

Deluxe or de-luxe? Exploring the effects of price discounting and brand messaging on luxury  
perceptions for new brands

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Complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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## **ABSTRACT**

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Varun Mahesh Raheja

For many products, brand managers use price promotions to address challenges such as diminishing growth or excess inventory. Luxury brands face the same challenges, but unlike other brands, they may face constraints in using price promotions given that luxury brands are generally associated with high price points. In particular, managers of new luxury brands may wish to use promotions as a means to acquire new customers; however, they are often concerned that reducing prices may affect consumers' brand luxury perceptions. Is it possible for luxury brands to maintain luxury perceptions when discounting their products? While past research has shed light on the pros and cons of price promotions, little research has explored how different discount levels (low vs. high) may affect brand luxury perceptions and, more importantly, how brand messaging might buffer luxury brands against potential negative impacts of discounts. I hypothesize that brand messaging—i.e., an agentic (independent) vs. communal (interdependent) positioning—may affect consumers' luxury perceptions at low and high discount levels, and that perceived strategic fit may drive effects. Across three experiments, participants were presented with display ads in which brand messaging and discount level were varied. While Study 1 yielded null effects, Study 2 revealed a marginally significant discount level x brand messaging interaction on luxury perceptions. Perceptions of strategic fit mediated these results. Finally, Study 3 attempted to replicate study 2 findings and explore the downstream effects of luxury perceptions on purchase intentions. In this study, luxury perceptions were primarily affected by

discount level, while purchase intentions were primarily affected by brand messaging. My thesis discusses theoretical contributions, avenues for future research, and managerial implications related to price discounting for luxury brands.

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## **INTRODUCTION**

Picture this – you’re in the mood to splurge on yourself by purchasing a luxury handbag. You’ve been thinking about it and suddenly, you’re targeted with an ad from a new brand of luxury handbags. The brand is having a sale on the handbags and the ad features a discounted price for the handbags. How would that affect your perceptions of the luxuriousness of the brand/product? Would it matter if the discount was large or small? This research intends to explore the possible answers to these questions by studying how discounted pricing affects brand luxury perceptions. In doing so, the study intends to dive into understanding if the discount level offered has a role to play in how luxurious a customer perceives a brand to be.

## **THEORETICAL BACKGROUND**

As long as mankind has existed, it has been divided by socio-economic classes that each have their set of social cues to communicate their status. It’s not just about who has the financial resources but also about other tangible ways in which they indicate the presence of the resources. In today's world, one such way is through luxury consumption (Dubois et al, 2021). This has led to the uprise of brands that sell products at a relatively high price (relative to other competitors in the category) to position themselves as luxury brands – and the products as a status symbol. Berthon et al. (2009) discuss luxury products and brands by stating that they are carefully crafted symbols, which go beyond the material, beyond the craftsmen to invoke a world of dreams, images, signs, and motifs.

Given that the customer market for luxury goods is relatively limited and therefore eventually saturated, some luxury brands have had to resort to price promotions to expand their consumer base (Biondi and Hale, 2024). This may especially be the case for new luxury brands trying to gain a foothold in the market. Price promotion is one of the most common tools used in marketing to promote sales (Hartley & Cross, 1988; Blattberg & Neslin, 1989). Over and above this, price promotions play another role for luxury brands as well – they help brands get rid of existing stock and bring in new stock to maximize profits consistently (Blattberg et al., 1981). However, managers of luxury brands are often concerned about how price promotions may impact the image of the brand. While certain still brands steer away from discounts believing that ‘true luxury never discounts’ and focus on cultivating high net worth clients to avoid threat to their reputation (Danziger, 2023), in some cases luxury brands resort to different levels of discount. As I will discuss further, luxury brands are seen resorting to shallow discounts/ low discounts to incentivize potential customers to make a purchase. On the other hand, some luxury brands succumb to the economic conditions of the market and resort to high discounts/ deep discounts, upwards of fifty percent, to continue to appeal to an audience that once spent voraciously but is observed to spend more frugally over time (Biondi and Hale, 2024).

