

NAME	Amandine GOUPIL
STUDENT N°	U1069943
DEGREE	BA (Hons) International Business
SUPERVISOR	Glynis JONES
TITLE	<i>Masstige: Promising marketing tactic or dangerous technique for luxury brands?</i>
DATE	May 2011
CAMPUS	University of Huddersfield
WORDS	15 338

*Dissertation submitted in partial fulfilment
of the requirements of*

**The University Of Huddersfield
BA (HONS) INTERNATIONAL BUSINESS**

Acknowledgments

First of all, I would like to thank my dissertation tutor for having given me directions and helped me in my thoughts.

Then, I would like to thank all people who participated to my questionnaires and made my study possible.

Finally, I thank my friends and my family who supported me and encouraged me all the time of the dissertation.

Thank You.

Abstract

This dissertation examines the risks of masstige operations for luxury brands in the sectors of ready-to-wear, shoes and fashion accessories. Masstige is a new marketing term born in 2004. It means the association of a prestige brand with a consumer brand. The aim of masstige is to democratize luxury. That means it offers luxury products at affordable prices for the masses during punctual events. Any luxury brand can go into partnership with any consumer brand. Findings of the literature review shows that luxury market and mass market are two universes totally opposed and even paradoxical. Indeed, they do not respond to the same codes and they are not aimed at the same customs. Thus, these codes have been studied through two surveys directed at two custom categories between 18 and 40 years: occasional and traditional luxury consumers. The results have been analyzed with the SPSS software. They showed that effectively masstige operations present some big risks like the loss of trust and credibility from traditional luxury consumers in luxury brands participating, the degradation of their image and more important the loss of interest in these luxury brands.

Table of Contents

Introduction.....	9
1.0- CHAPTER 1: Literature Review.....	12
1.1- Introduction.....	12
1.2- Understanding Branding.....	12
1.2.1- Definition of brand.....	12
1.2.2- Reasons for branding.....	14
1.2.3- Brand strategies: essential elements of enduring brand.....	22
1.2.4- Different product-market strategies.....	24
1.3- Understanding Mass Market.....	27
1.3.1- Definition.....	27
1.3.2- Mass marketing mix.....	27
1.3.3- Consumer behavior.....	28
1.4- Understanding Luxury.....	30
1.4.1- Definition of Luxury.....	30
1.4.2- Origins of Luxury.....	32
1.4.3- Different levels of luxury and luxury consumer behavior.....	33
1.4.4- Democratization time: new custom and emergence of "luxury pleasure".....	36
1.4.5- Key success factors.....	38
1.5- Understanding Masstige concept.....	39
1.5.1- Definition of masstige.....	39
1.5.2- Objectives for both brands.....	40
1.5.3- A democratized mix marketing.....	42
1.5.4- How a masstige operation works.....	44
1.6- Findings.....	45
1.6.1- Conclusion.....	45
1.6.2- Hypotheses.....	46
2.0- CHAPTER 2: Methodology.....	47
2.1- Introduction.....	47
2.2- Research method and instrument.....	47
2.3- Sampling.....	48
2.4- Pilot study.....	48
2.5- Questionnaire design analysis.....	49
2.6- Choice of statistics test.....	51
2.7- Recommendations for improvement.....	52
2.7.1- Sample.....	52

2.7.2-	Location.....	52
2.7.3-	Questionnaires.....	52
3.0-	CHAPTER 3: Research results and analysis.....	53
3.1-	Introduction.....	53
3.2-	Profiles of participants.....	53
3.2.1-	From occasional luxury consumers' questionnaire.....	53
3.2.2-	From traditional luxury consumers' questionnaire.....	55
3.3-	Results from both questionnaires.....	57
3.3.1-	Participation.....	57
3.3.2-	Satisfaction.....	59
3.3.3-	Credibility.....	60
3.3.4-	Approval	61
3.3.5-	Trust.....	62
3.3.6-	Image.....	62
3.3.7-	Betrayal.....	63
3.3.8-	Future purchase.....	64
4.0-	Discussion	P65
4.1-	Hypothese 1.....	65
4.2-	Hypothese 2.....	65
4.3-	Hypothese 3.....	66
5.0-	Examples of masstige operations.....	68
5.1-	Success.....	68
5.2-	Failure.....	68
5.3-	The case of Prada.....	69
6.0-	Conclusion.....	71
7.0-	References.....	73
8.0-	Appendices.....	77

List of Appendices

APPENDIX A

Pilot questionnaire for occasional luxury consumers.....77

APPENDIX B

Pilot questionnaire for traditional luxury consumers.....79

APPENDIX C

Final questionnaire for occasional luxury consumers.....81

APPENDIX D

Final questionnaire for traditional luxury consumers.....84

APPENDIX E

Example of communication campaign of a masstige operation.....87

List of Figures

Figure 1.1 – Branding definition.....	14
Figure 1.2 – Brand name.....	23
Figure 1.3 – Product-market strategies: Concentration on a product/market couple....	24
Figure 1.4 – Product-market strategies: Specialization by product.....	25
Figure 1.5 – Product-market strategies: Specialization by market.....	25
Figure 1.6 – Product-market strategies: Selective specialization.....	26
Figure 1.7 – Product-market strategies: Global covert.....	26
Figure 1.8 – Luxury purchases triggers.....	35
Figure 1.9 – The frequency of purchases of specific luxury items and services, 2002 and 2003.....	36
Figure 3.1 – PIE CHART/QUESTION 3 (Q1) Average budget per year for luxury products.	54
Figure 3.2 – PIE CHART/QUESTION 4 (Q1) Average budget per year for consumer products.....	54
Figure 3.3 – PIE CHART/QUESTION 3 (Q2) Average budget per year for luxury products.	56
Figure 3.4 – PIE CHART/QUESTION 4 (Q2) Average budget per year for consumer products.....	56
Figure 3.5 – BAR CHART/QUESTION 5 (Q1) Potential participation in masstige operations.....	57
Figure 3.6 – CURVE/QUESTION 6 (Q1) Reasons for participating.....	58
Figure 3.7 – CURVE/QUESTION 7 (Q1) Reasons for not participating.....	58
Figure 3.8 – PYRAMID/QUESTION 8 (Q1) Potential satisfaction from customers of masstige Operations.....	59
Figure 3.9 – RING/QUESTION 9 (Q1) Reasons for no satisfaction.....	59
Figure 3.10 – BAR CHART/QUESTION 10 (Q1) Credibility of luxury brands participating..	60
Figure 3.11 – BAR CHART/QUESTION 7 (Q2) Credibility of luxury brands participating.....	60
Figure 3.12 – BAR CHART/QUESTION 11 (Q1) Approval for masstige operations.....	61
Figure 3.13 – BAR CHART/QUESTION 11 (Q2) Approval for masstige operations.....	61
Figure 3.14 – PYRAMID/QUESTION 5 (Q2) Trust in luxury brands participating.....	62
Figure 3.15 – RING/QUESTION 6 (Q2) Image of luxury brands participating.....	62
Figure 3.16 – PIE CHART/QUESTION 8 (Q2) Feeling of betrayal.....	63
Figure 3.17 – CURVE/QUESTION 9 (Q2) Reasons for having a feeling of betrayal.....	63
Figure 3.18 – BAR CHART/QUESTION 10 (Q2) Future purchases.....	64

List of Tables

Table 2.1 – Questionnaire for occasional luxury consumers (Q1).....	49
Table 2.2 – Questionnaire for traditional luxury consumers (Q2).....	50
Table 3.1 – QUESTION 1 (Q1) Gender of respondents.....	53
Table 3.2 – QUESTION 2 (Q1) Age of respondents.....	54
Table 3.3 – QUESTION 1 (Q2) Gender of respondents.....	55
Table 3.4 – QUESTION 2 (Q2) Age of respondents.....	55

Introduction

For some time, there is a revolution in consumption patterns. Indeed, over sixty years television transformed the society and created an ultra efficient ecosystem, the mass marketing with mass media like brands of large retailers and advertising agencies. After the Second World War, marketers use an undifferentiated marketing in order to reach as many people as possible, and it works.

However, the 2000's are marked by the arrival of digital and mobile technologies and more and more consumers have Internet at home. Consumers become active; they inquire about actuality and compare products before buying. They know they have choice and henceforth they want a personalized message and product/service adapted to their own needs. Actually, new digital platforms like Internet or video games and sometimes hyper choice generated by consumers themselves (blogs, forums, and podcasts) drove this big change. The old mass audience became fragmented.

Therefore, the consumer of the twenty-first century is definitively not the same as before. Its needs evolved and he is listening to himself. One of the most important characteristic of this new consumer is that he is not ashamed anymore to have fun. Indeed, it was not so long ago, the different social classes do not mix and consumption patterns were a reflection.

"Today, a consumer buys at Dior in the morning and at H&M in the afternoon". Hersard Katia

In this great change that is apparently the democratization of luxury, we are witnessing, since the 1990's, a rapprochement between prestige brands and consumer brands like Karl Lagerfeld (designer of CHANEL) and H&M. This phenomenon is called "Masstige". Indeed, even if the concept of masstige can seem innovative and recent and that the term is appeared recently, namely around 2004, many pioneers launched this idea in the 90's with famous haute cuisine chef like Joël Robuchon for Fleury Michon or some high-end industrial like Brabus for Smart.

So, Masstige is the contraction of mass-market and prestige. We talk about more masstige operations. Indeed, it is about the association of two brands, always a

prestige one (invited brand) and a consumer one (home brand), to create some specific products for an event of short duration. These operations allow making the luxury accessible. Recently, masstige operations have been represented by some associations between Karl Lagerfeld/Lanvin/Sonia Rykiel/Jimmy Choo for H&M, Armani for Reebok, Karl Lagerfeld for 3Suisse, Coca-cola, Kookaï... Thus, Katia Hersard, strategic marketing director at Club Med brand says:

“Before, luxury was the ordinary of extraordinary people. Today, it is the extraordinary of ordinary people”.

Although this phenomenon is in tune with the times, an important question appears, namely what are the risks for luxury brands? Indeed, even if this kind of operation includes several sectors like gastronomy, we can wonder if some sectors like ready-to-wear must avoid taking part in masstige operations. Indeed, given that luxury industries include many sectors, this dissertation will focus on ready-to-wear, shoes and fashion accessories like sunglasses and bags. Therefore, the overall aim of that research is to know if this marketing technique is not too dangerous for luxury brands.

Thus, here are the objectives of the dissertation:

- **Undertake a thorough assessment of research already published with respect to particular areas of brand, mass market, luxury and masstige**

A clear knowledge of research already published is required to present a background of the topic and identify where the research originates from, namely know exactly why and how masstige was born

- **Identify advantages and risks especially of masstige operations for luxury brands**

Explain and understand how masstige operations work. Know the role of each brand: invited one and home one. Define their goals and expectations

- **Analyze several masstige operations to know if practical results are the same than theoretical results**

Talk about several masstige operations in order to discover if every masstige operations has been a success until now or if some of them failed. This objective

can bring a better understanding about eventual risks for luxury brands not said in the theory for this kind of operations

- **Determine if there is a true democratization of luxury**

Analyze different opinions about luxury from multiple media, authors and individuals in order to know if masstige operations are true revolutionary events anchored in this democratization or if they only take advantage of a given situation

1.0- CHAPTER 1: Literature Review

1.1- Introduction

A literature review is a critical summary and an assessment of the current state of knowledge or current state of the art in a particular field. It involves reading what other people have written on the subject, reading the literature relevant to the topic you are researching, gathering information to refute or support specific arguments, and writing about your findings.

This literature review aims to provide a clear and comprehensive definition of what the masstige is by giving the definition and explanation of what a brand, a mass market and a luxury market are, three elements giving birth to the masstige concept. To do this literature review, a large examination of theories of these three basic elements will be done.

1.2- Understanding Branding

1.2.1- Definition of brand

Given that this dissertation is about the masstige, namely on the association of two brands, it is important to define what a brand is first. In this way, John Simons (2003) gives into his book Brands and Branding, two definitions of brand from the ancient and modern dictionary:

“Brand: piece of burning or smoldering wood, torch, (literary); sword (poet); iron stamp used red-hot to leave an indelible mark, mark left by it, stigma, trade-mark, particular kind of goods (all of the best bb.). 2 v.t Stamp (mark, object, skin), with b., impress indelibly (is branded in my memory)”

The Pocket Oxford Dictionary of Current English (1934)

“Brand (noun); a trade mark, goods of particular make: a mark of identification made with a hot iron, the iron used for this: a piece of burning or charred wood, (verb): to mark with a hot iron, or to label with a trade mark.”

The Oxford American Dictionary (1980)

According to John Simons, these two definitions explain where the commercial application of our contemporary definition of brand comes from. Indeed, even if this understanding was not the primary sense of these definitions, they always meant, in their passive form, the object by which the impression is formed. Moreover, we can notice the words “iron red-hot”, “indelible”, “hot iron” into these two definitions. They already showed the importance for a brand to stay into the individuals' mind. So, from a business perspective, Jon Miller (2005) defines a brand as:

“[...] any name that is directly used to sell products or services. In addition to the name, a brand almost always has a visual expression: a symbol of some kind, a design, a trademark, a logo. Thus, the standard definition of a brand usually runs along these lines: a brand is a name and/or symbol that is directly used to sell products or services.”

As for Iain Ellwood (2003), he completes the above definition saying that the brand has to include some important elements in order it is well understood by customers. Thus, a good brand has to take a positioning, a cognitive brand dimension and an emotional brand dimension into account. Here is a diagram defining brand according to Iain Ellwood:

Figure 1.1 – Branding definition



Figure 6.0 Branding definition, Iain Ellwood (2003) *Essential Brand Book*, Kogan Page

The *brand positioning* includes aesthetic codes, brand DNA, brand proposition, brand personality, brand name, brand logos & trademarks and corporate identity. The *cognitive brand dimensions* include strategic cognitive dimensions, strategic cognitive filters, tactical brand mapping and Maslow's hierarchy of needs. The *emotional brand dimensions* include pleasure dimension, the four pleasures and emotional brand pleasure & competitive analysis.

1.2.2- Reasons for branding

About market

- Command market share

Market share is the percentage or proportion of the total available market or market segment that is being serviced by a company. It can be expressed as a company's sales revenue (from that market) divided by the total sales revenue available in that market, for instance. It exists however several ways to calculate this percentage (Carlton O'Neal).

Increasing market share is one of the most important objectives for businesses because increasing market share means increasing profits. Indeed, according marketers there is a correlation between a strong brand and the high number of market shares of a company. In this way, have a good and strong brand allow firm to command market share (Jon Miller, 2005). Besides, one CEO comments:

“For us, market share is the route to profitability – and our brands are the route to market share. That’s why, for Unilever, investing in our brands is a strategic priority”.

