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**The impact of price display on perceptions of luxury:  
a masstige perspective**

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**The impact of price display on perceptions of luxury:  
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**Abstract**

Based on two experimental studies in which college students participated, this paper investigates the impact of price display in the luxury sector on low-end brands perceived luxury and attitude. In Study 1, we show that price display is associated with higher perceived quality, uniqueness, and conspicuousness for a fictitious low-end brand. In Study 2, we confirm this positive influence for a real low-end brand, and show that it transfers to brand attitude through perceived quality and conspicuousness. In addition, Study 2 indicates no negative effect of price display on perceptions of luxury for a higher level brand. In a pioneering attempt to evaluate the effects of price display in the luxury sector, this paper adds value to the body of literature on luxury brand management. Besides, it provides insight to managers of luxury brands of different range levels on the effects of price display, a practice that develops as more and more luxury companies engage in masstige strategies or open commercial websites.

**Keywords** Price, brand luxury, brand attitude, downscale extension

## **1. Introduction**

Over the last two decades, the luxury market has been booming. It has increased from a value of 77 billion euros in 1995 to its current 217 billion euros (Bain & Company, 2013). Brought about by the stretching of the boundaries of luxury towards new brands, new product ranges, new regions, and new positioning strategies, this unprecedented growth has recently generated an increased interest in luxury brand management among both academic scholars and practitioners (Onkokwo, 2009; Hung et al., 2011).

In particular, researchers have studied “masstige” positioning strategies (Silverstein & Fiske, 2003), which refer to strategies combining high perceived prestige with reasonable price premiums in order to attract the mass of middle-class consumers (Truong, McColl, & Kitchen, 2009). They sometimes use terms such as “democratization of luxury” or “bandwagon luxury consumption” to designate these strategies (Kastanakis & Balabanis, 2012). Masstige strategies often rely on logo-typed affordable accessories (e.g., Hermès, Tiffany), “junior” product lines produced on a larger scale and sold as fashion objects (e.g., the Bazar line of Christian Lacroix, Marc by Marc Jacobs, Must by Cartier) or downscale extensions (Nueno & Quelch, 1998; Catry, 2003).

Most of the research on masstige strategies has investigated the non-product-related brand associations (O’Cass & Frost, 2002), the motivations (Vigneron & Johnson, 2004), and the psychological factors (O’Cass & McEwen, 2004; Kastanakis & Balabanis, 2012) that influence consumers’ propensity to engage in masstige consumption. Some researchers suggest that masstige strategies may dilute brands’ image (Silverstein & Fiske, 2003; Dall’Olmo Riley, Lomax, & Blunden; 2004; Truong et al., 2009), especially in the case of prestige brands compared with luxury brands and depending on the product category (Dall’Olmo Riley, Pina, & Bravo, 2013). More recently, Kapferer (2012) explains how luxury brands can penetrate global markets without deterring their appeal, by shifting from rarity

tactics to “virtual rarity” tactics (Catry, 2003: 16), creating elitism through art and adopting a fashion business model. However, few or no studies have empirically explored the influence of masstige positioning strategies on consumer behavior (Truong et al., 2009). In particular, though product price plays an important role in these strategies, its influence on luxury brands has rarely been addressed by research to date.

Luxury pricing has traditionally gathered minimal interest among researchers because of the general consensus that luxury brands should always increase their prices as high prices are “necessary for the product to become sacred and endow the buyer with its luxurious effects” (Kapferer, 2012: 455) and never display them neither in the advertising campaigns of the brand, nor at the store. The rationale for not displaying prices is that most of luxury products are gifts whose buyers shall not tell the price to the people who are offered the products and, that luxury products should be fantasized so that the price should have no sense (Kapferer & Bastien, 2009, 2012). More pragmatically, the goal of luxury managers is to make clients become “price-insensitive fans” of their brand, which is easier when prices are not displayed. However, engaging in luxury democratization, some brands have begun to display prices on their advertising and in their shop windows. For example, in the Place Vendôme, the Parisian square for luxury jewelers and watchmakers, among the 24 stores visited in March 2013, 12 were displaying the price of their products (see Appendix 1). Besides, price display is now mandatory for the brands that engage in electronic commerce.

