

This study examined luxury brands in the context of fashion such as clothing and accessories (e.g., apparel, bags, shoes, watches, scarves, jewelry). A certain brand may be perceived as a luxury for some consumers, but not for others. To avoid any subjective interpretation of luxury brands and provide consistency, a luxury list contains 27 luxury fashion brands (e.g., Burberry, Cartier, Chanel, Fendi, Prada) was developed and refined by a pilot-test conducted among 60 students and faculty in consumer sciences major. The sample was composed of online consumer panelists who had purchased a luxury fashion brand at a full price (luxury consumers, $n=167$); purchased a luxury fashion brand at a bargain (luxury-bargain seekers, $n=500$); purchased non-luxury fashion brand (non-luxury consumers, $n=168$). For the sample for luxury consumers and luxury-bargain seekers, consumers were asked whether they had purchased one of the brands from the luxury list at a full price (for luxury consumers) and at a bargain (for luxury-bargain seekers) in the past 12 months. If their answers were yes, they were asked to consider the most recent purchase to complete the questionnaire. For non-luxury consumers, consumers were asked to consider their most recent purchase for clothing and accessories to complete the questionnaire. These consumers were asked to indicate the brand considered and the responses that indicated non-luxury brands were included in further analysis. Examples of those brands were GAP, GUESS, Zara, Levi's, and Abercrombie &

Fitch.

The analysis of respondents' demographic information revealed that average age of luxury consumers was 44; compared to 45 for luxury-bargain seekers and 31 for non-luxury consumers. While 99% of luxury-bargain seekers were female, only 56% of luxury consumers and 71% of non-luxury consumers were female. To understand the actual representations of male and female for these three shopping types, no quota was set for gender. The result implies that consumers of luxury fashion brands include both male and female but bargain shopping for luxury fashion brands is prevalent only among female consumers. Annual household incomes of respondents were distributed widely from less than \$30,000 to more than \$130,000. Percentage of consumers who have more than \$130,000 as their household income was similar for luxury consumers (16%) and luxury-bargain seekers (15%). For ethnicity of luxury consumers, 72% were Caucasian, 3% were African-American, 5% were Hispanic, and 3% were Asian. For luxury-bargain seekers, 71% were Caucasian, 14% were African-American, 4% were Hispanic, and 9% were Asian. For non-luxury consumers, 76% were Caucasian, 10% were African-American, 6% were Hispanic, and 5% were Asian.

2. Measures

Measurement scales for all constructs were adapted from the literature using a 7-point Likert scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). A four-item scale for *social value*, five-item scale for *emotional value*, and six-item scale for *quality value* were adapted from Sweeney and Soutar (2001). Measurement scales for *transaction value* (a three-item scale), *price fairness perception* (a three-item scale), *satisfaction* (a three-item scale), *future intention to buy the brand at full price* (a three-item scale), and *brand loyalty* (a three-item scale) were adapted from Grewal, Monroe, et al.'s (1998) study, Vaidyanathan and Aggarwal's (2003) study, Seider, Voss, Grewal,

and Godfrey's (2005) study, Grewal, Krishnan, Baker, and Borin's (1998) study, and Yoo, Donthu, and Lee's (2000) study, respectively.

IV. Results

SPSS Statistics 24.0 was used to compare three consumer types (i.e., luxury consumers, luxury-bargain seekers, and non-luxury consumers) on their attitude components of cognition, affect, and behavioral intention. The internal reliabilities ranged from .756 to .974, which are greater than the minimum criteria of .70 (Nunnally & Bernstein, 1994). <Table 1> shows measurement items and internal reliabilities of all constructs.

ANOVA and *post hoc* tests using Tukey procedure were conducted to determine whether and how the three consumer types differ in their perceived values, price fairness perceptions, satisfaction, brand loyalty, and future purchase intention (Table 2).

Regardless of a bargain or not, consumers who bought luxury brand products displayed higher *emotional value* ($F=23.90, p<.001$) and *quality value* ($F=17.06, p<.001$) than non-luxury consumers. Luxury consumers and luxury-bargain seekers showed the same level of *emotional value* and *quality value*. However, luxury-bargain seekers displayed lower social value than luxury consumers did ($F=10.62, p<.001$) and the level of social value derived from acquisition of luxury at a bargain was the same level of social value derived from non-luxury purchase.

For perceived fairness of the price paid, luxury-bargain seekers displayed higher *perceived price fairness* ($F=12.93, p<.001$) than the other consumer types. Luxury consumers perceived full prices of luxury brand as fair at the same level as non-luxury consumers perceived prices of non-luxury goods as reasonable. Both luxury consumers and luxury-bargain seekers were more satisfied with purchase ($F=19.08, p<.001$) than non-luxury consumers were.

