Getting Labeled
The Influence of Brand Prominence among Generation Y Consumers

Master’s thesis within International Marketing
Author: Carina Kradischnig
Tutor: Adele Berndt
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Abstract

Background: Since the early 1990s, the market for luxury goods has been growing at an unprecedented pace (Granot et al., 2013). Formerly exclusively targeting the richest of the rich, nowadays luxury products are aiming at a broader and considerably younger customer base, the Generation Y (Truong, 2010). Current studies suggest that luxury goods consumption is driven by a need to signal prestige (Grotts & Widner-Johnson, 2013; Nelissen & Meijers, 2011). However, this need can only be fulfilled when a signal is interpreted in the intended way. Nelissen & Meijers (2011) among others believe that a reliable signal can yield “fitness benefits”. Although researchers agree on the outcome of the signaling game, there appears to be no consensus on “what” a product should look like in order to serve as a reliable signal.

Purpose: This thesis investigates the impact of brand prominence on perceived “fitness benefits” among Generation Y consumers in the context of luxury fashion clothing.

Method: To meet the purpose of this thesis a quantitative study was conducted. The data was collected through a social experiment among students at Högskolan i Jönköping. The participants were randomly presented with one of three visual cues, capturing Brand Prominence by a person wearing t-shirts with differently sized brand logos. An oral survey was then conducted by which the attributed social "fitness" of the depicted person was assessed.

Conclusion: The overall results of this study suggest that Brand Prominence has not as much impact on Generation Y consumers than suggested by previous research. Empirical evidence is provided that the signaling process is not as straightforward as proposed by Nelissen & Meijers (2011) or Veblen (1899). The signaling process among Generation Y consumers is (a) influenced by the recipient’s characteristics and (b) by the subtlety of the signal. Furthermore, current studies suggest in accordance with the obtained results a shift from Luxury Consumption to the phenomenon of Luxury Experience. This implies the necessity for luxury manufacturers to adapt to new levels of complexity created by a demographically and geographically heterogeneous consumer landscape, characterized by a new way of Costly Signaling.
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Introduction

The introduction will give the reader relevant background information on the topic of luxury consumption, symbolic consumption as well as Generation Y’s importance within the luxury market. After the sound overview, the broader context is narrowed down to the current issue luxury marketers’ face. Based on this, the purpose of this research is stated. The section will end by explaining some definitions used in this research along with the structure of the thesis.

1.1 Background

Since the early 1990s, the market for luxury goods has been growing at an unprecedented pace (Granot et al., 2013). Between 1994 and 2013, the amount spent annually on luxurious goods has more than tripled (D’Aprizio, 2014) and with annual growth rates as high as 11% in the last two years, this does not appear to stop. In 2014 consumers spent an annual aggregate amount of more than 1.8 trillion dollar worldwide on items defined as luxury goods (Abtan et al., 2014). The Boston Consulting Group (2014) forecasts an even further rise in luxury goods expenditures. The personal-luxury-goods sector is predicted to expand annually around 7% over the next few years. This worldwide rapid growth creates a vast number of opportunities for luxury manufacturers and other luxury industry actors.

While the increasing demand in luxury goods can be seen as a matter of fact, the driving factors behind this growth might appear less evident. Though, the explanation may be complex, researchers and practitioners seem to agree on at least three major factors that have accelerated this phenomenon (Truong et al., 2008):

Firstly, the economic growth in most western countries and the unshackled economic growth in South-East Asian nations fosters the emergence of an affluent middle class (Deloitte, 2014; Vigneron & Johnson, 1999; 2004). This expanding population of upper middle class consumers in emerging markets is characterized by a growing wealth and an increasing willingness to buy western luxury brands (Deloitte, 2014).

Secondly, the continuing growth of luxurious expenditures can be explained by a phenomenon called “democratization” of luxury (Silverstein & Fiske, 2003; Truong et al., 2008; Vigneron & Johnson, 2004). Truong et al. (2008) claim that nowadays designers tend to “trade down” and provide “new luxury” goods. Therefore luxurious goods comprise both: traditional luxury brands such as Armani, Ralph Lauren or Hugo Boss and new luxury brands such as Boss Orange, Ralph Lauren Polo, Armani Exchange or GAP (Deloitte, 2014). This elucidates that luxury goods themselves are not a homogenous entity but rather can be divided into brands located at the top end of the price range and aspirational or so-called premium luxury. The latter is a relatively new luxury category, composed of products at prices affordable for middle class consumers, but available at the higher end of retail. These new luxury goods combine the benefits of prestige and self-fulfillment, but in comparison to traditional luxury goods are sold at accessible prices (Truong et al., 2009; Twitchell, 2002).

The need to consume for prestige and self-fulfillment can be seen as the third major driver for luxury consumption (Han et al., 2010). In psychological research, the desire for status is an important driving force in the luxury consumption market (Lee et al., 2015, p. 1341), a luxury market that is broader than ever. Formerly exclusively targeting the richest of the rich, new luxury products are targeting new customers (Truong et al., 2008; Truong, 2010).
According to Twitchell (2002), these customers are: “younger than clients of the old luxury used to be, they are far more numerous, make their money far sooner, and are far more flexible in financing and fickle in choice” (Twitchell, 2002, p. 272).

These consumers are the Generation Y (Gen Y). This cohort of young consumers in their 20s and 30s has more disposable income than any other cohort in history (Yeoman & Mcmahon-Beattie, 2006). Galloway (2010) goes so far as to call this generation “the future of prestige” since these consumers are strongly brand conscious, brand educated and regularly engage with luxury brands. According to a market research study conducted by L2, at least three quarters of Gen Y’s are believed to have an affinity for brands. One in eight is a self-proclaimed brand “devotee”. The top brands for both male and female Gen Y are dominated by luxury cloth brands such as Chanel, Cartier, and Ralph Lauren (Galloway, 2010).

Eastman & Liu (2012) even believe that Gen Y is more prone to consume for signaling status and prestige than previous cohorts (Eastman & Liu, 2012). This desire for status and prestige is according to several authors believed to be an important driving force in luxury consumption (Griskevicius et al., 2007; Mandel et al., 2006; Rucker & Galinsky, 2008). A desire which, in accordance with Lee et al. (2015) and Nelissen & Meijers (2011), is driven by the benefits a person perceives when signaling through a luxury good. People are willing to pay a premium to own and display luxury logos to be perceived as being “fitter” (Lee et al., 2015). In this context “fitter” is not associated with physical fitness. Being perceived as “fitter” is according to Nelissen & Meijers (2011) linked to a high prestige. Having a high prestige induces preferential treatment, as deference, privileges or being associated with socially desired traits as for instance status, wealth or attractiveness. These benefits are called “fitness benefits”.

The need to signal status and prestige is an aspect, which is believed to be linked to a display of symbolic apparel. It has been long recognized that clothes are perceived to be optimal signals for displaying and enhancing an identity (Grubb & Grathwohl, 1967; Levy, 1959; Nelissen & Meijers, 2011; O’Cass & McEwen, 2004; Piacentini & Mailer, 2004). This gains particular importance within today’s consumer generation. Especially luxury clothes and luxury brands are seen as optimal signals for a persons’ status (Goldsmith et al., 1996; Saad & Vongas, 2009). Therefore, it comes without surprise that authors like Bakewell et al. (2006) believe that Generation Y consumers use luxury clothes to satisfy their needs for social status.

Acknowledging the increasing consumer capacity and the high level of spending power, luxury brand manufacturers have already realized the importance of Generation Y, a consumer group that might be more difficult to target than previous cohorts (Abtan et al., 2014). The aspects traditional brands rely on, might no longer exist within these young consumers (Latter, 2012). Hence, luxury marketers realized the importance to gain a better understanding on how to target this young and promising consumer group (eMarketer, 2012; Martin & Turley, 2004; Wolburg & Pokrywcynski, 2001).

1.2 Problem Discussion

“You are what you wear” was once stated by Marc Jacobs, a high end fashion designer. This has never been truer than in today’s society, where judgment is rather based on looks than on actual functionality (Bakewell et al., 2006). Designers of luxurious apparel would like to believe that wearing their creations induces an image of wealth and high status. In fact it does, though perhaps not for the reasons those designers might like to believe, namely their inherent creative genius (The Economist, 2014).
Nelissen & Meijers (2011) have shown that not the design or the quality itself counts, but the label. The authors found that a person, wearing a premium logo, was attributed with a higher status and more wealth, when compared to the same person wearing no logo or a low-budget brand logo. Moreover, Nelissen & Meijers (2011) demonstrated that wearing a premium brand renders “fitness benefits” such as: co-operation from others, job recommendations, an attribution of certain qualities such as status, wealth and even the ability to collect more money when soliciting for charity. This is in line with the research conducted by De Fraja (2009), Hambauer (2012), Plourde (2008), Rege (2008) and Sundie et al. (2011), who found a similar connection between signals for prestige and “fitness benefits”.

When it comes to signaling status and wealth not just the fact that a luxurious label is displayed matters. According to Han et al. (2010), also the prominence of a label (e.g. logo size or repeat print) plays an important role. The authors have shown that different social groups prefer more conspicuously or inconspicuously branded luxury goods (Chaudhuri & Majumdar, 2006; Han et al., 2010).

As demonstrated above, the label of a luxury brand has an essential influence on a person’s perception. Especially luxury labels serve as optimal signals for status and wealth (Saad & Vongas, 2009) and can hence render “fitness benefits”. However, in correlation to the needs of certain consumer groups, different labeled luxury-brands are preferred.

Consequently, detailed knowledge about the interdependency of the brand logo presentation and the resulting social perception can help in designing products specifically tailored to the needs of Generation Y consumer, thus allowing the opportunity to increase sales numbers.

1.3 Purpose

Motivated by a need for status, uniqueness and conformity, Generation Y consumers engage in signaling through luxurious goods (Grotts & Widner-Johnson, 2013). By doing so, consumers are assumed to enhance their “fitness”. Having a higher ”fitness” is believed to increase the signalers’ social capital, resulting in a favorable treatment in social interactions (Nelissen & Meijers, 2011; Plourde, 2008; Rege, 2008; Sundie et al., 2011).

Driven by a wish to enhance the own “fitness”, individuals acquire and display luxury goods. Hence “why” people consume luxury goods has been shown (Chaudhuri et al., 2011; Leibenstein, 1950; Marcoux et al., 1997; Trigg, 2001; Veblen, 1904). However, few have considered “what” a signal should look like in order to serve as reliable signal. Hence, “what” comprises a reliable signal has gained little attention, so far (Nelissen & Meijers, 2011). Han et al. (2010) have shown that the prominence of a logo has an impact on this signaling process, which is considered successful, when the signaler is rewarded with “fitness benefits”.

Though, until now the impact of a brand’s prominence on perceived “fitness benefits” has gained little attention. Practitioners and academics are still left without sound knowledge, “what” luxury brands should be labeled, in order to serve as reliable signals (Latter, 2012). This study will focus on these shortcomings.

Given the growing importance of Generation Y, the increasing expenditures on luxury brands as well as their affinity for luxury brands, the purpose of this thesis is to investigate the impact of a luxury Brand Prominence on perceived “Fitness Benefits” among Generation Y in the context of luxury fashion clothes.
1.4 Delimitations

The author of this thesis defines delimitations as aspects that hinder the researcher to fulfill the stated purpose. Since the before introduced purpose can be achieved, the study is not delimited in that sense. Thus, the author of this thesis acknowledges that every research has limitations. These will be discussed in section 7.1.

1.5 Key Terms

Brand – This is defined as the “distinguishing name and symbols, such as a logo or trademark, intended to identify the goods or services of one seller or a group of sellers” (Aaker, 1991, p. 7). Brands create value for a company and the target customers (Keller, 2007, p. 67) by serving to signal the quality of the underlying offerings (Wernerfelt, 1988) and creating meaningful associations that add value beyond the intrinsic product attributes (Levy, 1959, p. 117).

Brand Prominence – This is defined as the extent to which a product has visible markings that help the consumers to recognize the brand. Manufacturers can produce a product with “loud” or conspicuous branding, which might be a relatively large logo or can tone a product down to “quiet” or discrete branding, which might be a relatively small logo (Han et al., 2010).

Conspicuous Consumption – Since Veblen (1899) first introduced this construct, numerous definitions were formulated, often treating status and conspicuous consumption as if they were one phenomenon. Within this thesis these constructs will be seen as distinct ones. Conspicuous Consumption is defined as the tendency for individuals to enhance their image through ostentatious consumption of possessions, which communicate prestige to others (Nelissen & Meijers, 2011; O’Cass & McEwen, 2004).

Fitness Benefits – These comprise the “benefits” that might be yield through an ostentatious display of prestige goods. By displaying goods that can signal prestige the signaler enhances her/his “fitness” (Nelissen & Meijers, 2011). When an individual is perceived as being “fitter” it experiences favorable treatments in social interactions, e.g. co-operation from others, job recommendations, an attribution of certain qualities (Nelissen & Meijers, 2011; Plourde, 2008; Rege, 2008; Sundie et al., 2011). The qualities ascribed and the benefits received are labeled “fitness benefits” (Nelissen & Meijers, 2011).

Generation Y – This is defined as the generation born between the early 1980s to the early 2000s (Stein, 2013). This comprises primarily the children of the baby boomers (Morton, 2002; Noble et al., 2009), which were born in Sweden during a period around 1990 (Statistiska Centralbyrån, 2012).

Luxury Brand – Although there have been numerous attempts to define a luxury brand there is not a unique definition, as the luxury concept is constantly evolving and very subjective (Chevalier & Mazzalovo 2008; Kapferer, 1998). In this thesis luxury brands comprise both, “traditional” and “new” brands. They are defined as goods having higher unit prices and/or carry a designer brand name and/or are produced from high quality and/or rare ingredients (Deloitte, 2014). Besides the functional aspects, within this thesis, luxury brands are regarded as images in the mind of the consumers, creating an aura of exclusivity (Heine, 2012).
**Prestige** – Prestige consists of the authority and privileges freely given to an individual by others (Plourde, 2008). This is caused by the widespread respect and admiration felt for someone or something on the basis of a perception of their achievements or quality. Prestige is seen as a reliable measurement of a person’s qualities (Henrich & Gil-White, 2001).

**Status** – This is the degree of social honor, respect or consideration awarded to an individual by others (Dawson & Cavell 1987, p. 487). Status can be viewed as a probable consequence of prestige (Weiss & Chaim, 1998; Clark et al., 2007). Individuals being judged as having a high degree of status can enjoy privileges (e.g. preferential treatment in social interactions or greater access to desirable things) (Henrich & Gil-White, 2001; Nelissen & Meijers, 2011). Status can be either assigned (e.g., royalty), achieved (by doing a better job compared to others) or consumed (e.g., luxury goods) (Eastman et al., 1999). For this thesis, the latter will be in the center of attention.

**1.6 Structure**

This section gives a short overview of the structure on the thesis, which is illustrated in Figure 1.

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**Figure 1**: Structure of the Thesis.

The thesis is started by giving a foundational understanding of the topic. Following the theoretical background, the hypotheses and the taken methodological stance are presented. Next, the method will be discussed, providing the reader with a precise description of how the research was conducted. Subsequently, the results will be presented. To conclude, the results from the sections will be examined in conjunction with the literature previously reviewed in order to draw conclusions about the findings and their usefulness in academic and real life applications.
2 Theoretical Background

This section will review existing literature and theories relating to the purpose of this research. It starts with a discussion about Conspicuous Consumption and the importance of Costly Signaling. Following a framework is presented determining which aspects comprise the reliability of a signal. After that the identified aspects are elaborated. Finally, the importance of Generation Y for today’s luxury marketing will be discussed.

2.1 Conspicuous Consumption

Consumption - defined as spending money to acquire goods and services - is instrumental to satisfy a person’s needs and wants. The extent to which a product can serve that purpose depends on its properties (Witt, 2010). These properties might depend on a product’s functional characteristics. Yet, a number of consumer research studies support the premise that individuals look beyond the basic functional utility of a product (Berger & Heath, 2007; Chaudhuri & Majumdar, 2006; Levy, 1959; Patsiaouras & Fitchett, 2012). In many cases, products are perceived as symbolic tools. These symbols can serve in: (1) exposing, constructing, maintaining, and enhancing an individual’s identity (Elliott & Wattanasuwan, 1998), (2) can signal group conformity or non-conformism (Elliott & Wattanasuwan, 1998) or (3) might signal social distinction (Levy, 1959). When it comes to signaling status and prestige, the Theory of Conspicuous Consumption gains importance (e.g. Gierl & Huettl, 2010; Levy, 1959; Nelissen & Meijers, 2011; Patsiaouras & Fitchett, 2012; Truong, 2010).

Conspicuous Consumption is defined as an act of attaining and exhibiting costly items to impress others (O’Cass & McEwen, 2004; Trigg, 2001). This phenomenon of preferring more expensive over cheaper, yet functionally equivalent products was introduced over 100 years ago by Thorstein Veblen. Since then, psychological research has confirmed that the desire for status and prestige is an especially important force in driving the market for luxurious goods (Drèze & Nunes, 2009; Griskevicius et al., 2007; Rucker & Galinsky, 2008).

An aspect making the concept of Conspicuous Consumption essential for the luxury market – a market driven by the symbolic meanings of a good – is the assumption that the phenomenon of Conspicuous Consumption is a form of Costly Signaling (Dittmar & Drury, 2000; Nelissen & Meijers, 2011; Sundie et al., 2011; Wang & Griskevicius, 2014). Conspicuous Consumption is a signaling process always involving the communication between two parties, namely the signaler and the recipient of the signal (Sivanathan & Pettit, 2010). This communication is seen as signaling game (Grafen, 1990; Zahavi, 1975). Within this game “certain traits and behaviors of organisms have a signaling function as they convey important information about the organisms to relevant others” (van Vugt & Hardy, 2009, p. 2). The relationship between the signaler, the signal and the recipient is depicted in Figure 2.
As aforementioned, by a display of costly and wasteful items the signaler strives to communicate uniqueness, status or conformity with an exclusive social group (Chaudhuri & Majumdar, 2006; Gierl & Huettl, 2010; Marcoux et al., 1997; O’Cass & Frost, 2002; Trigg, 2001). Hence, “why” the signaler engages in this signaling game has been shown by numerous authors (Belk, 1985; Berger & Shiv, 2011; Bliege-Bird & Smith, 2005; Chaudhuri & Majumdar, 2006; O’Cass & McEwen, 2004; Tian et al., 2001; Vigneron & Johnson, 2004). The essential question is whether or not the signaler succeeds in the signaling game. A signaler succeeds, if the depicted signal is perceived as reliable.

Some authors argue that the costlier a particular signal is, the more reliable it will be (Maynard & Harper, 2003 cited in Fraser, 2012; Plourde, 2008; van Vugt & Hardy, 2009). Others believe that not only the costliness plays a crucial role (Han et al., 2010; Nelissen & Meijers, 2011). While there is no clear definition on what comprises a reliable signal, it is however agreed that the ultimate outcome of the signaling game are the perceived “fitness benefits”. Nevertheless, it still requires further knowledge on “what” a product should look like in order to serve as a reliable signal and hence yield “fitness benefits”. This thesis will focus on this aspect.

To understand “what” a signal should look like, the following sections will firstly provide an overview about the “fitness benefits” that can be induced by displaying a reliable signal (see section 2.2). Secondly, the criteria for a reliable signal are discussed (see section 2.3 and 2.4). Finally, the importance of signals in a marketing connection and Generation Y will be addressed (section 2.5 and 2.6).

### 2.2 Fitness Benefits

The very nature of *Conspicuous Consumption* appears to be related to the benefits an individual obtains by displaying its possessions (Dittmar, 2004; O’Cass & McEwen, 2004). As already recognized by Dittmar (1992), individuals define themselves as well as others in terms of their possessions; hence an individual’s identity is influenced by the symbolic meaning of his/her own material possessions. These possessions can serve as symbols for a person’s quality, attachments and interests (O’Cass & McEwen, 2004).
Nelissen & Meijers (2011) believe that people, who are seen as having a high degree of qualities/prestige, are rewarded with benefits in social interactions. The benefits an individual receives comprise on the one hand an association with socially desirable traits. On the other hand individuals receive preferential treatment in social interactions (Bagwell & Bernheim, 1996; Nelissen & Meijers, 2011; O’Cass & McEwen, 2004; Sundie et al., 2011).

