

Reply to reviewers

Reviewer 1 comments	Reply
<p>I had the privilege to review your paper titled “Understanding Consumer Perceptions for Luxury Brands.” I believe, by the way, that you meant to say perceptions ‘of,’ not ‘for Luxury Brands.’</p>	<p>Thank you for your time and effort in reviewing our paper. This change has been made both in the title and in the text. See highlight.</p>
<p>The transition from the 1st to the 2nd paragraph can be improved upon. Especially the first sentence and the brands used are not quite delivering the introduction you might be aiming for. Moreover, please note that market growth does not naturally increase competition.</p> <p>These first sentences also need to be referenced, otherwise they appear closer to a journalistic rather than a scientific argument.</p>	<p>We agree the paragraph does not flow well and so have removed the reference to the link between market growth and increased competition to improve the clarity of the argument.</p> <p>The following references have also been added:</p> <p>Kapferer, J. N. (2012). "Abundant rarity: The key to luxury growth." <u>Business Horizons</u> 55(5): 453-462.</p> <p>Kapferer, J.-N. and P. Valette-Florence (2016). "Beyond rarity: The paths of luxury desire. How luxury brands grow yet remain desirable." <u>Journal of Product & Brand Management</u> 25(2): 120-133.</p>

Your second paragraph reads incoherent, and leaves me wondering what exactly the **contribution** of your research might be?

Apologies for the lack of clarity. We have substantively reworded this to improve comprehension of the text. The specific contributions to both theory and practice have also been added to the introduction.

Highlighted accordingly

While there has been extensive research into which attributes define a luxury brand (e.g., Ko et al., 2019; Janssen et al., 2017; Sjoström et al., 2016; Chandon et al., 2016; Sung et al., 2015; Kapferer, 1997), very little research has investigated how to analyse and interpret the consumer perceptions of luxury brands. This paper contributes to filling this gap by contributing to the theoretical knowledge about how luxury brands are similar or different to non-luxury brands, and translating this knowledge into tools able to be used by luxury brand practitioners. In non-luxury markets, understanding the patterns that underpin consumer perceptions about brands helps marketers separate out real changes in perceptions due to marketing activities, from noise such as seasonality (e.g., Romaniuk and Nicholls, 2006). This research focuses on two response patterns that are evident in the perceptions that consumer hold of brands. The first is the relationship between past brand buying and eliciting perceptions about that brand (e.g., Bird et al., 1970; Romaniuk et al., 2012). The second is the underlying prototypicality of each attribute as reflected in the relative response rates (as per Rosch and Mervis, 1975). When combined, these two response patterns allow a researcher or brand manager to calculate benchmark scores for each brand on each attribute. These benchmarks can then be used to compare against actual scores to detect when brands score higher or lower than expected due to marketing activities (Romaniuk and Sharp, 2000). However, this empirical knowledge and analytical approach was developed on brands in non-luxury categories. Given the oft-discussed differences in luxury buying when compared to non-luxury buying (Kapferer, 2014; Bastien and Kapferer, 2013), it is important to test if these approaches are valid when assessing consumer perceptions of luxury brands.

This paper therefore seeks to test if consumer perceptions of luxury brands follow empirical patterns of consumer perceptions for non-luxury brands. This will help luxury scholars understand if consumers store and retrieve luxury brand perceptions in a similar manner to non-luxury brand perceptions, and inform the literature on theories of the similarities and differences between luxury and non-luxury brands. This research will also help luxury brand marketers to assess and interpret the consumer-based brand equity (CBBE) of their brands to better assess the effects of marketing activities and brand performance.