Fairness perception towards original price was measured

<Table 1> Measurement items and internal reliabilities of constructs

Constructs		Scale items	Reliability (Cronbach's alpha)		
			Luxury consumers	Luxury-bargain seekers	Non-luxury consumers
Perceived value	Social value	<ul style="list-style-type: none"> This (brand name, product item) would help me to feel acceptable. This (brand name, product item) would improve the way I am perceived. This (brand name, product item) would make a good impression on other people. This (brand name, product item) would give its owner social approval. 	.931	.940	.939
	Emotional value	<ul style="list-style-type: none"> This (brand name, product item) is one that I would enjoy. This (brand name, product item) would make me want to use it. This (brand name, product item) is one that I would feel relaxed about using. This (brand name, product item) would make me feel good. This (brand name, product item) would give me pleasure. 	.898	.900	.923
	Quality value	<ul style="list-style-type: none"> This (brand name, product item) has consistent quality. This (brand name, product item) is well made. This (brand name, product item) has an acceptable standard of quality. This (brand name, product item) has poor workmanship. (reverse coded). This (brand name, product item) would not last a long time. (reverse coded). This (brand name, product item) would perform consistently. 	.756	.795	.758
	Transaction value	<ul style="list-style-type: none"> Taking advantage of a price-deal like this made me feel good. I got a lot of pleasure knowing that I saved money at this reduced sale price. Beyond the money I saved, taking advantage of this price deal gave me a sense of joy. 	–	.868	–
Perceived price fairness		<ul style="list-style-type: none"> The price of this (brand name) was fair. The price of this (brand name) was acceptable. The price of this (brand name) was reasonable. 	.921	.957	.958
Original price fairness		<ul style="list-style-type: none"> The original price of this (brand name) was fair. The original price of this (brand name) was acceptable. The original price of this (brand name) was reasonable. 	–	.958	–
Satisfaction with purchase		<ul style="list-style-type: none"> I am pleased with the overall experience with this purchase. This purchase experience is a delightful. I am completely satisfied with this purchase experience. 	.876	.812	.809
Brand loyalty		<ul style="list-style-type: none"> I consider myself to be loyalty to (brand name). (Brand name) would be my first choice. I will not buy other brands if (brand name) is available at the store. 	.861	.858	.852
Future purchase intention at a full price		<ul style="list-style-type: none"> I would purchase clothing or accessories of (brand name) at full price in the future. I would consider buying clothing or accessories of (brand name) at full price in the future. The probability that I would consider buying clothing or accessories of (brand name) at full price is high. 	.913	.974	.939

<Table 2> Comparison of three consumer groups on attitude components

Constructs		Group mean scores			F-value
		Luxury consumers	Luxury-bargain seekers	Non-luxury consumers	
Perceived value	Social value	5.18 ^b	4.51 ^a	4.54 ^a	10.62 [*]
	Emotional value	5.81 ^b	5.92 ^b	5.27 ^a	23.90 [*]
	Quality value	5.91 ^b	5.97 ^b	5.46 ^a	17.06 [*]
	Transaction value	–	6.07	–	–
Perceived price fairness		5.23 ^a	5.75 ^b	5.44 ^a	12.93 [*]
Original price fairness		(5.23 ^b)	3.72 ^a	(5.44 ^b)	(103.27 [*])
Satisfaction with purchase		5.95 ^b	6.02 ^b	5.47 ^a	19.08 [*]
Brand loyalty		5.16 ^c	4.13 ^a	4.62 ^b	29.40 [*]
Future purchase intention at a full price		5.85 ^b	3.69 ^a	5.75 ^b	147.07 [*]

Notes: * $p < .001$; a pair of means with different superscripts indicates a significant difference (at $p < .05$) between the two groups ($a < b < c$) (Tukey *post hoc* test); group means of *perceived price fairness* were used as group means of *original price fairness* for luxury consumer and non-luxury consumers.

only for luxury-bargain seekers, because the other consumer groups paid full-prices (original prices). Thus, *perceived price fairness* for luxury consumers and non-luxury consumers was used to compare *original price fairness* for three consumer groups. Luxury-bargain seekers who had the highest *perceived price fairness* displayed significantly lower *original price fairness* ($F=103.27$, $p < .001$) than luxury consumers' *original price fairness* toward luxury brands or non-luxury consumers' *original price fairness* toward non-luxury brands. Not surprisingly, luxury-bargain seekers were significantly less willing to buy the brand at a full-price in the future than the other two consumers groups ($F=147.07$, $p < .001$), while luxury consumer and non-luxury consumers showed the same level of *future purchase intention at a full price*. Luxury consumers showed the highest brand loyalty, while luxury-bargain seekers showed the lowest brand loyalty ($F=29.40$, $p < .001$). This result implies that bargain seekers are likely to buy luxury regardless of brand if it is on sale.