Today, price display in the luxury sector is therefore a significant question that merits consideration. To address this question in this paper, we study its influence, especially for low-end luxury brands engaged in masstige positioning strategies. As these strategies have been accused of diluting luxury brands’ image, we more particularly study the influence of price display on the brand luxury perceptions. We draw on the brand luxury construct proposed by Vigneron and Johnson (2004) to build a conceptual framework and then test the

propositions in two experiments. Study 1 provides empirical evidence of the positive impact of price display on perceived quality, conspicuousness and uniqueness for a fictitious low-end brand. Study 2 confirms this positive impact for a real low-end brand, and shows that it transfers to brand attitude through perceived quality and conspicuousness. We finally draw implications for both academic scholars and practitioners.

## **2. Literature**

### *2.1. Price*

Few studies have empirically explored the influence of price on consumer behavior in the luxury sector. Most of them consider the change in price associated with masstige strategies from a purely theoretical point of view (e.g., Kim & Lavack, 1996; Kapferer, 2012). In rare cases, price appears as a ‘working variable’ to operationalize downscale extensions. As an illustration, Dall’Olmo Riley and colleagues (2013), who manipulate the magnitude of the discount associated with the introduction of downscale extensions, provide the only empirical work on the subject. They show that the magnitude of the discount has no clear effect in terms of brand dilution. No research however, neither theoretical, nor empirical, considers the change from a situation where the luxury brand does not display prices to a situation where it does, which is becoming common practice with the democratization of luxury. In this respect, this paper offers a pioneering attempt to evaluate the effects of price display in the luxury sector.

Beyond the luxury sector, in the general literature on pricing, the relationship between price and perceived quality is statistically significant and positive (see the meta-analysis proposed by Rao & Monroe, 1989). It depends however on the amount of prior information held by consumers (Woodside, 1974). Typically, consumers who have little previous

experience with the product or associate potential risks and uncertainty to its buying usually use its price as a cue to assess its quality. But how do they evaluate a product's price?

According to adaptation level theory (Helson, 1964), judgments and behaviors are the results of adaptation to the environment. Applied to pricing, adaptation level theory suggests that consumers evaluate a product's price, by comparing it to a reference price, that is to say, the price they anticipate paying or consider reasonable to pay for a particular good or service (Monroe, 1977; Kalyanaram & Winer, 1995). This reference price reflects an adaptation to prices displayed in retail advertisements or stores (external reference price) or recalled from memory (internal reference price).

In this respect, a downscale extension, which implies an objective price reduction, will likely reinforce consumers' perceptions about a brand's lack of differentiation, particularly when it comes to quality (Dacin & Smith, 1994; Aaker, 1997). However, this rationale only works when consumers have a preexisting idea of the brand's price before the extension. What's happening when the price was not displayed before the downscale extension? According to adaptation level theory, in the absence of any information (i.e., price and brand), all subjects should rate quality in the middle (Woodside, 1974; Rexeisen, 1982: 192).

## 2.2. *Brand luxury*

Extending the exploratory analysis of consumers' attitudes toward the concept of luxury proposed by Dubois and Laurent (1994), Vigneron and Johnson (1999, 2004) have developed the Brand Luxury Index (BLI) framework to understand 'prestige-seeking consumer behavior'. The BLI, which is widely used in the luxury literature (e.g., Christodoulides, Michaelidou, & Li, 2009; author, 2012; Doss & Robinson, 2013), specified the five dimensions of luxury as applied to brands. In the BLI, luxury brands are supposed to offer superior quality and performance (i.e., perceived quality), to be scarce (i.e., perceived

uniqueness), to signal status and wealth (i.e., perceived conspicuousness), to integrate meaning into consumers' identity (i.e., perceived extended-self) and to provide emotional benefits and intrinsically pleasing properties (i.e., perceived hedonism).