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<p>Also, your references relate mostly to advertising, not the overall customer experience perception. Please correct this to achieve the perception of a more coherent argument.</p>	<p>Thank you for picking up this misconception. We have added the following references to the text to address this point so it is clear we are not just referring to advertising.</p> <p>Klein, J. F., et al. (2016). "Linking pop-up brand stores to brand experience and word of mouth: The case of luxury retail." <u>Journal of Business Research</u> 69(12): 5761-5767.</p> <p>Zarantonello, L. and B. H. Schmitt (2013). "The impact of event marketing on brand equity: The mediating roles of brand experience and brand attitude." <u>International Journal of Advertising</u> 32(2): 255-280.</p> <p>East, R., et al. (2017). "The Impact of Word of Mouth on Intention to Purchase Currently Used and Other Brands." <u>International Journal of Market Research</u>.</p>
<p>Moreover, you are using the term wealthy now for your sample description, while in your abstract you mentioned high-net-worth individuals. I suggest you be consistent with your key terms throughout the manuscript. Speaking of key terms, a clear definition of the key terms, highlighting which one applies for you are needed. You mentioned plenty, but the reader needs to know which ones you are using.</p>	<p>We have changed the reference ‘wealthy’ in the text to be High Net Worth, and added the following text to the introduction to clarify the sample:</p> <p><i>‘the data is from individuals in the top 25% income tier (herein referred to as High Net Worth or HNW) in the USA or China’.</i></p> <p>Further in the research method we explain:</p> <p><i>‘To qualify for the sample used in this research, the respondents had to fall into the top 25% income tier for that country.’</i></p>
<p>Please be kind enough to reference key statements, such as the brand experience being the most powerful factor. If you use the term brand experience, I believe you need to, at least, acknowledge</p>	<p>The referencing of this section has been widened to include reference from Brakus et al to complement the other empirical findings about the relationship between brand usage and giving brand perceptions. It is</p>

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the work of Brakus et al. , too.	<p>unfortunate that the Brakus paper did not control for past brand usage in its work, which why it was not included in the original text in favour of papers that do directly look at the relationship between being a customer of a brand and the perceptions elicited. But to address this comment, it has been added with reference to its finding of a correlation between brand experience, loyalty and satisfaction.</p> <p>Brakus, J. J., et al. (2009). "Brand experience: what is it? How is it measured? Does it affect loyalty?" <i>Journal of Marketing</i> 73(3): 52-68.</p>
The entire section leading to RQ1 is not convincing enough, I am afraid. You need to demonstrate a better command of the literature and a coherent argument in support of your RQs. I believe you can improve upon your current approach.	<p>Thank you for the feedback and we agree upon reflection that some of the text was tangential and therefore not helping to bolster the argument being made.</p> <p>To improve the robustness of the argument we have restructured the argument and removed the tangential information to make the path to the research question more direct.</p>
The comparison between the opposite cultures of China and the USA need to reference the Hofstede work it is based upon, please.	This has been added. We have also expanded the discussion on the economic contribution to the luxury sector from both countries, further emphasising their importance in the research in addition to the cultural differences. Highlighted as blue in the background section.
The sample doesn't tell us a lot of where the respondents are in the top 25% income scale, which can make a significant difference in their brand perception, because it could vary between affluent respondents all the way to ultra-high-net-worth individuals, and needs to be addressed, or, at least acknowledged.	We agree that confining the sample to the top 25% in income for that country removes some, but not all, the heterogeneity in the income of luxury brand buyers. As the incidence dramatically drops as income increases, we do not have the sample size to explore the ultra-high-net-worth individuals in depth. However, we recognise the importance of in-depth research into this group, given their growth as a segment. Therefore, we have added the following to the future research section:

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	<p><i>An additional limitation is that the inclusion of the top 25% of income tier in each country could still mask differences in the perceptions of ultra-high-net-worth individuals compared to other buyers of luxury brands. Future research could explore the empirical patterns underpinning the brand perceptions held by the ultra-high-net-worth customer segment, which is growing in several countries including China (Chandon et al., 2019).</i></p>
<p>The main challenge for me is best described in your discussion section, which should be the center piece of your research, demonstrating advancements of knowledge. Regrettably, I could not find anything in your discussion and findings section that provides the readers of IJMR, the market research community with new, even incremental knowledge, advancing practice or science. Just mentioning that some consumer groups perceive brands differently in China than in the USA, without linking it to any kind of behavioral data, is, in my humble opinion, not sufficient.</p>	<p>Upon reflection we can see how we have not really enunciated the key contribution and strength of this research, and so have substantively rewritten this section to highlight the following:</p> <ol style="list-style-type: none"> 1. That this focuses on the neglected area of luxury which is how to analyse and interpret luxury perceptions. 2. The scope of three categories and two countries which is a strong test of the robustness of the findings (and extremely unusual in luxury academic research). 3. That this is an extension of prior research into the luxury environment and so also advances marketing knowledge and marketing science, given the importance of replication and extension for building solid knowledge foundations. 4. The meaning of each of the findings for both theory and practice. <p>We have also clarified the point that the differences between China and the USA are in substance rather than structure, which means the approach (which relies on the structure of brand responses) is flexible enough to use in both environments, but could reveal different results due to the substance of the perceptions held, which come from past experience with the brand's marketing activity.</p> <p>These changes are highlighted in blue in the Discussion section.</p>

