

Title: Co-branding masstige within luxury brands: an empirical investigation based on grounded theory

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Abstract: This study explores how masstige co-branding in the luxury sector can maintain the exclusivity of brands while expanding audiences. Through 20 semi-structured interviews with luxury customers, the research highlights the importance of limited editions, as well as the fundamental supporting role of influencers in overcoming the potential incongruence between luxury and mass perceptions, also mitigating the risks of brand dilution and maximizing the benefits of collaborations. Moreover, evidence suggest that ultra-luxury (when compared to standard luxury) brands face greater risks in pursuing this strategy.

Keywords: Masstige, Co-branding, Exclusivity, Incongruence, Positioning

Introduction: The democratization of luxury has allowed brands to expand their customer base and increase revenues (Catoire, 2024). Since the late 20th century, globalization and new markets have transformed luxury, leading to the growth of the middle class with significant disposable incomes (Seo & Buchanan-Oliver, 2019). Today, middle-class consumers account for nearly half of the luxury market, with a projected growth of 13.3% between 2019 and 2025 (Rosendo-Rios & Shukla, 2023). Many brands have adopted “masstige strategies”, combining high quality and affordable prices to expand their customer base (Mansoor et al., 2024). However, while brand extension (e.g., Armani Exchange, Max&Co, Polo Ralph Lauren) can dilute image (Boisvert & Ashill, 2018), co-branding proves particularly effective in maintaining prestige and desirability (Quamina et al., 2023). Collaborations such as Swatch x Omega increase visibility and attract new customers, particularly young people drawn to innovation (Bellezza, 2022), who identify with prestige brands for symbolic and aspirational motivations (Mansoor et al., 2024). However, this strategy carries the risk of loss of perceived exclusivity, especially for traditional brands, given increased customer sensitivity (Truong et al., 2008). Although masstige co-branding is widespread, in-depth studies are lacking (Bilro, 2021). This paper highlights the role of specific factors such as (in)congruence, influencers and brand awareness to safeguard perceived exclusivity and influence the positioning of luxury brands, proposing a framework to evaluate the effectiveness of masstige strategies.

Extant Literature: Recent economic growth has redefined luxury (Rosendo-Rios & Shukla, 2023) to include not only symbolism and high quality (Kapferer & Valette-Florence, 2018), but also sustainability, personalization, and hedonic experience (Böhnert et al., 2023). Elements such as exclusivity and premium price must maintain the perception of luxury and quality (Goyal, 2020) while meeting the growing demand

for affordable premium products to ensure greater market penetration (Beard & Lubel, 2016). Companies expand lines with entry-level products or use co-branding with mass-market brands to avoid brand dilution (Quamina et al., 2023) while maintaining exclusivity with limited availability (Deshpande & Beyersdorfer, 2023).

Although brand identity (BI) consistency is generally considered beneficial (Bouten et al., 2011), examples such as Gucci x The North Face show that good market execution may prefer moderate dissimilarity, outperforming this paradigm (Cai et al., 2023). In this perspective, the role of influencers is crucial as it enhances the connection between product and target consumers (Chaudhary, 2022), as evidenced by Balmain x H&M and Alexander Wang x H&M. Finally, collaborations with recognizable mass brands, such as Christian Dior x Nike and Prada x Adidas, demonstrate a high degree of success (Mróz-Gorgoń, 2016). We then investigate the role of such factors in affecting the perception of customers of luxury brands that activate masstige strategies. Given the different relevance of some defining elements, we expect a different impact when ultra-luxury (vs. standard luxury) brands are involved.

Methodology: The analysis was carried out through an exploratory qualitative approach, conducting 20 semi-structured interviews with participants aged 23-31 years, selected through purposive sampling. The respondents, identified as luxury consumers (Goyal, 2020), included regular and occasional buyers (Kapferer & Bastien, 2009). Upon reaching theoretical saturation, the data were coded to identify significant themes and organized into conceptual macro areas (Charmaz, 2006). Grounded Theory enabled the construction of an integrated theoretical model. A flexible protocol ensured methodological consistency and met the criteria of validity, reflexivity and relevance (Malterud, 2001).