As the number of studies on “fitness benefits” is rather limited (Hambauer, 2012; Nelissen & Meijers, 2011), the following section seeks to provide an overview of studies already carried out.

2.2.1 Status and Wealth

Status and wealth are, even though inherently different constructs, related when it comes to the Theory of Conspicuous Consumption (Godoy et al., 2007; Lee et al., 2015; Nelissen & Meijers, 2011). The connection between status and wealth was initially addressed by Veblen who postulated that possessing financial resources is rewarded with status (e.g. Chaudhuri & Majumdar, 2006; Han et al., 2010; Mandel et al., 2006; Nelissen & Meijers, 2011; Patsiaouras & Fitchett, 2012; Saad & Vongas, 2009; Truong et al., 2008). The focal aspect within the Theory of Conspicuous Consumption is that status is only ascribed, if the displayed financial possessions are wasteful and costly. This means that only those individuals are rewarded with status, that have costs in terms of energy, risk, time and money when producing a signal (Scott, 2010; Trigg, 2001). Since not everyone can afford these costs, they guarantee the reliability of the signal (Buchli, 2004; Fraser, 2012; Plourde, 2008; van Vugt & Hardy, 2009).

Several academics believe that especially the display of luxury accords for an attribution of status and wealth (Birtwistle & Moore, 2005; Han et al., 2010; Kastanakis & Balabanis, 2014; O’Cass & McEwen, 2004). This is accounted for by two aspects: On the one hand, Nelissen & Meijers (2011) believe that wealth is indicated, since it is a predisposition for buying luxury products in the first place. On the other hand, luxury goods can indicate a certain degree of “wastefulness”, since they cost more without providing any additional utility over their cheaper counterparts (Bagwell & Bernheim, 1996; Dubois & Duquesne, 1993; O’Cass & Frost, 2002). As mentioned earlier, Veblen (1899) claims that only those who can afford wasteful spending are perceived as having a high status (Trigg, 2001), thus they might reveal honest information about the qualities of a signaler. This information can be used to advertise “fitness” in the form of wealth and status (Lee et al., 2015; Nelissen & Meijers, 2011).

Although numerous authors still refer to The Theory of the Leisure Class, the market landscape has quite changed since Veblen (Chaudhuri & Majumdar, 2006). Luxury goods are still believed to indicate status and wealth, however not purely because of the costs involved (Witt, 2010). Instead, the image and symbolic meaning of a product is consumed today (Chaudhuri & Majumdar, 2006).

Nowadays aspects such as conspicuousness, a signaler’s social group and the characteristics of the recipients are believed to have an impact on the perception of wealth and status (Hambauer, 2012; Han et al., 2010). Han et al. (2010) believe that a recipient’s own wealth and own longing for status play an essential role within the signaling game. Furthermore, the conspicuousness of a product has an impact on the perception of status and wealth, an aspect which was already addressed by Hambauer (2012). Though, what Hambauer (2012) did not take into consideration are the social context and the importance of a recipient’s characteristics. This shortcoming will be addressed in the research at hand.
2.2.2 Attractiveness

According to Cole et al. (1992, 1995), a conspicuous display of wealth can have a positive impact on the perceived attractiveness of a signaler. Likewise, Cole et al. (1992, 1995), De Fraja (2009), Hambauer (2012) Sundie et al. (2011) and Wang & Griskevicius (2014) claim that individuals, who conspicuously display evidence of their financial resources, are perceived as more attractive to the opposite sex. Males are especially believed to enhance their (short-term) mating desirability, when they conspicuously flaunt by displaying luxurious goods (Fraja, 2009; Sundie et al., 2011; Wang & Griskevicius, 2014). Independent of a man’s relationship status, by flaunting wealth on himself or his date, he was regarded as more desirable and attractive (Wang & Griskevicius, 2014). The effect of wasteful spending is not exclusively limited to luxury apparel, as men can signal attractiveness through any kind of wasteful spending (Gangestad & Simpson, 2000; van Vugt, 2008; Wang & Griskevicius, 2014; Waynforth & Dunbar, 1995).

Although the above mentioned studies primarily focused on males, Lee et al. (2015); Nelissen & Meijers (2011) as well as Van Vugt (2008) believe that signaling through wasteful expenditures does not only imply benefits for men. Hence, it cannot be assumed that solely men flaunting wealth are seen as more attractive.

2.2.3 Trustworthiness

According to Berger et al. (1980), those individuals, who are perceived as having a high status are more trusted, in that they are given more control over group decisions and enjoy more opportunities to contribute (Berger et al., 1980; Lount & Pettit, 2012; Podolny, 1993; van Vugt & Hardy, 2009).

Status and hence trust can be conferred by dispositions and reputation (Righetti & Finkenauer, 2011; Tinsley et al., 2002), as well as a person’s physical appearance (Krumhuber et al., 2007), which does not exclusively comprise physical attractiveness. Nelissen & Meijers (2011) as well as Hambauer (2012) believe that an aspect linked to a person’s appearance is the display of a luxury brand. By displaying a luxury brand, an individual signals non-observable qualities such as trust (Nelissen & Meijers, 2011). Consequently Berger et al. (1980), Hambauer (2012) and Nelissen & Meijers (2011) state, that when a brand is displayed in a conspicuous manner, a person is perceived as being more trustworthy.

2.2.4 Competence

According to Schüpbach et al. (2005), competence is defined as a person’s abilities, knowledge and skills, that enable her/him to act effectively in business or private situations (Schüpbach et al., 2005). Based on the findings of Henrich & Gil-White (2001), Plourde (2008) and Rege (2008), it can be assumed that people signaling via wasteful and costly goods are perceived as more competent.

Rege (2008) believes that people tend to care about status and prestige as they serve as signals of their non-observable abilities (Rege, 2008). If someone is perceived as having a high status, others are willed to cooperate with her/him as they believe that this person is particularly competent, especially in a professional environment. This means that other individuals with high business skills are more likely to cooperate with this person, since this person is believed to have likewise business skills. Though, as abilities are non-observable individuals must engage in signaling to communicate them. One way of signaling status and hence abilities, can be achieved by displaying luxurious goods. Displaying luxury goods
therefore helps a businessman to increase his chances of making business contacts with (other) high ability people (Rege, 2008).

Plourde (2008) demonstrated in a game theoretical model that luxury goods are seen as honest signals of skills and knowledge. An individual strives to signal skills and knowledge as this leads to preferential treatments in social interactions. The source of this preferential treatment lies in the fact that a person, who is seen having a high knowledge, expertise, or advanced skill in some domain of activity, is perceived as prestigious (Henrich & Gil-White, 2001). Prestige consists of the authority and privilege given to an individual by others. Privileges and authority are experienced, as less skilled individuals admire, desire to know and are willed to defer to a prestigious person. Less skilled individuals seek to copy the highly skilled ones and wish being tutored by this person. In order to be tutored, lower skilled individuals try to please a prestigious person. This person hence receives a preferential treatment (Plourde, 2008). Therefore, highly skilled individuals have a higher status and receive deference and privileges (Henrich & Gil-White, 2001).

Based on this, the postulate is made that luxury brands can serve as reliable signals for a person’s competences.

2.2.5 Favorable Treatment

As discussed above, De Fraja (2009), Lee et al. (2015), Nelissen & Meijers (2011), Plourde (2008), Rege (2008) and Sundie et al. (2011) assume that a person is perceived as being “fitter” when signaling through costly and wasteful goods. The authors state that by displaying for instance a luxurious good a person is perceived as having a higher status and wealth, being more attractive, trustworthy and competent. Due to these qualities, a signaling individual is treated preferentially in social interactions.

Lee et al. (2015) as well as Nelissen & Meijers (2011) believe that people treat a person, who displays luxury brands, more favorable than the same person wearing an identical piece of clothing without a brand label. The authors claim that people are more compliant and generous to a person displaying a luxury good. Moreover, the authors believe that by wearing a luxury labeled apparel, a person is even perceived as more suitable for a job vacancy. The recipients of a costly signal are on the one hand more willed to co-operate with a person signaling through a costly brand. On the other hand, a person flaunting a brand labeled shirt was even able to collect more money when soliciting for charity (Nelissen & Meijers, 2011). Several researchers state that Conspicuous Consumption increases a signaler’s social capital resulting in a formation of alliances (Rege, 2008) that may even yield protection, care, cooperation (Nelissen & Meijers, 2011; Plourde, 2008) and mating opportunities (Cole et al., 1992; Fraja, 2009; Sundie et al., 2011; Wang & Griskevicius, 2014).

To sum up - by displaying luxury brands an individual can (Hambauer, 2012):

• induce favorable treatment in social interactions,
• encourage an attribution of certain qualities,
• enhance his mating desirability,
• be confronted with a higher willingness for co-operation in both private and professional environments.
2.3 Luxury Brands as Symbols

Gierl & Huettl (2010) argue that not every product or brand qualifies as a symbolic tool, suitable for Costly Signaling. In order to qualify as a symbolic tool, a product must fulfill certain criteria (Bliege-Bird & Smith, 2005; Gierl & Huettl, 2010; Nelissen & Meijers, 2011).

2.3.1 Fitness Benefits

Firstly, a brand can only then serve as a reliable signal if it yields a “fitness benefit” for the signaler (Bliege-Bird & Smith, 2005; Nelissen & Meijers, 2011; Zahavi, 1975). These “fitness benefits” are ultimately driven from the effects of Conspicuous Consumption (Bagwell & Bernheim, 1996; Nelissen & Meijers, 2011; O’Cass & McEwen, 2004).

Recent studies revealed that people assumed submissive postures when confronted with a person who displayed a luxury good (Fennis, 2008). Similar assumptions were also made by Nelissen & Meijers (2011). The authors showed within the scope of seven experiments that by displaying luxury goods, individuals can induce certain benefits in social interactions (Nelissen & Meijers, 2011).

2.3.2 Social Visibility

The second criterion that must be met is the social visibility of a product or brand. Already Veblen stressed the fact that “in order to gain and to hold esteem of men, it is not sufficient to possess wealth or power. The wealth or power must be put in evidence, for esteem is awarded only on evidence” (Veblen, 1899, p. 24 cited in Gierl & Huettl, 2010). According to Scott (2010), this is essential as status is not automatically ascribed to those, who are affluent, but rather status is obtained by those, who put their wealth on display. Therefore, Conspicuous Consumption is bound to overt consumption of possessions (Bearden & Etzel, 1982). This is crucial since Conspicuous Consumption must be verifiable by external contacts. If the consumption of a costly product is not visible and hence not verifiable by others, a signal is no longer needed, which would deem it as irrelevant (Chao & Schor, 1998).

Nelissen & Meijers (2011), O’Cass & McEwen (2004) and Smith & Bird (2003) claim that especially luxurious brands can fulfill this criterion, since brand labels are designed to be visible, recognizable and hence are easily observable.

2.3.3 Scarcity

The third criterion that must be met is the scarcity of the product. Since the introduction of the Theory of Conspicuous Consumption it is argued that only if a product is characterized by a certain exclusivity and scarcity it can be seen as a reliable signal (Gierl & Huettl, 2010; Marcoux et al., 1997; O’Cass & Frost, 2002; O’Cass & McEwen, 2004). This scarcity can be either guaranteed by a limited supply, implying that the number of co-owners of a product is restricted from the beginning or by a high price (Elliott & Wattanasuwon, 1998; Fraser, 2012; Gierl & Huettl, 2010; Plourde, 2008). A high price is crucial, since no merits arise from the consumption of the bare necessities of life (Scott, 2010). Though, by possessing or consuming an expensive and scare product, a superior social status can be signaled (Gierl & Huettl, 2010).

However, nowadays the aspect of scarcity comprises several issues for marketers. Driven by the democratization of luxury (see section 1), today’s luxury marketers are faced with a tightrope walk between scarcity and mass-availability (Atwal & Bryson, 2014; Meurer & Manninger, 2012). Marketers are forced to down-grade their products whilst still remaining a certain degree of scarcity, exclusivity and prestige.
Some authors argue that “new luxury” brands still have an aura of scarcity and prestige, since they are characterized by a higher price than most mass brands. Nevertheless luxury manufacturers are still faced with the issue of “down-grading” their products (Meurer & Manninger, 2012). Therefore, the symbolic meaning of a luxury product plays more than ever a crucial role. Luxury brands will only then remain their exclusivity if they still can provide their owners with privileges. Only if the recipients actually believe that the wearer of the brand belongs to a privileged and sophisticated minority, from which the majority is excluded (Shipman, 2004), the brand will remain a reliable signal. Which signals are reliable within Gen Y are therefore an aspect that should be further investigated. This leads to the next criterion.

### 2.3.4 Agreed on Meaning

Individuals use costly behaviors such as Conspicuous Consumption to convey information about themselves (Zahavi, 1975). This implies that there must be significant others, who receive and correctly interpret the signal. Hence, the fourth criterion that must be met is that products must have a symbolic meaning that can be interpreted by the relevant others in the intended way. This means that a product should clearly express status, uniqueness, or conformity (Bagwell & Bernheim, 1996; Belk, 1988; Gierl & Huettl, 2010; Grubb & Grathwohl, 1967).

Though, O’Cass & McEwen (2004) stress that the agreed on meaning of products and brands depends to a large extend on a person’s reference group. An example is a person’s nationality: A signal that is reliable within European Generation Y consumers is not necessarily so for Asian consumers (Erdem et al., 2006). Furthermore also aspects such as wealth, culture and the tendencies of consuming a product to signal status have to be taken into consideration (Han et al., 2010).

Based on this discussion, it can be argued that especially luxury fashion brands play an important role within the Theory of Conspicuous Consumption. In accordance with Bliege et al. (2005), Nelissen & Meijers (2011) and Shipman (2004), the author of this thesis argues that luxury brands can serve as reliable signals, since they are characterized by a degree of uniqueness, costliness, can be publicly displayed and might yield “fitness benefits”. This means that luxury brands can induce an attribution of certain qualities and elicit favorable treatment in social interactions (Nelissen & Meijers, 2011). However, since the consumer landscape has dramatically changed over the last decades (Deloitte, 2014), authors such as Han et al. (2010) argue that not only the fact that a luxurious brand is displayed matters. The authors suggest that also a brand’s prominence has an impact on the signaling process. The meaning of a product depends to a large extent on the visibility of its logo (Husic & Cicic, 2009). This will be further discussed in the next section.

### 2.4 Brand Prominence

An aspect, which plays a crucial role in properly classifying a product, is a brand’s prominence. Han et al. (2010) state that in dependence of a consumer’s wealth and need for status more conspicuously or inconspicuously branded luxury goods are preferred.

#### 2.4.1 “Loud” and “Quiet” Luxury Logos

To demonstrate this, Han et al. (2010) introduced a construct called Brand Prominence. The construct reflects the conspicuousness of a brand’s mark or logo on a product. Brand Prominence is hence the extent to which a product has “visible markings that help ensure observers recognize the brand” (Han et al., 2010, p. 15). Han et al. (2010) claim that manufactur-
ers can either produce a product with “loud” or conspicuous branding or tone it down to “quiet” or discrete branding. The conspicuousness depends on the size of the displayed trademark. A trademark is a distinctive name, emblem, symbol or motto that helps identifying a product or firm. The authors examined the size of the Mercedes emblem on cars and sport-utility vehicles. A similar study was conducted with handbags and shoes, though here also aspects as fabric were assessed (Han et al., 2010).

Based on their studies Han et al. (2010) conclude that a product is “loud” or conspicuously branded, when the brand name, logo or monogram is presented in an obvious manner (“loud” logo). This means that the logo or emblem is so big, that is easily observable. In the case of discrete or “quiet” branding a product is marked less explicit, using only subtle, but still distinctive features as a particular material or a smaller logo (“quiet” logo) (Han et al., 2010).

**2.4.2 Signal Preference and Taxonomy**

According to Han et al. (2010), differently branded products serve consumers for associating themselves with and/or disassociating themselves from other groups of consumers. The importance of other consumer groups (in this case reference groups) makes the concept of Brand Prominence suitable for investigation within the concept of Conspicuous Consumption (Hambauer, 2012).

The core of Han’s et al. (2010) framework is a classification of four groups of consumers. Based on their financial background and the degree to which their behavior is motivated by a need for status, consumers are either classified as a Patrician, Parvenu, Poseur or Proletarian.

Patricians possess significant wealth and pay a premium for inconspicuously branded products. This group is primarily concerned with associating with other Patricians; hence they use subtle signals that only other Patricians can interpreter (Han et al., 2010). These consumers would for instance prefer a Bottega Veneta hobo bag (€ 2.200) over a Gucci “new britt” hobo bag (€ 610), since wearing a Bottega Veneta bag provides a differentiation from the mainstream. This differentiation from others and the association with their own group is caused by the fact that only insiders (Patrician) have the necessary connoisseurship to decode the meaning of the subtle signals of this bag (Berger & Ward, 2010).

The second group comprises Parvenus. These consumers possess significant wealth, however might not have the connoisseurship necessary to interpret subtle signals (Bourdieu, 1984; Han et al., 2010). This means that they are unlikely to recognize the subtle details of a Hermès (Cohen et al., 2007) or Bottega Veneta bag. Besides, and this is plays an essential role when it comes to Conspicuous Consumption, these consumers crave status. These consumers would prefer the Gucci “new britt” hobo bag with its big logo, as it serves as a conspicuous signal for wealth. Also, Louis Vuitton’s distinctive “LV” monogram is believed to be cherished by this status driven group. For Parvenus the “LV” monogram is synonymous with luxury. Parvenus assume that the logo makes it transparent that the handbag is costly and hence beyond reach of less affluent consumers. This is insofar essential, as Parvenus are first and foremost concerned with separating themselves from Proletarians and Poseurs (Have-nots). Concurrently, they want to associate themselves with other Haves, both Patricians and other Parvenus (Han et al., 2010).

The third group is called Poseurs. Consumers belonging to this group do not possess the financial means to afford luxury goods. Yet, they want to associate themselves with those they observe having the financial means (Parvenus). Likewise, they wish to disassociate
themselves from other less affluent people (Have-nots). Hence, these consumers are prone to buying counterfeit luxury goods that are conspicuous or “loud” in displaying the brand (Han et al., 2010).

The fourth class of consumers is labeled Proletarians. These consumers do not possess considerable wealth, but they are not prone in displaying status. Proletarians neither seek to be associated with the upper class, nor feel the urge to dissociate themselves from other Have-Not. As a result they do not concern themselves with signaling by using goods that confer status (Han et al., 2010). These four social groups and their connections are exemplified in Figure 3.

![Figure 3: Signal Preference and Taxonomy Based on Wealth and Need for Status. Han et al. (2010, p. 17).](image)

Figure 3 demonstrates that even though branding experts typically advise marketers to display their brand clearly and prominently, this perception may not hold for some luxury brands. This applies in particular to products at the high end of the product line (Han et al., 2010, p. 27). More affordable luxury goods should be branded more prominently. Consequently, by branding their products more or less prominently and varying the price accordingly, luxury good manufacturers can target different consumer group (Han et al., 2010). Keeping in mind, the democratization of luxury and the increasing buying power of a young brand conscious middle class, Han’s et al. (2010) framework appears to be a crucial element in today’s brand management (Hambauer, 2012).
2.5 Luxury Brands in a Marketing Perspective

As illustrated, the prominence of a brand plays a crucial role within the signaling game. Admittedly, the question arises why marketers should care about branding their products more or less visible.

According to Dawar (2004), brands have become the focal point of a company’s marketing expenditures. At a strategic level, brands can be the prime platform for establishing customer relationships. These relationships arise when a luxury brand fulfills its stated promises, namely to yield status and prestige (Dawar, 2004; O’Cass & McEwen, 2004). On a tactical level, advertising and promoting brands drive traffic and sales volume. Besides these short term advantages, brands can increase the chances for a repeated purchase in the long run. In fact, brands are seen as a source of market power, competitive advantage and higher returns (Dawar, 2004; Shipman, 2004). To sum up, by creating value for consumers a company can increase its marketplace recognition and economic success.