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	While we agree on the importance of the behavioural data, we only found it relevant for testing our first research question.

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- deduction of research questions make somewhat sense - but only RQ1 really seemed clear to me. The deduction of RQ3 and especially RQ2 was not clear to me from the corresponding paragraph in the text and it did not seem logical to me why these are the relevant questions you want to tackle.	<p>Thank you for the feedback. We have rewritten the sections leading into RQ2 and RQ3 to:</p> <ul style="list-style-type: none"> • More clearly describe the theoretical value of the prototypicality pattern for luxury researchers and marketers • Detail the contribution of the different empirical outcomes to theory and practice <p>These changes are highlighted in yellow</p>
- RQ3 seems like a very theoretical question to ask and has no practical relevance	<p>Upon reflection we see how we have unintentionally ‘hidden’ the practical relevance. Our apologies for this, it was not our intent! To address this, we have detailed more clearly the approach and two areas of practical value if this approach is viable:</p> <ol style="list-style-type: none"> 1) To properly understand how the brand is positioned relative to competitors, so that marketing activities can better align with the brand’s image. 2) To improve the ability to isolate the effects of marketing activities on luxury brand perceptions. <p>These changes are also highlighted in yellow.</p>
- RQ4: It remains unclear what relevance it should have to look for "fundamental patterns" - this could be made more clear and more relevant.	<p>We realise that ‘fundamental patterns’ is a bit confusing in this context. This has been replaced with ‘empirical response patterns to brands on luxury attributes’. RQ4 is now:</p> <p><i>RQ4: Do brands in the USA follow the same empirical response patterns for luxury attributes as in China?</i></p> <p>This is highlighted in yellow</p>

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<p>- The RQs seem very theoretical and far away from being able to help with implications for practitioners. This can then also be seen in the final section, where practical implications are limited.</p>	<p>Again, we appreciate the feedback about the unintentional burying of the practical implications. To address this feedback, we have rewritten the introduction and the final section discussing the results to better highlight the practical implications of the research. These include:</p> <ul style="list-style-type: none"> • Better explanation of the brand usage and prototypicality patterns and how these have value for both theory and practice • Clearer explanation of the value of benchmark scores for both detecting real differences between brands and the impact of marketing activities (drawing from Romaniuk & Nicholls, 2006). <p>These changes are highlighted in yellow in the discussion, but also the suggestions of Reviewer 1 (highlighted in blue) have also helped strengthen this contribution.</p>
<p>- sample: top 25% of incomes in US and China - this might still implicate a very large difference in income. Could you elaborate on that?</p>	<p>This comment was also made by Reviewer 1. To recognise that there is still potential for heterogeneity in results amongst the Ultra high net worth consumers, we have added this as an area for future research. Unfortunately, while our sample size did not allow for further exploration of this, it should be noted that a strength of this research is that it is conducted on real luxury consumers, rather than students or M-turk panel members.</p> <p>These points are highlighted in blue in the Discussion and Limitations & Future Research section.</p>
<p>- analysis and discussion of results of the Chi²-analysis is very unclear and hard to understand.</p>	<p>Our apologies for this. We did not want to repeat the analysis steps already detailed in Romaniuk & Sharp (2000). Therefore, to improve the clarity of this we have taken the following steps:</p>