Analysis of results: 66% of the sample holds a favorable opinion about masstige collaborations, while 33% express opposition, highlighting the diversity of perspectives even among individuals with similar backgrounds. 83% assert that exclusivity is crucial for luxury brands, and 66% are concerned that “masstige collaborations may threaten it”. Limited editions are considered the “best way to preserve it” (58%), and uncertainty about availability increases desire (50%). Temporary collaborations are preferred because they “distinguish the permanent and temporary goals of brands” (58%) and “maintain distinct identities” (66%), although a repetition of them risks reducing perceived value (71%). A majority (58%) appreciate consistency among brand identities, but do not consider it decisive for purchase; on the contrary, incongruity arouses more interest (60%), favoring diversity among brands. Only 30% view “distance” between brands negatively. Novelty and originality are valued (58%), but 83% also demand aesthetic qualities and luxury design. In addition, 75% follow influencers and 66% acknowledge being influenced by them, but 41% see them as unrelated to collaboration. However, 58% believe that luxury-related influencers can “enhance the image of co-branding masstige.” These factors have a kind of “asymptotic limit” beyond which limited additional benefit is generated on the preservation of exclusivity. Influencers are effective only when aligned with luxury, while BI differences are viewed positively, except in the case of collaborations with ultra-luxury

brands such as Hermès, which are perceived as incompatible. 58% fear that such collaborations can “erode prestige,” while 66% believe they can de-value the brand. In contrast, brands such as “Dior, Fendi, Gucci, and Prada” are considered more suitable for masstige co-branding (58%). Finally, 71% consider it essential to know the luxury brand to evaluate the collaboration, otherwise the perception of value is diminished (66%). Only 16% see co-branding as an opportunity to discover new luxury brands.

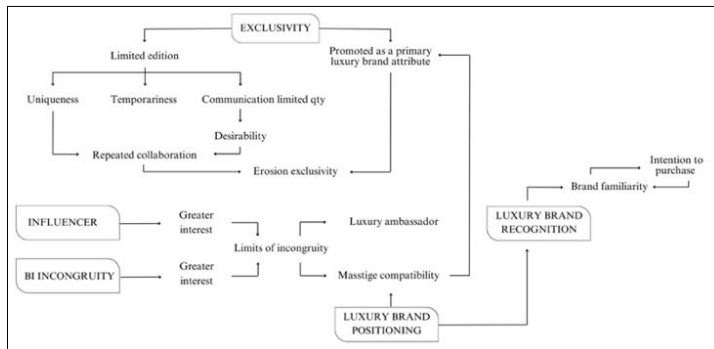


Figure 1.
Proposed model.

General discussion: The sample's positive response to these initiatives aligns with Leahy (2011) findings on perceived value in the luxury market and reflects the change in consumer dynamics, where accessibility (Pavione & Pezzetti, 2014) and innovation (Bellezza, 2022) are crucial. While masstige co-branding does not compromise luxury brand prestige, it does reduce exclusivity, which is fundamental to consumers' need for uniqueness. Temporary collaborations and limited editions mitigate this negative impact by offering distinctive products. Barton et al. (2022) confirm that perceived scarcity increases value and purchase urgency, and this research extends these findings to co-branding masstige, showing that lack of communication about available quantities further amplifies these effects. The perception of novelty, which is essential for maintaining exclusivity (Eiras & Azevedo, 2019), is often linked to the “surprise effect”, which emotionally engages consumers, particularly when there is dissonance between brand identities. This stimulates curiosity and renews the brand, as occurred in the collaboration Louis Vuitton x NBA (Gan, 2020), making the product attractive to trend-oriented youth (Diaz & Grazia, 2023). These findings differ from Paydas (2021), which emphasizes the importance of compatibility between brands. However, in masstige co-branding contexts, surprise and uniqueness seem to outweigh identity congruence. A survey of Chinese consumers (Gan, 2020) reveals that 46% value these collaborations for new styles, 22% for unique collections, and 14% for innovation. In addition, quality is a crucial factor in luxury and mass co-branding, as it positively influences interest in mass-market brands and enhances the purchase of prestige products. This aesthetic research reinforces perceptions of exclusivity and aspirational value of the product (Pavione & Pezzetti, 2014), aligning with appreciation for influencers akin to luxury brands, avoiding identity confusion and maintaining clear brand positioning. This study also explores the differentiation between luxury and ultra-luxury brands in masstige co-branding, suggesting that while such strategies may

benefit luxury brands, excessive conceptual distance may undermine the inherent exclusivity of ultra-luxury brands due to increased customer sensitivity to this attribute. Finally, trust in the luxury brand transfers to the mass-market brand, reinforcing collaboration. Without this, consumers risk undervaluing the product.

Conclusions: Masstige partnerships can expand the market but require careful management to avoid brand dilution. The limited sample size and geographical concentration may influence the results. Future research should explore the long-term impact on customer loyalty, assess online sales of co-branded products, and analyze the interaction between fast fashion and luxury, integrating quantitative methodologies.

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