Vigneron and Johnson (2004) consider that perceived quality, perceived uniqueness, perceived conspicuousness, perceived extended-self and perceived hedonism are all likely to enhance consumers' preference for luxury brands. However, they distinguish the non-personal-oriented perceptions of luxury brands (i.e., perceived quality, perceived uniqueness, and perceived conspicuousness) from the personal-oriented perceptions of luxury brands (i.e., perceived extended-self and perceived hedonism). The personal-oriented perceptions of luxury brands are consumer driven: they refer to the individual value of brands, and are less likely to be influenced by price than the non-personal-oriented perceptions. Therefore, in this paper, we concentrate on the aforementioned non-personal-oriented perceptions, which are more closely linked to more functional aspects of brands, and in particular to pricing.

### **3. Conceptual framework**

In this paper, we investigate the influence of price display on non-personal-oriented luxury perceptions. As price display is typically involved in masstige positioning strategies, we more particularly study the case of low-end luxury brands.

Compared with higher level brands, low-end luxury brands are perceived less luxurious and less expensive. They occupy a lofty position on the quality scale and offer greater possibility for a large quality difference and plenty of room for positioning new products from premium products to luxurious products. Therefore, consumers may find it difficult to assess their products in the absence of an external informational cue such as price, and should rate them in the middle (Woodside, 1974; Rexeisen, 1982). In contrast, when price is displayed, consumers may feel more confident in their perceptions of low-end luxury



brands, as price may position those brands more clearly and concretely on the quality scale as luxury, even low-end, brands. Therefore, when price is displayed, low-end luxury brands should be perceived as more expensive than when price is not displayed.

Turning to non-personal-oriented perceptions, low-end luxury brands displaying prices should be first perceived as more conspicuous. Actually, for conspicuous consumers, the product price is used as a means to display its wealth to its reference group (Bearden & Etzel, 1982). Therefore, as low-end luxury brands displaying prices should be perceived more expensive, they should better satisfy consumers' conspicuousness (i.e., consumers' willingness to spend amount of money to express their social status). Second, the more expensive the product is, the more it satisfies extraordinary people's needs for perceived exclusivity and scarcity (Verhallen & Robben, 1994). Therefore, low-end luxury brands displaying prices should be perceived as more unique. Last but not least, the price-quality relationship is all the more relevant in the luxury sector, that consumers perceive luxury buying as very risky (Woodside, 1974; Rao and Monroe, 1989). Therefore, brands that are perceived as more expensive should as well be perceived as offering a greater quality. This should be the case for -end luxury brands displaying prices. This reasoning leads to H1:

*H1. For low-end brands, price display enhances (a) perceived brand quality, (b) perceived brand uniqueness and (c) perceived brand conspicuousness.*

For higher level brands, brand equity plays more as an informational cue available to consumers than for low-end luxury brands. Though we do not state it formally, we consider that the salience of price in consumers' perceptions should be negligible for higher level brands, and should less influence their luxury perceptions.

As perceived quality and uniqueness are positive values for consumers, they should have a positive impact on brand attitude. Perceived conspicuousness is perceived with more

ambivalence. Though Vigneron and Johnson (2004) suggest that conspicuousness consumption creates value for consumers, Hung and colleagues (2011) show that it has a weak negative relationship with purchase intention among Chinese luxury brand consumers in Taiwan. To understand such contradiction, it is worth noting that conspicuous consumption can be seen both as conformism consumption and snobbish consumption (Dubois, Laurent, & Czellar, 2001). Conformist behavior occurs when consumer demand for the product increases just because other people are also purchasing it; snobbish behavior is exactly the opposite: it occurs when consumer demand for the product decreases just because other people are also purchasing it (Corneo & Jeanne, 1997). As suggested by Dubois and colleagues (2001: 18), “conspicuous consumption by the ‘nouveaux riches’ may degrade the psychological value of the product”. In the end, snobbish behavior could lead to a negative influence of the brand’s perceived conspicuousness on the brand’s attitude. This reasoning leads to H2:

*H2. For low-end brands, perceived brand luxury mediates the influence of price display, as (a) perceived brand quality and (b) perceived brand uniqueness enhance brand attitude and (c) perceived brand conspicuousness erode brand attitude.*

## **4. Study 1**

### *4.1. Method*

The experimental design consists of a between-subjects design, in which we manipulated price display (no price display; price display). According to some professionals in the Place Vendôme, the average sales transaction in the boutiques of the place Vendôme is a little under 4800 €. Moreover, according to Bernstein Research (2011), the minimum price for newly introduced middle-range luxury watches was 4.400€ and the maximum price for newly introduced low-end luxury watches was 4.500€. Therefore, we consider 4.690 € a reasonable price in the price display case. We recruited 98 undergraduate students from a

Parisian business school (56% female) and randomly assigned them to the two treatments. Analyses showed that the two samples were homogenous in terms of their involvement in the luxury market ( $F_{(1,98)} = 0.927, p = 0.338$ ).

Respondents reviewed the picture of a real commercial display, which presented two watches constructed by the brand X, a fictitious watchmaker from the place Vendôme. Figure 1 displays the two experimental conditions.

**Figure 1. Study 1: experimental stimuli**



We chose a fictitious brand, in line with previous studies (e.g., DelVecchio and Puligadda, 2012), to avoid any effects of prior brand familiarity. To enforce realism, the cover story explicitly explained that brand X is one of the watchmakers of the famous place Vendôme, but that its real name could not be revealed for confidentiality reasons. Manipulation check confirmed that brand X was not perceived as a highly luxurious brand (i.e., perceived luxury of 5.63 out of 7 on a Likert scale).

To assess the non-personal-oriented perceptions of brand luxury, we adapted Vigneron and Johnson's (2004) scale. The rest of the questionnaire contained adaptations of previously validated scales: attitude toward the brand (MacKenzie & Lutz, 1989) as a dependent

variable, involvement in the luxury market (Dubois & Laurent, 1994) and brand familiarity (Kent & Allen, 1994) as control variables. Finally, we checked the success of the manipulation regarding price display.

We present in this section the validation of the diverse scales used in this research. As for the confirmatory factor analyses we relied on the PLS approach. The PLS approach has been selected because of its minimal demands on sample size and suitability to handle with model complexity and violation of multivariate normality (Bagozzi & Yi, 1994). In addition, the present study relies on a rather medium sample size and the majority of the indicators are also characterized by large skewness levels. The reliability and validity of the measurement model have to be firstly assessed. The adequacy of the reflective measurement model can be assessed by looking at composite reliabilities, the convergent validity of the measures associated with individual constructs, and discriminant validity (Henseler et al., 2009). Results are displayed in table 1 and show that all the indicators of convergent validity (fairly above the minimum threshold of 0.5) and reliability (all above 0.7) are satisfied.

**Table 1. Convergent validity and reliability indices**

<b>Latent Variable</b>	<b>Convergent Validity</b>	<b>Jöreskog's Rho</b>
Brand Attitude	0,918	0,957
Involvement	0,787	0,881
Quality	0,736	0,893
Unicity	0,711	0,881
Elitism	0,737	0,894

Finally, a test of the discriminant validity (Fornell & Larcker, 1981) shows that each first order latent variable shares more variance with its respective indicators than with the other latent variables it is correlated with (see Table 2).

**Table 2. Discriminant validity**

Latent Variable	Brand Attitude	Involvement	Quality	Unicity	Elitism	Convergent Validity
Brand Attitude	<b>1,000</b>	0,001	0,128	0,083	0,018	0,918
Involvement	0,001 *	<b>1,000</b>	0,002	0,018	0,014	0,787
Quality	0,128	0,002	<b>1,000</b>	0,515	0,484	0,736
Unicity	0,083	0,018	0,515	<b>1,000</b>	0,502	0,711
Elitism	0,018	0,014	0,484	0,502	<b>1,000</b>	0,737

\* Squared correlations between latent variables < convergent validity indices

#### 4.2. Results

The non-personal-oriented perceptions of brand luxury were highly correlated ( $0.599 < \rho < 0.713$ ,  $p < 0.000$ ). Therefore, and following Maxwell's (2001) recommendation, we ran Multivariate ANalyses Of Variance (MANOVA) to test our hypotheses. We controlled for respondents' sex, and involvement in the luxury market. We present the results in Table 3.