Niall FitzGerald, CEO, Unilever

- Create barriers

Barriers to market entry are the obstacles that a company which wants to enter a market has to overcome. They are established by existing players. There are two types of barriers: the natural ones and the artificial ones. Natural barriers don't depend on the willingness of actors: they can be large fixed costs or decreasing marginal costs discouraging new entrants. Artificial barriers are the product of a strategy: advertising and marketing expenses, development of product innovation ... (William Baumol, 1982)

A successful brand is a brand that knew answer to consumers' needs, that knew secure the loyalty of its customers and especially that knew position itself on a booming market. Thus, the success of the brand attracts potential competitors but this success can also create barriers to entry on the market for new competitors.

Indeed, a strong brand can create barriers by price. For example, a company which creates a brand and invests in advertising knows that its brand will be successful. Otherwise, it won't take the risk to lose as much money for nothing. In this way, the high sum of money can really deter new entrants. Moreover, a strong brand has generally an exclusive position on the market and inside customers' mind. Indeed, the brand has been so strong and triumphant that consumers associate it with the product and/or service offer (Jon Miller, 2005). Testimonial of a business man:

“If a brand is really strong – strong enough to really stand for something in consumers’ heads – then it’s harder to competitors to present a credible alternative”.

Tony Wright, Ogilvy & Mather

- Enter new markets

The entry of new markets for a brand is a way to grow the profits of a company, especially since the relaxation of restrictions on international trade and the improvement logistics for transport and distribution (Jon Miller, 2005).

“Our strongest brands have been really successful at establishing themselves in new markets – this has been a critical part of our growth as a company”.

Sir Niall FitzGerald, Unilever

- Face to market disruption

A market disruption is defined as major economic difficulties lead a decline in sales. It is a trend or event that leads to a shift of market power from established to emerging players (Bain & Company, US management consultancy).

In business, the first thing to do is to stay listening to market. Be aware of what happen – good or bad news – is crucial for companies. Moreover, bad news means that rules changed or that the competitive advantage of a company is competitive no more. Bad news teaches many things. They help to be prepared for future events and to pick up on this bad news in order to survive and keep the advantage (Bill gates, 1999).

“Sometimes, I think my most important job as CEO is to listen for bad news. If you don’t act on it, your people will eventually stop bringing bad news to your attention. And that’s the beginning of the end”.

Bill Gates

Thus, strong brand with a commercial clout reaches to survive during a market disruption and sometimes they can even use periods of disruption to gain advantages. Indeed, big brands are supposed to well know the market. Therefore, they can anticipate crisis and turn things to their advantage. Strong brands can even be perceived as hindrances in times of change. During disruption, big brands come back toward their conventional precepts which are the strength of the brands and this attitude protects brands limiting change. Furthermore, a strong brand is a big brand and a big brand can absorb market shocks (Jon Miller, 2005).

“We learned that, if your brand really means something, you stand a chance of overcoming market disruptions. At the end of the day, a company will only survive if it really believes in itself”.

Steve Hayden, Ogilvy & Mather

About customers

- More loyalty

There is said that loyalty of customers is due to the brand's strength. A publication of Garth Hallberg's book All consumers are not created equal shows that every strong brand has a small number of loyalty customers who are to the base of brand's financial value by their frequently purchases. So building a strong brand leads to have more loyalty from custom and this guarantee a certain security for companies (Garth Hallberg, 1995).

“What makes every strong brand strong is a core of loyal, high-value category buyers, who typically account for more than half of brand sales”.

Garth Hallberg, author of All consumers are not created equal

- Store of trust

According to Bullmore (2001) people want to “simplify” their lives. This assessment is a real opportunity for brands because a brand which will inspire trust will gain a good and loyal custom, essential point for the success of a company. The author highlights the link between trust and consumer behavior. Trust explain high price as well. People are not being afraid to buy an expensive product because they know about the very good quality of product.

Trust can also help to reduce risks perceived by consumers (Korczyński, 2000). This is true especially for products like audio equipment or computers for example. Consumers know about risk of failure or malfunctioning and they are fitter to buy if they trust in brand.

“We live in a world where trust has become a scare resource – yet, at the same time, people must deal with more uncertainty and make more choices than ever before. I think there’s a role here for brands to play”.

Will Calgey, The Henley Centre

About company

- Attract and retain talented employee

A strong brand is going to attract many potential employees. This has many advantages. First, if a brand is strong enough to attract a lot of potential employees, it

gets the power. The company has a large choice and can choose the best employees, talented people. Thus, it will save money because it will not be lead to fire unskilled people later and will gain time because it will not lead to train new employees. However, it will need to retain its talented employees to avoid they go at competitors (Muir, 2005).

“The first and more important audience for any company is its own employees. After all, who wants to be embarrassed when someone asks them where they work? The better the impression of the employer’s brand in the outside world, the more likely it is that good people will want to work there”.

Jon Steel, WPP

- Launch successful extensions

A brand extension is the use of a famous brand name to launch a new product in another category of products. This practical is based on the principle that consumers will transfer information they own on the brand extension (Seltene). The objective is to beneficiate immediately and with low costs of the brand's reputation and perceived quality.

Miller (2005) identifies three main reasons creating value about launching extensions from strong brand: new sources of revenue, revitalizing a brand and respond to a change in the market. Indeed, given that marketing costs rose, many companies find an interest in launching new products as brand extension. Secondly, revitalize a brand is very difficult. To stay in competition and respond to the consumers' need evolution, a brand must be up-to-date but if this act is too many times renewed in a short time, the brand risks to lose its credibility and to create a bond with customers. About change in the market, a brand extension can save the business just like the example of Kodak in 90's with the digital technologies apparition.

“I believe a strong brand gives you option – and launching new products or services is probably the most valuable option of all. It’s a major dividend of investing in the brand.”

Sir Niall FitzGerald, CEO, Unilever

- Stimulate innovations

Innovation is the result of the action to innovate. It is a change in the thinking process to perform a new share. It is distinguished from an invention or discovery to the extent that it is part of an application perspective (Rogers, 2003).

For economists, innovation is deemed to be one way to gain a competitive advantage by responding to market needs and business strategy. Innovation means for example be more efficient and/or create new products or services or create new ways to access them.

Innovation is the holy grail of all businesses. But everyone cannot innovate. Only clearly understood brand go to symbolize the aspiration and thus provide direction to the R&D activities of a company. Indeed, a number of studies have shown the link between effective R&D and business performances. Miller and Muir (2005) identified four perspectives from which innovation adds value:

- It creates new products and services and thus new markets
- It creates enhancements to existing products and services and thus a source of differentiation and competitive advantage
- It can be the only path to business growth when existing market are saturated
- It can stimulate consumer demand by creating novelty and excitement - this supporting volume and/or value

“Great brands have a licence to thrill. Consumers trust them, expect more from them and part of that expectation is that they will innovate successfully”.

Marie-Louise Neil, Group Strategic Development, Director, Research International

About prices

- Lower price elasticity

The price elasticity is defined as the ratio between the relative change in demand of a good and the relative change in the price of that good. This report is generally negative because when the price increases, quantity demanded falls and vice versa. However, there are two types of products where the demand increases with the price: necessary goods (Giffen, 1910) – consumers focus their spending in necessary products instead of leisure products – and luxury goods (Veblen, 1889) – if a perfume is not expensive enough for example, consumers are not going to buy it because the price does not reflect its image of high quality.

Every company would like to operate in an environment of low price elasticity where increasing prices do not low sales volume in a significant way (Feldwick, 2002). And big brands are able to have lower price elastic according to Mulhern and Williams (1998). Actually, more a brand is big and strong and more its price elasticity can be low. A survey into prices of liquor in the United States has been done to show this phenomenon. Consumers of big brands which have high market share are far less sensitive to the changes in price than consumers of brands with low market share. The authors talk about a “double jeopardy” effect. Small brands have low market share and high price elasticity.

“It stands to reason – Strong brands can weather modest prices increases. But no matter how strong, every brand has a pricepoint of inflection where its emotional appeal begins to be outweighed by economic disincentives. Past that point, disaster waits.”

Garth Hallberg, author of All consumers are not created equal

- Command a premium

Premium brands have an up market positioning and packaging with colors and materials reminding the luxury universe and modernity. Actually, a premium band is a

brand with a price above the categories average in order to give the brand an air of superior quality. They are products of quality with a decent value for money (Muir, 2005).

A strong brand can follow a premium price strategy that can be a real value added for business. Indeed, this is like an act of reassurance about the quality of products and services for consumers. Furthermore, consumers want to pay more sometimes (Veblen, 1889) and price is often a guide to quality (Muir, 2005).

“A premium brand means higher margins, which means you can create a kind of virtuous cycle. For us, higher margins mean more money to invest in delivering a quality customer experience, which further strengthens our brand’s premium”.

John Hayes, CMO, American Express

1.2.3- Brand strategies: essential elements of enduring brand

The most recent definition of brand given by Jon Miller (2005) in the “definition” part, talks about name, visual expression, symbol, design. So, the first and most important elements of a brand are the name and the logo: elements also very important which enter in the brand positioning according to Ellwood (2003) and Simons (2003).

Brand name is the element that connects consumer to the brand. In order to be memorable, it has to do one word or short phrase. It also defines the position of the business in the mind of the consumer. Moreover, it has to be well defined from beginning because it is the only element that businessmen do not change (Ellwood, 2003). The author determines seven functions to a brand name:

- 1) It identifies the company or product/service as unique for the customer
- 2) It describes the company product/service or core emotional brand benefit
- 3) It should be easy to pronounce and spell
- 4) It should be usable around the world avoiding cultural mismatches
- 5) It should be protected and used to create a legal barrier to counterfeiting

- 6) It should be an equity that can be traded regardless of tangible company assets
- 7) It must ultimately feel good in a subjective sense

Figure 1.2 – Brand name

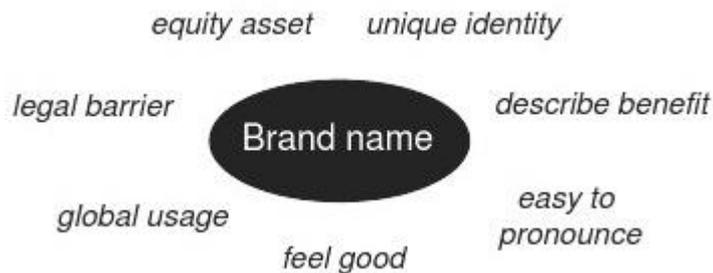


Figure 6.3 Brand name Iain Ellwood (2003) *Essential Brand Book*, Kogan Page Ltd

Logo, just like the brand name, is a protection against counterfeiting. It also often uses to reinforce brand personality and more differentiate the brand into the marketplace. If the logo is well created, it can bring some interest and emotion to the brand that name alone cannot do (Lury, 1998). According to the author, there are three different kinds of logo:

- a) a logo stands for the brand's name as Jaguar
- b) a logo stands for an element of the product or what it does as Netscape
- c) a logo stands for the character or personality of the brand as Apple

However, even if the following element is not present in the main definition of a brand, the **positioning** of the brand into the marketplace stays one of the most key aspects of branding. According to Girard (2008) a brand has a certain interest to be on a market niche. Indeed, to success a brand cannot satisfy everyone. It needs to choose a specific target segment and to make understandable what it does. The author (Girard, 2008) takes the example of experts. They do not know make everything but they excel in their field. This positioning allows the company to sale its products and/or services more expensive as well. And for the same reason, customers are looking for specialists and are ready to pay more for this expertise.

“It is as simple as thinking to a plumber immediately rather than a general constructing company when you have a problem of piping”

Girard, 2008

1.2.4- Different product-market strategies

When brand is well built, it has to choose a product-market strategy. Five product-market strategies can be counted.

Concentration on a product/market couple

This strategy is also called niche strategy. The targeted segment is particularly narrow (but profitable) and so offer is very specific. Company specializes on a product for a given market.

Figure 1.3 – product-market strategies: concentration on a product/market couple

	M1	M2	M3
P1			
P2			
P3			

Figure 8: concentration on one product on one market – www.aunege.org

Examples of concentration strategy:

- Cabasse speakers HIFI high end for fans of quality music
- Guerlain perfume

Specialization by product

The same product is declined to be offered many targets. Here, the objective is to capitalize know-how and to be the specialist of that product. But this puts the problem of credibility of the brand on different market segments and constitutes a risk of dilution of the brand image.

Figure 1.4 – product-market strategies: specialization by product

	M1	M2	M3
P1			
P2			
P3			

Figure 9: product specialization or a same product has many targets – www.aunege.org

Example of specialization by product:

- Jacques Vabre declines several varieties of coffee in order to respond to expectations of several market segments: basic coffee, tasting coffee...

Specialization by market

Different products are proposed to respond needs of a same market target. It is about a successive brand extensions strategy. The company capitalizes on known brand by the target already identified to market new products.

Figure 1.5 – product-market strategies: specialization by market

	M1	M2	M3
P1			
P2			
P3			

Figure 10: market specialization or many products on the same market – www.aunege.org

Example of specialization by market:

- Hermès sells its products at the same upmarket custom
- Taillefine offers products at the same feminine target worried about its balanced diet

Selective specialization

Different products are offered on different market segments. This strategy is difficult about a possible confusion between markets. Just like specialization by market, the

company must be vigilant about coherence of products or it will assist to a dilution of the brand image as well.

Figure 1.6 – product-market strategies: selective specialization

	M1	M2	M3
P1			■
P2	■		
P3		■	

Figure 11: selective specialization – www.aunege.org

Examples of selective specialization:

- SFR offers different services at individuals and at companies
- Cardin sold perfume in tobacconists to a large market segment and high end ready-to-wear for a selective custom = dilution of the image
- Bic: fail about windsurfing boards

Global cover

The company chooses to cover all market segments with all existing productions. This strategy of total occupation of the territory requires important means to assure credibility of the brand to different targets and the same quality level on all products.

Figure 1.7 – product-market strategies: global cover

	M1	M2	M3
P1	■	■	■
P2	■	■	■
P3	■	■	■

Figure 12: global cover – www.aunege.org

Example of global cover:

- Décathlon proposes a wide range of products, from water sports equipment to riding through golf with a very deep assortment (high end hardware or more basic) for a very experienced public or amateurs.

Considering the nature of this research, product/market by which we are interested in are a mix between concentration on a product-market couple and a specialization by market for luxury brands and specialization by products for mass market bands.

1.3- Understanding Mass Market

1.3.1- Definition

Many definitions can be found for the mass market. For Jacquiau (2000) mass market it is "get in touch a consumer with a maximum of goods in a given place, at the lowest price theoretically possible".

Lehu (2004) defines mass market, in its book L'Encyclopédie du Marketing, as a "market for which business volume is very important. It is powered by products – for which price is low enough – that does not take into account the specificities of the individuals who compose it.

Each of these both definitions are in agreement on the fact that mass market is a market where many products are sold at low price and products are the same for everyone, they do not take into account needs of each individual.

1.3.2- Mass marketing

In order to fit with its logic namely touching as many people as possible, mass market is going to use a mass marketing (Dupont, 2001).

A well mass marketing uses all kind of communication. An offline communication via press, newspaper, magazines, billboards, television, radio, cinema... and an online communication via Internet with website, blogs, forums... These media allow communicating information to a huge number of people without personalize the message.