Therefore, a strong brand can create value for both consumers and manufacturers. O’Cass & McEwen (2004) even go as far as to claim that a company’s economic superiority is caused by the strength of its brand name. Thus, not only the brand name is essential, for some customer groups also the logo plays a crucial role. Especially consumers characterized by a high need for status place a great importance on the name and emblem a brand has (Han et al., 2010). The postulated importance of an emblem forces marketers to at least rethink their branding strategy. Only those, who actually understand how to label their products in a way that appeals their target customers, will succeed in the long run.

The above mentioned deems it as essential that the marketing management should carefully control the marketing of a product so that the relevant customers are attracted (Grubb & Grathwohl, 1967). This means that the products should be promoted and marked in a way that the target customers are capable of properly classifying a product and therefore, behave toward the product in a manner, desired by the company.

2.6 Luxury Brands and Generation Y Consumers

Academics and practitioners argue that Generation Y is a cohort both lucrative and fickle and is set to dominate the retail trade sector. In comparison to previous cohorts, Generation Y consumers have an tremendous spending power (Noble et al., 2009). Combined with the fact that Gen Y is predicted to represent 106 million of the population in Europe by 2020 and is expected to outspend Baby Boomers by 2017 (Colliers International, 2011), it is believed that Gen Y will have the largest share of the consumer market (Galloway, 2010; Lassere, 2012; Noble et al., 2009; Yeoman & Memahon-Beattie, 2006). Given the rapid growth and optimistic outlook for domestic and international retailing (Knight & Kim, 2007), businesses who embrace Generation Y consumers are believed to create a competitive advantage (Khoo and Conisbee 2008). What should matter most, is how to target this potential customer group.

Several authors believe that Gen Y consumers are motivated by the need to signal status and are particularly likely to be involved in luxury consumption (Eastman & Liu, 2012; Grotts & Widner-Johnson, 2013; Noble et al., 2009). Gen Y consumers regard themselves as trendsetters (Noble et al., 2009). This trendsetting is driven by a high fashion awareness and a need to express the own identity and social status through luxury fashion brands (Noble et al., 2009; Piacentini & Mailer, 2004). Focal for the concepts of Conspicuous Consumption and Costly Signaling is the aspect that Generation Y consumer’s clothes choices are
not only bound to self-expression. This cohort sees clothing choices as a way of judging the people and situations they face (Piacentini & Mailer, 2004). Gen Y consumers make inferences about others' status and wealth, solely based on the “looks” displayed (Bakewell et al., 2006; Bakewell & Mitchell, 2003).

As brands and the image they create are perceived as one of the most important assets for a company (see section 2.5) and Generation Y is seen as a flourishing consumer group, highly valuing luxury brands and their symbolic meaning, it can be concluded that luxury marketers have to understand “what” a labeled product should look like to target Gen Y.

2.7 Hypotheses

As a result of the comprehensive literature research, the author of this thesis hypothesizes that a brand’s prominence has an impact on perceived “fitness benefits”. To test whether or not this proposition holds, several hypotheses are formulated. These are structured into two sections, namely the perception of certain qualities (H1 – H3) and favorable treatments in social interactions (H4).

2.7.1 Status and Wealth

That wealth is ascribed to a person displaying a luxury brand, has been shown by several researchers (Bagwell & Bernheim, 1996; Chaudhuri & Majumdar, 2006; Saad & Vongas, 2009). Han et al. (2010) claim that both, individuals wearing discrete as well as conspicuous luxury brand, are seen as affluent, since the crucial element is a signal’s wastefulness and costliness (Bliege-Bird & Smith, 2005; Zahavi, 1975). Therefore, it can be hypothesized that not a variation in a brand’s prominence, but the fact that a branded luxury-label is displayed, matters. Consequently, following hypotheses are formulated:

H1a: If a “loud” logo is displayed, a person is perceived as “wealthier” than when non-labeled apparel is displayed.

H1b: If a “quiet” logo is displayed, a person is perceived as “wealthier” than when non-labeled apparel is displayed.

Figure 4: Hypotheses 1a/1b.

As discussed, a reliable signal must further possess the ability to communicate status to others (Nelissen & Meijers, 2011). What connotes status depends on a recipient’s characteristics. Consumers who care about status are believed to cherish conspicuous or “loud” logos over “quiet” logos (Han et al., 2010). In order to serve as a reliable signal, this implies
that the reference group of a consumer must associate status with a conspicuous displayed logo (Hambauer, 2012). Hence, consumers might fulfill their need for status when a “loud” logo is displayed. Consequently, following hypotheses are formulated:

H2a: If a “loud” logo is displayed, a person is perceived as having a higher “social status” than when non-labeled apparel is displayed.

H2b: If a “quiet” logo is displayed, a person is perceived as having a lower “social status” than when non-labeled apparel is displayed.

Figure 5: Hypotheses 2a/2b.

2.7.2 Attractiveness, Trustworthiness and Competence

As claimed by Nelissen & Meijers (2011) and empirically supported by Hambauer (2012), when displaying conspicuous labeled apparel, consumers are regarded as more attractive, and more trustworthy. However, these qualities were just attributed when a brand was displayed conspicuously. When a brand was displayed in a more discrete way, those qualities were not ascribed. Therefore, following hypotheses are formulated:

H3a: If a “loud” logo is displayed, a person is perceived as more “attractive” than when non-labeled apparel is displayed.

H3b: If a “loud” logo is displayed, a person is perceived as more “trustworthy” than when non-labeled apparel is displayed.

Furthermore, Nelissen & Meijers (2011), Plourde (2008), Rege (2008), as well as Miller (2009) believe that by ostentatiously displaying a luxury brand, an individual is perceived as more intelligent, with higher abilities and is seen as more skilled. Several authors argue that these aspects comprise an individual’s competences (Henrich & Gil-White, 2001; Nelissen & Meijers, 2011; Veblen, 1899 cited in Trigg, 2001). Based on this, it can be assumed that:

H3c: If a “loud” logo is displayed, a person is perceived as more “competent” than when non-labeled apparel is displayed.

2.7.3 Favorable Treatment

Rege (2008), Henrich & Gil-White (2001) and Nelissen & Meijers (2011) suggest that luxurious brands can signal unobservable abilities. Rege (2008) states that individuals displaying a luxurious good are perceived as more capable and hence preferred in business situations. Individuals displaying luxury goods are perceived as having a well-paid job and are regarded
as more suitable, when it comes to job applications (Nelissen & Meijers, 2011). Moreover, by displaying luxury goods, individuals might be paid a higher salary than individuals displaying non-labeled apparel. Based on these previous findings following hypotheses are formulated:

H4a: If a “loud” logo is displayed, a person is perceived as more suitable for a job vacancy than when non-labeled apparel is displayed.

H4b: If a “quiet” logo is displayed, a person is perceived as more suitable for a job vacancy than when non-labeled apparel is displayed.

Figure 6: Hypotheses 4a/4b.

H4c: If a “loud” logo is displayed, a person is given a higher salary than when non-labeled apparel is displayed.

H4d: If a “quiet” logo is displayed, a person is given a higher salary than when non-labeled apparel is displayed.

Figure 7: Hypotheses 4c/4d.
3 Methodology and Method

This section discusses the research philosophy chosen for this thesis, explains the research approach and strategies for conducting the research.

The first part of this section will be structured in correspondence to The Research Onion. The Research Onion (Figure 8) provides a good overview about the main paradigm, approaches and strategies used in social research.

![The Research Onion](image)

**Figure 8: The Research Onion. Saunders et al. (2008, p. 108).**

### 3.1 Research Philosophy – Realism

Before discussing the main research philosophies in social research, it should be emphasized that the research philosophy adopted, contains important assumptions about the way a researcher sees the world (Saunders et al., 2008). In dependence of the chosen philosophy, the research strategy and the methods used are underpinned. Further it also has a significant impact on how the invested aspects are understood (Johnson & Clark, 2006). Hence, a researcher has to be aware of the philosophical commitment that is made.

According to Saunders et al. (2008), in social studies mainly four research philosophies can be identified: positivism, realism, interpretivism and pragmatism. If a researcher has a positivistic view on studying the society, then the philosophical stance of the natural science will be adopted (Malhotra et al., 2010; Saunders et al., 2008). Malhotra et al. (2010) claim that within the philosophy of positivism it becomes a matter of finding the most effective and objective means to gather information about reality. Realism is a philosophy quiet close to positivism, as the reality is seen as independent of the mind. However, in contrast to a positivistic approach, the philosophy of realism accepts unobservable forces might affect a phenomenon (Saunders et al., 2008). On the contrary, the philosophy of interpretivism stresses the dynamic, participant-constructed and evolving that nature of reality. The re-
searcher seeks for the right context and means of observing and questioning to suit each participant (Malhotra et al., 2010). In the philosophy of pragmatism, the researcher develops a philosophical view. The world is viewed as a complex construct that can be explained through multiple approaches (Hookway, 2013; Saunders et al., 2008).

Within this research, the approach of realism is taken. This means that the author accepts that what we see is only part of the bigger picture. The philosophy of realism relates to scientific enquiry, though accepts the existence of underlying forces and social structures, affecting an observable phenomenon (Saunders et al., 2008). This means that the world cannot be understood independently of the social actors involved (Dobson, 2002). When having a realistic approach, the author must understand that the reliability of a signal depends on the recipient’s judgments, perceptions and own characteristics. These characteristics might vary across national borders and cultural contexts. This connotes that the social world and its phenomena must be seen as a fragile constructs, which are constantly evolving and changing. Furthermore, the researcher must understand that causal impacts are not always fixed, but are contingent in their environment (Pawson & Tilley, 1997). This implies for this thesis that particular attention has to be paid to the respondents of the study. Their own characteristics such as need for status and income have to be acknowledged and taken into consideration when interpreting the results.

3.2 Research Approach – Deductive Approach

Saunders et al. (2010) state that the extent to which a research is clear about the theory at the beginning plays an important role concerning the design of a research project. The research approach will determine how the research logic, generalizability, data collection and theory will be used.

If the field of inquiry is characterized by a limited theoretical framework, an inductive approach is taken. The focus is set on exploring a phenomenon to further develop or generate a theory (Malhotra et al., 2010). In contrast, the deductive approach focuses on theory testing. This means that the data collection is used to test propositions or hypothesis (Saunders et al., 2008). It should be noted that even if a clear division between inductive and deductive might be useful, it can be a misconception, since the approaches are overlapping (Saunders et al., 2008). Hence, a third approach can be taken, namely abduction. It comprises a combination of deduction and induction (see Figure 8).

![Figure 9: Different research approaches. Own Figure, based on Saunders et al. (2008).](image-url)
quires an exact operationalization of the used concepts (Saunders et al., 2008). To test these operationalized concept hypotheses are formulated. Whether or not the hypotheses are accepted or rejected - within the population of Gen Y consumers - will determine either a confirmation of the existing theories or indicate the need for their modification.

The final obligation that is made by deciding for a deductive approach is to enable a generalization of the research findings. On the one hand, this requires a sufficient sample size. On the other hand, the relationship between the variables must be generalizable in a way that general interferences about branded luxury apparel can be made. This will be further discussed in section 3.9.3.

3.3 Research Purpose – Conclusive Study

When deciding upon the overall nature of a study, the decision can be made by either taking an exploratory or conclusive research approach (Malhotra et al., 2010). These two differ in terms of objectives, characteristics and methods.

Exploratory research design is characterized by a flexible and evolving approach that provides new insights and clarifies the understanding of the nature of marketing phenomena. It is used in cases where there is a little or no understanding about the research problem, mainly due to lack of relevant information (Malhotra et al., 2010; Saunders et al., 2008). In contrast, a conclusive purpose is measuring specific hypotheses and defined marketing phenomena (Malhotra et al., 2010). When the decision is made to have a conclusive purpose, the researcher can either have a descriptive or a causal research purpose (Manheim & Brians, 2011).

The purpose of this thesis clearly leads to an investigation of a cause (luxury Brand Prominence) and effect (“fitness benefits”) relationship (Saunders et al., 2008). Thus, a conclusive approach is taken, comprising both explanatory and descriptive elements. Latter is regarded as essential since it is proposed that a recipient’s own characteristics might have an impact on the reliability of a signal (see section 2.1, 2.2 and 2.4). Therefore, the author believes that the findings can be only interpreted in a meaningful way, if the drawn sample is accurately described.

3.4 Research Design – Quantitative Research

Malhotra et al. (2010) distinguish between a qualitative, quantitative and mixed method design. Mixed method comprises a combination of a qualitative and quantitative approach (Saunders et al., 2008). The difference between quantitative and qualitative research is illustrated in following Table 1.

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<th>Principal orientation to the role of theory in relation to research</th>
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<tbody>
<tr>
<td>Deductive; testing of theory</td>
<td></td>
<td>Inductive, generation of theory</td>
</tr>
<tr>
<td>Epistemological orientation</td>
<td>Natural science model, in particular positivism</td>
<td>Interpretivism</td>
</tr>
<tr>
<td>Ontological orientation</td>
<td>Objectivism</td>
<td>Constructivism</td>
</tr>
</tbody>
</table>

Table 1: Fundamental differences between quantitative and qualitative research strategies. Bryman & Bell, (2011, p. 27).
According to Bryman & Belle (2011), quantitative research is often associated with natural science, which fits the purpose and philosophical stance taken up for this thesis (Malhotra et al., 2010). Taking a quantitative and a realistic approach, the emphasis lies on collecting reliable information or “facts”, which leads to a “focus upon objectivity, rigour and measurement” (Malhotra et al., 2010, p. 191). This approach is therefore predominantly associated with data collection technique and data analysis procedures that generates or uses numerical data (Saunders et al., 2008). This is exactly the aim of this research. The influence of an independent variable (Brand Prominence) on several dependent variables (“fitness benefits”) should be measured in an objective manner.

Nevertheless, in accordance with the philosophical stance taken, the underlying motivational factors of the phenomenon of Conspicuous Consumption are comprised. This implies that the researcher acknowledges that both, the recipient and the signaler, are embedded in a social and cultural context. Constructs as the signalers “Self” and the underlying motivational factors for engaging in the signaling process are likewise recognized. Further, also the recipient’s characteristics and underlying needs are paid attention to. However, the aspect of interest is a causal relationship, which can be measured in reliable manner.

### 3.5 Data Collection Method

The manner in which a researcher aims at answering a research question is influenced by the research philosophy and approach taken. The purpose at hand subsequently informs the choices of data collection techniques and analysis procedure (Saunders et al., 2008).

The data collection process of this thesis is divided into two parts: Firstly, secondary data was retrieved from additional resources. This primarily provides a better insight into the matter at hand and serves the development of the research problem, approach and design (Malhotra et al., 2010; Saunders et al., 2008).

As within this research a naturalistic approach is taken, the chosen primary data collection should be suitable for discovering a cause and effect relationship. According to Levin (1999), causal designs can be either experimental or observational (Levin, 1999; Malhotra et al., 2010). For the purpose of this research, a social experiment was considered appropriate. This can be reasoned by three aspects. Firstly, the above mentioned hypotheses are designed to test causal relationships that lend themselves well to an experimental design (Saunders et al., 2008). Secondly, experimental research strategies are often used when certain populations such as university students or employees of a particular organization are in the center of the attention (Saunders et al., 2008). This is exactly the case within this research. Generation Y will be the subject of the research, a cohort comprised to a large extent of students (see for a further discussion section 3.6.1). However, since experiments are relatively sensitive, the decision was made to additionally conduct an online study (see Appendix 3 for the study). Thirdly, the data collection method is based on previous studies undertaken within the fields Brand Prominence and Costly Signaling.

Before discussing the experimental design of the study, this section aims at giving a short overview about the main characteristics and possible issues of conducting a social experiment and accordingly procedures to control them.

#### 3.5.1 Social Experiments

An experiment aims to investigate whether a change in one or more independent variables (Brand Prominence) produces a change in another dependent variable (“fitness benefits”) (Hakim, 2000), while at the same time all other variables are controlled (Levin, 1999; Wal-
liman, 2006). In the simplest experiments four types of variables and concepts are distin-
guished (Huber, 2009; Malhotra et al., 2010):

- **Independent variables** are variables that are manipulated by the researcher.
- The effect the independent variable has on the test unit is measured by means of **dependent variables**.
- **Extraneous variables** comprise all variables that affect the response of the test units. When not controlled in an appropriate way, these variables can weaken or invalidate the results of an experiment.
- When the validity of a hypothesis depends upon a specific feature of a person or a situation than this feature is labeled **moderator variable**.

As mentioned, different aspects like extraneous variables should be taken in consideration. Besides the importance to control extraneous variables, also other aspects have to be considered when designing an experiment. A researcher has to decide whether to conduct a field or laboratory experiment or use a between or within group design. Furthermore, it should be ensured that several necessary conditions are met to infer causation and establish validity. These choices are discussed within the next section.

### 3.5.2 Design considerations for experiments

Experimental designs may by classified by several criteria. In respect to these criteria, several design considerations must be made.

#### 3.5.2.1 Laboratory versus field experiment

Experiments may be conducted in a laboratory or a field. A laboratory experiment is characterized by an artificial environment. This offers a high degree of control, leads to a high internal validity and is easier to conduct. In contrast, the field experiment is synonymous with actual situations, which cause a high external validity (Berekoven et al., 2009; Malhotra et al., 2010).

Compared with field experiments, laboratory experiments suffer from mainly two disadvantages. On the one side, an artificial environment may cause a reactive error. Participants may react to the situation itself rather than to the independent variable. On the other side, the environment may cause demand effects, a phenomenon caused by the fact that individuals attempt to guess the purpose of the experiment (Malhotra et al., 2010).

The researcher believes that the chance that participants will try to guess the purpose of the study will be more likely in an artificial environment. Furthermore, as the attendees will be asked to spontaneously evaluate a person, a laboratory experiment diminishes the spontaneity. Furthermore, the author is convinced that the extraneous variables, causing a low internal validity, can be controlled to a sufficient extent in a field experiment. This leads to the decision for conducting a field experiment.

#### 3.5.2.2 Within versus between Group

An important choice when planning an experiment is whether to have a within group or a between group design (Levin, 1999). In this study, a between group design was considered as appropriate since the test units should not be aware of the underlying hypotheses of this

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1 Test units are individuals, whose response to the independent variables is examined.
2 Internal validity refers to a measure of accuracy of an experiment.
3 External validity determines whether the cause-and-effect relationships can be generalized.
study. Exposing the same subjects to each experimental condition (within group) might comprise several risks.

a) Participants might detect the underlying purpose of the research, as just one aspect will be varied.

b) Answering three identical questionnaires might lead to boredom.

c) Even if participants do not have suspicion about the underlying hypotheses, they might not see the point in answering three nearly identical surveys.

Taking the above mentioned issues into consideration a between group design is seen as appropriate.

3.5.2.3 Experimental and Control Groups

In a classical experiment two groups are established, the experimental and control group. These two groups are, apart from the manipulated aspect, similar in all other aspects relevant to the research. They differ in the extent that one group is exposed to the planned intervention or manipulation and the other group is not (Saunders et al., 2008, p. 173). The group exposed to the cue (in this thesis conspicuous or discrete logo) is called experimental group. In the other group, no such intervention is made (no logo is displayed) (Bortz & Döring, 2006).

By conducting control groups, a researcher can see whether the used treatment actually has an effect on the dependent variables or not. Without a control group, it might not be clear whether or not the effect is actually caused by the treatment. It might be the case that other factors have an impact on the dependent variables (Bortz & Döring, 2006). The crucial aspect is that the control group is subject to exactly the same external influences as the experimental group (Saunders et al., 2008, p. 173). Consequently, the intervention is the only explanation for any changes on the dependent variable.

This should be guaranteed within this research by assigning the individuals to one of three situations at random. In each situation a picture is presented, displaying always the same person, wearing a shirt. The color, size and fit are in all situations the same. The only variation between the groups is the logo prominence. In the experimental groups, participant will be presented with the cues (either a shirt with a “loud” logo or a “quiet” logo). The control group will be presented with a photo in which the t-shirt has no logo. In both cases, the dependent variables will be measured. This should guarantee a minimization of the extent to which the findings can be attributed to any other factors than the cues.