**Table 3. Influences of price display on perceptions of brand luxury in Study 1**

	Quality	Uniqueness	Conspicuousness
Price display	5.663***	3.923**	13.509***
Involvement in the brand luxury market	0.376	1.896*	0.385
Sex	1.268	0.356	2.498*

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.10$  (one-tailed).

The results of the MANOVA revealed the main effect of price display on perceptions of brand luxury ( $3.923 < F_{(1,94)} < 13.509$ ,  $p < 0.05$ ,  $0.040 < \eta^2_p < 0.126$ ). Precisely, Bonferroni post-hoc tests showed that subjects exposed to the price of the watches perceived the watchmaker brand as more luxurious than subjects that were not exposed to the price. The former associate the brand with higher levels of quality ( $M_{\text{qual}} = 5.424$  vs.  $4.894$ ,  $p < 0.01$ ), conspicuousness ( $M_{\text{consp}} = 5.839$  vs.  $5.052$   $p < 0.000$ ), and uniqueness ( $M_{\text{qual}} = 4.523$  vs.  $3.956$ ,  $p < 0.05$ ) than the latter. These results support  $H_{1a}$ ,  $H_{1b}$  and  $H_{1c}$ .

To test the mediating influence of perceptions of brand luxury on the link between price display and consumers' attitudes toward the watchmaker's brand, we followed the bootstrapping technique developed by Preacher and Hayes (2004) and espoused by Zhao, Lynch and Chen's (2010). Using Hayes's (2012) PROCESS macro (model 4), we specified a 95% confidence unilateral interval and 5000 bootstrapped samples. The indirect effect estimated by the bootstrapping process is positive and significant for perceived quality ( $ab = 0.1354$ ). That the resulting confidence interval (0.0346 to 0.3152) does not include zero indicates a significant indirect effect and supports the case for mediation. All of the coefficients related to the indirect effect (i.e.  $a$  and  $b$ ) are positive and significant ( $p < 0.05$ ), supporting  $H_{2a}$ . Contrary to our expectations, perceived brand uniqueness and conspicuousness do not mediate the influence of price display on brand attitude:  $H_{2b}$  and  $H_{2c}$  are not supported.

Study 1 demonstrates the positive effect of price display on brand perceived luxury in the case of a fictitious brand. As a pilot study, it sets the stage for Study 2's assessment of the same effect in the case of real brands. More precisely, Study 2 considers a real low-end brand and a real higher brand to re-test  $H_1$  and  $H_2$  and circumscribe their boundary conditions.

## 5. Study 2

To replicate Study 1's results, Study 2 considered two real watchmakers from the place Vendôme differing in terms of their range level: Rolex and Mauboussin. We recruited 196 undergraduate students from a Parisian business school (58% female) and randomly assigned them to the two treatments. To be sure to only manipulate the brands' luxury level, we did not consider the 59 subjects who were not familiar with both brands (1 or 2 out of 7 on the brand familiarity scale). Doing so, Rolex was perceived as familiar as Mauboussin ( $M_{\text{fam}} = 5.21$  vs. 4.92,  $p = 0.190$ ) but more luxurious than Mauboussin ( $M_{\text{lux}} = 6.63$  vs. 5.97,  $p < 0.000$ ). Additional analyses showed that the two samples were homogenous in terms of their involvement in the luxury market ( $F_{(1,138)} = 1.501$ ,  $p = 0.217$ ).

As the non-personal-oriented perceptions of brand luxury were still highly correlated ( $0.421 < \rho < 0.586$ ,  $p < 0.000$ ), we ran MANOVA to test the hypotheses. We controlled for respondents' sex, brand familiarity and involvement in the luxury market. We present the results in Table 4.