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	<ol style="list-style-type: none"> 1. Separated out the step of visual inspection of the data from the calculation of the expected values. 2. Added in two worked examples of the chi-squared calculation, drawing on two different brands/attribute combinations. This illustrates how the expected values are obtained, and how they vary according to the two parameters of brand user base and attribute prototypicality. 3. Clarified how the deviations in Table 6 are calculated and classified. <p>These changes are highlighted in yellow in the text.</p> <p><i>For RQ3, we draw on the calculation proposed by Romaniuk and Sharp (2000). Before conducting the calculation, we did a visual check on the data to see if it follows the empirical patterns that would underpin the viability of a chi-squared calculation. This is evident in Table 4, where the larger numbers are for brands with more users on more prototypical attributes, and smaller numbers for brands with fewer users on less prototypical attributes. Once this was confirmed, we calculate expected values for each brand on each attribute using the formula: Expected value = (Column total*Row total)/Overall Total (see Table 5). For example, for Tiffany on the attribute recognisable the Expected value is 41% based on the calculation: $(368*124)/1118$. While for Gucci on Unique from mainstream brands the expected value is 14% based on the calculation $(169*92)/1118$. As Gucci has fewer users in the Jewellery category than Tiffany and Unique from mainstream brands is a lower prototypical attribute than recognisable, the expected score for Gucci on Unique from mainstream brands is lower than for Tiffany on recognisable.</i></p>
Also, why only Chi ² and not another driver analysis method for example from the regression portfolio? This way, you can only make inferences for simple comparisons.	A chi-squared analysis is used because these are binary variables and there is no dependent variable for a regression analysis.

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	<p>Given retrieval from memory is a competitive process (in line with Associative network theory as per Anderson & Bower, 1973), this allows one brand's perceptions to be examined in a competitive context. Therefore, while the chi-squared statistic can be limited, in this context it allows us to simplify what is a complex contingency table of many brands and attributes, to a few deviations. This makes it an extremely powerful data reduction technique.</p> <p>Anderson, J. R. and G. H. Bower (1973). <u>Human Associative Memory</u>. Washington, DC, Hemisphere Publishing Corporation.</p>
<p>Which exact test statistic were applied? It is unclear how the scores, eg in Table 1 are calculated.</p>	<p>To improve the clarity of the numbers in Table 1, we have included a detailed explanation using an example from the table.</p> <p><i>Table 1 shows an example for watches in the USA, where for example for Rolex, of the people who owned a Rolex, 64% linked the brand with superior quality /craftsmanship while only 40% of people without a Rolex made that same link. In the final row is the average across all watch brand's users (55%) and all brand's non-users (29%) for the attribute of superior quality /craftsmanship. The averages for each of the attribute across all brands in each category is in Table 2.</i></p> <p>To clarify the statistics used to determine statistically significant differences, we have added the detail that it was a chi-squared calculation:</p> <p><i>The cross tabulations and chi-squared calculations revealed 47% of brands with a statistically significant difference at $p < 0.05$</i></p> <p>These changes are highlighted in the Results section in yellow.</p>
<p>- The authors themselves point to a major limitation - the limited numbers of luxury perceptions. They claim it was out of their control. However it seems like a fatal flaw of the study limiting the possible implications quite drastically.</p>	<p>We respectfully disagree. There is a lack of agreement about what attributes define a luxury, so we would never have been able to include all luxury attributes. However, the five attributes we did have are all commonly linked to the definition of luxury, both in the literature cited,</p>

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	<p>and the industry omnibus study used by the luxury sector to understand its brands. This speaks to both the theoretical and practical value in the attributes included in the research.</p> <p>If we had attributes under debate, this would have called into question the generalisability of the approach.</p> <p>This research also means the approach can be used on any attribute which is core to the definition of luxury. Indeed, if an attribute behaves differently, this might suggest it is not a core luxury attribute. We have added this comment to the research findings and implications. We have added the following text to the limitations section (highlighted in yellow)</p> <p><i>It should be noted that this was an industry-based survey which gives confidence in the importance of the attributes chosen, and makes this data an excellent starting point for this research.</i></p> <p>Finally, all research has to have some limitations due to the cost of data collection, particularly when collecting data from luxury brand buyers who are hard to reach and therefore an expensive sample to obtain. While we might be limited in attribute scope, we have extensive scope in categories and countries. We hope this would compensate for not having more attributes at a stage in the research where the aim is to see if patterns hold. The fact we can show our research holds across three categories in two countries demonstrates the robustness of our approach.</p>