3.5.2.4 Inferring causality

Before making causal inferences or assuming causality, three conditions must be satisfied (Malhotra et al., 2010):

- Concomitant variation
- Time-order relationship
- Elimination of other possible causal factors

Concomitant variation occurs when the cause or cue (X) and an effect or measured variable (Y) vary together in the way predicted by the hypothesis under consideration (Malhotra et al., 2010). If a person would be judged higher regarding his/her wealth when no-brand logo is displayed, then it can be stated that there is no concomitant variation or covariation.

The time-order relationship states that the causing event must occur either before or simultaneously with the effect; it cannot occur afterwards (Malhotra et al., 2010). This means
that “X must precede Y in time if it is to be considered the cause of Y” (Churchill, 1999, p. 140). In this experiment Xs are manipulated which assuredly precedes the Ys that are measured afterwards.

The third condition that must be satisfied is an absence of other possible causal factors. This means that the variable being investigated should be the only possible causal explanation. Although a covariate relationship may exist on the surface, Hair et al. (2006) argue that undetected extraneous variables might contaminate this relationship (Hair et al., 2006). These extraneous variables are difficult to control as some might be unknown (Walliman, 2006). In order to combat this problem a researcher can control these variables through: randomization, matching, statistical control and design control (Malhotra et al., 2010). Within this research, extraneous variables are controlled by means of randomization and design control.

Randomization refers to a random assignment of participants to experimental groups (Malhotra et al., 2010). In this experiment, this aspect will be guaranteed as participants will be randomly assigned to one of three situations: conspicuous branding, discrete branding and no-branding. This will be done over the course of three days. On the first day, participants will be presented with cue 1 (“loud” logo). On day 2, cue 2 (“quiet” logo) will be used. The third day is used for the control group, where no logo is displayed.

Design control involves the use of experiments designed to control specific extraneous variables (Malhotra et al., 2010). This means that the conditions under which an experiment is conducted are held constant. In the experiment, this will be ensured by several aspects. All participants are provided the same treatment conditions. This includes approaching them in a constant manner, keeping the time frames (weekdays between 8 am and 18 pm) the same and wearing as similar clothes as possible. Besides, the weather conditions should be comparable. This means days with heavy rain/snow are excluded. Furthermore, participants should be only addressed on week days and when without the companionship of another student. By doing so, the possibility of group influence should be eliminated. As aforementioned, the only variation between these situations is the cue. By controlling these aspects, the situations should be kept as constant as possible.

To further enhance the quality of the findings an online study was conducted. This enabled an even further design control (see Appendix 3). However, it should be noted that controlling every aspect is rarely possible in social science.

## 3.6 Experimental Design

The present study extends the research conducted by Hambauer (2012), Han et al. (2010) Lee et al. (2015) and Nelissen & Meijers (2011). Likewise, the experimental design is based on the experiments undertaken by Hambauer (2012), Lee et al. (2015) and Nelissen & Meijers (2011).

### 3.6.1 Population

The sample was limited to students. Although the choice of students is debated (Cunningham et al., 1974), this decision is regarded as appropriate due to following factors:

- This research aims at gaining a better insight into a particular consumer group, namely Generation Y. Hence, consumers in their early twenties are regarded as the basic population. Students not only fall into this age group, but also represent a major part of the target group (Blain, 2008).
According to Burroughs, Drews & Hallman (1991) and Park & Lessig (1977), students select clothes when they are asked to select cues that would make inferences about other students. Students especially appear to be prone to a display of clothes when judging others (Piacentini & Mailer, 2004).

Besides that, it has been argued that students are more fashion conscious and image orientated. They are also prone to keeping or being up with the latest trends (Beaudoin et al., 1998; O'Cass & McEwen, 2004).

In addition, Eastman et al. (1997), O'Cass (2000) and O'Cass & McEwen (2004) argue that student samples are appropriate for theory testing. This study includes both female and male Generation Y consumers equally, as a gender-independent effect is described in literature (Nelissen & Meijers, 2011).

### 3.6.2 Sampling

“Sampling occurs when researchers examine a portion or sample of a larger group of potential participants and use the results to make statements that apply to this broader group or population” (Fritz & Morgan, 2010, p. 3). Since the purpose of this study is to investigate the influence of Brand Prominence on perceived “fitness benefits” among Generation Y consumer, the population comprises a whole consumer cohort. Consequently, a sample has to be drawn.

In general, Saunders et al. (2008) distinguish between two sampling techniques: probability and non-probability sample. Probability sampling is referred to as being a representative sampling (Malhotra et al., 2010; Saunders et al., 2008). With probability sampling, the “chance or probability of each case being selected from the population is known and equal for all cases” (Saunders et al., 2008, p. 213). For non-probability samples, these assumptions cannot be made. The probabilities are not equal and likewise not known. Within this study the probability to draw a sample from all Generation Y consumers is apparently not given. Hence a non-probability sample was drawn.

Due to the fact that students on the campus of Högskolan i Jönköping are addressed the sample can be regarded as a convenience sample. Although a convenience sample is drawn, Saunders et al. (2008) argue that the results can still be generalized.

### 3.6.3 Manipulation

Within this study either a “loud” branded or a “quiet” branded Ralph Lauren shirt is used as a cue. A Ralph Lauren shirt was chosen as the brand sells shirts with an identical fit and color, but different logo sizes. Moreover, this brand is considered a luxury brand (see for e.g. Büttner et al., 2008; Deloitte, 2014; Fritz et al., 2013), an aspect crucial for this study. Furthermore, Ralph Lauren is known as one of the top brands for both male and female Gen Y consumers (Galloway, 2010). Using a popular brand might serve the study as such, since a cue must be interpreted in the right way to yield a “fitness benefit”.

The control group is exposed to a comparable product without a logo. Akin to the experiments conducted by Hambauer (2012), Lee et al. (2015) and Nelissen & Meijers (2011), the independent variable is a t-shirt being marked more or less prominently. In accordance with Han et al. (2010), the notion of Brand Prominence is intended to be captured in a variation of the extent to which a brand logo is displayed. This means that smaller logos serve as discrete branding cues, bigger logos serve as conspicuous branding cues. Based on this, photos of the same person will be displayed, the only variation being the prominence of the logo. All other aspects such as posture, t-shirt style and color are kept constant.
After displaying the photo of the person, an identical questionnaire will be asked. This ensures the time-order relationship.

### 3.6.4 Procedure

The experiment was conducted on the campus of Högskolan i Jönköping. As aforementioned, to test whether brand labels are associated with wealth, status, trustworthiness, attractiveness, competence, job suitability and the salary offered, participants were randomly assigned to three different situations (see Table 2).

<table>
<thead>
<tr>
<th>Situation</th>
<th>Randomization</th>
<th>Cue</th>
<th>Observation/Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Experimental Group)</td>
<td>Yes</td>
<td>X1 (Conspicuous Branding)</td>
<td>O1</td>
</tr>
<tr>
<td>2 (Experimental Group)</td>
<td>Yes</td>
<td>X2 (Discrete Branding)</td>
<td>O2</td>
</tr>
<tr>
<td>3 (Control Group)</td>
<td>Yes</td>
<td>X3 (No logo)</td>
<td>O3</td>
</tr>
</tbody>
</table>

Table 2: Randomized Situations and Cue for the Experiment

The data was collected in a time frame of March 25th till March 27th (see Appendix 1). On day 1, the conspicuous logo cue was presented to 40 people, 20 of each sex. On day 2, again 40 people participated. On the second day, the discrete branding situation was addressed. Day 3 served as a control situation. On this day, again 20 men and 20 women were presented with a photo. On day 3, the depicted person was wearing a t-shirt without a logo.

To eliminate the potential for group influence, on all three days only participants walking alone on the campus, were approached. Unaccompanied people were asked: “Hello, could you spare ten minutes to answer some questions for my Master’s Thesis?”. If the person agreed to participate, she/he was shown a photo of a male person wearing either a shirt with a big Ralph Lauren Logo, a small Ralph Lauren Logo or no logo (see Figure 10). After the photo was presented, participants were asked to judge the displayed person by means of five attributes. Further two questions assessing a persons’ suitability for a job vacancy and his future salary are proposed. Finally, five demographic questions were asked (see Appendix 6 for the full questionnaire).
In accordance with the method used by Hambauer (2012), the questionnaire was not given to the respondents. The experimenter addressed the questions to the participant and ticked the answers given. Though, participants were free to ask for a repetition of any question and/or answer. The fact that the questions were directly asked, might have had an impact on the obtained results. To exclude this, a replication study was distributed online (for study 2 see Appendix 3).

### 3.6.5 Questionnaire

Whenever possible, existing measures should be used to operationalize dependent variables (Saunders et al., 2008). This can be caused by the fact that by using already developed factors the reliability of a study can be increased (Hair et al., 2006; Malhotra et al., 2010). When using previously refined measures, for a satisfactory internal consistency Malhotra et al. (2010) suggest a Cronbach’s alpha of at least above .70.

For measuring “wealth”, the items developed by Nelissen & Meijers (2011) were used. Although consisting only of two items the scale showed a high internal reliability and produced consistent results in replication studies undertaken by Hambauer (2012), Hammerl (2012) and Lee et al. (2015). Moreover, Nelissen & Meijers (2011) factor was considered as appropriate, since only self-assessment scales could be found. The author of this thesis is aware that some researchers argue that using a two item scale bears the risk of a low internal reliability (Crano et al., 2014). However, by adding additional items a new scale would be developed which according to Furr (2011), does not automatically guarantee a higher internal reliability. Furr (2011) has provided empirical support that the “longer scales are better”-rule is not always true. Longer scales often include “bad” items that are inconsistent with the other items of scale. Adding new items is a sensitive issue, which might comprise several pitfalls (Furr, 2011). Moreover, the development of a validated and reliable scale is due to a limited time frame - above the scope of this study. Hence, the author of this thesis decided to use the already existing scale developed by Nelissen & Meijers (2011).

For operationalizing the dependent variable “status”, the Sociometric Status Scale developed by Anderson et al. (2012) was adapted for this study. The Sociometric Status Scale measures the respect and admiration in the eyes of others (Anderson et al., 2012). The scale showed an Cronbach’s Alpha of .71 which can be considered as satisfactory (Malhotra et al., 2010).

The factors “trustworthiness” and “attractiveness” were operationalized by using two factors of Ohanian’s validated (1990) Source Credibility Scale. The scale measures the perceived trustworthiness and attractiveness of a person. The subscales showed a strong internal consistency and validity (Bearden, 2011). Although the scale is originally a semantic differential, within this experiment a six-point Likert Scale was used. This decision is mostly made due to the fact that one of the biggest issues with semantic differential scales is that its psychometric properties and level of measurement are disputed (Himmelfarb, 1993).

To assess the factor “competence” a scale developed by Fiske et al. (2002) was used. Although also Fennis & Pruyn (2007) introduced a highly reliable scale, measuring an individual’s perceived confidence, Fiske’s et al. (2002) scale was deployed. This decision is mainly motivated by the fact that the scale used by Fennis & Pruyn (2007) showed similarities to Ohanian’s (1990) factor “trustworthiness”, which is used within this study. Fiske’s et al. (2002) index of perceived competence not only fits the definition of competence used in this study, but also showed repeatedly a high internal reliability.
The dependent variables were measured on a six point Likert Scale (ranging from 1 = I totally agree to 6 = I do not agree at all). The order in which questions are asked may influence how people respond. By randomizing the questions, this effect can be minimized.

The dependent variables were measured on a six point Likert Scale (ranging from 1 = I totally agree to 6 = I do not agree at all). Garland (1991) and Worcester & Burns (1975) believe that respondents tend to answer questions in a more positive way, in order to be helpful or to please the interviewer, especially within the scope of experiments. These respondents tend to take the “neither…nor” position on for instance five-point scales. This problem can be avoided by excluding the mid-point (Garland, 1991). According to Garland (1991), it helps alleviate the social desirability bias, but does not change the direction of

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Source</th>
<th>Internal Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealth</td>
<td>This person has a lot of money. &lt;br&gt;This person is rich.</td>
<td>Nelissen &amp; Meijers (2011)</td>
<td>Nelissen &amp; Meijers (2011) $r = .93$ &lt;br&gt;Lee et al. (2015). $\alpha = .84$</td>
</tr>
<tr>
<td>Status</td>
<td>This person is respected. &lt;br&gt;This person is admired. &lt;br&gt;This person is looked up to.</td>
<td>Sociometric Status (Anderson et al. 2012)</td>
<td>$\alpha = .71$</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>This person is trustworthy. &lt;br&gt;This person is honest &lt;br&gt;This person is reliable. &lt;br&gt;This person is sincere. &lt;br&gt;This person is dependable.</td>
<td>Source Credibility Scale (Ohanian, 1990)</td>
<td>$\alpha = .89$ and .89</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>This person is attractive. &lt;br&gt;This person is sexy. &lt;br&gt;This person is classy. &lt;br&gt;This person is beautiful. &lt;br&gt;This person is elegant.</td>
<td>Source Credibility Scale (Ohanian, 1990)</td>
<td>$\alpha = .90$ and .89</td>
</tr>
<tr>
<td>Competence</td>
<td>This person is competent. &lt;br&gt;This person is intelligent. &lt;br&gt;This person is confident. &lt;br&gt;This person is competitive. &lt;br&gt;This person is independent.</td>
<td>Competence Scale (Fiske et al. 2002)</td>
<td>$\alpha = .85$ non-student sample &lt;br&gt;$\alpha = .90$ student sample</td>
</tr>
</tbody>
</table>

Table 3: Dependent Variables.
opinion therefore a six point Likert Scale was used. Study 2 measured the dependent variables by means of the scales introduced by Nelissen & Meijers (2011) (see Appendix 3).

The variables for measuring job suitability as well as the potential salary are in both studies based on Nelissen & Meijers (2011) “Experiment 3: Social Preference”. In contrast to Nelissen & Meijers (2011) experiment, within this research no video was shown. Participants were presented with a short text, stating: “Tekniska Högskolan i Jönköping is currently looking for PhD students in “Knowledge-based Software Engineering”. Following, respondents should answer the question: “To what extent do you consider this person suitable for the job as PhD Student?” (1= highly suitable to 6= not at all suitable). Further participants should estimate the hourly wage this person should earn: “What net hourly wage do you think this person should earn?” the answer possibilities ranged from 1 =a very low salary to 5 = a very high salary. Not using actual numbers is reasoned by the fact that this experiment is conducted within the scope of a school in which more than 15% are international students (Jönköping University, 2013). The international students differing to a large extent in regards of their cultural and national heritage (Jönköping University, 2013), might be not familiar with the exact numbers indicating an average, low or high hourly income in Sweden.

According to Han et al. (2010) and O’Cass & Frost (2002), the perceptional process can be mediated by several factors. As discussed in section 2, Han et al. (2010) suggest that a person’s wealth and own need for status can influence the preference for either more conspicuously or discrete logos (Han et al., 2010). Hence, following scale was included.

<table>
<thead>
<tr>
<th>Possible Influencing Factors</th>
<th>Items</th>
<th>Source</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for Status</td>
<td>I would buy a brand just because it has status.</td>
<td>Status Consumption Scale (Eastman et al., 1999)</td>
<td>α = .70</td>
</tr>
<tr>
<td></td>
<td>I would pay more for a brand if it had status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I am interested in new brands with status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The status of a brand is irrelevant to me. (reverse scored)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4: Possible Influencing Factor – Need for Status.

The Status Consumption Scale measures the extent to which individuals “strive to improve their social status through consumption of consumer products that confer status to “surrounding significant others” (Eastman et al., 1999; Han et al., 2010). Exactly this should be measured.

Further, previous studies have shown that the perceptional process of a brand and its wearer might be influenced by the level of familiarity with a brand and knowledge about fashion in general (Flynn & Goldsmith, 1999; O’Cass & Frost, 2002). Hence, the participants’ fashion awareness and familiarity with Ralph Lauren was measured.
Moreover, an individual's expenditures on fashion clothing were assessed. Based on the statistics developed by the Swedish Statistiska Centralbyrå (2009), the average spending of men and women between 20 and 29 years served as a reference number on fashion clothes expenditures.

Fennis & Pruyn (2009) and Fiske & Neuberg, (1990) believe that the feelings and associations a person has with a certain brand are ascribed to its wearer. This means that disliking a certain brand might cause a less favorable judgment of the person displaying the brand. Hence, two questions assessing a person’s liking of and familiarity with the brand Ralph Lauren were included.

To conclude participants were asked four demographic questions as these aspects might also have an intermediation power. Again the statistics developed by the Swedish Statistiska Centralbyrå served as references (Statistiska Centralbyrå, 2013).

3.6.6 Pretest

Pretesting is an important step in any survey research, in order to limit potential errors while helping to improve the quality of data significantly (Grimm, 2010). Within this study a sample of 12 respondents was used (4 for each situation). After conducting the experiment, several questions – retrieved from Grimm (2010) – were asked to detect any problems associated with the questionnaire design.

Based on the results a minor adaption on how individuals were approached was made. Furthermore, the decision was made to let participants have a look at the photo throughout the experiments. One participant had suspicion about the underlying hypotheses of the study. Due to this the decision was made to probe participants for suspicion about the design features and purpose of the study by asking a question after the after the evaluation. Even though in the final experiment none of the participants suspected the true aim of the study, this decision was regarded as essential. If there would have been any suspicion these participants would have been excluded.

3.7 Analysis Techniques

3.7.1 Descriptive Statistics

In order to describe certain characteristics of the data collected by means of the questionnaire and to get a comprehensive overview, the author used descriptive statistics (Pallant,
For both independent categorical and continuous variables frequencies were calculated (Question 9-12). The dependent variables (Question 1.8) were described by using descriptive statistics as mean value and standard deviation. The standard deviation indicates the deviation from the mean value, in other words, how dispersed the data is (Malhotra et al., 2010).

### 3.7.2 Analysis of Variances

To fulfill the purpose of this study an analysis of variance (ANOVA) was used. This technique has been chosen since the purpose of an ANOVA is to test for significant differences between means of more than two groups. Since the aim of this study is to analyze whether there is a significant difference among three groups (no logo, “loud” logo, “quiet” logo), an ANOVA is considered appropriate. The technique of ANOVA is according to Pallant (2010) quite complex, drawing on a lot of underlying theory and statistical implications. When conducting an ANOVA the researcher assumes that (1) the dependent variable is measured on an interval or ratio-level, (2) the sample is drawn randomly, (3) the observations are independent, (4) the data is normally distributed, and (5) the homogeneity of variance is given. All of these cases are met within the study (see Appendix 2 for a further discussion).

In both studies, first a one-way between groups ANOVA was performed. Pallant (2010) suggests that the results gained from the analysis should be treated with caution, since the relationship might be influenced by “confounding” variables. Pallant (2010, p. 212) therefore stresses the importance that wherever possible, the researcher should try to anticipate confounding factors and either control for them or incorporate them into the research design. As discussed in section 3.6.5, within this research several control variables could be identified.

One way of controlling the variables which might influence the relationship between the independent (“loud”, “quiet” no logo) and dependent variable (perceived “fitness benefits”) can be seen in the analysis of covariance (ANCOVA). Though, the assumptions for an ANCOVA, namely homogeneity of regression and linearity (Pallant, 2010), were not met within the scope of this research. Ignoring these assumptions can have severe consequences, leading to incorrect interpretations and false conclusions (Bortz & Schuster, 2010, pp. 402–404). Besides, only continuous variables can be used as covariates, this study comprises also categorical variables as nationality or gender (Pallant, 2010). Hence, the ANCOVA could not be carried out.

Besides an ANCOVA, the confounding variables can be incorporated to the model. This technique is called factorial ANOVA. It allows the researcher to check if the independent variables interact to predict the dependent variable, which allows the researcher to explore “interaction effects”. This means that the test of an interaction focuses on whether or not the effect of one factor is the same for each level of other factors. The author of this thesis regards it as useful to think of the focal independent variable (the situations) as the variable of primary interest to the research. The moderator is thought of as a variable of interest due to its potential impact on the effects of the independent variable.