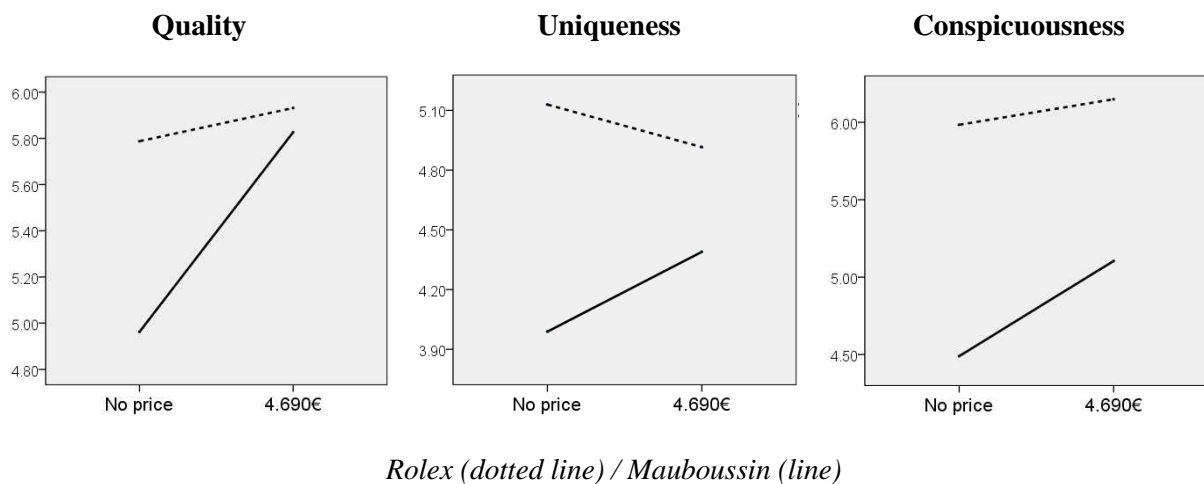
**Table 4. Influences of price display on perceptions of brand luxury in Study 2**

(Rolex and Mauboussin)	Quality	Uniqueness	Conspicuousness
Price display	12.118***	0.229	5.723***
Brand	10.314***	18.252***	60.688***
Price display x Brand	6.219***	2.494**	1.912*
Involvement in the brand luxury market	0.491	0.013	16.416***
Brand familiarity	0.157	2.866**	8.821***
Sex	0.145	0.307	0.765

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.10$  (one-tailed).

MANOVA revealed a significant main effect of price display on brand quality ( $F_{(1,141)} = 12.118$ ,  $p < 0.01$ ,  $\eta^2_p = 0.079$ ) and on brand conspicuousness ( $F_{(1,141)} = 5.723$ ,  $p < 0.01$ ,  $\eta^2_p = 0.039$ ). It revealed as well a significant main effect of the brand on brand quality ( $F_{(1,141)} = 10.314$ ,  $p < 0.01$ ,  $\eta^2_p = 0.068$ ), brand uniqueness ( $F_{(1,141)} = 18.252$ ,  $p < 0.01$ ,  $\eta^2_p = 0.115$ ) and brand conspicuousness ( $F_{(1,141)} = 60.688$ ,  $p < 0.01$ ,  $\eta^2_p = 0.301$ ). However, and consistent with the logic leading to  $H_1$ , these effects must be interpreted in light of the expected two-way interaction between price display and brand (all  $F_{(1,141)} > 1.912$ ,  $p < 0.10$ ,  $\eta^2_p > 0.013$ ). Figure 2 illustrates this interaction.