### **Price & Discounts**

The price of a product acts as an indicator of the economic expenditure expected from a customer to acquire the product (Lichtenstein et al., 1993). The basics of economics pertaining to price aligns with the law of demand which suggests that quantity purchased by consumers varies inversely with price – indicating that as the price of a product increases, the demand for the product decreases (Nicholson, 2012). At the same time, past research indicates that consumers use price as a cue that may signal product quality, leading to a lower intention to purchase as the



price reduces (Hawkins, 1954). This is especially true for luxury goods that lean towards prestige pricing (Solomon and Stuart, 1997). Prestige pricing refers to brands setting a rather high price for their products to signal high quality and/or high status (McCarthy and Perreault, 1999) which may in turn lead to certain products or services to be perceived as more desirable (Groth and McDaniel, 1993).

When understanding price promotions, price discount has been defined as a short-term reduction of the listed price of a service when all buyers are equally eligible for the price reductions (Chen et al., 1998). Past research has shown that price discounts offer consumers an incentive to purchase a brand (Quelch, 1989) which may work in favor of a brand hoping to convert potential customers into first-time buyers. On the flip side, several studies have highlighted that price discounts can lead to more negative consumer perceptions by undermining the perceived quality of the discounted item (Raghubir and Corfman, 1999; Scott and Yalch, 1980).

### **Luxury Perceptions**

Several researchers in the past have tried to probe the question ‘What qualifies as a luxury brand?’ The definition of luxury is not always clear-cut. Vigneron and Johnson (2004) define luxury perceptions as a multidimensional concept of consumer perceptions that is composed of five dimensions – perceived uniqueness, perceived quality, perceived hedonism, perceived conspicuousness and perceived extended self. Mundel et al. (2017) further discuss how identification of what products may be considered as luxury products may differ from one generation to another based on the general economic standing of the generation.

Miller and Mills (2012) highlighted how a brand like Calvin Klien was considered a luxury brand by some, status brand by some, and a premium brand by others. These findings indicate that different tiers of brand prestige exist. The findings of Miller and Mills (2012) also helped contribute towards defining the antecedents and consequences of brand luxury. Based on the consequences, a luxury product may extend or enhance self-image; may have hedonic, conspicuous, social, or experiential value; may help a consumer associate with the desired group; or may act as a status symbol/ aid display of wealth.

For this study, I was most interested in exploring the effects of discount levels on luxury perceptions for a newly introduced luxury brand that appeals to a younger demographic and their general economic standing with pricing that is not extremely high. Much like the Calvin Klien debate, a more mature audience may consider such brands to be more premium than luxury, however, these brands may be considered as luxury brands to their intended target audience based on the definition of luxury Vigneron and Johnson (2004) discussed.

### **The Role of Discount Levels on Luxury Perceptions**

Limited research has been undertaken in the field of marketing to understand the depths of how price promotions like discounts may affect perceptions towards luxury brands/products and even lesser towards understanding how the perceptions vary with different levels of discounts. A recent study (Matos, 2023) attempted to compare consumer perceptions towards luxury (vs. non luxury brands) in the presence (vs. absence) of a price promotion in the apparel industry. Findings from the study suggested that the presence of discounts may negatively affect luxury brands as they may cause customers to perceive brands to be losing their exclusivity and prestige, in turn also negatively affecting their perceptions regarding the product's quality. Matos (2023) suggests that future research may explore how consumer personality traits affect how they

perceive discounts towards luxury products. Further, Yang et al. (2016) also explored how price promotions affect consumer attitudes in the luxury hotels sector and found that consumers who are with a high need for status (NFS) exhibit less favourable attitudes toward the luxury hotel on having learned that the hotel plans to implement price promotions through discount websites. On the contrary, customers with a low NFS are unaffected by the presence of price promotions via discount websites.

In sum, price discounts may negatively affect luxury perceptions for a few reasons. One is negative quality inferences about the product (Matos, 2023). But another reason, which may be of greater concern to managers, is that a lower price may make the brand less exclusive and therefore decrease the strength of the brand's status symbol (Yang et al., 2016).

My research intends to extend the findings in this space in two main ways. First, I will explore the impact of different discount levels on perceptions of luxury, whereas prior studies only explored one discount level. Second, I will examine how a brand's choice of messaging may affect consumer perceptions of different discount levels.