### 3.8 Screening and cleaning the data

From the sample drawn, three participants had to be excluded resulting in 121 fully completed questionnaires. Two participants were excluded since they were approached by their peers during the experiments. One participant was excluded since the age range was not
met. Furthermore, the data was screened for any outliers. Though, in both cases the 5% trimmed mean did not change significantly from the original mean. Given the fact that the values are not too different to the remaining distribution, the outliers are retained in the data file.

### 3.9 Credibility of research findings

Saunders et al. (2008) argue that a carefully designed study ensures credible findings. Whether or not the gained results can be regarded as credible can be assessed by means of a study’s validity and reliability.

#### 3.9.1 Reliability

According to Malhotra et al. (2010), reliability is connected with the concept of consistency. This means that a reliable study ensures that the same results would be obtained if the data was collected by other researchers. Reliability hence emphasizes the idea of transparency of the research. In order to enable other researchers to actually replicate the study, the researcher has to be as transparent as possible in the way the data is collected and analyzed (Saunders et al., 2008).

Ensuring and evaluating a study’s reliability can be done in various ways. Reliability can be assessed by test-retest, alternative forms or internal consistency methods (Malhotra et al., 2010). In this thesis, the aspect of reliability was assured by using already developed and tested scales, characterized by a high reliability. The scales used, showed - in consistence with previous studies - a satisfactory (> .7) internal reliability (Malhotra et al., 2010) [Cronbach’s alpha: \( \alpha_{\text{Status}} = .71 \), \( \alpha_{\text{Wealth}} = .78 \), \( \alpha_{\text{Trustworthiness}} = .79 \), \( \alpha_{\text{Attractiveness}} = .79 \), \( \alpha_{\text{Competence}} = .80 \)].

Besides, reliable studies should be free from random errors, such as unwillingness or inability to answer a question. To ensure that random errors are eliminated the decision was made to adopt the research design from Hambauer (2012), Lee et al. (2015) and Nelissen & Meijers (2011). These three authors conducted experiments using luxury or no luxury labeled shirt, alike the study at hand. The method chosen for data collection was identical to the one used by Hambauer (2012).

A further aspect which was accounted for was the idea of transparency. This means that the author aimed at describing the process of data collection and implementation of the results as accurately as possible.

#### 3.9.2 Validity

Validity is regarded as the second criterion to ensure the credibility and quality of a study (Cohen et al., 2007). According to Malhotra et al. (2010), validity refers to “the extent to which a measurement represents the characteristics that exist in the phenomenon under investigation” (Malhotra et al., 2010, p. 436). This means that validity indicates on the one hand that the appropriate research strategy is chosen. On the other hand, validity measures the appropriateness of whether the method used will give the intended results. When discussing the validity of a study, researchers refer in general to content validity, criterion-related validity and construct validity (Saunders et al., 2008).

Content validity refers to a subjective but systematic evaluation how well a scale measures of what is supposed to be found (Malhotra et al., 2010). For this thesis, content validity was ensured by carefully discussing and evaluating the survey with other Master students.
enrich the validity of the research at hand further, already used and validated scales from Anderson et al. (2012), Eastman et al. (1999), Flynn & Goldsmith (1999), Nelissen & Meijers (2011) and Ohanian (1990) were deployed. The definitions of the scales as well as their items were thoroughly reviewed and compared.

What construct of characteristics the scale is in fact measuring is addressed by the construct validity (Cohen et al., 2007; Malhotra et al., 2010). For this thesis, the construct validity can be ensured by the sound theoretical framework presented.

3.9.3 Generalizability and Trustworthiness

The generalizability or external validity refers to the degree to which research results are generalizable in a broader context (Malhotra et al., 2010). The author of this thesis regards the study as generalizable, since a high proportion of students fall into the Generation Y age bracket, being particularly prone to consume luxury goods (Piacentini & Mailer, 2004) and present a major part of the target population. Moreover, the author believes that the results gained can be applied to not only luxury apparel, but other labeled luxury goods as cars, yachts or houses. This argument is based on the empirical findings of Han et al. (2010), who claim that the focal aspects, namely the display of a logo, can be as well applied to other labelled products (see therefor Han et al., 2010).

Besides the aspects already discussed above, this research can be generalized as the results of both conducted studies are in good agreement, though being carried out in different settings and using different scales. In particular, the second study is an exact replication of the measurement tools used by Hambauer (2012) Nelissen & Meijers (2011) (see Appendix 3).

3.9.4 Discussion of the Method

Although a researcher should always argue for the choice of her/his research strategy and the advantages associated, it is equally important to realize the drawbacks of the chosen method.

Even though the brand cue was chosen thoroughly (see section 3.6.3) the author of this thesis suspects that the chosen brand might have had an impact on the results as especially luxury brands communicate a rather diverse images and brand personalities (Heine & Trommsdorff, 2010; Keller, 2003). Different brands might lead to other results. Therefore, the choice of the cue should have been pre-tested. Though, given the limited time frame not every aspect could be designed and controlled for to the extent the researcher would have preferred to.

Furthermore, it should be noted that, although similar or method-wise even identical experiments were already conducted by Lee et al. (2015), Hambauer (2012) and Nelissen & Meijers (2010), in retrospect students might have felt an urge to participate and “help”, whilst being not in the mood. Besides, the asked questions were really sensible, since they involved the judgment of another person. Hence, the answer might not have been honest. On the other hand, a bias related to the interview, interviewee and participation situation might have affected the results (Saunders et al., 2008).

The author aimed at eliminating these issues by conducting a replication study online. By means of this any personal influence should be minimized, the social pressure should be removed and the respondents should be given the opportunity to answer at any time and only, if they actually want.
4 Empirical Findings

In this section, the empirical findings will be presented. The section starts with the descriptive findings. Secondly, the empirical findings are systematically analyzed by applying the analysis methods introduced in section 0. By means of this, the underlying hypotheses of this study will be tested. The findings will be enriched further by analyzing influencing effects of possible confounding variables. Bar charts, tables and comments are used to clarify the gained results.

4.1 Descriptive Statistics

4.1.1 Response Rate

As mentioned in the method section, the first study was carried out within the area of Högskolan i Jönköping. In a period between March 25th and March 27th a total of 212 students were approached, out of which 124 were recruited, resulting in a response rate of 58%. As aforementioned three individuals had to be excluded so that 121 valid responses remained (see Appendix 1 for detailed information).

4.1.2 Demographics

4.1.2.1 Age

On average respondents in the “loud” logo situation were 24.4 years old (S.D. 3.54), in the “quiet” logo situation the average age was 24.0 years (S.D. 2.99) and in the control situation, the participants mean value was 23.0 (S.D. 2.95). The standard deviations further indicate that the variation around the means was in all three situations comparable. A particularly essential finding is that the age range was between 18 and 35, which actually represents the cohort Gen Y.

4.1.2.2 Gender

<table>
<thead>
<tr>
<th>Brand Prominence</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>loud logo</td>
<td>16</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>quiet logo</td>
<td>18</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>no logo</td>
<td>17</td>
<td>7</td>
<td>24</td>
</tr>
</tbody>
</table>

Figure 11: Study 1 - Gender.

Figure 11 illustrates that the gender-divided number of respondents is comparable in all three situations.
4.1.2.3 Nationality

The majority of students were Swedish (65%), followed by Germans (7.4%), Chinese (4.1%) and Bulgarians (4.1%), the rest had other nationalities.

4.1.2.4 Education

Additionally also aspects such as education and income were assessed. These variables were included since they have the potential to influence the findings (Bourdieu, 1984; Han et al., 2010; Lee et al., 2015; Nelissen & Meijers, 2011).

4.1.2.5 Income

The average income of the drawn sample is considerably low when compared to the average Gen Y consumer in Sweden (Statistiska Centralbyrån, 2013). Due to the fact that a student sample was drawn, most participants received only their student grant (46.3%), some
of them had even less money (18.2%). However, 24% had an income between 10,000 and 15,000 SEK (after taxes) monthly.

When comparing the three situations similar patterns were drawn, which makes them comparable.

### 4.1.3 Need for Status and Fashion Knowledge

When considering participants’ need for status, the majority (52.9%) scored on the calculated index - ranging from 1 “I totally agree” to 6 “I do not agree at all”– a value of 4 or higher. This indicates that more than half of the sample had a low need for status (M = 4.00, S.D. 1.42). Only 13 participants (10.7%) achieved values of 1 or 2, indicating that only approximately 11% were prone to “loud” labeled luxury apparel.

Concerning the respondents self-assessed fashion knowledge, similar results were found. A mean value of 3.61 (S.D. 1.2) might indicate that the sample was drawn from a population, which considered themselves as not fashion knowledgeable. On a continuous scale ranging from 1 to 6, 59.5% had a value between 3.5 and 6. Only 5.8% had a value between 1 and 1.5, meaning that the majority claimed to be not knowledgeable about fashion.

In order to investigate the influence of a recipient’s own need for status or fashion knowledge on the perception of a “loud”, “quiet” or no logo (two-way ANOVA), two groups were created within the sample. The researcher of this thesis is aware that by reducing a continuous scale to a categorical level, a certain loss of information has to be expected. Nevertheless, the choice was made since (a) the requirements of an ANCOVA were not fulfilled; (b) the author had the intention to analyze the data in a consistent manner, using the same statistical method for all control variables.

The respondents who scored lower than 4 were considered as having a high need for status. Values above were regarded as having a low need for status. Fashion knowledge was also divided into two categories. Values 1-3.6 were considered as high fashion knowledge (M = 3.6), values below indicate a low fashion knowledge.

<table>
<thead>
<tr>
<th></th>
<th>Index Values</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Need for Status</strong></td>
<td>High</td>
</tr>
<tr>
<td>&lt;4 (N = 62)</td>
<td>&gt;4 (N = 59)</td>
</tr>
<tr>
<td><strong>Fashion Knowledge</strong></td>
<td>&lt;3.6 (N = 68)</td>
</tr>
</tbody>
</table>

Table 6: Boundaries - Need for Status, Fashion Knowledge.

In all three situations the ratio of respondents with a high and low need for status as well as with high and low fashion knowledge remained the same.

### 4.1.4 Familiarity with and Liking of the Brand

The majority of the respondents (71.1%) were totally familiar with the brand Ralph Lauren, followed by 11.6% who were quite familiar. Only 4.1% claimed that they were not at all familiar with the brand. This resulted in an overall mean value of 1.7 (S.D. 1.364).

When assessing how much the respondents “liked” Ralph Lauren, a normal distribution was shown (M = 3.33, S.D. 1.497) – a quite unexpected result, since the cue was carefully selected. An international luxury brand, ranked among the top 10 brands for Gen Y consumers was chosen (Galloway, 2010) (see section 3.6.3). Though, the results provide evi-
dence that Ralph Lauren is a brand not as popular within Sweden as it might be in an international context.

For further analysis also the familiarity with and liking of the brand were categorized into two groups. Since these variables were no indices, whole digits were chosen. Participants with values of 1-3 were considered as familiar with Ralph Lauren, values above were regarded as not familiar. Similar respondents with values 1-3 (M = 3.3) were classified as liking the Brand Ralph Lauren, all other participants as not liking the brand.

<table>
<thead>
<tr>
<th>Likert</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiarity</td>
<td>1-3</td>
</tr>
<tr>
<td>Liking</td>
<td>4-6</td>
</tr>
</tbody>
</table>

Table 7: Boundaries - Brand Familiarity, Liking.

The crucial aspect is that the means and standard deviations were in all three situations nearly identical, indicating a meaningful group comparison.

4.1.5 Expenditures on fashion clothing

The sample drawn was - in comparison to the statistics provided by the Statistiska Centralbyrån (2009) – characterized by lower expenditures on fashion clothing when compared to the average Gen Y consumer in Sweden. The majority (73.6%) stated that they spend less 701 SEK each month on fashion clothing. Only 5% indicated to spend more than 1.301 SEK on fashion clothing each month.

4.1.6 Perceived Fitness Benefits

<table>
<thead>
<tr>
<th>Perception</th>
<th>Loud Logo (N=40)</th>
<th>Quiet Logo (N=40)</th>
<th>No Logo (N=41)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
<td>Mean</td>
</tr>
<tr>
<td>Status</td>
<td>2.97</td>
<td>.87</td>
<td>3.09</td>
</tr>
<tr>
<td>Wealth</td>
<td>3.28</td>
<td>1.056</td>
<td>3.08</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>3.34</td>
<td>.765</td>
<td>3.35</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>3.11</td>
<td>.726</td>
<td>3.06</td>
</tr>
<tr>
<td>Competence</td>
<td>2.54</td>
<td>.751</td>
<td>2.56</td>
</tr>
</tbody>
</table>

Table 8: Perceived Fitness Benefits - Study 1.

In contrast to the variables presented in Table 8, the perceived job suitability and salary were assessed by using a five point scale. This should be taken into consideration when interpreting the following mean values.

When a “quiet” logo was displayed the depicted person was considered most suitable for the job vacancy (M_{quiet} = 2.73, S.D. = 1.09), followed by the “loud” logo situation (M_{loud} = 2.78, S.D. = .947). As expected in the situation with no logo, the depicted person was considered least suitable (M_{no} = 2.85, S.D. = 1.085). The given hourly income was highest in the “loud” logo situation, followed by the no logo and the “quiet” logo situation (M_{loud} = 3.2, S.D. = .516, M_{no} = 3.27, S.D. = .549, M_{quiet} = 3.33, S.D. = .474).
Table 8 illustrates the mean values and standard deviations of the perceived fitness benefits in respect to the presented cues. Similar results were shown in the replication study (for further information see Appendix 3).

4.2 Hypothesis Testing

To investigate whether the experimental manipulation had the expected effect on perceived “fitness benefits”, a between group analysis of variance was used. A planned comparison rather than a post-hoc test was conducted since the hypotheses clearly indicate the direction of differences for the three situations. This is in accordance with Pallant (2010), who suggests to use a planned comparison when specific hypotheses should be tested in respect to a different subset of groups (e.g. do Group 1 and 3 differ significantly). The crucial aspect is to specify or plan the comparison a priori, which was done in this thesis. However, some caution needs to be exercised when a lot of different comparisons are planned, since the increased risk of Type 1 errors is not controlled for.

To test whether the hypothesis can be accepted or has to be rejected a significance level of .05 is chosen. The significance level is the probability of rejecting the null hypothesis given that it is true. A significance level of .05 implies that it is acceptable to have a 5% probability of incorrectly rejecting the null hypothesis (Lindenmayer & Burgman, 2005).

4.2.1 Main Effects

4.2.1.1 Status and Wealth

Support for H1a and H1b and H2a would be indicated if scores for the dependent variable were higher when a “loud” (H1a, H2a) or “quiet” (H1b) luxury label was displayed. H1b would be supported when the scores would be lower. No support will be exhibited if there are no differences between the three groups.

As illustrated earlier (see section 4.1.6), the mean values for H1b, H1b and H2a are as expected. When a “loud” or “quiet” logo was displayed, the person was perceived as “wealthier” than when non-labeled apparel was used (Mloud = 3.28 < Mno = 3.51; Mquiet = 3.08 < Mno = 3.51). Further when a “loud” logo was displayed a person was perceived as having a higher status than when no logo was displayed (Mloud = 2.97 < Mno = 3.12). What not developed as expected was the fact that when a “quiet” logo was displayed, a person was still perceived as having higher status than when unlabeled apparel was displayed (Mquiet = 3.09 < Mno = 3.12). The results were tested for statistical significance by using a between groups one-way ANOVA, which legitimately can be conducted as all the prerequisites are met (see Appendix 2).

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Situation 1, 2 or 3</th>
<th>(J) Situation 1, 2 or 3</th>
<th>Value of contrast</th>
<th>F ratio</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>1</td>
<td>3</td>
<td>-1.553</td>
<td>.6756</td>
<td>.413</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-.0303</td>
<td>.0256</td>
<td>.873</td>
</tr>
<tr>
<td>Wealth</td>
<td>1</td>
<td>3</td>
<td>-2.372</td>
<td>1.109</td>
<td>.294</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-2.372</td>
<td>3.7752</td>
<td>.054</td>
</tr>
</tbody>
</table>

Table 9: Planned Comparison between-groups - Status and Wealth.
There was no significant difference in the perception of status between the three groups. When it comes to perceived wealth, a tendency can be observed: individuals displaying a “quiet” logo are perceived as more wealthy than those displaying no logo apparel [F(1,78.383)= 3.78, p=.054]. Although the p-value was slightly above .05, by comparing the means, a clear difference is indicated (see section 4.2).

Similar results could be found in the replication study. The comparison of means showed that the depicted person was perceived as having a higher status and being wealthier in the “loud” than in the “quiet” situation. The depicted person was perceived as least wealthy and having the lowest status in the no-logo situation (see Appendix 3).

4.2.1.2 Attractiveness, Trustworthiness and Competence

Support for H3a, H3b and H3c would be found if scores for the dependent variables were higher when a “loud” luxury logo was displayed than when non-labeled apparel was depicted. No support is exhibited if there are no differences.

As illustrated earlier (see section 4.1.6), the results for H3a, H3b and H3c are as expected. When a “loud” logo was displayed, the person was perceived as more “attractive”, “trustworthy” and “competent” than when non-labeled apparel is displayed. Though, since the differences between the three situations were marginal, it comes without surprise that no significant results were obtained in the planned comparison (see Table 10).

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Situation 1, 2 or 3</th>
<th>(J) Situation 1, 2 or 3</th>
<th>Value of contrast</th>
<th>F ratio</th>
<th>Sig.(2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractiveness</td>
<td>1</td>
<td>3</td>
<td>-.085</td>
<td>.254</td>
<td>.616</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>1</td>
<td>3</td>
<td>-.142</td>
<td>.575</td>
<td>.463</td>
</tr>
<tr>
<td>Competence</td>
<td>1</td>
<td>3</td>
<td>-.240</td>
<td>1.31</td>
<td>.257</td>
</tr>
</tbody>
</table>

Table 10: Planned Comparison between-groups - Attractiveness, Trustworthiness and Competence.

It should be noted that the factor “competence” did not fulfill the assumption of homogeneity of variances. Therefore, the result obtained by the contrast test under the assumption of not equal variances is displayed.

The replication study showed similar results. Likewise study 1, the mean values developed as expected, though among other aspects the differences between the means were too small, hence causing no significant results (see Appendix 3).

4.2.1.3 Preferential Treatment

When scores on the dependent variable are higher when a “loud” or “quiet” logo is displayed in comparison to the situation where no-label is displayed, H4a - H4d would be supported.

As shown in Table 8 (page 39), in both the “quiet” and “loud” logo situations a person was perceived as more suitable for the job vacancy than when no branded clothes were displayed (M_quiet = 2.73 < M_loud = 2.78 < M_no = 2.85). This result is proposed by H4a and H4b. The lowest hourly net income was ascribed, when a “quiet” logo was depicted (M_quiet = 3.33 > M_no = 3.27). Comparing the “loud” and non-logo situation, the results reflect the previous situations. Though, as illustrated in Table 11, the planned comparison indicates no significance.
Table 11: Planned Comparison between-groups - Preferential Treatment.

The same results were obtained in the replication study 2 (see Appendix 3).

4.2.2 Interaction Effects

Various factors impact the perception of a luxury brand, these include a person’s own need for status, connoisseurship, wealth (Han et al., 2010), nationality, familiarity with or liking of the brand Ralph Lauren (O’Cass & Frost, 2002). The author of this thesis further believes that the results might be influenced by the recipient’s gender (Lee et al., 2015).

To investigate whether or not these variables have an impact, a factorial ANOVA was conducted (see section 3.7.2). In those cases, where a significant interaction effect was shown, an effect analysis was carried out. The chosen level of significance is .05.

It should be mentioned that a factorial ANOVA assumes an independence of observations, normality and homoscedasticity (equality of variance). The independence was accounted for by the design of the study, the homogeneity of variance was tested through the Levene’s test. The last criterion was either addressed by sufficient sample sizes or, when the samples were not large enough, by the Shapiro-Wilk test for normality.