Mass marketing of social type uses a lot of emotions in these messages in order to persuade people to modify their behavior or to adopt other ideas (Gunter, 2000). Diffused messages, especially on TV and radio, try to seduce and touch people by feelings. These methods have been fruitful like the one for the health (HIV, drugs, and alcohol) and the one for road safety (seatbelt safety).

In short a mass marketing is a market where products are very numerous with a low cost and where brands make big campaign of communication and distribute their products in many shops.

1.3.3- Consumer behavior and purchasing process

In mass market, some factors conditioned consumer behavior. In the same way, purchasing process follows certain logic depending on these factors.

First, we need to define factors which explain consumer behavior. We can share it in two categories: psychological factors and socio-cultural factors.

Psychological factors

They include personality, needs and expectations, motivation, brakes and commitment.

- **Personality** is an important factor to consider because it allows predicting people behavior in commercial situations and it allows adapting company's communication to different types of individuals
- **Needs and expectations:** companies must study consumers' needs in order to respond to their expectations for the best
- **Motivation** pushes the consumer to purchase. Joannis (1967) talks about three kind of motivations:
 - hedonist motivation (indulge oneself)
 - oblation motivation (please someone)
 - motivation for self-expression (help to affirm and which correspond to the needs of esteem and accomplishment)

- **Brake** is a psychological strength which stops individual to act. Among brakes there are:
 - Risks: unfavorable events which can arrive after the purchase of a product
 - Fears: real or imaginary linked to the use of a product
 - Financial brakes linked to the price of a product
- **Commitment** is the importance that an individual attributes to the purchasing decision. This degree of commitment varies according to customer. The commitment is higher when income is low or when it is the first purchase

Socio-cultural factors

Here, we can also distinguish several sub factors. Thus, they include personal factors, family and membership to a group or social class.

- **Personal factors:** behavior is influenced by factors peculiar to each individual: age, gender...
- **Family** plays a primordial role in purchasing behavior
- **Membership to a group or social class:** groups influence purchasing behavior through the culture they convey. Each individual has a membership group and a reference group on which it copies its purchasing decisions

Now, we can talk about the purchasing process. It counts four important steps:

- **Identification of need:** the consumer becomes aware of a lack that he will satisfy by the purchase of a product or service
- **Information research:** the consumer inquires about the product. He uses his own experience and knowledge in the field. It also uses external information through multiple media. Finally, he establishes a comparison based on criteria that will be determined

- **Purchasing decision:** the consumer chooses the product that will best meet their needs
- **Post purchase analysis:** the consumer evaluates the product's usefulness and its adaptation to the need. If the real usefulness is superior to the expected usefulness, the consumer will become loyal

Finally, we distinguish three kind of purchasing:

- **The impulsive purchase:** the customer buys when he had not planned. These purchases involve little financial or purchases made by the values of communication or promotion
- **The reflected purchase:** generally it is about anomalous products for which consumer has to inform and makes comparisons before buying
- **The routine purchase:** it is about consumer goods for which the consumer must periodically renew the purchase

1.4- Understanding Luxury Market

1.4.1- Definition

Luxury comes from the Latin word *luxuria* which means "excess" or the "extras of life". Therefore, luxury has many definitions. From an objective perspective, an official French dictionary defines luxury as:

“(1) character which is expensive, refined, and sumptuous, (2) environment constituted by expensive objects; expensive and refined way of living; objects, products or services which correspond to searched and expensive tastes and not to necessary needs of life, (3) big abundance of something, profusion, (4) what we allows ourselves exceptionally; what we allow ourselves to say, to do in addition for pleasure”

The French Larousse Dictionary, 2005

Luxury is the lifestyle which aims to make lavish and unnecessary spending in order to surround oneself with ostentatious refinement or by taste of ostentation in opposition

with factors about strict necessity. By extension, luxury means every elements and practices which allow reaching this level of life. This aspect of useless is so marking that there is the origin of the bad French expression "C'est du luxe!" meaning an unreasonable investment.

A luxury product is characterized by five elements:

- A perfect product: its invention and its conception can, according to the sector, depend on different points: creation of a new product or a new trend; appearance of new materials, new ingredients; the use of new production and manufacturing techniques
- A flattering packaging: the set, made up of product content, packaging and final allocation is for certain products extremely important like for perfume or make-up. More the product is prestigious, more its global presentation must be luxurious
- A well studied price: the price of a luxury product, including production, promotion costs and its symbolic surplus-value, is higher than the average of products' prices of the same market segment. This difference justifies its belonging to the luxury universe and is explained by the quality of its components, the selectivity of its campaign of communication and the famous of the brand
- A very selective distribution: a perfect concept, a sophisticated product, a meticulous production and a studied price are insufficient to impose and maintain the rank of a luxury product on the market. Its distribution has to be selected just like the product and the brand: very select, more or very large
- A successful communication: it is a clever balance between the transmission and the fame of the brand, the product concept and its image, the targeted custom and a fair choice of selected media. To reach an international reputation, every luxury product must be built around history, the past of the House or the past of the founder

1.4.2- Origins of Luxury

Until the Middle-Age, documents tell that the luxury was the reflect of religious mystery which brings Human Being to surpass itself by an offering, exchanges of presents, to assure community links and to build palaces and temples. It is a concrete and useful luxury (Kapferer and Bastien, 2008).

Indeed, everything suggests that the concept of luxury goes way back to Egyptian times, if it is even not farther. Egyptian people buried individuals with sophisticated objects, beautiful jewelry and signs of their power like horses for equestrian civilizations. Actually, the birth of luxury comes from their social dynamics and beliefs. The human being is aware of its mortal condition and its personal survival after death. Thanks to luxury, individuals will be able to bring some wonderful objects with them and so they will be able to survive in the other universe. For Egyptian, the corps survival guaranteed the soul survival and demanded feats. Egyptians had to develop very sophisticated and expensive techniques (embalming mummies, erection of pyramids or construction of tombs). So, for obvious economic reasons, this major luxury was reserved for tiny elite: the Pharaoh, its wives, the big priest and some important characters. Two luxury aspects appear clearly: the pomp during the life and a highly refined treatment of the afterlife.

Therefore, from the dawn of humanity, it appears that there were organized societies, groups' leaders and objects, lifestyles reserved for socially dominant individuals. It is in the emergence of these groups' leaders and their specific signs and objects that we have to search the origin of luxury. Egyptians lived in a very hierarchical and stable society with codes and rules of life very accurate and endowed of a great refinement. Egypt has obviously played all codes of luxury and invented many new techniques allow this luxury to materialize. One of the best known is the discovery of glass making to protect the perfume. Through archeological discoveries in the Nile Valley and the deciphering of hieroglyphics, we note that the evolution of this industry of luxury followed a similar path to the one which follows here today: democratization. As shown by the mummies and tombs discovered, this luxury was gradually extended to other people more ordinary and to several sacred animals and then to the late period, to all Egyptians and pets.

Around the end of the Middle-Age appears the modern luxury: period of literary, artistic and scientific flowering. This period reflects the explosion of tangible luxury: ostentatious

architecture inspired by Italy, progress of ornaments with jewelry. Furniture becomes luxurious as well and tableware adorned refinement. Under the leadership of Louis XIV and its minister Colbert the French luxury takes off in the XVII^o century. Louis XIV creates the first factories, including the one of the Gobelins for tapestry. He surrounds himself with the best craftsmen and artists. Until the XIX^o century, luxury operated according a model of aristocratic and crafts type. Luxury in Europe becomes the marketable luxury. During the Industrial Age, names like Guerlain (1828), Baume & Mercier (1830), Hermès (1837), Cartier (1847), Louis Vuitton (1854), Boucheron (1858) were born. Shopkeepers become emancipated and advertising appears. This does not correspond to the old traditions where craftsmen moved to sew the King's clothes. The Industrial Revolution, the development of travels and the rise of the bourgeoisie will do the rest. Then, in the XX^o century, designers like Coco Chanel, Jeanne Lanvin or Christian Dior will finish to fix Paris as the luxury worldwide capital in the collective mind of the international custom.

1.4.3- Different levels of luxury and luxury consumer behavior

Compared to consumer market, luxury market is truly a niche. However, inside this niche, it is possible to find different segments. Castarede (2007) defines three levels of luxury: the "superluxe", the traditional luxury and the accessible luxury.

- **Superluxe:** it is accessible to few people. It is about unique and made-to-measure products: Haute Couture, Haute Horlogerie, fine jewelry, works and objects of art, palaces, porcelain, silverware, crystal, cars, luxury yachts, private planes; it refers to the notion of heritage.
- **Traditional luxury:** ready-to-wear, pens, scarves, luggage, shoes, hats... The purchase of these products is the result of a rational decision. Customer is searching the very high quality. So, it accepts to pay more because of the brand and thus expresses the belonging to a certain social statute; it refers to a will of social valorization.
- **Accessible luxury:** perfumes, cosmetics, tourism and luxury pleasure, wines and spirituous, gastronomy, sports, hi-fi. For the author (Castarede, 2007) it is about a "luxury of sensations and pleasures"; it refers to a notion of luxurious comfort and well-being.

However, other segmentations of luxury are possible. Indeed, it can be shared in two parts only: elitist luxury and democratic luxury (Sicard, 2006).

- **Elitist luxury:** it comes from Aristocracy and corresponds to a British-style luxury. It is about tradition and refuse to follow modes. Its values are pleasure, discretion, loyalty and authenticity. The brand “Hermès” embodies this luxury to perfection. The attendance of the nobility and its social margins determine this luxury of aristocratic style, related to a classical luxury originated from Europe in the late XVIII^e century. This luxury is dominated by object: it involves time where the House guarantees a very high level of making. What matters are the beauty of the object and the reputation of the House. Luxury has to be visibly rich.
- **Democratic luxury:** it comes from globalization. It is a luxury based on external valorization, on ostentation. Values do not matter. It is the image which dominates. Democratic luxury brands have generally too many codes. Logos and brands name are visible on each product. For consumers, this luxury offers a way to identify. For companies, it offers important economic gains. It is about personal valorization and the affirmation of a social statute. Into the democratic luxury, two subcategories appear:
 - **Institutional luxury** from great fashion houses. It was born in Europe and in United States in the early of XX^e century. It is a luxury dominated by the designer with a capacity for innovation, lifestyle, tastes and whims are revered and reported in details in newspapers.
 - **Contemporary luxury** was born in United States in the 70's. This luxury is not based on tradition and has not history. It is dominated by media. The object of luxury is the support of communication operations.

Luxury market being a niche, it has also its own codes however. Thus, luxury consumers have a specific purchasing behavior (Danziger, 2005). Indeed, they do not respond to the same logic than consumers of consumer market. According Danziger (2005), these are the luxury purchase triggers and the frequency of purchases of specific luxury items and services for 2002 and 2003:

Figure 1.8 – Luxury purchase triggers

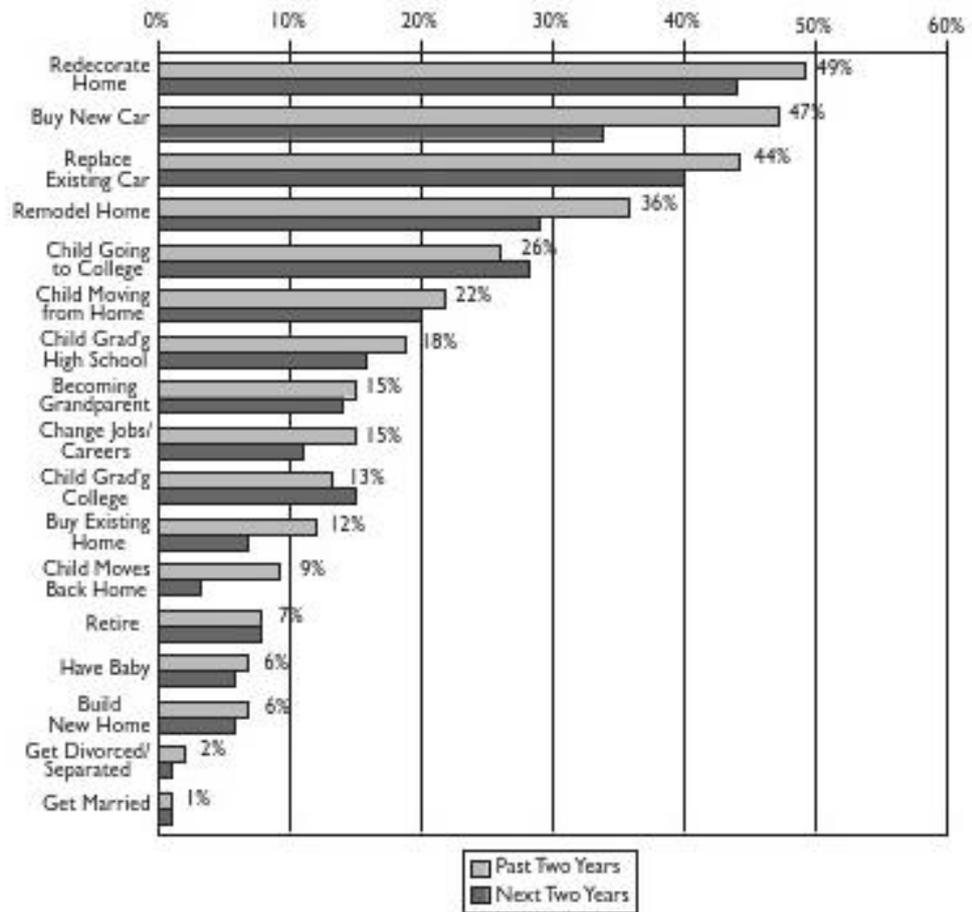


Figure 1.4 Luxury purchase triggers, Danziger (2004) *Let them eat cake*, Dearborn Trade Publishing

Figure 1.9 – the frequency of purchases of specific luxury items and services, 2002 and 2003