**Figure 2. Influences of price display on perceptions of brand luxury in Study 2**



To better understand the form of the two-way interaction, MANOVA tests were conducted separately for the two brands. For Mauboussin, the low-end luxury brand, and consistent with  $H_1$ , MANOVA revealed a significant main effect of price display on brand quality ( $F_{(1,56)} = 11.963$ ,  $p < 0.000$ ,  $\eta^2_p = 0.176$ ), uniqueness ( $F_{(1,56)} = 2.780$ ,  $p < 0.05$ ,  $\eta^2_p = 0.047$ ) and conspicuousness ( $F_{(1,56)} = 5.545$ ,  $p < 0.05$ ,  $\eta^2_p = 0.090$ ). More precisely, Bonferroni post-hoc tests showed that subjects exposed to the price of the watches associate the brand with higher levels of quality ( $M_{\text{qual}} = 5.864$  vs.  $4.953$ ,  $p < 0.000$ ), uniqueness



( $M_{\text{uniq}} = 4.513$  vs.  $3.972$ ,  $p < 0.05$ ) and conspicuousness ( $M_{\text{cons}} = 5.180$  vs.  $4.498$ ,  $p < 0.05$ ) than subjects that were not exposed to the price, but only in the case of Mauboussin, the low-end luxury brand (see the results in Table 5). For Rolex, the main effect of price display is not significant on any of the dimensions of brand luxury. These results support  $H_{1a}$ ,  $H_{1b}$  and  $H_{1c}$ .

**Table 5. Influences of price display on perceptions of brand luxury in Study 2**

(Mauboussin only)	Quality	Uniqueness	Conspicuousness
Price display	11.963***	2.780*	5.545**
Involvement in the brand luxury market	0.086	0.187	2.659*
Brand familiarity	0.082	0.496	6.347***
Sex	0.531	1.854*	0.308

\*\*\* $p < 0.01$ , \*\* $p < 0.05$ , \* $p < 0.10$  (one-tailed).

To test the mediating influence of perceptions of brand luxury on the link between price display and consumers' attitudes toward the watchmaker's brand, we followed the same procedure as Study 1 but used Hayes's (2012) PROCESS macro with the brand as a moderator (model 7).

The indirect effect estimated by the bootstrapping process is significant for Mauboussin perceived quality ( $ab = 0.2369$ ) and conspicuousness ( $ab = -.0693$ ). That the resulting confidence intervals (0.0841 to 0.4862 /  $-0.1788$  to  $-0.0082$ ) do not include zero indicates a significant indirect effect and supports the case for mediation. Precisely, displaying the price enhanced Mauboussin perceived quality and conspicuousness, and even when controlling for the price display, a unit increase in Mauboussin perceived quality enhanced Mauboussin attitude by .54 units ( $b = 0.5488$ ,  $p < .000$ ) when a unit increase in

Mauboussin conspicuousness eroded it by .22 units  $b = -0.2255$ ,  $p < .01$ ). These results support  $H_{2a}$  and  $H_{2c}$ , but not  $H_{2b}$ .

## 6. Discussion

This study addresses a gap in the literature, investigating the effects of price display on non-personal-oriented perceptions of brand luxury, beyond the manipulation of price range in downscale extensions in earlier studies (e.g., Dall’Olmo et al., 2013). The most significant outcome of this research is the evidence that price display has a positive influence on perceived brand quality, perceived brand uniqueness and perceived brand conspicuousness for low-end luxury brands. Besides, this influence transfers to brand attitude through perceived quality and through perceived conspicuousness for low-end luxury brands. Higher-level luxury brands do not seem to be sensitive to price display. The findings of this research provide a number of noteworthy theoretical insights and interesting managerial implications.

Firstly, the positive influence of price display on low-end brand luxury perceptions is interesting. The classical luxury business model suggests not displaying prices because luxury is supposed to have no price and should only target extraordinary people. The fact that higher level brands do not suffer from price display is a striking result considering the general consensus that luxury brands should never display prices neither in the advertising campaigns of the brand, nor at the store (Kapferer & Bastien, 2009, 2012). Going further, our findings suggest that displaying prices makes low-end brands’ luxury more salient (i.e., higher perceptions of quality, uniqueness and conspicuousness) and plays as a cue to position them clearly on the luxury scale. This confirms that a certain level of brand prestige can be maintained even when a mass targeting strategy is pursued (Truong et al., 2009), which runs counter to the anti-laws of marketing (Kapferer & Bastien, 2009). On the whole, the results confirm the existence of large differences between luxury brands depending on their brand

concept (luxury vs. prestige), a variable that has proven to be influential in studies on luxury brands perceptions (e.g., Dall’Olmo Riley et al., 2013). The impact of price display should however be studied in the long run and on a wider array of brands to take into account the impact of potential reference effects.