Since these criteria were not met by the variables “income” and “nationality” no two-way ANOVA was carried out for those variables. All other variables met the assumptions of a factorial ANOVA.

4.2.2.1 Gender

As aforementioned, an individual’s gender might have an impact on the perception of “fitness benefits”.

Nevertheless, the factorial ANOVA including gender as a moderator variable did not reach statistical significance on the perception of wealth \[F(2,115) = 1.97, p = .144\], status \[F(2, 115) = .342, p = .711\], attractiveness \[F(2,115) = .132, p = .877\], trustworthiness \[F(2,115) = .436, p = .648\] competence \[F(2,115) = .146, p = .864\], job suitability \[F(2,115) = .7798, p = .453\] and ascribed salary \[F(2,115) = .528, p = .591\].

This means that gender and brand prominence have no interaction effect, when it comes to the perception of “fitness benefits”.

4.2.2.2 Need for Status

Han et al. (2010) suggest that a recipient’s wealth and own need for status have an impact on the perception of luxury logos. However, as indicated at the beginning of this section, the two-way ANOVA assumes normality, among other aspects. Having a non-normal distribution can be accepted when the sample sizes are big (Pallant, 2010). Most respondents
had an income below 10.001 SEK, which caused unequal group sizes and violated the assumption of normality. Therefore, no statistical test could be conducted on the interaction effect of income. Hence, only the effects of Brand Prominence and need for status on perceived “fitness benefits” were examined.

The two-way analysis of variance yielded an interaction between Brand Prominence and need for status on perceived competence \([F(2,115) = 7.747, p = 0.001]\). An effect analysis for individuals with a high and low need for status indicated that the means for the three groups were significantly different for individuals with a high need for status \([F(2,59) = 5.9, p = .005]\) and showed some tendencies for individuals with a low need for status \([F(2,56) = 2.66, p = .079]\). The main effect analysis revealed that the depicted person was perceived as more competent when a “quiet” logo was worn \([M_{\text{quiet}} = 2.2364, \text{S.D.} = .6807 < M_{\text{no}} = 3.222, \text{S.D.} = 1.1939]\).

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Situation 1, 2 or 3</th>
<th>(J) Situation 1, 2 or 3</th>
<th>Value of contrast</th>
<th>F ratio</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High need for status</td>
<td>1</td>
<td>3</td>
<td>-.5768</td>
<td>3.024</td>
<td>.093</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-.9859</td>
<td>9.697</td>
<td>.004</td>
</tr>
<tr>
<td>Low need for status</td>
<td>1</td>
<td>3</td>
<td>-.0498</td>
<td>.0368</td>
<td>.084</td>
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<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>.4836</td>
<td>3.972</td>
<td>.054</td>
</tr>
</tbody>
</table>

Table 12: Effect Analysis - Need for Status and Competence

There was no statistically significant interaction between the effects of Brand Prominence and wealth \([F(2,109) = .952, p = .389]\). Similar results were attained when assessing the moderation effect of need for status on perceived status \([F(2,109) = 1.89, p = .059]\), attractiveness \([F(2,115) = 1.761, p = .176]\) and trustworthiness \([F(2,115) = 1.895, p = .155]\). Likewise, no interaction effect between need for status and Brand Prominence could be detected on the variables job suitability \([F(2,115) = .316, p = .73]\) and ascribed salary \([F(2,115) = 1.215, p = .301]\).

Incorporating the variable “need for status” into the model showed that the perception of competence is moderated by an individual’s own need for status. Significant results could be observed in the high status situations. Tendencies were observed in the low need for status situations.

4.2.2.3 Fashion Knowledge

Since the group sizes were similar and the Shapiro-Wilk test for normality showed that in all three situations the data was normally distributed \([p_{\text{load}} = .30; p_{\text{quiet}} = .095; p_{\text{no}} = .124]\), a two-way ANOVA was conducted and interpreted.

No interaction effects were shown for Brand Prominence and fashion knowledge on perceived wealth \([F(2,115) = .236, p = .79]\), status \([F(2,115) = .202, p = .817]\), attractiveness \([F(2,115) = .313, p = .732]\), trustworthiness \([F(2,115) = .342, p = .711]\), competence \([F(2,115) = 1.585, p = .209]\), job suitability \([F(2,115) = .079, p = .924]\) and salary \([F(2,115) = 1.692, p = .206]\).

This means that fashion knowledge does not have a moderating effect on the perception of “fitness benefits”.

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4.2.2.4 Familiarity

As discussed, most respondents were familiar with the brand Ralph Lauren [N_{familiar} = 86; N_{not familiar} = 35], hence the group sizes were unequal. To overcome this issue, the decision was made to balance the groups, which led to approximately similar groups sizes.

A two way analysis of variance yielded an interaction between Brand Prominence and brand familiarity on perceived wealth [F(2,150) = 4.304, p = .015] An effect analysis indicated that the means for the three groups were significantly different for those individuals who were not familiar with the brand Ralph Lauren [F(2,67) = 5.26, p = .008].

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Situation 1, 2 or 3</th>
<th>(J) Situation 1, 2 or 3</th>
<th>Value of contrast</th>
<th>F ratio</th>
<th>Sig. (2.tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiar</td>
<td>1</td>
<td>3</td>
<td>.0037</td>
<td>.0002</td>
<td>.989</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-.4963</td>
<td>3.286</td>
<td>.073</td>
</tr>
<tr>
<td>Not Familiar</td>
<td>1</td>
<td>3</td>
<td>-.8147</td>
<td>11.812</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-.2238</td>
<td>.6247</td>
<td>.433</td>
</tr>
</tbody>
</table>

Table 13: Effect Analysis - Familiarity with the Brand and Wealth.

Table 13 reveals that individuals who are familiar with the brand perceive a person wearing a “loud” logo as wealthier than when no-logo is displayed [M_{loud} = 2.954 < M_{no} = 3.7692].

Significant interaction effects were observed between Brand Prominence and brand familiarity on the ascribed salary [F(2,159) = 6.808, p = .001]. However, the Levene’s Test of homogeneity of variance showed that the assumption of equal variances was not fulfilled [F(2,150) = 9.187, p = .000]. Due to this, the effect analysis is not carried out since the results cannot be interpreted in a meaningful way.

No significant results were obtained when analyzing the interaction effect between Brand Prominence and brand familiarity on the perception of status [F(2,150) = .157, p = .854], attractiveness [F(2,150) = .266, p = .767], trustworthiness [F(2,50) = 1.071, p = .345], competence [F(2,150) = .985, p = .376] and job suitability [F(2,150) = .981, p = .377].

The results illustrated above show that familiarity with the brand Ralph Lauren moderates the perception of wealth, however only if the respondent is not familiar with the brand.

4.2.2.5 Liking

As in the case of brand familiarity, the group sizes were not equal [N_{like} = 75, N_{not like} = 76], therefore the sample was balanced.

Nevertheless, no interaction effects were observed for Brand Prominence and fashion knowledge on perceived wealth [F(2,161) = 2.49, p = .086], status [F(2,161) = .344, p = .709], attractiveness [F(2,161) = .603, p = .549], trustworthiness [F(2,161) = .608, p = .545], competence [F(2,161) = 1.089, p = .339], job suitability [F(2,161) = 1.462, p = .235] and salary [F(2,161) = .76, p = .469].

This means the liking of a brand had no interaction effect on perceived “fitness benefits”.

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4.2.2.6 Nationality

O’Cass & McEwen (2002) believe that nationality has an influence on the perception of luxury brands. Accordingly, in this study differences between European (N=102) and non-European (N=19) participants were observed.

While the mean values did not differ substantially between Europeans [M_{loud} = 3.3, S.D. = 1.126; M_{quiet} = 3.015, S.D. = 1.056; M_{no} = 3.48, S.D. = .996], among non-Europeans an influence of Brand Prominence on perceived wealth can be observed [M_{loud} = 3.1, S.D. = .2236; M_{quiet} = 3.357, S.D. = .55635; M_{no} = 3.643, S.D. = 1.029].

Furthermore, also the mean values for status differed widely, when comparing Europeans and non-Europeans. Besides the fact that non-Europeans perceived the depicted person wearing a “loud” or “quiet” logo as having more status, the differences between the three groups were more obvious [Non-European: M_{loud} = 2.73, S.D. = .54772; M_{quiet} = 2.952, S.D. = .67847; M_{no} = 3.19, S.D. = .7663; European: M_{loud} = 3.0, S.D. = .907; M_{quiet} = 3.121, S.D. = .8613; M_{no} = 3.108, S.D. = .87894].

Similar results were observed for the perception of attractiveness [Non-Europeans: M_{loud} = 2.7, S.D. = .4604; M_{quiet} = 3.114, S.D. = .48795; M_{no} = 3.7714, S.D. = .6676], trustworthiness [No-Europeans: M_{loud} = 2.8, S.D. = .86023; M_{quiet} = 3.2571, S.D. = .5127; M_{no} = 3.2571, S.D. = .6294], competence [No-Europeans: M_{loud} = 2.1, S.D. = .55857; M_{quiet} = 2.457, S.D. = .92170; M_{no} = 3.0286, S.D. = 1.32378] and job suitability [M_{loud} = 2.6, S.D. = .548; M_{quiet} = 3.29 S.D. = .756; M_{no} = 2.71, S.D. = 1.113]. No differences were shown when the variable “salary” was assessed. It should be kept in mind that only 19 non-Europeans completed the questionnaire. Hence, no statistical test could be conducted since - due to the small sample size - several prerequisites were violated.
5 Interpretation

In this section the empirical findings will be interpreted. The aim is to test the acceptance or rejection of the hypothesis, whilst creating a nexus to the developed theoretical framework.

The purpose of this thesis was to investigate the impact of luxury brand prominence on perceived “fitness benefits” among Gen Y consumers in the context of luxury fashion clothes. To achieve this purpose, two separate studies were conducted, both addressing Gen Y consumers born between 1980 and 2000. The findings showed that this population was addressed since in both studies the drawn sample comprised individuals between the age of 18 and 35 (M Experiment = 23.81, S.D. = 3.202). Additionally, the variation of Brand Prominence was guaranteed by randomly displaying either a “loud”, “quiet” or non-labeled apparel.

The results showed that the cause and effect relationship between Brand Prominence and perceived “fitness benefits” might not be as straight-forward as suggested by previous studies. The analysis provided empirical support that several control variables had an impact on the perceptual process.

5.1 Importance of a respondent’s characteristics

The study at hand stresses the importance of descriptive statistics. By exclusively focusing on the cause and effect relationships, valuable information might not be taken into consideration. By knowing the recipient’s characteristics, the results might be better understood.

As proposed by Han et al. (2010) also within this study a certain consumer type could be identified. The drawn sample was characterized by low income (88.5% had a monthly income less than 15,000 SEK), low fashion knowledge (59.5%) and low need for status (54.9%). This means that approximately half of the sample could be classified as Proletarians (see section 2.4.2). This finding is crucial since Proletarians do not engage in the signaling game. These consumers neither care about brands, nor have a need to consume for status and prestige – an aspect which clearly sheds light on the obtained results.

Besides the variables identified by Han et al. (2010) also a recipient’s liking of the brand (study 2), brand familiarity and nationality (study 1 and 2) influenced the perception of certain “qualities” (see Appendix 3 for study 2).

5.2 Perceived qualities

5.2.1 Wealth

H1a: If a “loud” logo is displayed, a person is perceived as “wealthier” than when non-labeled apparel is displayed.

H1b: If a “quiet” logo is displayed, a person is perceived as “wealthier” than when non-labeled apparel is displayed.

By analyzing the direct relationship between “loud” labeled luxury apparel and non-labeled clothes, the mean values developed as expected. However, the difference was not significant. After including the moderator variable “brand familiarity” to the model, significant results can be obtained. An effect analysis provided empirical support that when an individual was not familiar with the brand Ralph Lauren, the depicted person was perceived as
wealthier in the “loud” logo situation than in the no-logo situation. This aspect might be explained by the fact that although the majority was familiar with the cue, half of the drawn sample did not like the brand (see section 4.1), an aspect which can be elucidated when keeping the concepts of brand personality and brand image in mind.

The relationship between brand familiarity and liking can be further emphasized by the fact that the variables liking and familiarity were correlated. The R-squared in the Pearson Correlation (.183²) shows that circa 3.3% of the variance in the familiarity with the brand Ralph Lauren is explained by the liking of the brand.

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>S.D.</th>
<th>Pearson</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiarity</td>
<td>1.702</td>
<td>1.364</td>
<td>.183*</td>
<td>0.044</td>
<td>121</td>
</tr>
<tr>
<td>Liking</td>
<td>3.33</td>
<td>1.497</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*correlation is significant at .05 (2-tailed)

Table 14: Correlation - Brand Familiarity and Liking

As addressed in the frame of references, O’Cass & Frost (2002) claim that brand familiarity is subjective knowledge. This knowledge determines how familiar an individual is with a brand’s concept, image, heritage and characteristics (Flynn & Goldsmith, 1999; O’Cass & Frost, 2002). This familiarity plays a crucial role since the more an individual knows about a brand, the clearer the image or picture will be set in the mind of this individual (Trommsdorff & Heine, 2008). Having a high subjective knowledge is therefore believed to be a strong motivator of an individual’s behavior (O’Cass & Frost, 2002). If the brand image is perceived to be congruent with an individual’s own personality the brand is liked, vice versa not. However, when an individual is not fully familiar with the personality of a brand such inferences might not be made. In those cases, simply the fact that luxury brand is displayed matters, therefore $H_{1a}$ is accepted.

On the contrary, if an individual is familiar with a brand, it might be the case that she/he does not like its image. Those individual’s will judge the depicted person wearing the brand worse. Given the fact that half of the drawn sample disliked the brand Ralph Lauren, this might explain the inferior judgements. In contrast to Nelissen & Meijers (2011), the results of this work indicate a relationship between a brand’s image and the associated “fitness benefits” thereof.

No support could be found for hypothesis $H_{1b}$, an aspect, which could be explained by having a careful look at a recipient’s characteristics. Besides the fact that the drawn sample was characterized by a low income, 72 out of 121 claimed to have low fashion knowledge. According to Han et al. (2011), “quiet” logos are cherished by those consumers who are on the one hand wealthy and on the other hand have a certain degree of connoisseurship. This might explain why $H_{1b}$ is rejected.
5.2.2 Status

H2a: If a “loud” logo is displayed, a person is perceived as having a higher “social status” than when non-labeled apparel is displayed.

H2b: If a “quiet” logo is displayed, a person is perceived as having a lower “social status” than when non-labeled apparel is displayed.

No empirical evidence could be found for H2a and H2b. This finding stands in contrast to former research. Though, in comparison with this research, the samples drawn in previous studies, were a) older (Hambauer, 2012; Nelissen & Meijers, 2011) and b) had another cultural background (Lee et al., 2015).

This heterogeneity was reflected also in the obtained results. When comparing the mean values of Europeans and non-Europeans clear differences can be observed [Non-European: M_{loud} = 2.73, M_{quiet} = 2.952 < European: M_{loud} = 3.0, M_{quiet} = 3.121]. Whilst Europeans did not evaluate the depicted person significantly different in all three situations, the means obtained within the non-European sample shows a wider spread. These findings are in accordance with Lee et al. (2015) who provided empirical support that luxury brands induce a higher perception of status and wealth among South Korea’s Gen Y consumers. The study of Lee et al. (2015) is essential for this thesis, since the authors used the same data collection method and (with respect to the replication study) identical scales. What differed were the used brand and the respondent’s nationality.

Further evidence for the gained results could be found in a recent study conducted by Abt- tan et al. (2014). The authors showed that individuals in emerging countries still cherish an ostentatious (“loud”) display of wealth. However, this might not be any longer true among European consumers. These consumers prefer intangible signals over tangible luxury goods (Han et al., 2010; Wallman, 2015a).

Since this study comprises 102 European and 19 non-European participants, it comes without surprise that H1 and H2 cannot be accepted.

5.2.3 Attractiveness, Trustworthiness & Competence

H3a: If a “loud” logo is displayed, a person is perceived as more “attractive” than when non-labeled apparel is displayed.

H3b: If a “loud” logo is displayed, a person is perceived as more “trustworthy” than when non-labeled apparel is displayed.

H3c: If a “loud” logo is displayed, a person is perceived as more “competent” than when non-labeled apparel is displayed.

No support could be found for H3a, H3b and H3c. This means that by displaying a “loud” luxury brand an individual is not perceived as being more attractive, trustworthy or competent than their non-signaling counterparts. Lee et al. (2015) obtained similar results among a sample of Koreans. A display of luxury brands had a likewise not significant effect on the perception of attractiveness and trustworthiness. Due to the fact that neither Lee et al. 4

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4 Lee et al. (2015) did not incorporate the aspect of Brand Prominence and used Dior as a cue
(2015) nor the author of this thesis (in both studies) obtained significant results; it is questionable if the hypotheses can be upheld, in particular for the cohort in question. Therefore, $H_3a$ and $H_3b$ are not accepted.

$H_3c$ is rejected; nevertheless, the obtained results showed that the perception of the trait “competent” was moderated by an individual’s need for status, though only when comparing the “quiet” logo cue with the no-logo cue. Individuals with a high need for status perceived the depicted person in the “quiet” logo situation as more competent than when no-logo was displayed. This finding stands in contrast to Han’s et al. (2010) proposed taxonomy of luxury consumers (see section 2.4.2). According to the model, individuals with a high need for status cherish “loud” brands. These results might indicate that the definition of a Brand Prominence must be further developed. In accordance with Han’s et al. (2010) taxonomy, the author of this thesis hypothesizes that cues which were previously regarded as “quiet” might be classified as “loud” among Generation Y consumers.

### 5.3 Favorable Treatment

#### 5.3.1 Job Suitability

$H_4a$: If a “loud” logo is displayed, a person is perceived as more suitable for a job vacancy than when non-labeled apparel is displayed.

$H_4b$: If a “quiet” logo is displayed, a person is perceived as more suitable for a job vacancy than when non-labeled apparel is displayed.

No significance was shown, when comparing the “loud”, “quiet” and no-logo situation on perceived job suitability. Furthermore, no significant interaction effect was found. Therefore, $H_4a$ and $H_4b$ cannot be accepted.

Nevertheless, when comparing the mean values between Non-European citizens and Europeans, considerable differences could be observed [Non-European: $M_{\text{loud}} = 2.1 < M_{\text{no}} = 3.19$, European: $M_{\text{loud}} = 3.0 < M_{\text{no}} = 3.1$]. As aforementioned, this indicates that luxury labeled brands still serve as reliable signals among Non-Europeans. These assumptions are further supported by the findings of Lee et al. (2015) who showed that Gen Y consumers in South Korea perceived a person wearing a luxury label as more suitable for a specific job.

#### 5.3.2 Ascribed Salary

$H_4c$: If a “loud” logo is displayed, a person is given a higher salary than when non-labeled apparel is displayed.

$H_4d$: If a “quiet” logo is displayed, a person is given a higher salary than when non-labeled apparel is displayed.

According to Lee et al. (2015) as well as Nelissen & Meijers (2011), individuals wearing a luxury labeled apparel are given a higher salary compared to those wearing a non-luxury or no-labeled shirt. The study at hand, however, did not obtain significant differences when comparing situation 1, 2 and 3. Therefore, $H_4$ and $H_4d$ cannot be accepted.
This means that among Gen Y consumers in Europe luxury brands do not have a significant impact on favorable treatment in social interaction.

5.4 A new kind of Conspicuous Consumption

Several authors suggest that Conspicuous Consumption is a socially defined and ever-changing construct (Chaudhuri & Majumdar, 2006; O’Cass & Frost, 2002). Current market research studies suggest that this might be especially true for Generation Y consumers. Although Gen Y consumers are perceived as being a cohort with a high affinity for luxury brands, the consumption of these brands might no longer be explained by an individual’s need for status and prestige - at least among European consumers. While Eastman et al. (20102) state that Gen Y consumers are still driven by a need for status, uniqueness or conformity, these needs might not be fulfilled by tangible goods.