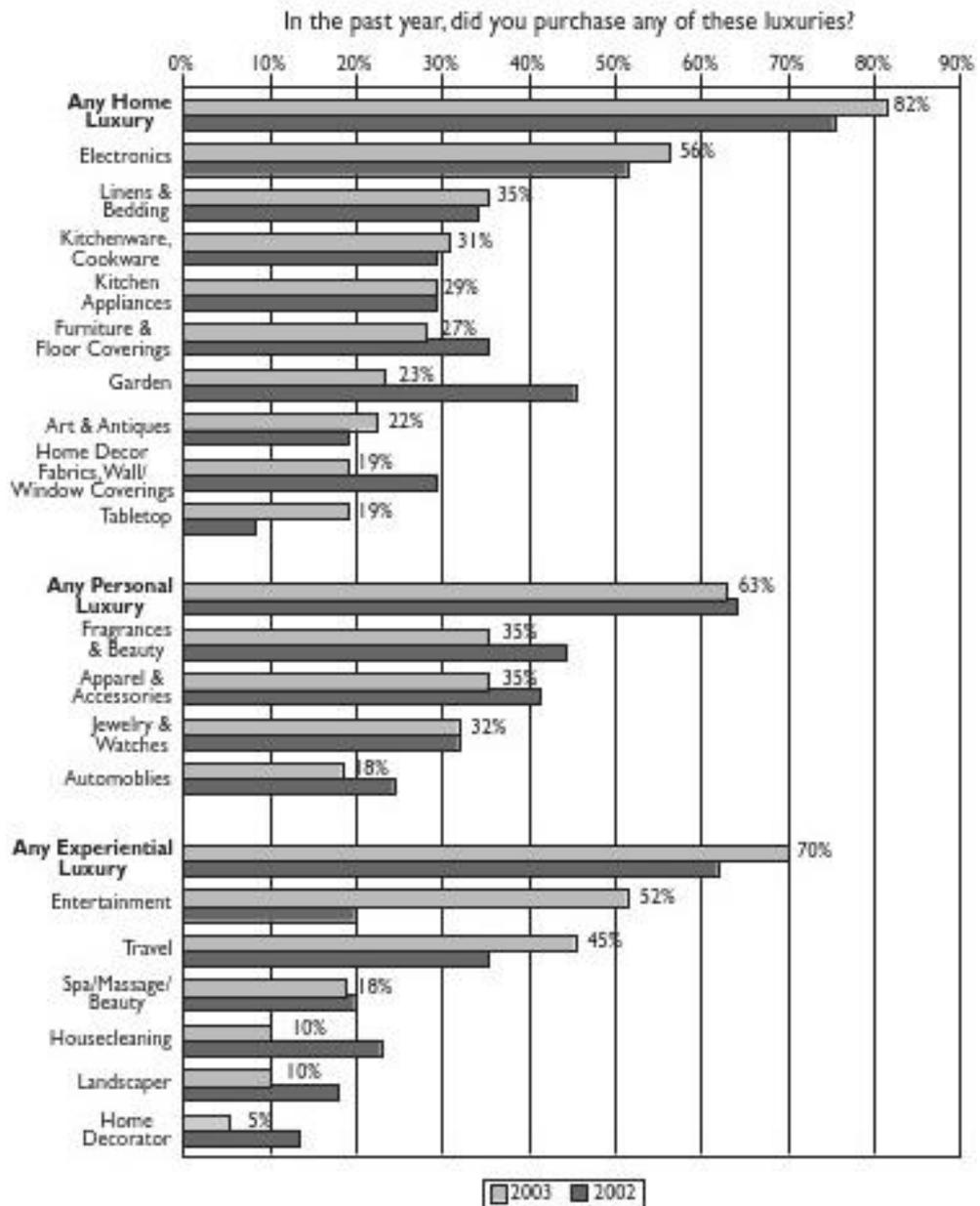


Figure 4.3 the frequency of purchases of specific luxury items and services, 2002 and 2003, Danziger (2004)
 Let them eat cake, Dearborn Trade Publishing

1.4.4- Democratization time: new custom and emergence of “pleasure luxury”

In the middle of XIX^o century, luxury products were reserved to aristocratic elite. Most of famous brands did not still exist: production was made by artisans. Society of the

Ancien Regime was based on maintaining the distance between social groups. We did not seek, as now, to erase or minimize these distances; on the contrary, everything was done to highlight them and each people took care to respect them. Therefore, the role of luxury was to maintain the ranks and did not flaunt wealth. But, with the advent of industrial era, some brands launch products which fit the needs and desires of social ascent of the bourgeoisie. Thus, Louis Vuitton creates travel trunks better suited to car travel. Other products that are becoming common place: the flagship perfume of Mother's Day, the champagne which becomes almost a common drink and fakes which trivialize even more luxury goods. Also, in 1973, Cartier specialized in watch making and Jewelry contributes to democratize the luxury universe launching its line called "Must".

Nowadays, this trend grew stronger and the luxury market is not reserved to elite anymore. By democratizing, luxury became more and more dependent on specific situations of purchase and consumption.

"Once powered by the ordinary consumer of exceptional people, luxury feeds today the exceptional consumption of ordinary people".

Individuals consume luxury without complex or prohibited. There are not barriers anymore: these are the same people who buy Nike sneakers and a Hermès scarf in the same day. Customers of the luxury market are primarily demanding and plurals clients who are divided into three parts:

- The exclusive custom is represented by high socio-professional categories (aristocrats, leaders, public figures)
- The traditional custom, made up of the bourgeoisie and the jet-set
- The occasional custom, young, made up of students and senior executive. For fifteen years, most of purchases are made by occasional custom

Today, since twelve, teenagers wake up to prestige brands. This phenomenon started ten years ago when brands understood that their development would be through this new custom of 15-25 years. This contributed to the democratization of luxury which operated from 90's. to seduce this generation, the communication of luxury changed: it became transgressive; muses are singers like Beyoncé for l'Oréal or Jennifer Lopez for Louis Vuitton. Luxury brands target directly young fashion victims with fancy lines, entry-level products or some places like the Teen Spa La Prairie (for teenagers) at the Ritz Carlton in New-York where the package of four hours "Queen for a day" is to \$575.

"Today, even if we do not belong to a clientele with high incomes, we do not hesitate to offer our self a week end in a big hotel or eat in a restaurant cracked Michelin. Even if on Monday, we return to eat in the canteen. It may be that too, the luxury" Robert Rochefort, the director general of the Research Centre for the Study and Observation of Living Conditions (Credoc).

"Luxury is not the accursed share anymore but the part of the dream, of the excellence and superlative that man needs" Gilles Lipovetsky in the Luxury eternal. The motivation of pleasure becomes today the first motivation of purchasing for luxury customers. According to Ipsos France survey about high incomes 2005:

- Luxury is primarily associated with a personal pleasure (55%)
- Luxury favors a feeling of belonging to an exclusive club (23%)
- Luxury allows to assert its status (10%)

So today, luxury becomes fixed in a strong motivation of current society, opposing to the 80/90's where the purchase of luxury was motivated by two dimensions: the social distinction and appearance. Therefore, it does not appear as a social constraint dictating a required behavior anymore. Buying a luxury product, the consumer walks away with a dream (Jacomi, 2007).

1.4.5- Keys success factors

As seen earlier, luxury brands have specific codes.

Image

Luxury brands spend freely to preserve their capital the most prestigious which is based on the myth and symbol.

Know-how

Luxury industry is known to have the best employees in term of skills and know-how from craftsman.

Capacity to seduce custom

Luxury brands use of what the "luxury" word involves namely the dream and the prestige; common terms to everybody's desire. So, advertising turn around this universe. In this way, luxury brands are able to seduce every people worldwide.

Control quality of production

Premium quality with the “made in France” label

Rarity

Because of the major handmade products from craftsmen, luxury products involve a notion of rarity.

Selective communication

Purchase of advertising spaces the most coveted and huge budget of communication to launch new products.

Exclusive distribution

To be coherent with the luxury strategy and codes, luxury products are only sell in specific shops.

1.5- Understanding Masstige concept**1.5.1- Definition of masstige**

Masstige is a marketing name born of the contraction of two terms: mass-market and prestige. Although they are intrinsically opposed, they offer a new dimension to the positioning. In short, it is about the concretisation of the democratic luxury; the access of luxury for everyone. A luxury brand goes into partnership with a consumer packaged brand. The luxury brand is the invited brand when the consumer packaged brand is the home brand. Indeed, every masstige operations take place in the consumer packaged brand shops.

Masstige is a strategy of brands alliance like co-branding, co-development and co-communication. The particularity of masstige is that this concept associates two paradoxical brands: one luxury brand with one consumer packaged brand.

But behind hides a real aim: put in place a timely and strong marketing action which aims to boost sales during a short period. This concept of punctuality is very important because it is about protecting the luxury brand from a positioning strategy down. Indeed, if the punctuality is not respected, the image of luxury brand will tend to wane and to become ou-of-date. Launching a limited edition product is required: it is the

only way to conserve the concept of rarity linked to the luxury brand which lends its name.

1.5.2- Objectives for both brands

In a masstige operation, each brand, the luxury one and the consumer packaged one, has some specific objectives, sometimes the same. Thus, Leherpeur (2004) highlights these objectives in the following manner:

For the home brand, objectives are:

- **A guarantee of quality**

Thanks to the luxury brand, the home brand sends a positive message to its customers. Thus, it uses brand image of the luxury brand to defend a higher level of quality than usually.

- **A benefice in term of image**

The home brand is proud of showing to its customers that it can attract famous brands and that it offers prices very low compared with what designers propose generally. The home brand gets a competitive advantage face to other competitors. It seems to be listened to its customers and offers them the chance to participate to a unique exceptional offer.

- **Extend the target**

Generally, the invited brand (luxury brand) gives to the home brand the possibility to extend its target towards new consumers. Indeed, the special collections made by luxury designers for H&M for example attracted new consumers, curious, who are never go at H&M before. In this way, these new and curious consumers discover in the same time H&M products and become customers. This first visit can bring to another visit and another... and finally these new consumers improve the turnover of the home brand.

- **Savings investments**

Masstige is based on shared benefices and on costs repartition. Both brands share costs, from creation to distribution. This operation aims to bring expertise, know-how and technologies of both actors together. Costs are also divided

during different steps of launching of new products and communication and advertising fees as well.

- **Notoriety gain**

These operations are very strategic for designers unknown or few known from public. Become partner with a big brand and beneficiate of an important advertising campaign is a real opportunity to increase its notoriety rapidly. However, even for famous luxury brands like Sonia Rykiel, these operations allow to set up their notoriety and to add it a new altruist, audacious and modern dimension.

As said earlier, both brands have some common objectives:

- **Answer to evolutions known by market and take advantage of the crazy diagonal**

The term "crazy diagonal" comes from Leherpeur (2004); it is about "a consumer who is at Dior in the morning and at H&M in the afternoon". Indeed, for several years, there is a real change in consumer habits. Karl Lagerfeld (2005) names "third way" this new way taken by current luxury consumers, a trend which consists to mix expensive and cheap products. Nowadays, luxury is not reserved to daily consumers belonging to elite anymore. On the contrary, it is aimed at a big number of consumers who offer themselves luxury products punctually. So, Masstige makes the most of this consumption modes evolution in order to establish its strategy. This one tries to respond to new consumers' needs still avid for fun and new experiences even if it makes traditional marks of consumers cloudy like price desecration.

- **Generate value added**

The most important aspect that Masstige provides, for both brands (home brand and invited brand), is an additional turnover. During the event, thanks to a strong communication campaign and a selective diffusion, a punctual explosion of sales will allow to get an extra turnover for both participants.

- **Take advantage of an aggressive communication**

For the home brand, masstige is an effective way to promote sales thanks to luxury brand's reputation. Because of the aggressive communication and

media consequences, a buzz marketing system appears. For the invited brand, the event allows it to benefit from an additional awareness and then indirect effects like sales of secondary and peripheral products.

1.5.3- A democratized mix marketing

Within the framework of company or brand, the mix marketing means the coherent set of decisions related to the four components: product policy, price policy, place policy and promotion policy (Kotler and Dubois, 2007).

The marketing mix is a method of allocation marketing analysis. The purpose of marketing is to analyze the market and it has been selected in an arbitrary manner to analyze it by this 4P mnemonic tool (product, price, place and promotion). The analysis has to be divided because it is not possible to make a similar analysis in situations with different products, places, communication and prices. The simplicity of the distribution is an important point to respect for marketing integration within management and especially economics. Indeed, the marketing mix must allow the opportunity to control marketing (cost for instance). This is only possible if the distribution results in the use of management indicators moving the marketing strategy closer to the business strategy (Mercator, 2006).

Each brand, low end, midrange, premium or luxury, has its own marketing mix in order to be consistent with the company's strategy. Therefore, because of the alliance of these two paradoxical actors which constitute the *masstige*, the mix marketing has to be modified (Jacomi, 2007).

Offer

The access to the luxury product has been democratized. The offer is more and more made for the masses. It is also segmented with more and more objects of entry: for example, a few hundred Euros for a bag. It is served by intensive media hype, aimed at developing the desire, particularly among occasional customers, candidates for the dream part that carry major brands. The mixture of genres is also the fact that many groups have both, luxury and mass brands such as L'Oréal.

Demand

Brands are witnesses of changes in purchasing behavior and a transformation of their custom; evolution which seem to be a luxury democratization. This phenomenon is due to two elements: the development of **trading up** (arrival of middle class consumers in luxury shops for the high quality of their products and for emotions lived during purchase and use of the product) and **development of information technology** (thanks to the Internet arrival in houses, luxury brands reach everyone especially with their official website).

Product

Luxury defined as an eternal symbol of scarcity and sustainability is becoming more democratic and generalizes a new trend that favors the affordable luxury for everyone. Indeed, masstige operations which are the best known are the one of Stella Mc Cartney for Adidas or Karl Lagerfeld for H&M for instance. However, Paternault (2006), these are not clothes but perfume that blew up the luxury codes. According to the author, it is Calvin Klein who has truly revolutionized the industry by choosing Kate Moss as muse for its perfume: "Before confined to the fantasies and preciousness, the advertising of luxury brands is well down from its pedestal. Kate Moss reflected the generational malaise. Calvin Klein broke the distance".

Price

The price of a dream product cannot be justified if the product becomes common. Today, the risk is to see the marketing of luxury products tends toward the marketing of products and service consumer. Indeed, we can note that some luxury groups like LVMH make use of talent from marketing of agro food or cleaning products. For example, CARLTON Palace on the Côte d'Azur in France proposes a specific offer during one week: thirty rooms are available at 140 Euros per night instead of 970 Euros normally. Their aim is to attract a younger clientele.

Distribution

The home brand which proposes luxury brand changes its appearance to bring a new custom. It rearranges its shop offering an opener space and less solemn.

Communication

Before 90's, there were major differences between communication of luxury brands and communication of mass brands. Today, differences have been reduced.

According to Lemoine d'Artois (2006) "the big factor of democratization is the advertising. From the moment where you have pages and pages of advertising in "Elle" or "Vogue" magazines, you become a big brand and you are less a luxury brand". Roux (2006) highlights the fact that the advertising from big groups which own luxury and mass brands such as l'Oréal is another paradoxical. Actually, advertisements are very similar. "L'Oréal uses luxury codes in their communication campaign via stars usually elected by this industry".

1.5.4- How a masstige operation works

Although the mix marketing is the most important point to modify, there are however some other points to consider to both partners are in total adequacy. To be considered as success, Masstige operations have to mix both partners brands pertinently and be accompanied by a marketing event offering to consumers a real added value.

So, one of the main conditions of success of such an operation is a certain cohesion between partners brands. In this kind of event, this cohesion is analyzed at the complementary level and not at the similarity level. There are: complementary of brands' expertise, complementary of image and media hype.