Secondly, our findings show that non-personal-oriented perceptions influence luxury brand attitude. Precisely, perceived quality enhances luxury brand attitude, which is not a surprise. What is more striking is the observation that perceived conspicuousness erodes luxury brand attitude, which confirms a result that has actually already been observed in a different way by Hung and colleagues (2011). One potential explanation for perceived conspicuousness negative association with luxury brand attitude may be that participants thought it was desirable for them to be perceived as economically prudent rather than extravagant when interviewed. In any case, the fact that perceived conspicuousness works in an opposite way to perceived quality and uniqueness draws the attention on the fact that conspicuousness is not always considered, as in Vigneron and Johnson’s (2004) framework, as a non-personal-oriented perception. It is interesting to notice that according to Wiedmann and colleagues (2009), conspicuousness is more social than functional. This calls for further research into the understanding of the motivations of conspicuous consumption and into the influence of luxury pricing on social perceptions.

Notwithstanding the support received for the majority of hypotheses, this research contains several limitations. First, respondents were students from a Parisian business school. The findings can therefore be generalized only to consumers within that range, and in countries that are culturally close to France. It would be valuable to extend the investigation to more representative sample (in particular, actual consumers of high-end luxury brands). Besides, further research concerning the impact of cultural differences would be a worthwhile contribution to the fuller understanding of perceptions of price display in the luxury sector.

Actually, the meaning of brand luxury (Christodoulides et al., 2009) and the efficiency of marketing strategies (Kapferer, 2012) might not be universal across cultures. Finally, it could be interesting to further study other price levels to check for the existence of ceiling and floor effects in the influence of price display in the luxury sector.

The findings of this research provide some valuable insights to managers of luxury brands. Managers should be aware that price display does not erode their brand luxury perceptions. It may even comfort it in the case of low-end luxury brands displaying prices. This result is even more important in a context where more and more luxury brands engage in electronic commerce, with the requirement to display prices.

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**Appendix 1. Price quotation observed in the Place Vendôme, Paris, March 2013**

<b>STORE NAME</b>	<b>PRICE DISPLAY</b>	<b>PRODUCTS SOLD</b>
<b>Boucheron</b>	No	Jewels
<b>Van Cleef &amp; Arpels</b>	No	Jewels
<b>Blancpain</b>	Yes	Watches
<b>Mauboussin</b>	Yes	Jewels, Watches, Pen
<b>Chanel</b>	No	Jewels & Watches
<b>Piaget</b>	closed, being renovated	--
<b>Swatch</b>	Yes	Watches
<b>Chaumet</b>	Yes	Jewels, Watches
<b>Hublot</b>	No	Watches
<b>Patek Philip</b>	Yes	Jewels, Watches
<b>Mikimoto</b>	Yes	Jewels
<b>Dior</b>	No	Jewels, Watches
<b>Repossi</b>	No	Jewels
<b>Breguet</b>	Yes	Jewels, Watches
<b>Buccellati</b>	2 products out of 51	Jewels
<b>Richard Mille</b>	Yes	Watches
<b>Damiani</b>	No	Jewels, Watches
<b>Chopard</b>	No	Jewels, Watches
<b>Fred</b>	Yes	Jewels, Watches
<b>Jaeger Lecoutre</b>	Yes	Watches
<b>Rolex</b>	Yes	Watches
<b>Dubail</b>	Yes	Jewels, Watches
<b>Cartier</b>	No	Jewels, Watches
<b>Louis Vuitton</b>	No	Jewels, Watches
<b>Bulgari</b>	5 products out of 25	Jewels, Watches