Recent studies suggest that consumers display their prestige through Luxury Experience (Abtan et al., 2014; Wallman, 2015a). Particularly consumers from developed countries have already satisfied their longing for tangible luxury goods and tend to move on. They seek for experiences they can share with others. These affluent consumers - mostly the Baby Boomers and Millennials in Europe and the USA - are now looking for Luxury Experiences (Abtan et al., 2014; Meurer & Manninger, 2012). This is a shift from Veblen’s Conspicuous Consumption to the concept of Conspicuous Leisure.

Wallman (2015) believes that this shift is an aspect which is historically induced. In former days, when individuals migrated from smaller communities to larger metropolises Veblen’s Conspicuous Leisure became a less effective way of signaling. Formerly inhabitants of a certain area were familiar with each other, thus due to the migrations of the 20th century all of a sudden individuals barely knew their neighbors. Therefore, material possessions gained importance since they “could deliver far more status than an experiential purchase” (Wallman, 2015b). In other words: your neighbor might not be aware of how you spend your free time, however the luxurious car in your drive way cannot be overlooked. According to Wallman (2015), this signaling behaviour continued in the 20th century. Though, social media has reversed this trend.

Nowadays, more than 40 percent own a tablet, 65 percent possess a smart phone and over 80 percent use social media (Abtan et al., 2014; Heine & Berghaus, 2014). On platforms like Facebook, Instagram, Twitter, pictures, impressions and experiences can be shared in real time. Wallman (2015) is convinced that present-day consumers still flaunt wealth, however not through tangible goods. It is more about creating and sharing scarce and unique Luxury Experiences such as the exclusive Thailand trip, the front row tickets of a Jay-Z concert and the pre-party on Ibiza. Due to the Democratization of luxury, nowadays anyone can buy material products, however not everyone can be at an exclusive event. Today’s consumers might have the money to spend, however are scarce in time (Wallman, 2015a). Therefore, the author of this thesis concludes in accordance with Wallman (2015) that a shift from Conspicuous Consumption to Conspicuous Leisure has occurred, mainly induced by social media. Online platforms are currently giving us a new way to worry that we may not keep up with the Joneses.5

This means that the world of luxury is characterized by a more heterogeneous landscape than ever. Especially the young consumers in Europe slowly change their Conspicuous Con-

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5 For detailed information regarding the meaning of the phrase “Keeping up with the Joneses” see Twain (1993), Gali (1994) or Roger (2000)
sumption patterns, while the emerging middle class in developing countries still seeks for traditional luxury goods (Abtan et al., 2014). Therefore, the question arises if luxury brands still have a symbolic meaning among Gen Y consumers in Europe.

5.5 Symbolic Meaning of Brands among Gen Y

As discussed in section 2.3, a luxury brand has to fulfill certain criteria to serve as a reliable signal. However, the analysis of the data showed that several of these criteria were not fulfilled within this study. By displaying a luxury label, the cue was not interpreted in the intended way and hence no “fitness benefits” were induced. Only when incorporating several control variables, significant results were obtained. Though, these results were quite specific and did only apply for certain situations and qualities. Hence, the question arises if luxury brands in general no longer serve as reliable cues or if other issues might have caused this result. The author of this thesis has identified two aspects, which might explain the obtained results: (1) the logo prominence and (2) the trend of Segregation.

Firstly, it might be the case that Generation Y consumers appreciate more subtle signals than previous cohorts. Although the findings showed that only half of the respondents were highly fashion knowledgeable, Abtan et al. (2014) state that in general Gen Y consumers are more brand educated than their ancestors. If an individual is knowledgeable about fashion, “quiet” signals are cherished over “loud” ones (Han et al., 2010). It might be the case that even the “quiet” cue used within this study was too “loud”. Prokopec (2015) emphasizes the aspects as specific colors, an emblem, a particular material or simply the way of using a material can be already seen as a subtle signal (Prokopec, 2015). Hence, the prominence of a brand logo - regardless of its size - might be perceived as “loud” logo among Gen Y consumers.

Secondly, the results might be explained by the trend of Segregation. Several authors believe that nowadays the focus is set on taste rather than waste, which stresses the importance of design, quality and exclusivity (Chaudhuri & Majumdar, 2006; Shipman, 2004). The trend of Segregation is believed to be especially prevalent among European luxury consumers. It is a movement contrary to the Democratization of luxury. This opposing movement is mainly induced by the fact that luxury brands are now worldwide available as well as more affordable than ever before (Meurer & Manninger, 2012). Hence, “loud” signals are becoming increasingly visible and losing their luxury cache or in other words “scarcity” (Prokopec, 2015; Tsai, 2005; Wu et al., 2013). Although academics and practitioners are convinced that consumers still engage in signaling prestige, luxury consumers might seek to convey this trait to a smaller inner circle (Meurer & Manninger, 2012). This is manifested in exclusive institutions as “The China Club Adlon” situated in Berlin, Flavio Briatore’s “Billionaire Club”, or exclusive luxury fairs (Meurer & Manninger, 2012).

This might explain why neither the small nor the big Ralph Lauren logo has induced “fitness benefits” both signals are according to latest studies too “loud”. Besides, it might be the case that the brand Ralph Lauren is in general no longer perceived as scarce. As discussed in section 2.3, scarcity is regarded a crucial criterion for a signal’s reliability.

5.6 Costly Signaling as cultural defined phenomenon

That luxury brands can serve as reliable signals for an individual’s “fitness” among Generation Y consumers has lately been shown by Lee et al. (2015). The crucial difference is the national context in which the research was undertaken. While the research at hand was
conducted within Sweden and online - addressing students throughout Europe - Lee et al. (2015) obtained the data through experiments in South Korea.

In accordance with the obtained findings of this research, the reliability of a signal might be influenced by the cultural context. Erdem et al. (2006) showed that this assumption actually holds. The authors provided empirical support that Hofstede’s (1980) cultural dimensions (collectivism/individualism, uncertainty avoidance and power distance) affect the way consumers use and think about brands as signals. Based on the results of this study and on findings reported in literature, it can be concluded that consumers within Europe cherish more “quiet” symbols, whilst consumers in emerging countries might still regard “loud” labeled brands like Ralph Lauren as reliable symbols. While no significant differences between European consumers could be shown, non-Europeans attributed the depicted person in the “loud” logo situation as having the highest “fitness” (see section 4.2.2.6). Therefore, Conspicuous Consumption should be seen as a culturally defined phenomenon, deeming it essential to further develop Han’s et al. (2010) proposed concept of Brand Prominence by incorporating an individual’s nationality.
6 Conclusion

In this section a comprehensive summary of the previous analysis will be given. Concluding marks will be made and suggestions for a further development of the Theory of Conspicuous Consumption and the concept of Costly Signaling will be provided.

Luxury markets are growing at an unprecedented pace; especially the younger consumer generation is regarded as a target segment for luxury manufacturers. Recent studies have shown that wearing luxury labeled clothes lends an air of wealth and high status.

Given the proposed importance of Gen Y for luxury manufacturers, the aim of this study was to investigate the impact of brand prominence on the perception of “fitness benefits” among Generation Y consumers in the context of luxury fashion clothing. To fulfill this purpose “fitness benefits” were assessed by several hypotheses addressing (1) the perception of certain qualities, (2) a favorable treatment in social interaction. To test the stated hypotheses, the author collected data through two separate studies: a social experiment as well as an online survey. The combination of those two data collection methods enriched and most notably increased the quality and generalizability of the findings.

To investigate the impact of Brand Prominence on the perception of the qualities “status”, “wealth”, “attractiveness”, “trustworthiness” and “competence” H1, H2, and H3 were formulated. The findings provide no evidence for a direct influence of Brand Prominence on perceived “fitness benefits”. Though, when incorporating the control variables “brand familiarity”, “nationality” and “need for status” significant results were obtained. The findings indicate that individuals with a high “need for status” perceive a person wearing a “quiet” label as more competent than one wearing no-label. The “loud” labeled situation showed significant results on the perception of “wealth” when an individual was not too familiar with the displayed brand. This means that “wealth” can be signaled through “loud” logos, though only when no predisposed brand associations are given.

To explore the influence of a brand’s prominence on a favorable treatment in social interactions H4 was formulated. No significant results were obtained. Furthermore, no influence of the control variables “gender”, “liking”, “brand familiarity”, “fashion knowledge” and “need for status” was detected. An identifiable pattern, true for all hypotheses, was the influence of nationality. Whilst non-Europeans valued “loud” logos, Europeans did not show any direct cause and effect relationships between a logo and perceived “fitness benefits”.

This piece of research confirms that the relationship between Brand Prominence and perceived “fitness benefits” is not as straight-forward as proposed in previous studies. The empirical findings supported an influence of a recipient’s characteristics on the perception of a luxury brand. When comparing the findings with previous studies conducted among older generations, it is evident that labeled luxury brands no longer serve as reliable signals among Generation Y consumers.

By creating a nexus to current market research studies, these findings can be explained by several aspects. Firstly, the analysis indicates that due to an enhancement of technology a shift of Costly Signaling has occurred. Gen Y consumers still want to “Keep up with the Joneses” however in contrast to previous cohorts, Gen Y consumer’s prefer (a) more subtle signals, (b) cherish signaling through intangible goods. The findings might be explained by a shift to Conspicuous Leisure. Social “fitness” might no longer be enhanced through Con-
spicuous Consumption, but by sharing Luxury Experiences via social platforms. Secondly, as proposed by previous research, the results of this thesis once again indicate the importance of the cultural context.

To conclude, this study has provided evidence that the signaling process might not be as straight-forward among Generation Y consumers as it is proposed by Veblen (1899) or Nelissen & Meijers (2011). To guarantee further growth and success in the long run, luxury manufacturers must therefore adapt to new levels of complexity created by a demographically and geographically heterogeneous consumer landscape, characterized by a new way of Costly Signaling.
7 Discussion

This last section will discuss the outcome of the research. It will start with a general discussion. Furthermore, implications, limitations and recommendations for further research within the area of Brand Prominence and Costly Signaling will be pointed out.

Throughout this thesis, the author has gained new insights into the research topics of Brand Prominence and “fitness benefits”. During the process, the author has recognized the limitations and detected the need for further research within the field of Costly Signaling, revising the already existing concepts and further enhancing the phenomenon of Brand Prominence. Especially due to the fact that Generation Y consumers in Europe have never been the target of such a research, the author claims that the findings are of great importance for luxury manufacturer as well as academics. It could be shown that the signaling game as proposed by numerous authors is nowadays not as straight forward as it was thought of 100 years ago. Furthermore, the findings are crucial since they exemplify the importance of describing the retrieved sample as good as possible. Only by addressing the recipient’s own characteristics, a meaningful interpretation of the obtained data was guaranteed.

7.1 Contribution

Firstly, the author added to the theories of Costly Signaling and Brand Prominence by incorporating a new aspect, namely the logo size. Previous studies either focused on investigating the influence of a luxury logo on perceived “fitness benefits” (Lee et al., 2015; Nelissen & Meijers, 2011) or on the motivational factor for buying more or less prominently brand-ed products (Han et al., 2010).

Secondly, the research addressed Generation Y, a consumer group hardly researched within the field of perceived “fitness benefits”. Two aspects could be identified. On the one hand, this research provided evidence that although Conspicuous Consumption through luxury brands might be true among older consumers this has probably changed for a younger consumer cohort (at least within Europe). On the other hand, the study provided empirical evidence that even though Lee et al. (2015) and Euromonitor (2014) state that luxury logos still serve as reliable signals in non-European markets, this might be not the case among young European consumers.

Thirdly, the author added to the literature of Costly Signaling by investigating the impact of an individual’s own characteristics. Both studies provided empirical support, that aspects as need for status, brand familiarity, liking and nationality have an impact on the perception of “fitness benefits”. These findings not only enrich previous literature by supporting the propositions made by Han et al. (2010) and O’Cass & Frost (2002). Evidence was provided that there is a difference between consumers who are familiar with the brand and who are not. In study 1, those who were not familiar perceived individuals wearing a “loud” logo as wealthier. Further a low need for status results in higher perception of competence when a “quiet” logo was displayed.

Fourthly, the author contributed to the new concept of Luxury Experience by providing evidence that young luxury consumers do not perceive branded luxury goods as being directly associated with status, wealth and prestige. Consequently, the findings of this research enrich luxury marketers with the knowledge that Brand Prominence might be not as relevant among Generation Y consumers as among previous cohorts, deeming it as essential for manufacturers to rethink their marketing management and strategies.
Lastly, the author added to the academia of luxury consumption since the complexity of today’s young consumer generations can be emphasized. Relationships between brand logos and perceived “fitness benefits” are not as straightforward as they have been in previous years, which indicates that the “traditional” approach luxury manufacturers had, cannot be applied anymore. Investigating further into the subject provided evidence that a tailored and responsive strategy for different segments might be required.

Additionally, the author has contributed to the academic field since an approach to deal with not significant results obtained in social experiments has been introduced. By replicating the study online, making minor changes in respect to the used scale, possible biases due to the experimental situation could be eliminated.

7.2 Limitations

Even if the author recognizes this thesis as of high quality with robust reliability and validity, as in any research some limitations and shortcomings have to be acknowledged.

Study 1 is limited to Generation Y consumers within the Swedish border. Since symbolic consumption is to a large part a matter of social convention this implies that the results might be only applicable to Sweden (Witt, 2010). On the other hand, having a Swedish sample might lead to a response bias. When investigating the Swedish culture, the principle of “lagom” has to be acknowledged. “Lagom” means not too much, not too little, and everything should be moderate (The Hofstede Centre, 2013), an aspect which might have led to a likewise “lagom” response behavior. Although a “lagom” response behavior was tried to be avoided by using a six-point Likert scale, the observed values were still centered (see Appendix 4). However, since the replication study - using another scale and another target population – showed similar results, the “lagom” bias is only seen as a minor limitation.

A further limitation is made by focusing primarily on luxury clothes, since previous studies have shown that especially luxury brand labeled clothes can signal a person’s “qualities” (O’Cass & McEwen, 2004; O’Cass & Frost, 2002). Consequently, the findings might be only generalized to other labelled luxurious goods such as cars, houses. The findings are not applicable to luxury objects such as purebred dogs or Luxury Experiences.

Besides, as established earlier, the study is limited due to the chosen cue. Although Nelissen & Meijers (2011) believe that not a particular brand, but the fact that a luxurious brand is displayed can enhance “fitness benefits”, the author regards this decision in retro perception as drawback, since other cues might have led to other results.

Further, the clash between theory and findings suggests a need for a new scale for measuring an individual’s need for status. Although Eastman’s et al. (1999) scale is proven reliable and valid, it only addresses luxury brands. Since current studies suggest that Costly Signaling manifests itself not exclusively in luxury brands, but also in Luxury Experiences or other luxury objects, the measurement scale and questions should be adjusted and improved for further studies.

Finally, the study is limited due to the fact that a student sample was drawn. Even though the age range clearly represented Generation Y (see section 3.7.1), by focusing only on students, the findings might not be applicable to the whole cohort.
7.3 Further Research

Through the development of this thesis, the role of Brand Prominence on the perception of “fitness benefits” was investigated. Furthermore, the impact of a recipient’s own characteristics was explored. However, the topic stretches way further than what could be gasped in the pre-defined scope. The author recognized that especially Gen Y’s perception of Costly Signals is a nearly undiscovered part, which calls for further research.

After conducting the research, a further insight into “why” the results were obtained would serve both academics and practitioners. The author suggests conducting further studies to discover: (a) if brands are still important and if yes, in what sense, (b) “why” Brand Prominence is not as important among Gen Y consumers in Europe as it is for other non-Europeans, (c) what role Brand Prominence plays within the perception of certain benefits, (d) what comprises a “quiet” signal among European consumers and (e) whether or not there are differences among various age groups within Europe.

Further insight should be gained why Gen Y consumers are considered as having a high affinity for luxury brands when not consuming them exclusively for prestige reasons. Besides, the author regards it as crucial to further investigate the relationship between the trend of Luxury Experience and perceived “fitness benefits”. As discussed, the consumption patterns might have changed – especially among European consumers.

Therefore, further research comparing different consumer cohorts within one country as well as between different nations, clearly serves luxury marketers to better understand their target groups and enables them to specifically design their offerings to their target customers.
List of References


Appendix

Appendix 1

Day 1 – Wednesday, March 25th

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Approached Individuals</th>
<th>Participants</th>
<th>Observations concerning the location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>male</td>
<td>female</td>
<td>male</td>
</tr>
<tr>
<td><strong>Situation 1: Conspicuous Branding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8:00-10:00</td>
<td>6</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>11:00-12:00</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>13:00-15:00</td>
<td>13</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>15:30-17:00</td>
<td>4</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td><strong>Sums</strong></td>
<td>25</td>
<td>44</td>
<td>16</td>
</tr>
<tr>
<td><strong>Number of approached people:</strong></td>
<td>69</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of responses:</strong></td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number responses females:</strong></td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number responses males:</strong></td>
<td>16</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Day 2 – Thursday, March 26th

<table>
<thead>
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<th>Participants</th>
<th>Observations concerning the location</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>male</td>
<td>female</td>
<td>male</td>
</tr>
<tr>
<td><strong>Situation 2: Discrete Branding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8:30-10:00</td>
<td>5</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>11:30-13:00</td>
<td>11</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>13:00-15:30</td>
<td>13</td>
<td>32</td>
<td>9</td>
</tr>
<tr>
<td>16:00-16:30</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Sums</strong></td>
<td>31</td>
<td>51</td>
<td>18</td>
</tr>
<tr>
<td><strong>Number of approached people:</strong></td>
<td>82</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number of responses:</strong></td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number responses females:</strong></td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Number responses males:</strong></td>
<td>18</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Day 3 – Friday, March 27th

<table>
<thead>
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<th>Time Frame</th>
<th>Approached Individuals</th>
<th>Participants</th>
<th>Observations concerning the location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>male</td>
<td>female</td>
<td>male</td>
</tr>
<tr>
<td>Situation 3: No Branding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8:30-10:30</td>
<td>8</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>10:40-12:30</td>
<td>8</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>12:40-13:40</td>
<td>5</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Sums</td>
<td>21</td>
<td>40</td>
<td>17</td>
</tr>
</tbody>
</table>

Number of approached people: 61

Number of responses: 41, 41/61 = 67,21%

Number responses females: 24, 24/40 = 60,00%

Number responses males: 17, 17/21 = 80,95%
Appendix 2

Requirements for conducting an ANOVA:

1. Within the study at hand the first criterion is met by using Likert-scale and other interval scales for measuring the dependent variables and possible covariates.

2. The assumption of random sampling can be met to that extent that the participants were randomly assigned to one of the three groups. Although a convenience sample is drawn, since only Gen Y consumers within the scope of Högskolan i Jönköping are assessed, this is in accordance with Pallant (2010) acceptable, since in real-life research that is often the case.

3. The assumption of independent observations is met, as no relationship between the observations in each group or between groups themselves was given. This means in every group different participants were addressed, with no participant being in more than one group. This was on the one hand accounted for by the design of the study, further ensured by the experimenter. Only those individuals, walking alone were approached. The individuals, who participated on for instance day 1 were memorized, avoiding the pitfall to ask them once again. Further, since Stevens (1996) emphasizes the seriousness of the violation of this assumption, three participants (N=3) were excluded. These participants were approached by their peers during the experiment, which leads to a potential violation of the assumption of independence.

4. An ANOVA further assumes that the populations from which the samples are taken are normally distributed. Nevertheless, Bortz & Döring (2006) as well as Pallant (2010) emphasize that by using large enough sample size (e.g. more than 20 participants), a violation of this assumption, should not cause any major problems (Bortz & Döring, 2006; Pallant, 2010). In both studies each situation comprised more than 30 respondents.

5. To test for equality for variance Pallant (2010) suggests Levene’s test. This test determines whether the variability of scores for each of the groups is similar. The underlying null hypothesis of Levene’s test is that the variances of the means between the two groups are equal. This means that for meeting the assumption of homogeneity of variance, a value greater than .05 should be found (Pallant, 2010).
Appendix 3

The aim of this study was to investigate the influence of Brand Prominence on perceived “fitness benefits” among Generation Y consumers in the context of luxury fashion clothing. To be more concrete this research examined the perception of certain qualities and favorable treatment in social interactions.