Complementary of brands' expertise

During masstige operations like Sonia Rykiel for H&M, it is very important to consider the know-how of both brands. The mass market distributor like H&M has a real know-how in term of technicality. H&M proposes to Sonia Rykiel in this case, raw materials and production places at low costs. Thus, H&M owns an identifiable and quantifiable know-how. It is a value added for Sonia Rykiel who will be able to beneficiate of every economy of scales about production. It is a functional know-how. About Sonia Rykiel, know-how is at the crossroad between functional and conceptual. Sonia Rykiel brings a value added upstream from the production line, at the research and product development products. By combining knowledge of design upstream and know-how in production downstream, H&M and Sonia Rykiel try to make a sense to alliances which seem at first sight against nature.

Complementary of image

During masstige operations, partners' brands accept to associate their values and image, whether Christian Lacroix for La Redoute or Roberto Cavalli for H&M. Their

complementarity in term of image avoids making prejudicial their association. There are some operations where the complementarity can seem natural like Jimmy Choo for H&M when others are still unexplainable and shocking like BCBG Max Azria for Carrefour or Eden Park for Leclerc. To attract consumers, these alliances have to present a relevant and advantageous offer. It means a new product or a real value added well identifiable. Innovations are essential to satisfy a custom more and more demanding.

Media hype

The necessity of media hype is one of the indispensable conditions for the success of a masstige operation. Because of its specific and unexpected character, the operation has to be joined of an intense advertising coverage. All instruments and methods of communication have to be used to reach the target, the larger possible public. Potential buyers have to be submitted to media hype before, during and after the event. This communication system leads a media buzz which is very effective. This technique is based on the influence from a group of references which push to the purchasing or on specific codes between brand and consumer. Thus, the communication of every masstige operation is based on references and codes from luxury industry and on advertising of designers like Karl Lagerfeld or Jimmy Choo easily recognizable by individuals.

1.6- Findings

1.6.1- Conclusion

When you found a company, branding is really crucial. Actually, having a strong brand can save the company. That is why, each company which lasts nowadays own a powerful brand. And this is true for any brand category, luxury brand (LVMH), mid-range brand (MEXX), low brand (H&M)... They all understood how much branding is important for business. So, big brands are based on success factors of branding and success factors of their universe as specific luxury codes (scarcity for example) for luxury brands.

However, with the potential democratization of luxury, we witness a new and pretty revolutionary offer from brands: the association of a prestige and mass market brand: the "masstige". We rather talk about masstige operations when events are punctual, about several days. This association aims to satisfy new needs of consumers in term of luxury purchases. It is by partnering with a consumer brand (home brand) that the

luxury brand (invited brand) can provide a luxury product at an affordable price for consumers of middle class.

Nevertheless, this trend is controversial. Indeed, it involves many questions about the quality of products from masstige operations. Is it about a real democratization of luxury or a simple publicity stunt? And who really benefit from this event, brands or customers? In the next under subpart hypotheses are going to be enounced in order to answer these questions.

1.6.2- Hypotheses

According to the theories mentioned in the literature review about what branding is, the differences between luxury and mass market and especially about what masstige is and why is developing, a real problematic appears:

Is the masstige the good solution to the possible democratization of luxury? This method is it not more destructive for luxury brands than benefic for both brands participating to the operation?

Indeed, although some facts demonstrate certain compatibility between a luxury brand and a mass market brand, big differences and paradoxical values stay awake. To answer to the research question three hypotheses could be established:

Hypothesis 1: the masstige blurs traditional norms of consumers

Hypothesis 2: the masstige do not respect essential basic codes of luxury brands

Hypothesis 3: the masstige chases traditional luxury consumers away

2.0- CHAPTER 2: Methodology

2.1- Introduction

The previous chapter explained the different theories giving birth to the masstige. Following this primary research exposed in the literature review, this chapter aims to provide concrete answers to raised questions by this problematic:

What are the advantages of masstige operations for luxury brands?

What are the risks of masstige operations for luxury brands?

What is the customers' feeling about masstige operations, for occasional luxury customers and for traditional luxury customers?

Finally, is there a true democratization of luxury?

In order to respond to these objectives and formulated hypotheses that they involves, two questionnaires have been done: one for occasional luxury consumers and one for traditional luxury consumers.

2.2- Research method and instrument

Many different methods are possible to collect information, responses to the objectives of the problematic that is the masstige. We can name: surveys, questionnaires, case study, interviews... Given that budgeting and time are some constraints it is very important to well analyze how it is possible to collect good and true information in a short time.

So, to fit with these constraints, the best way to have excellent responses to my problematic is to create survey. Actually, in this particular case that is my problematic, two surveys will be created: one put at occasional luxury consumers and the other one put at traditional luxury consumers.

Considered the nature of this research, surveys will be quantitative and qualitative and questions will be opened and closed. They will be based on behavior's consumer, their

attitudes, motivations, lifestyle characteristics and feeling. In order to responses are purely true and honest, every questionnaire will be anonymous.

2.3- Sampling

Sampling is the selection of a party in a whole. This is an important concept in metrology: when it is not possible to enter a whole event, we need to do measures in finite numbers in order to represent the event. In statistics a sample is a group of individuals from a study population. So, it is representative of this population, at least for the purpose of the study.

Here, two samples have been chosen: one for each survey. Concerning the survey about occasional luxury consumers, twelve questions have been asked to students between 18-25 years from the University of Huddersfield (United Kingdom) and l'Ecole Internationale de Montpellier (France). About the traditional luxury consumers, a survey of twelve questions as well has been asked to Hermès custom. Indeed, a Hermès shop is located in Montpellier. Every survey will ask 250 individuals.

2.4- Pilot study

A pilot study is the first version of a questionnaire. It is given to fifteen people to test the questionnaire in order to know if every question is clear, understandable and brings meaningful answers. Actually, the author of the questionnaire will be present to help the fifteen first people to answer the pilot questions but will not be able to be present for two sample of 250 individuals answered. In this way, a pilot study avoids to have bad surveys.

Two pilot studies (please see Appendices A and B) were designed in order to test the questionnaire. Thanks to their help, I could modify both questionnaires to improve them. In the questionnaire for occasional luxury products, three questions have been added (10,11 and 12) to obtain more useful information. In the questionnaire for traditional luxury consumers, question 5 have been modify because it was too general. Five questions have been added as well (6,8,10, 11 and 12) to disperse question 5 or collect more useful information.

2.5- Questionnaire design analysis

In these surveys, we can find different possibilities of answers. Generally, there are pre-established boxes that respondents have to tick. Certain questions have an "Other" box in order to collect information which is not offered. Therefore, they can specify their answer. Also, certain questions are open-ended because it is the best way to respondents to express.

In order that individuals are able to well understand the subject and to respond, a short definition of masstige is given above the questionnaire. It is also added that products concern only ready-to-wear, shoes and fashion accessories.

Table 2.1 : Questionnaire for occasional luxury consumers

QUESTIONS	REASONING
1. Gender	Know if there are big differences according to gender
2. Age	Know if there are big differences according to age
3. What is your average budget per year for luxury products?	Well determine if the asked individual is an occasional luxury consumer
4. What is your average budget per year for consumer products?	Well determine if the asked individual is an occasional luxury consumer
5. Did you have already take part in masstige operations?	Know the percentage of occasional luxury consumer which takes advantage of masstige operations
6. If you did, why?	Know the reason for which occasional luxury consumers take advantage of masstige operation
7. If you did not, why?	Know the reasons for which they do not take advantage of these special events
8. For customers having taken part in these events, have you been	Know if all occasional luxury consumers

satisfied?	having taken part in masstige operation have been satisfied
9. If you did not, why?	Know the reasons for which certain consumers have not been satisfied
10. Customers or not of these masstige operations, what percentage of credibility give you to the luxury brands after having taken part in these events?	Know if masstige operations have an influence on luxury brands' credibility in the eyes of consumers
11. On a scale of one to five, note your degree of approval of this kind of operation.	Know how much consumers approve masstige operations
12. In few words, what do you think about masstige operations?	Know the global consumers' opinion about masstige operation. Possibility they bring additional answers

Table 2.2 : Questionnaire for traditional luxury consumers

QUESTION	REASONING
1. Gender	Know if there are big differences according to gender
2. Age	Know if there are big differences according to age
3. What is your average budget per year for luxury products?	Well determine if the asked individual is a traditional luxury consumer
4. What is your average budget per year for consumer products?	Well determine if the asked individual is a traditional luxury consumer
5. Have you still the same trust in luxury brands taking part in masstige operations?	Know if luxury brands taking part in masstige operation inspire the same trust than before
6. According to you, does the image of luxury brands participating deteriorate?	Know if luxury brands keep their brand image – one of the most important point for luxury brands – taking part in these events
7. Customers or not of these masstige	

operations, what percentage of credibility give you to the luxury brands after having taken part in these events?

Know if masstige operations have an influence on luxury brands' credibility in the eyes of consumers

8. Do you feel betrayed by this kind of operation?

Know if certain traditional luxury consumers feel betrayed by such an operation

9. If you do, why?

Know the reasons of that feeling

10. However, do you continue to buy products from luxury brands taking part in masstige operations?

Know if masstige operations have a negative effect on purchasing behavior from traditional luxury consumers

11. On a scale of one to five, note your degree of approval of this kind of operation.

Know how much consumers approve masstige operations

12. In few words, what do you think about masstige operations?

Know the global consumers' opinion about masstige operation. Possibility they bring additional answers

2.6- Choice of statistics test

For the accuracy of the study the results that are obtained from both questionnaires – occasional luxury consumers questionnaire and traditional luxury consumers questionnaire – are going to be analyzed to answer objectives of the research. Also, they will confirm or infirm hypotheses following the literature review.

Therefore, results obtained from conducting the questionnaires research – digital and paper questionnaires – will be entered into the computing analysis package SPSS in order to scrutinize the data and discover the overall findings. The software will be used to create “descriptive statistics” from some of the results and will be used to generate in either table or graph form as well.

2.7- Recommendations for improvement

Perfection does not exist but everything can be improved all the time. That is why this subpart gives recommendations for future researches. Three sections can be improved mainly: sample size, locations and design of questionnaires.

2.7.1- Sample

The size of the sample used in this dissertation is pretty small: 100 people for each questionnaire. So, to have the best possible accuracies, it is preferable to have a larger sample size. Moreover, at the age level, most of respondents were students for the occasional luxury consumers' questionnaire. Given that the masstige operations touch everybody it would be great to question people coming from different horizons. As for the traditional luxury consumers' questionnaire, there is a similar limitation. Because of the time and financial means constraints I only questioned luxury customers met in front of luxury shops (Hermès, Hugo Boss, Cartier, Mont-Blanc and BCBG Max Azria) in Montpellier. With another manner, I could have questioned more people with different ages.

2.7.2- Location

Here, the limitation comes from time and financial means constraints as well. Indeed, there might be a better understanding of customers' opinion if respondents came from different countries and not only UK and France. The masstige is a worldwide event and question people from America, Asia, Africa and Oceania in addition with Europe would make the results of both questionnaires more realistic.

2.7.3- Questionnaires

Both questionnaires have a qualitative major. It could be interesting to improve questionnaires with adding more quantitative questions. Furthermore, both questionnaires can be extended in order to collect more data and have a better understanding from respondents' opinion.

3.0- CHAPTER 3: Research Results and Analysis

3.1- Introduction

This chapter presents and analyses the results of both surveys. Results will be used to test hypotheses regarding the risks of masstige operations for luxury brands.

This is a recall of three formulated hypotheses:

Hypothesis 1: the masstige blurs traditional norms of consumers

Hypothesis 2: the masstige do not respect essential basic codes of luxury brands

Hypothesis 3: the masstige chases traditional luxury consumers away

3.2- Profiles of participants

In total 200 people have been questioned, 100 for each questionnaire. All respondents have between 18 and 40 years because it is the age group most likely to be affected by the masstige operations.

3.2.1- From occasional luxury consumers' questionnaire

I recall that the sample for the occasional luxury consumer questionnaire comes from the University of Huddersfield, l'Ecole Internationale de Montpellier and trouver une base pour les 40 ans.

Table 3.1 – **Question 1:** *about gender of respondents*

Gender of respondents	Number	Percentage
Female	73	73%
Male	27	27%
Total	100	100%

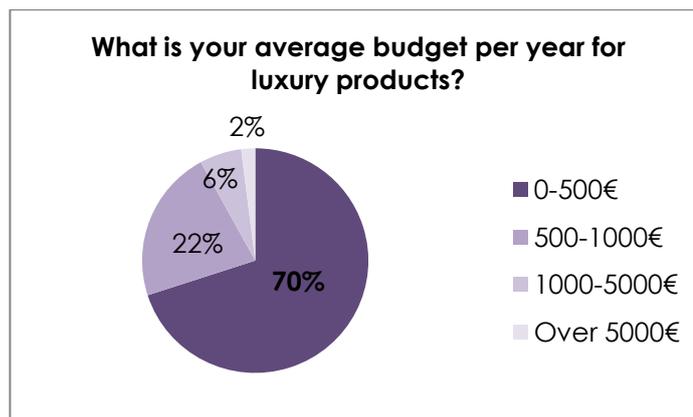
On 100 respondents 73% are women. This is not surprising because until now, most of masstige operations have been done for women products.

Table 3.2 – **Question 2:** about age of respondents

Age of respondents	Number	Percentage
18-25 years	70	70%
26-40 years	30	30%
Total	100	100%

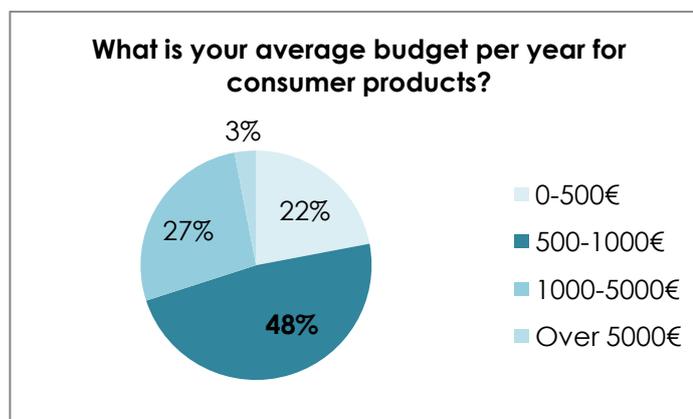
On 100 respondents, 70% is between 18 and 25 years-old. This is explained by the fact that most of questioned individuals come from University of Huddersfield and l'Ecole Internationale de Montpellier (business schools).

Figure 3.1 – **Question 3:** about average budget per year for luxury products



70% of questioned individuals consumes between 0 and 500 Euros in luxury products per year.

Figure 3.2 – **Question 4:** about average budget per year for consumer products



48% of questioned individuals consume between 500 and 1000 Euros in consumers' products per year.

These graphics show that questioned people well correspond to occasional luxury consumers because they consume much more consumer products than luxury products.

3.2.2- From traditional luxury consumers' questionnaire

I recall that for the traditional luxury consumer questionnaire, the sample comes from customers of many luxury shops in Montpellier. During two weeks, I questioned customers of Hermès, Hugo Boss, Cartier, Mont-Blanc, BCBG Max Azria and Burberry.