V. Discussion and Implications

This study demonstrated that luxury-bargain seek-

ers in the luxury market differs from traditional luxury consumers or non-luxury consumers on their perceived values, price fairness perceptions, satisfaction, brand loyalty, and future purchase intention. The comparison of three types of consumers revealed that, overall, luxury consumers displayed high perceived social, emotional, and quality values, perceived the price they paid for the luxury as fair, were satisfied with their purchase, were willing to buy the luxury at full-prices in the future, and possessed the highest brand loyalty. On the other hand, luxury-bargain seekers generally showed lower perceived social value, perceived the bargain price as highly fair, displayed significantly low perceived fairness toward the original price of the brands, were satisfied with the purchase, were not likely to purchase the luxury at full-prices, and demonstrated significantly low brand loyalty.

The findings indicate that perception of quality and perceived emotional benefit associated with their purchased products stay the same regardless whether the luxury was purchased at a bargain price or a full-price. Getting a bargain for luxury does not appear to be influenced by negative price-quality inferences.

One possible reason is that luxury-bargain seekers may be familiar with luxury brands and products and have little doubt as to the quality of the luxury products despite of their bargain prices.

However, lower social value of luxury-bargain seekers implies that these consumers buy luxury primarily for emotions attached to the products and superior quality rather than for social approval or status signaling to reference groups. Moreover, this study suggests that social value of luxury may be associated with not only purchased products but also how they are purchased (at a bargain or a full-price; at a up-scale department store, off-price stores, or online sale sites), although it has been considered that acquisition value is associated with an acquired product itself and noticeable elements of the product such as brand of the product (Bearden & Etzel, 1982). Grewal, Monroe, et al. (1998) found that the perceived acquisition value was increased by psychological value of getting a bargain deal itself (i.e., transaction value) in the context of general consumer goods. Contrarily, this study found that when consumers get a bargain in the context of luxury consumption, total acquisition value would be decreased because they experience relatively low social value of the luxury brand.

The findings associated with *original price fairness* and *future purchase intention at a full price* affirm the concerns that luxury brands' frequently offere price deals to eliminate excess merchandise or long-term pricing discount strategy through outlet stores and online stores may lower consumers' reference prices for the brands and eventually their regular prices may not be justified.

The comparison of consumer market-related attitudes suggests that luxury-bargain seekers and regular luxury consumers are distinct consumer markets. Luxury-bargain seekers tend to buy luxury only when it is on sale and are not likely to contribute to luxury brands' regular sales. In contrast, luxury consumers are fairly satisfied with the purchase at full-prices. Understanding these distinct types of consumers and

targeting them with different product and pricing strategies may allow luxury brands and retailers to expand luxury consumer base ideally without diluting a brand's prestige image. For consumer who can afford full-prices of luxury, seeking a bargain is not about saving money but a pleasure of winning in the shopping game (Danziger, 2005). Luxury brands should prevent their loyal consumers from seeking bargain deals at off-price stores or online sale sites by providing a fun experience of bargain shopping for theses consumers while maintaining consumers' brand loyalty. Rather than indiscriminate price deals, price promotions on a limited basis or personalized discounts based on consumer brand loyalty, style preference, or lifestyle may provide a pleasant surprise to consumers while liquidating excess merchandises without the appearance of discounting.

Furthermore, luxury brands and retailers should distinguish the brands' core products that are sold only at full-prices from their popular products that appeal to the mass consumers and keep the core products from discounting to avoid the loss of prestige and exclusivity. A study by Han, Nunes, and Dr ze (2010) suggested that wealthy consumers who have less need to signal status to others want to associate with their own kind and are willing to pay a premium for inconspicuously branded products (i.e., products with low visual prominence and use discreet signals in their design) only these consumers can recognize. One of the reasons may be the desire of high-status consumers to distinguish themselves from the aspirational shoppers who dilute a brand image by consuming mass market versions of luxury goods (Eckhardt, Belk, & Wilson, 2015). Luxury brands may use this preference to differentiate product lines for their core consumers from those for the mass market with bargain deals.

Several limitations can be addressed from this study. First, the sample was drawn from online panel consumers recruited by marketing research firms. Therefore, the results of this study are not necessarily

generalizable to all consumers. Second, the study examined luxury fashion brands, thus caution should be taken in generalizing the findings of this study to other luxury product categories. Lastly, using self-report survey method, the participants were asked to recall information from memory, which allows the possibility that some of the self-reported information may not be accurate.

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