1) Participants and Design

Study 2 was conducted online between the 10th and the 12th of April (2015). The survey link was distributed via the social media platform Facebook. The data collection can be hence regarded as a convenience sample with elements of snowball sampling, since participants were asked to forward the link to their friends (Saunders et al., 2008). Nevertheless, the data collection process was considered as efficient and effective, since Generation Y is a cohort with a high affinity for social media platforms and hence can be easily accessed through online tools (Galloway, 2010). Furthermore, by distributing an online link the risk of errors, caused by the personal interview - which might theoretically have occurred in study 1 - was minimized.

The sample was composed of 101 students (M Age = 23.85, S.D. = 3.09). These students were randomly assigned to one of three situations (“loud” Ralph Lauren logo, “quiet” Ralph Lauren logo or no-logo). The sample consisted of 42.6% Austrians, followed by Germans (18.8 %), Swedish (5%), Dutch (4%) and Canadians (4%). The rest comprised other nations. While the majority of participants (58.4%) holds only a Bachelor’s diploma, 16.6% have finished High School and 12% even their Master’s degree. In contrast to study 1 most participants had an income less than 5,000 SEK (42.6%). This can be caused by the fact that Austrians and Germans (which comprised the majority of the sample) do not receive any student grants. Most participants had an income of less than 10,001 SEK (33.7%); only 23.7 had a higher income.

2) Research progress and materials

The questionnaire consisted of three blocks. Firstly, a photo was displayed. This photo depicted a person wearing either a “loud”, “quiet” or non-labeled shirt. While the photo was presented, the participants were asked to assess the person. Based on previous studies (Lee et al., 2015; Hambauer, 2012; Nelissen & Meijers, 2011) respondents were asked to evaluate the perception of the qualities wealth (“This person is rich.” “This person has a lot of money.” Cronbach's α = .902), status (“This person has high status.” “This person is respected.” Cronbach's α = .708), attractiveness (“This person is attractive.” “This person is good looking.” Cronbach's α = .891) and trustworthiness (“This person is honest.” Cronbach's α = .743). To measure an individual’s competence Fiske’s et al (2002) competence scale was used (Cronbach's α = .736). Furthermore, two questions assessing an individual’s job suitability and ascribed income were asked (see section 3.6.5). All dependent variables were assessed on a five point Likert scale ranging from 1 = I do not agree at all up to 5 = I totally agree.

Similar to study 1 also study 2 accounted for the influence of possible control variables. Finally, the questionnaire included items measuring the demographic variables (see section 3.6.5).
3) Results and discussion

In a first step the mean values were estimated. As shown in following table, the depicted person was perceived as having the highest prestige when displaying a “loud” logo (except attractiveness). The lowest mean values can be observed in the non-logo situation.

<table>
<thead>
<tr>
<th>Perception</th>
<th>Loud Logo (N=37)</th>
<th>Quiet Logo (N=32)</th>
<th>No Logo (N=32)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
<td>Mean</td>
</tr>
<tr>
<td>Status</td>
<td>3.22</td>
<td>.75</td>
<td>3.172</td>
</tr>
<tr>
<td>Wealth</td>
<td>3.15</td>
<td>.849</td>
<td>2.84</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>2.97</td>
<td>.881</td>
<td>2.98</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>2.85</td>
<td>.744</td>
<td>2.796</td>
</tr>
<tr>
<td>Competence</td>
<td>3.25</td>
<td>.568</td>
<td>3.375</td>
</tr>
<tr>
<td>Job Suitability</td>
<td>3.14</td>
<td>882</td>
<td>3.00</td>
</tr>
<tr>
<td>Income</td>
<td>3.32</td>
<td>.747</td>
<td>3.28</td>
</tr>
</tbody>
</table>

Secondly, to examine whether the obtained results were statistically significant, a between groups one-way ANOVA was conducted. The group comparisons are depicted in following Table.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>(I) Situation 1, 2 or 3</th>
<th>(J) Situation 1, 2 or 3</th>
<th>Value of contrast</th>
<th>F ratio</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
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<td>3</td>
<td>.3256</td>
<td>3.186</td>
<td>.077</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>2.813</td>
<td>3.006</td>
<td>.140</td>
</tr>
<tr>
<td>Wealth</td>
<td>1</td>
<td>3</td>
<td>.4143</td>
<td>4.235</td>
<td>.042</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>.1094</td>
<td>.27563</td>
<td>.601</td>
</tr>
<tr>
<td>Job Vacancy</td>
<td>1</td>
<td>3</td>
<td>.04</td>
<td>.10316</td>
<td>.859</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>-.09</td>
<td>15132</td>
<td>.698</td>
</tr>
<tr>
<td>Salary</td>
<td>1</td>
<td>3</td>
<td>.17</td>
<td>1.3642</td>
<td>.245</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>3</td>
<td>.13</td>
<td>.703921</td>
<td>.403</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>1</td>
<td>3</td>
<td>.22797</td>
<td>.0076</td>
<td>.931</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>1</td>
<td>3</td>
<td>.20734</td>
<td>.0691</td>
<td>.793</td>
</tr>
<tr>
<td>Competence</td>
<td>1</td>
<td>3</td>
<td>.14715</td>
<td>.0000</td>
<td>.993</td>
</tr>
</tbody>
</table>

Significant results were obtained, when comparing the “loud” and non-logo situation on perceived wealth [F(1,98)=4.235, p=.042, M_{loud} = 3.1486, M_{quiet} = 2.8438, M_{non} = 2.7344].

---

6 In contrast to study one, the negative branch was indicated by 1 (I do not agree at all). The positive branch was indicated by 5 (I totally agree).
Appendix

Thirdly, a two way ANOVA was conducted probing for any moderation effects. Likewise study 1, income and nation were excluded. No interaction effects were shown for gender and fashion knowledge.

A significant interaction effect was shown on perception of attractiveness \( F(2,150) = 3.323, p = .039 \). An effect analysis showed that individuals with a low need for status assessed the depicted person as more attractive, when a “quiet” logo was displayed than when no logo was displayed. \( F(2,97) = 3.425, p = .037; M_{\text{quiet}} = 3.14, \text{S.D.} = .848 > M_{\text{no}} = 2.735, \text{S.D.} = .654 \). No interaction effect was shown for individuals with a high need for status. Likewise results were obtained for the perception of status \( F(2,150) = 4.278, p = .016 \). Again a person displaying a “quiet” logo was perceived as being “fitter” than a person displaying no logo \( F(2,97) = 5.634, p = .005; M_{\text{quiet}} = 3.32, \text{S.D.} = .627 > M_{\text{no}} = 2.71, \text{S.D.} = .817 \). No interaction effect was observed on the perception of other “fitness benefits”. These results are in accordance with Han’s et al. (2010) concept of Brand Prominence. Individuals cherish subtle signals, when they do not have the need to signal for status or prestige. Individuals displaying a “quiet” logo are perceived as more attractive and having more status.

When including the control variable “brand familiarity” a significant interaction effect on the perception of wealth could be observed \( F(5,125) = 4.95, p = .009 \). Individuals who were not familiar with the brand perceived the person wearing no logo as more wealthy than when wearing “quiet” logo \( M_{\text{no}} = 3.14, \text{S.D.} = .663, M_{\text{quiet}} = 2.2, \text{S.D.} = 1.03 \). This means that when the cue was not identified as a luxury brand, the signaling effect was not present anymore. No interaction effect was observed on the perception of other “fitness benefits”.

Significant interaction effects were also shown when the control variable “liking” was incorporated into the model \( \text{wealth: } F(5,137) = 3.8, p = .025; \text{competence: } F(5,137) = 3.498, p = .033 \). An effect analysis indicated that the means for perceived wealth were significantly different for those who liked the brand Ralph Lauren \( F(2,64) = 3.89, p = .026 \). The effect analysis reveals that the person wearing a “loud” logo was perceived as being wealthier than the person wearing no logo \( M_{\text{loud}} = 3.27, \text{S.D.} = .883; M_{\text{no}} = 2.77, \text{S.D.} = .707 \). This means, that when a brand was liked, the “loud” logo cue served as reliable signal for wealth and competence. The effect analysis for perceived competence showed that individuals, who did not like the brand \( F(2,71) = 5.24, p = .008 \), evaluated the individual wearing no logo as more competent, than the one wearing a “loud” logo \( M_{\text{loud}} = 3.107, \text{S.D.} = .594 < M_{\text{no}} = 3.53, \text{S.D.} = .412 \). This again indicates that the perception of an individual and the reliability of a cue is moderated by the liking of the brand. If the brand is not liked, it cannot serve as a reliable cue.

The results indicate that in seven out of eight comparisons no direct cause and effect relationship was observed. However, when examining the influence of certain control variables, significant results could be obtained (need for status, brand familiarity and liking). Similar to Study 1, this provides evidence that the recipient’s own characteristics should be taken into consideration when estimating the reliability of a signal.
Appendix 4

Test for normality

<table>
<thead>
<tr>
<th>Situation</th>
<th>Statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph Lauren is a brand I am.</td>
<td>0.484</td>
<td>40</td>
<td>0.000</td>
</tr>
<tr>
<td>loud-logo</td>
<td>0.582</td>
<td>40</td>
<td>0.000</td>
</tr>
<tr>
<td>quiet-logo</td>
<td>0.644</td>
<td>41</td>
<td>0.000</td>
</tr>
<tr>
<td>no logo</td>
<td>0.922</td>
<td>40</td>
<td>0.009</td>
</tr>
<tr>
<td>How much do you like the brand Ralph</td>
<td>0.917</td>
<td>40</td>
<td>0.006</td>
</tr>
<tr>
<td>Lauren?</td>
<td>0.868</td>
<td>41</td>
<td>0.000</td>
</tr>
<tr>
<td>loud-logo</td>
<td>0.968</td>
<td>40</td>
<td>0.300</td>
</tr>
<tr>
<td>quiet-logo</td>
<td>0.953</td>
<td>40</td>
<td>0.095</td>
</tr>
<tr>
<td>no logo</td>
<td>0.957</td>
<td>41</td>
<td>0.124</td>
</tr>
</tbody>
</table>

Median/Mean Overall

<table>
<thead>
<tr>
<th>Statistics</th>
<th>Index Status</th>
<th>Index Wealth</th>
<th>Index Trustworthiness</th>
<th>Index Attractiveness</th>
<th>Index Competence</th>
<th>To what extent do you consider this person suitable for the job as a PHD student?</th>
<th>How much do you think this person should earn?</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>121</td>
<td>121</td>
<td>121</td>
<td>121</td>
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</tr>
<tr>
<td>Mean</td>
<td>3,0606</td>
<td>3,2893</td>
<td>3,1174</td>
<td>3,3901</td>
<td>2,6314</td>
<td>2,79</td>
<td>3,26</td>
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<td>3,0000</td>
<td>3,0000</td>
<td>3,2000</td>
<td>3,4000</td>
<td>2,4000</td>
<td>3,00</td>
<td>3,00</td>
</tr>
</tbody>
</table>
## Two Way ANOVA – Brand Familiarity

### ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Index Wealth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1= familiar, rest not</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>familiar</td>
<td>Between Groups</td>
<td>4,771</td>
<td>2</td>
<td>2,385</td>
<td>2,236</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>88,558</td>
<td>83</td>
<td>1,067</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>93,328</td>
<td>85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not familiar</td>
<td>Between Groups</td>
<td>8,247</td>
<td>2</td>
<td>4,123</td>
<td>5,260</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>52,524</td>
<td>67</td>
<td>.784</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>60,771</td>
<td>69</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Contrast Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Situation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>loud-logo</td>
<td>quiet-logo</td>
<td>no logo</td>
<td></td>
</tr>
<tr>
<td>1= familiar, rest not</td>
<td>Contrast</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>familiar</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>not familiar</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>-1</td>
</tr>
</tbody>
</table>

### Contrast Tests

<table>
<thead>
<tr>
<th></th>
<th>Value of Contrast</th>
<th>Std. Error</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1= familiar, rest not</td>
<td>Contrast</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>familiar</td>
<td>Index Wealth</td>
<td>Asssume equal variances</td>
<td>1</td>
<td>.0037</td>
<td>.27367</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Does not assume equal variances</td>
<td>2</td>
<td>-.4963</td>
<td>.27367</td>
</tr>
<tr>
<td>not familiar</td>
<td>Index Wealth</td>
<td>Asssume equal variances</td>
<td>1</td>
<td>-.8147</td>
<td>.25649</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Does not assume equal variances</td>
<td>2</td>
<td>-.2238</td>
<td>.25649</td>
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</table>

74
## Two Way ANOVA – Need for Status

### Tests of Between-Subjects Effects

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
<th>Partial Eta Squared</th>
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<tbody>
<tr>
<td>Corrected Model</td>
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<td>5</td>
<td>2,605</td>
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<td>.911</td>
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<tr>
<td>Sit</td>
<td>2,207</td>
<td>2</td>
<td>1,103</td>
<td>1,546</td>
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<td>.026</td>
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<tr>
<td>NeedSt_cat</td>
<td>.275</td>
<td>1</td>
<td>.275</td>
<td>.385</td>
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<tr>
<td>Sit * NeedSt_cat</td>
<td>11,060</td>
<td>2</td>
<td>5,530</td>
<td>7,747</td>
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<td>.119</td>
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<tr>
<td>Error</td>
<td>82,094</td>
<td>115</td>
<td>.714</td>
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<tr>
<td>Total</td>
<td>932,960</td>
<td>121</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected Total</td>
<td>95,121</td>
<td>120</td>
<td></td>
<td></td>
<td></td>
<td></td>
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### Contrast Coefficients

<table>
<thead>
<tr>
<th>&lt;4 is high need for status</th>
<th>Contrast</th>
<th>situation</th>
<th>loud-logo</th>
<th>quiet-logo</th>
<th>no logo</th>
</tr>
</thead>
<tbody>
<tr>
<td>high need for status</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>low need for status</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td></td>
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<td>0</td>
<td>1</td>
<td>-1</td>
<td></td>
</tr>
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### Contrast Tests

<table>
<thead>
<tr>
<th>&lt;4 is high need for status</th>
<th>Contrast</th>
<th>Index Competence</th>
<th>Value of Contrast</th>
<th>Std. Error</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
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<td>high need for status</td>
<td>1</td>
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<td>-5768</td>
<td>.33166</td>
<td>-1.739</td>
<td>29,221</td>
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</tr>
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<td></td>
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<td>-9859</td>
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<td>-3.114</td>
<td>25,770</td>
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<td>-9859</td>
<td>.28725</td>
<td>-3.432</td>
<td>59</td>
<td>.001</td>
</tr>
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<td>low need for status</td>
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<td>34,886</td>
<td>.054</td>
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<tr>
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<td>Do not assume equal variances</td>
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<td>.24484</td>
<td>-2.030</td>
<td>56</td>
<td>.840</td>
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<td></td>
<td></td>
<td>.4836</td>
<td>.24484</td>
<td>1.975</td>
<td>56</td>
<td>.053</td>
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</table>
## Appendix 5

### Correlations

<table>
<thead>
<tr>
<th></th>
<th>Ralph Lauren is a brand I am...</th>
<th>How much do you like the brand Ralph Lauren?</th>
<th>How much do you think this person is suitable for the job as a PHD student?</th>
<th>How much money do you on average spend on clothing each month?</th>
<th>How much money do you on average spend on getting something done?</th>
<th>Index Competence</th>
<th>Index Trustworthiness</th>
<th>Index Attractiveness</th>
<th>Index Fashion Kn</th>
<th>Index NeedST</th>
<th>Index Status</th>
<th>Index Wealth</th>
<th>Index Competence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>Sig. (2-tailed)</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>Ralph Lauren</td>
<td>0.58</td>
<td>0.00</td>
<td>0.58</td>
<td>0.00</td>
<td>0.58</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.58</td>
<td>0.00</td>
<td>0.00</td>
<td>0.58</td>
<td>0.00</td>
</tr>
<tr>
<td>Index Competence</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index Trustworthiness</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index Attractiveness</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index Fashion Kn</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index NeedST</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index Status</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Index Wealth</td>
<td>N</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).
**Correlation is significant at the 0.01 level (2-tailed).
Appendix 6

QUESTIONNAIRE

This survey is conducted within the scope of the Jönköping International Business School. The aim is to gain an insight into “impression formation”. As your personal experience is essential for this project, please answer as honestly as possible. Your response will be treated confidentially. In advance: Thank you for your help!

1) Please evaluate the depicted person by means of following statements.

<table>
<thead>
<tr>
<th>This person…</th>
<th>I totally agree</th>
<th>I do not agree at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>is respected.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is attractive.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is dependable.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is rich.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is independent.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is elegant.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is honest</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is competitive.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is sincere.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is looked up to.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is confident.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is sexy.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is classy.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is admired.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is trustworthy.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is competent.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is intelligent.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is beautiful.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>is reliable.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
<tr>
<td>has a lot of money.</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
</tbody>
</table>

2) Techniska Högskolan i Jönköping is currently looking for PhD students in “Knowledge-based Software Engineering”.

To what extent do you consider this person suitable for the job as PhD Student?

<table>
<thead>
<tr>
<th>highly</th>
<th>suitable</th>
<th>not at all suitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
<td>🌟🌟🌟🌟🌟</td>
</tr>
</tbody>
</table>

3) How much do you think this person should earn?

☐ a very low salary ☐ a low salary ☐ an average salary ☐ a high salary ☐ a very high salary
Appendix

Now some questions about your attitudes towards brands/fashion:

<table>
<thead>
<tr>
<th>4) Please evaluate following statements</th>
<th>I totally agree</th>
<th>I do not agree at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>I know much about fashion.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I do not feel very knowledgeable about fashion.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Among my circle of friends, I am one of the &quot;experts&quot; on fashion clothing.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compared to most other people, I know less about fashion clothing.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5) How much money do you on average spend on clothing each month?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ less than 100 SEK</td>
</tr>
<tr>
<td>☐ 101 - 300 SEK</td>
</tr>
<tr>
<td>☐ 301 – 500 SEK</td>
</tr>
<tr>
<td>☐ 501 – 700 SEK</td>
</tr>
<tr>
<td>☐ 701 – 900 SEK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6) Please answer following statements</th>
<th>familiar with</th>
<th>not familiar at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ralph Lauren is a brand, I am...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7) Please answer following statements</th>
<th>I like the brand a lot</th>
<th>I do not like the brand at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>How much do you like the brand Ralph Lauren?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8) Please evaluate following statements</th>
<th>I totally agree</th>
<th>I do not agree at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would buy a brand just because it has status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would pay more for a brand if it had status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am interested in new brands with status.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The status of a brand is irrelevant to me.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At the end some general questions:

<table>
<thead>
<tr>
<th>9) What is your gender?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ female</td>
</tr>
<tr>
<td>☐ male</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10) How old are you:</th>
</tr>
</thead>
<tbody>
<tr>
<td>______ years</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11) What is your nationality?</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>12) What is the highest degree or level of school you have completed? If currently enrolled, mark the previous grade or highest degree received</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ High school graduate ➔ Bachelor's degree ➔ Master's degree ➔ Doctorate degree</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>14) What is your monthly income?</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ less than 5.000 SEK</td>
</tr>
<tr>
<td>☐ 5.001 - 10.000 SEK</td>
</tr>
<tr>
<td>☐ 10.001 - 15.000 SEK</td>
</tr>
<tr>
<td>☐ 15.001 - 20.000 SEK</td>
</tr>
<tr>
<td>☐ 20.001 – 25.000 SEK</td>
</tr>
<tr>
<td>☐ 25.001 – 30.000 SEK</td>
</tr>
<tr>
<td>☐ 30.001 – 35.000 SEK</td>
</tr>
<tr>
<td>☐ 35.001 – 40.000 SEK</td>
</tr>
<tr>
<td>☐ more than 40.001 SEK</td>
</tr>
</tbody>
</table>

Thank you for your support!