Table 3.3 – **Question 1:** *about gender of respondents*

Gender of respondents	Number	Percentage
Female	64	64%
Male	36	36%
Total	100	100%

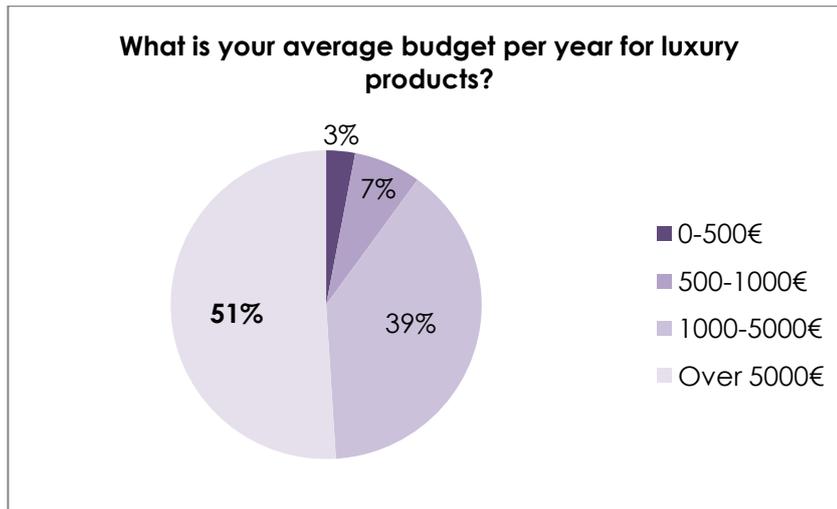
On 100 respondents 64% are women. This is explained by the unpredictable character of such a method.

Table 3.4 – **Question 2:** *about age of respondents*

Age of respondents	Number	Percentage
18-25 years	19	19%
26-40 years	81	81%
Total	100	100%

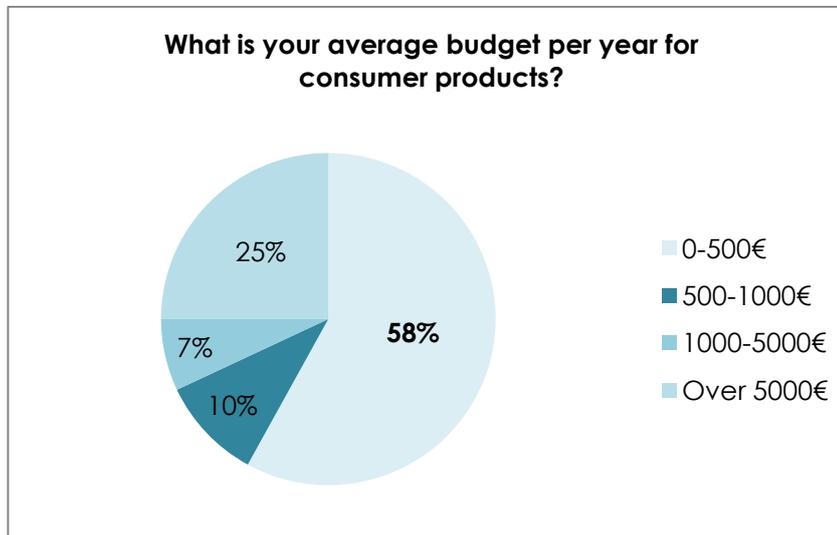
On 100 respondents, 81% is between 26 and 40 years-old. This is also explained by the unpredictable character of such a method.

Figure 3.3 – **Question 3:** about average budget per year for luxury products



51% of questioned individuals consume over 5000 Euros in luxury products per year.

Figure 3.4 – **Question 4:** about average budget per year for consumer products



58% of questioned individuals consume between 0 and 500 Euros in consumer products per year.

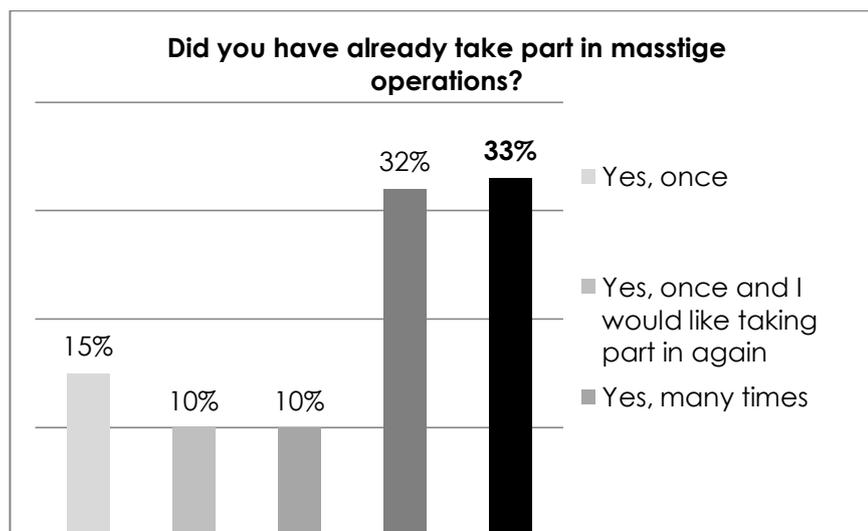
These both graphics show that questioned people well enter in the target namely traditional luxury consumers because they consume much more luxury products than in consumer products.

3.3- Results from both questionnaires

Analysis of questionnaires is made by theme and not by questions order. Some questions from both questionnaires are the same and therefore enter in the same theme. In this case, we are going to compare results. To understand what questionnaire questions from we are going to call questionnaire of occasional luxury consumer QUESTIONNAIRE 1 (Q1) and questionnaire of traditional luxury consumer QUESTIONNAIRE 2 (Q2).

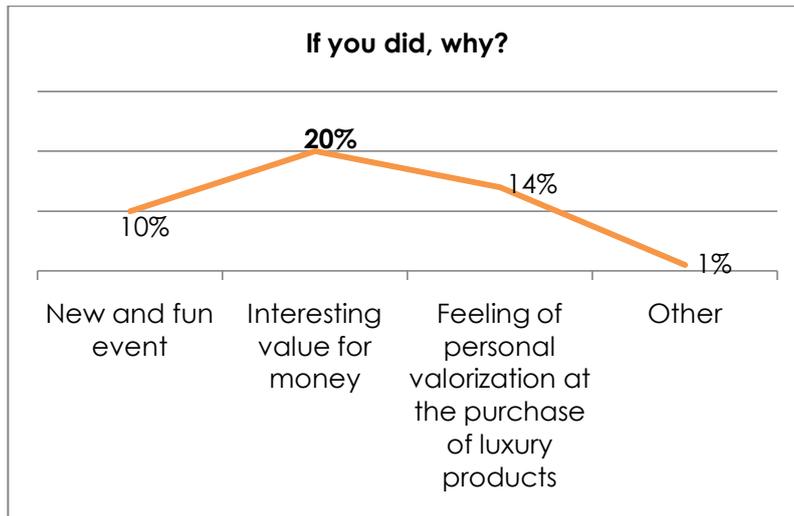
3.3.1- Participation

Figure 3.5 – (Q1) **Question 5:** about participation in masstige operations



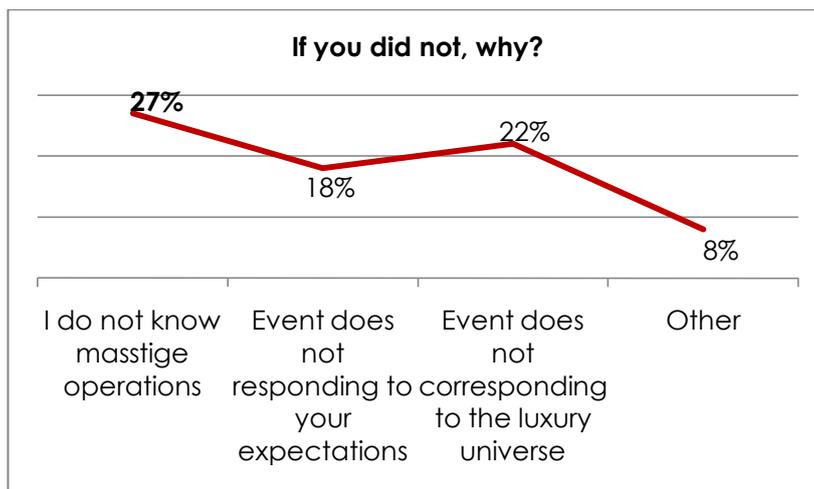
According to histograms, we can see that 65% of targeted individuals have never taken part in masstige operations. Next graphics are going to give us reasons of these numbers.

Figure 3.6 – (Q1) **Question 6:** about reasons for participating



About 35% of people who participated in one or more masstige operations 20% found there was an interesting value for money. 14% of them buy products from masstige operations because it involves a feeling of personal valorisation at the purchase of luxury products. Finally, 10% participate for the new and fun character of this event. So, value for money is the main aspect of participation: it is a little success given that it is the main goal of two brands (luxury one and consumer one) for doing such an event.

Figure 3.7 – (Q1) **Question 7:** about reasons for not participating

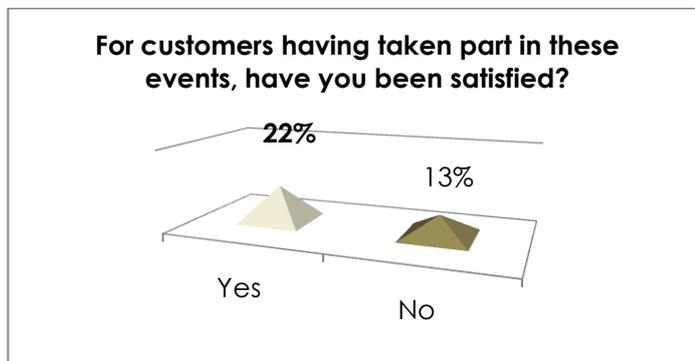


About 65% of people who was not participated in masstige operations, 27% was not participated because they did not know the concept. They have never heard. Two other answers are that event does not respond to their expectations (18%) and event

does not correspond to the luxury universe (22%). Therefore, the main reason is that they are not aware of such an event which is a big failure from partners' brands given that the communication about the operation is supposed to be huge in order to attract as many people as possible.

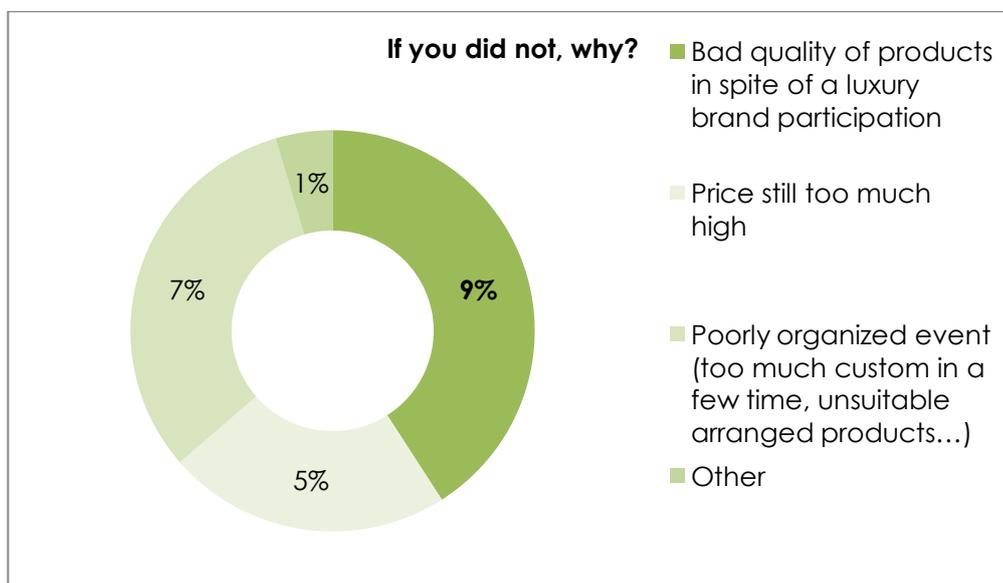
3.3.2- Satisfaction

Figure 3.8 – (Q1) **Question 8:** about satisfaction of masstige operations clients



About 35% of people having taken part in masstige operations 22% have been satisfied and 13% have not been satisfied. We can notice that there is not a big margin between both percentages. Next graphic is going to tell us why 13% have not been satisfied.

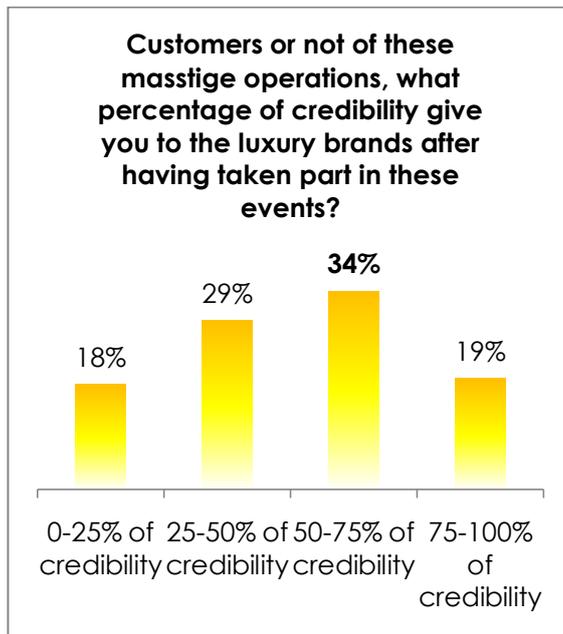
Figure 3.9 – (Q1) **Question 9:** about reasons of no satisfaction of masstige operation clients



Three percentages distance themselves. 9% find that products have a bad quality in spite of the participation of a luxury brand. 7% find that the price stays too much high for such an event. For example, a Lanvin dress is sold 200 Euros. Finally, 5% think that the event is poorly organized and does not fit with the luxury universe at all.

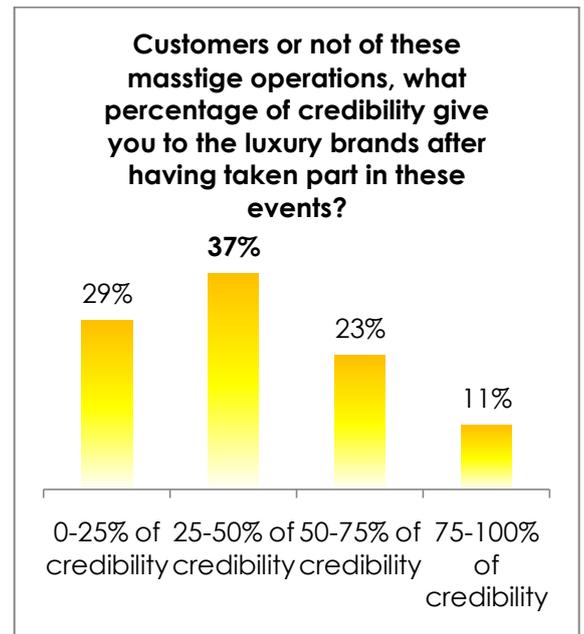
3.3.3- Credibility

Figure 3.10 – (Q1) **Question 10:** about credibility given to luxury brands after having taken part in these events



For occasional luxury consumers 34% attribute between 50 and 75% of credibility to the luxury brands having participated in masstige operations.

Figure 3.11 – (Q2) **Question 7:** about credibility given to luxury brands after having taken part in these events



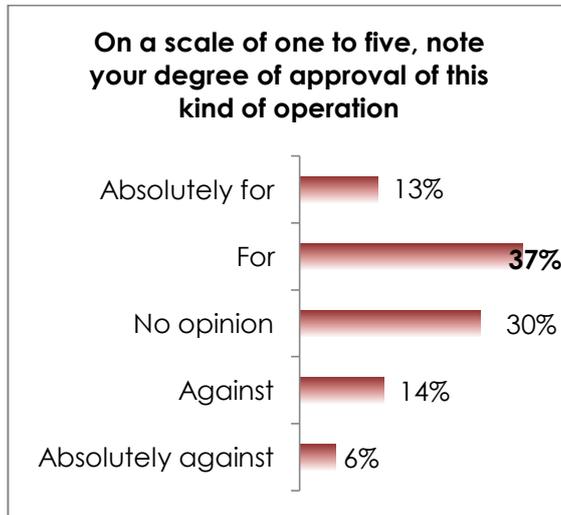
For traditional luxury consumers 37% attributes between 25 and 50% of credibility to the luxury brands having participated in masstige operations.

So, we notice that traditional luxury consumers are stricter than occasional luxury consumers although 18% of them attributes only between 0 and 25% of credibility to the participant luxury brands. Another fact can be noticed. About 35% of individuals having taken part in masstige operations 10% participated many times and 10% would like to participate again when they find that such an event discredits luxury brands. Finally, there are 11% of traditional luxury consumers who still attributes between 75 and

100% of credibility. Indeed, according to them, certain designers can participate to this kind of event and the impact of credibility will not be the same according to the participating designers or luxury brands.

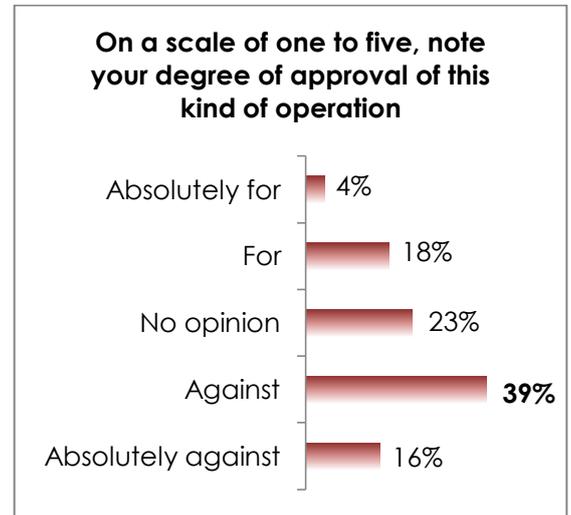
3.3.4- Approval

Figure 3.12 – (Q1) **Question 11:** about degree of approval for this kind of operation



For occasional luxury consumers, we notice that 37% are for masstige operations. However, there are some people who are against this kind of operations (20%).

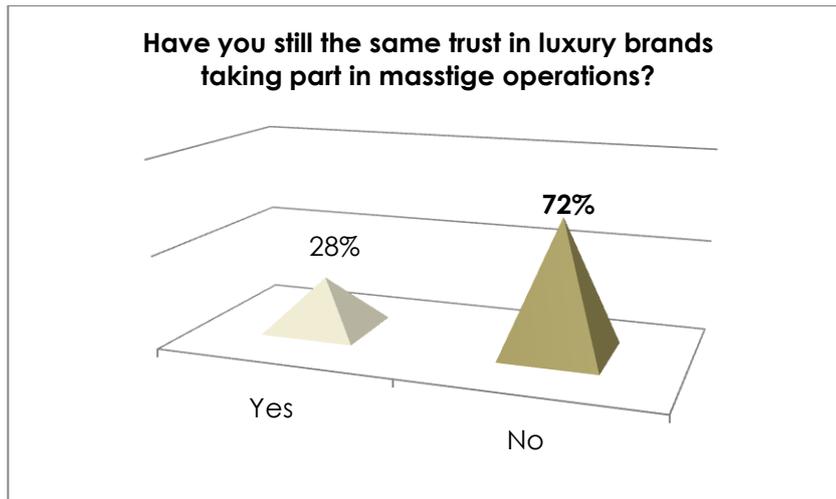
Figure 3.13 – (Q2) **Question 11:** about degree of approval for this kind of operation



For traditional luxury consumers 39% are against this kind of event and 16% are totally against. We notice however that 22% are agree for masstige operations. But this is not surprising. Indeed, this results matches with the previous result.

3.3.5- Trust

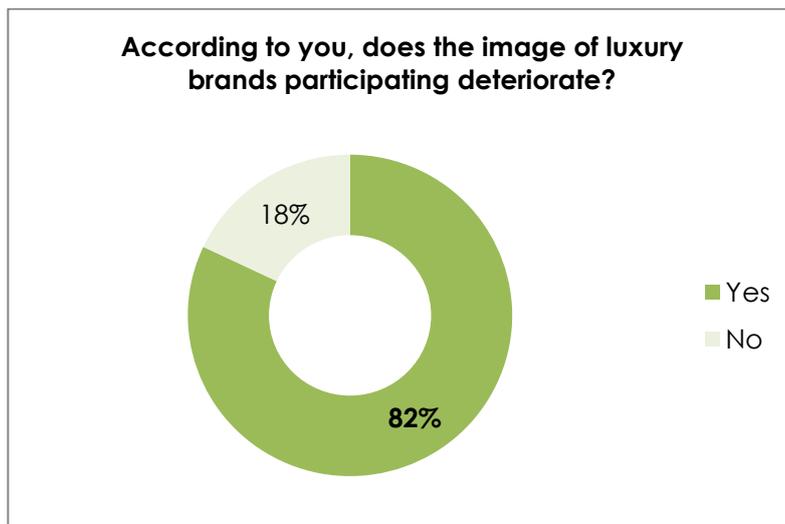
Figure 3.14 – (Q2) **Question 5:** about trust in luxury brands participating



According to this question, we see that 72% of traditional luxury consumers have not the same trust in luxury brands anymore. Masstige operations reach to the loss of trust from traditional luxury consumers, namely their main custom and target.

3.3.6- Image

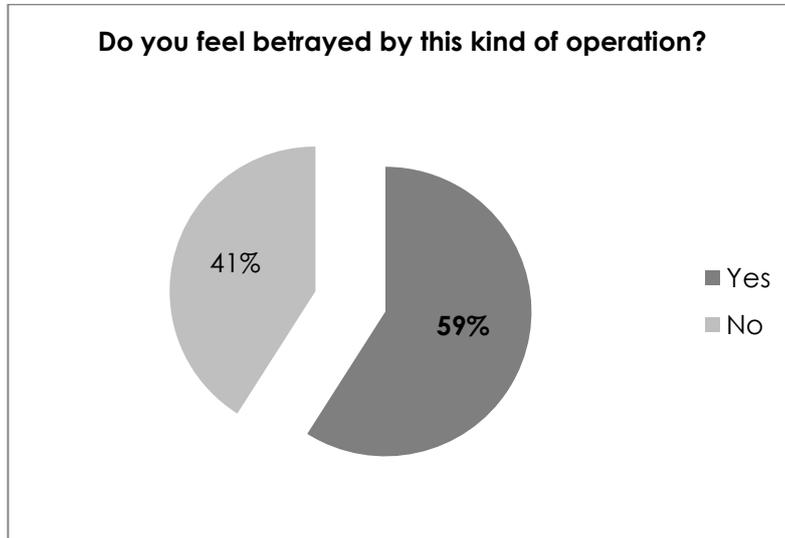
Figure 3.15 – (Q2) **Question 6:** about image of luxury brands participating



Just like the previous result, masstige operations reach to the image degradation of luxury brands participating for traditional luxury consumers. For 82% of them, the image is deteriorated because of masstige operations.

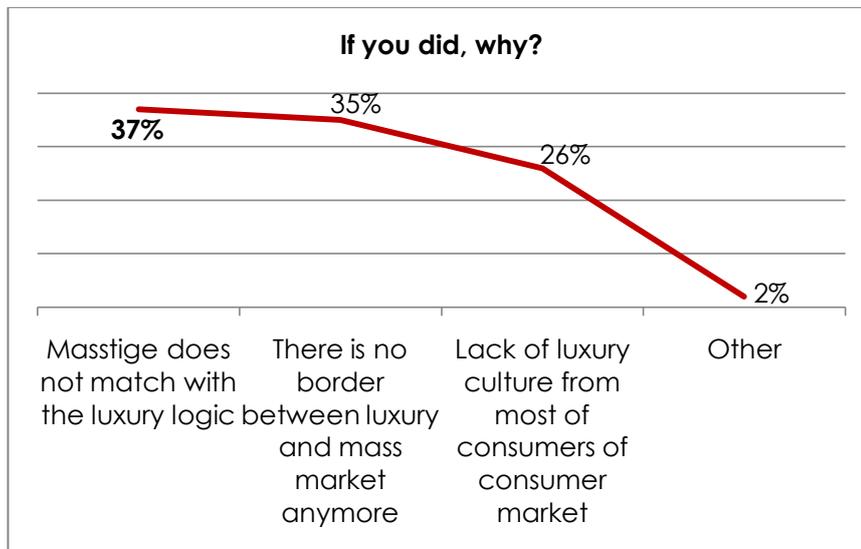
3.3.7- Betrayal

Figure 3.16 – (Q2) **Question 8:** about the feeling of betrayal for luxury clients



59% of traditional luxury consumers feel betrayed by such operations. Next graphic give the reasons of that feeling.

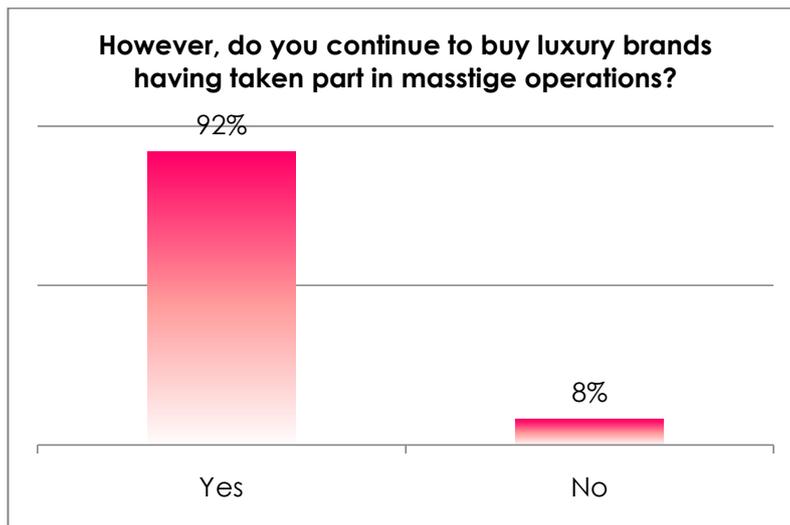
Figure 3.17 – (Q2) **Question 9:** about reasons for feeling betrayed



37% find that luxury brands have not their place in this kind of operation because the alliance of luxury brand and consumer brand does not match with the luxury logic. 35% think that because of masstige operations there is not border between luxury and mass market anymore and their references as consumers become confused. Finally, for 26% of them, there is a lack of luxury culture from occasional luxury consumers and they cannot enjoy luxury products for what they are.

3.3.8- Future purchase

Figure 3.18 – (Q2) **Question 10:** about purchasing pursuit in luxury brands participating



This final question show that 92% of questioned traditional luxury consumers continue to buy at luxury brands having participated in masstige operations. However, already 8% do not continue and we can fear that this number grows given that previous responses about trust, image, feeling of betrayal, credibility...

4.0- CHAPTER 4: Discussion

The aim of this study is to examine if risks for luxury brands are too important to participate at such events. This chapter aims to know if the results of questionnaires confirm or infirm formulated hypotheses.

4.1- Hypothesis 1

Recall of the first hypothesis (H1): the masstige blurs traditional norms of consumers

Thanks to the literature review, we saw that luxury market and mass market are markets very different from each other and respond to a specific logic. Each has its own codes and targets are not the same at all. We can even say that luxury and mass markets are opposed and paradoxical markets.

According to both surveys we note a decrease of trust, image and credibility about luxury brands from occasional and traditional luxury consumers. There is also a will to never participate to masstige operations from occasional luxury consumers. So the first hypothesis is confirmed. Masstige blurs traditional norms of consumers, occasional and traditional. For example, some people are totally for this kind of operations even if they recognize that quality of products is bad. But they want to continue to participate to these operations so that they give a low credibility to luxury brands taking part to the event.

4.2- Hypothesis 2

Recall of the second hypothesis (H2): the masstige does not respect essential basic codes of luxury brands

Within the literature review we talked about key factors of luxury brands which are the essential basic codes to success. These key factors are the image, know-how, capacity to seduce custom, quality, rarity, selective communication and exclusive distribution.

In the masstige context, is it possible to preserve these essential elements? Not according to both surveys. As said just above, the image of luxury brands is

deteriorated and occasional luxury consumers are aware that quality is not the same than in luxury shops. And if this quality is not the same it is because there is a reason. Actually, the know-how is not the one of luxury brands. A lot of people ignore this information but the luxury brand or designer just draws the products. The production is made by the consumer brand factories. So there is a total absence of luxury know-how which offers a product of very high quality. Beside, as the product is industrialized the notion of rarity is absent to the roll call as well. As for the selective communication, it is not respected. Usually, communication for luxury products aims a certain target that is pretty small. In a masstige operation there is a mass communication. Only, the capacity to seduce custom and the exclusive distribution seem to stay intact. Indeed, although a masstige operation touches a different target than the usual target of luxury brands, the new and fun character of such an event seduced masses generally. And finally, the "exclusive distribution" side is respected when the products created for the event are only sold in the consumer brand shops.

However, over the average of essential basic codes of luxury market are scorned and customers, occasional like traditional do not close their eyes on. That is why certain customers of masstige operations are disappointed and unsatisfied and are against this kind of operations.

4.3- Hypothesis 3

Recall of the third hypothesis (H3): the masstige chases traditional luxury consumers away

It is important to recall that main custom of luxury brands are the traditional luxury consumers. A part of the literature review talks about their specific purchasing behavior and their specific triggers. So, the third hypothesis is of particular importance because masstige could really damage the heart of luxury business namely its loyalty custom.

Results of the survey about traditional luxury consumers show that over the average of respondents feel betrayed by this kind of operations. Indeed, they think that the luxury logic cannot match with the consumer logic and that occasional luxury consumers miss of luxury culture. They do not really know why they buy luxury products. Finally, the most important point is that because of event like masstige there are fewer boundaries between luxury market and consumer market: two universes in total opposition yet.

Beside, this reason meets the first hypothesis concerning traditional norms of consumers blurred by masstige. However, according the questionnaire, most of traditional luxury consumers continue to buy products from luxury brands having participated to masstige operations. But there are a few of them who turn away from these luxury brands. And this little group can be the beginning of a real revolt.

5.0- CHAPTER 5: Examples of Masstige Operations

This chapter is pretty singular. Indeed, it contains data of certain masstige operations. They have been collected in order to bring more support to this dissertation. This is not a usual practice but I thought that this information can be important and necessary to the understanding of what masstige is and what can be risks for real. Following information come from journal articles or serious websites which assessed certain masstige operations.

5.1- Success

Focus on Karl Lagerfeld for H&M

The example of Karl Lagerfeld for H&M is until now the most successful masstige operation. The designer and the consumer brand used key success factors of masstige:

- Communication codes peculiar to big box store: only one speech for everyone
- Ephemeral nature of commercial operation which relies heavily on the announcement effect
- Call to designers from Haute Couture Houses
- Marketing target younger and more feminine than for luxury products

Moreover, by generating a scarcity effect in the commercialization of Karl Lagerfeld collection, H&M managed to surprise the consumer. So, there was a bargain effect and the consumer responded actively.

By this collaboration, both partners show their capacity to position themselves as a distributor providing a truly competitive advantage for the consumer in terms of fashion and prices.

5.2- Failure

Focus on Lanvin for H&M

<http://www.maybach-carter.com/2010/11/la-collaboration-hm-x-lanvin-un-flop-qui-ne-dit-pas-son-nom/>

From the beginning, sales forecasts were negative: start to decline and more than uncertain success with clients. This has been confirmed. Even sellers of H&M confessed: bad quality and prices of products disgusted customers. Indeed, everyone expected to find certain know-how from the Haute Couture House, several particular pieces but some customers fans of Lanvin notices that the designer Alber Elbaz used pieces from old fashion shows. They also noticed the obvious fact of a "Made in China" production. As for prices, they were so high that a consumer could have for 700€ of clothes which is enough to afford the authentic Lanvin. Indeed, the psychological aspect seems to have been forgotten when a Lanvin for H&M dress cost 199€.

Another point is the communication campaign. For a masstige operation, this one is supposed to be aggressive. In the case of Lanvin for H&M, a lot of consumers did not find it aggressive. Some people have never even heard. Moreover, this kind of operations seems to be organized just like sales. Indeed, to have the opportunity to buy one product at least, consumers have to be in front of H&M shops at 6AM and stand in line in the cold until the opening of the shop.

Actually, the biggest mistake was to associate Lanvin to H&M. Indeed, this brand is almost historical with a signature and a very present imaginary like its main competitors in luxury (Dior, Vuitton, YSL...)

Conclusion of its masstige operation: products Lanvin for H&M stayed longtime in H&M shops, some of them have never even sold. And some of customers rather to save money for buying a "real" Lanvin piece henceforth.

5.3- The case of Prada

The Italian designer of Prada, Miuccia Prada, has no plans to decline her universe in masstige mode. When many luxury brands would like to see their name associated with the one of H&M in order to take advantage of the buzz from this kind of collaboration, Miuccia Prada says in an interview for the WWD Magazine:

"I won't have anything to do with it. No recent masstige collections – offering the fashionistas to spawn at lower cost with the high end – found favor in my eyes. If pieces have such a low price it is because the quality of products has been reduced. Offer

more or less successful copies of "it" of a particular House in vogue has an interest neither for the brand nor for women."

Indeed, even if the idea than famous designers of Haute Couture have a go at mass market is attractive on paper, we understand that some designers are strongly reluctant to consider a Swedish variation of their universe. It is true that collections from this kind of experiences are often enough unequal.

Furthermore, we cannot image what a House like Prada which consistently reinventing itself to each season, would have to gain seeing its complex DNA diluted in masstige mode. However, the designer is not resistant to a try of democratization of luxury. She would not hesitate to launch products cheaper if she discovered a new concept enabling it to reduce production costs of its creations while providing an irreproachable level of quality.

6.0- Conclusion

The overall aim of this study was therefore to analyze the risks of masstige operations for luxury brands participating to the event. Previous studies and theories on consumer purchasing behavior – occasional and traditional luxury consumers – luxury and mass markets and democratization of luxury were examined in the literature review. In this way diverse objectives of research and their related hypotheses have been enounced.

The first objective was to undertake a thorough assessment of research already published with respect to particular areas of brand, mass market, luxury and masstige. Researches from the literature review provided a very good understanding of what masstige is, why it was born, its objectives and its functioning. So, masstige comes from two opposed and paradoxical markets that are luxury market and consumer market. It mixes their own specific codes of branding in order to provide a luxury product to the masses.

The second objective was to identify advantages and risks especially of masstige operations for luxury brands. In the literature review we talk about advantages for both brands to participate to masstige operations. To sum up these advantages we talk about a guarantee of quality, a benefice in term of image, extend the target, savings investments, notoriety gain, answer to evolution known by the market namely the democratization of luxury, generate an added value and take advantage of an aggressive communication. However, thanks to both surveys we now know that the quality, image, added value and communication are also some risks and sometimes big risks. Indeed, the image of luxury brands is deteriorated and the quality of products can be criticized. As for the communication it is not aggressive when over the average of respondents have never heard about masstige. For the answer to evolution known by the market it is a point which stays to discuss. We will talk about it in the final objective. So the only points staying are money by gaining notoriety and extending target. Indeed, going into partnership two brands save money and increase their respective turnover. Therefore, a new question appears: masstige operations have really been created to give access the masses to luxury or just for a money question from brands? In any cases, risks for luxury brands seem to be more important than we thought according to questionnaires results.

The third objective was to analyze several masstige operations to know if practical results are the same than theoretical results. This objective could bring a better understanding about eventual risks for luxury brands not said in the theory about this kind of operations. The analyze of the cases of Karl Lagerfeld for H&M and Lanvin for H&M show that all the risks enounced in theory are revealed themselves exacts. Nevertheless, two new risks have been detected thanks to the chapter 5 about example of masstige operations. First, the risks about image, credibility, trust... talked about first appear bigger and more important according who become partner with a consumer brand. Indeed, it would seem that an independent designer like Karl Lagerfeld takes fewer risks if he participates to the masstige operation in his name than if he participates in the CHANEL name. Beside, this has been a criterion of failure for Lanvin. Finally, the second and probably more important new risk is that such operations encourage the danger of an increase consumption of counterfeiting products or acquired products outside traditional distribution channels.

The final objective was to determine if there is a true democratization of luxury. Indeed, we noticed that such operations like masstige offer products of bad quality. So the question is to know if products sold during masstige operations and coming from luxury designer's mind are real luxury products. And the answer is no. Therefore, there is certainly more and more craze for luxury products from the masses and we can talk about of a certain democratization of luxury from them. But we cannot still talk about of democratization of luxury from luxury brands in the sense where masstige operations – created to offer a solution to the new consumers' need – are purely business and "luxury" products sold are actually not luxury products. Finally, as Girard (2008) said: "Was trying to please everybody, you end up pleasing no one"...

7.0- References

BOOKS

Castarède Jean (2007) Le luxe, PUF Que sai- je ?

Danziger Pamela (2004) Let Them Eat Cake: Marketing Luxury to the Masses as well as the Classes, Dearborn Trade Publishing

Dupont Luc (2001) 1001 trucs publicitaires, Editions Transcontinental Inc.

Ellwood Iain (2003) The essential brand book: Over 100 techniques to increase brand value, Second Edition, Kogan Page

Feldwick Paul (2002) What is a brand equity, anyway? World Advertising Research Centre Edition

Gunter Barrie (2000) Media Research methods, Sage Publications

Hallberg Garth (1995) All consumers are not created equal, John Wiley & Sons Inc.

Hemingway Collins and Gates Bill (1999) Le travail à la vitesse de la pensée, Editions Robert Laffont

Jacquiau Christian (2000) Les coulisses de la grande distribution, Editions Albin Michel

Joannis Henri (1967) De l'étude de motivation à la création publicitaire et à la promotion des ventes, Dunod

Kapferer Jean-Noël et Bastien Vincent (2008) Luxe Oblige, Editions d'organisation

Kotler et Dubois (2006) Marketing management Mercator, Dunod

Lehu Jean-Marc (2004) L'Encyclopédie du Marketing, Editions d'Organisation

Miller Jon and Muir David (2005) Business of brands, John Wiley & Sons, Incorporated

Rogers Everett (2003) Diffusion of Innovations, Fifth Editions

Sicard Marie-Claude (2006) Luxe, mensonges et marketing : mais que font les marques de luxe ? Village Mondial

Simons John (2003) Brands and Branding, Profile Books Limited

Veblen Thorstein (1889) The theory of the leisure class, Large Print Edition

JOURNAL ARTICLES

Baumol W.J., Panzar J.C. and Willig R.D. (1988) "Contestable Markets and the Theory of Industry Structure", *Harcourt Brace Jovanovich, Academic Press*

Bullmore Jeremy (2001) "Who's wearing the trousers?", *The Economist*

Fiske Silverstein (2003) *Luxury for the masses*, *Harvard Business Review*

Korczyński M. (2000) "The political economy of trust", *Journal of Management Studies*

Nueno and Quelch (1998) "The mass market of luxury", *Business Horizon Journal*

Roux Elyette (2006) "Luxe le grand écart", *Marketing Magazine N°102*

WEB SITES

www.gautier-girard.com

www.aunege.org

www.econovateur.com

www.abc-netmarketing.com

www.vivolta.com

www.bijouterie-joaillerie.net

www.toucouleur.fr

www.strategies.fr

www.observateurcurieux.blogspot.com

www.veronique.estienne.free.fr

www.digital-luxe.com

www.tendances-de-mode.com

www.duverneuil.net

www.e-marketing.fr

www.usinenouvelle.com

www.unitymarketingonline.com

www.caddereputation.over-blog.com

www.hospiweb.scotcit.ac.uk

www.objectifgrandesecoles.com

www.journaldunet.com

www.strategies.fr

OTHER

Leherpeur Martine (2004) [La diagonale du fou](#), LSA

Michel Géraldine (2009) Les stratégies d'alliances de marques, IAE de Paris, Université Panthéon-Sorbonne

The Pocket Oxford Dictionary of current English (1934)

The Oxford American Dictionary (1980)

The Larousse French Dictionary (2005)

Ipsos France, French marketing studies

Bain & Company, US management consultancy

Mercator (2006)

Paternault Claire (2004) Responsable d'Etude Luxe et Beauté chez Risc International

Lemoine D'Artois Régine (2006) Présidente d'Euromap

8.0- Appendices

APPENDIX A

Pilot questionnaire for occasional luxury consumers

1. Gender

- Male
- Female

2. Age

- 18-25
- 25-40
- 40-60
- +60

3. What is your average budget per year for luxury products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

4. What is your average budget per year for consumer products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

5. Did you already have take part in masstige operations?

- Yes, once
- Yes, once and I would like taking part in again
- Yes, many times

- No but I would like to take part in
- No and I do not want to take part in

6. If you did, why?

- New and fun event
- Interesting value for money
- Feeling of personal valorization at the purchase of a luxury product
- Other, specify: ...

7. If you did not, why?

- Event does not responding to your expectations
- Absence to the rarity notion linked to a luxury product
- Event does not corresponding to the luxury image/universe
- Other, specify: ...

8. For customers having taken part in these events, have you been satisfied?

- Yes
- No

9. If you did not, why?

- Bad quality of products in spite of a luxury band participation
- Price still too much high
- Poorly organized event (too much custom in a few time, unsuitable arranged products...)
- Other, specify: ...

APPENDIX B

Pilot questionnaire for traditional luxury consumers

1. Gender

- Male
- Female

2. Age

- 18-25
- 25-40
- 40-60
- +60

3. What is your average budget per year for luxury products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

4. What is your average budget per year for consumer products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

5. What do you think about masstige operations?

- ...

6. Do you feel betrayed by this kind of operations?

- Yes
- No

7. However, do you continue to buy luxury brands having taken part in mastige operations?

- Yes
- No

APPENDIX C

Final questionnaire for occasional luxury consumers

Added questions are in turquoise

1. Gender

- Male
- Female

2. Age

- 18-25
- 25-40

3. What is your average budget per year for luxury products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

4. What is your average budget per year for consumer products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

5. Did you already have take part in masstige operations?

- Yes, once
- Yes, once and I would like taking part in again
- Yes, many times
- No but I would like to take part in
- No and I do not want to take part in

6. If you did, why?

- New and fun event
- Interesting value for money
- Feeling of personal valorization at the purchase of a luxury product
- Other, specify: ...

7. If you did not, why?

- I do not know masstige operations
- Event does not responding to your expectations
- Event does not corresponding to the luxury universe
- Other, specify: ...

8. For customers having taken part in these events, have you been satisfied?

- Yes
- No

9. If you did not, why?

- Bad quality of products in spite of a luxury band participation
- Price still too much high
- Poorly organized event (too much custom in a few time, unsuitable arranged products...)
- Other, specify: ...

10. Customers or not of these masstige operations, what percentage of credibility give you to the luxury brands after having taken part in these events?

- 0-25% of credibility
- 25-50% of credibility
- 50-75% of credibility
- 75-100% of credibility

11. On a scale of one to five, note your degree of approval of this kind of operation.

- 1. Absolutely against
- 2. Against
- 3. No opinion
- 4. For
- 5. Absolutely for

12. In few words, what do you think about masstige operations?

- ...

APPENDIX D

Final questionnaire for traditional luxury consumers

Added or modified questions are in blue

1. Gender

- Male
- Female

2. Age

- 18-25
- 25-40

3. What is your average budget per year for luxury products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

4. What is your average budget per year for consumer products?

- 0-500€
- 500-1000€
- 1000-5000€
- +5000€

5. Have you still the same trust in luxury brands taking part in masstige operations?

- Yes
- No

6. According to you, does the image of luxury brands participating deteriorate?

- Yes
- No

7. Customers or not of these masstige operations, what percentage of credibility give you to the luxury brands after having taken part in these events?

- 0-25% of credibility
- 25-50% of credibility
- 50-75% of credibility
- 75-100% of credibility

8. Do you feel betrayed by this kind of operations?

- Yes
- No

9. If you do, why?

- Masstige does not match with the luxury logic
- There is no border between luxury and mass market anymore
- Lack of luxury culture from most of consumers of consumer market
- Other, specify: ...

10. However, do you continue to buy luxury brands having taken part in masstige operations?

- Yes
- No

11. On a scale of one to five, note your degree of approval of this kind of operation.

- 1. Absolutely against
- 2. Against
- 3. No opinion
- 4. For

- 5. Absolutely for

12. In few words, what do you think about masstige operations?

- ...

APPENDIX E

Example of communication campaign of a massige operation