### **The Moderating Role of Brand Messaging**

When putting out an advertisement to appeal to customers, one of the most important decisions for a brand is to determine what the brand's message should be. Brands often tailor their message for their target audience. This involves identifying their target consumers' personal needs and characteristics and crafting a message that communicates how the brand addresses those needs (Schmid et al., 2008).

I suggest that in luxury marketing, a brand's messaging can focus on one of two important consumer motivations—agency and communion (Abele and Wojciszke, 2014). Agency

reflects how an individual prioritizes themselves over others. Studies discuss the positive consequences of agency as directing people to accomplish tasks and attain goals. At the same time, agency may also have negative associations and connotations in terms of fueling materialistic behavior (Cannon and Rucker, 2022). Communion refers to a desire to belong and conform to social norms (Barz and Lydon, 2004). As noted, consumers' motivation for luxury consumption derives from the need for status (Dubois and Ordabayeva 2015). The need for status can often be consistent with an agentic motivation, which can involve standing out and achieving a higher status than others. At the same time, the need for status can also be consistent with a communal motivation, specifically the need to affiliate with and belong to a high-status group.

Hence, luxury brands can tailor their brand messaging to suit one of these two motivations. A message focused on agency would highlight competence, assertiveness, decisiveness; whereas a message focused on communion would highlight the maintenance of relationships and social functioning (Abele and Wojciszke, 2014). Note these agentic and communal motivations align with the concept of self-construal (Markus and Kitayama, 1991). An agentic motivation—setting oneself apart from others and demonstrating one's uniqueness—is consistent with an independent self-construal (Besta, 2018). A communal motivation—connecting with others and valuing relationships with others—is consistent with an interdependent self-construal (Besta, 2018). Thus, individual differences in self-construal may affect how consumers respond to an agentic vs. communal brand message. Since my study relies on the moderating effects of agentic and communal messaging, I intend to also measure through the studies how an individual's perceived self-construal affects their interaction with agentic and communal messaging.

I theorize that the effects of price discounts on luxury perceptions toward a new brand will be such that when the price discount offered by the brand is low, an agentic message will lead to higher luxury perceptions than a communal message. Under agentic messaging, price may signal the exclusivity of the product, which aligns with an agentic motivation to stand out using a status symbol. A low discount offers an opportunity to purchase the product without harming perceptions of the product's exclusivity. By contrast, communal messaging (e.g., the consumer and their friends can enjoy the status of owning the product) would not align with a low discount level because a low discount does not make the product sufficiently accessible. Thus, under a low discount, agentic messaging is expected to lead to higher luxury perceptions than communal messaging.

When the price discount offered by a new brand is high, I hypothesize that a communal message will lead to higher luxury perceptions than an agentic message. An alignment may occur between a high discount and a communal message, which may prevent consumers from drawing negative inferences of quality based on the product's price. Instead, negative quality inferences may be prevented if the messaging instead leads consumers to infer that the high discount is offered only to align with the consumer's communal consumption need to belong with a certain group. By contrast, an agentic message may be a poor fit with a high discount level—an agentic message is about standing out from others, while the high discount may raise fears that the product is not exclusive enough.

**H1a:** When the price discount level is low, an ad with agentic messaging will generate higher luxury perceptions compared to an ad with communal messaging.

**H1b:** When the price discount level is high, an ad with communal messaging will generate higher luxury perceptions compared to an ad with agentic messaging.

## **Strategic Fit: Why the Impact of Price Discounts May Depend on Brand Messaging**

The strategic fit paradigm lays emphasis on maintaining a close and consistent linkage between a firm's strategy and the context within which it is implemented (Venkatraman, 1989). The concept of fit has played a key role in the foundation of several marketing studies (e.g., Hambrick et al., 1982; Olson et al., 1995; Vorhies and Morgan, 2003). The core implies that matching the marketing strategy with the environment leads to superior performance (Lukas et al., 2001). Another study in the context of luxury brands and brand extensions also found that parent brand value was significantly related to perceived fit and had positive effects on brand association and hedonic value in extension brands. (Kim and Park, 2012).

In the luxury branding context of this study, a higher strategic fit represents a better alignment between the information presented to consumers (i.e., discount level, brand message) and the brand's intended luxury image. Thus, a higher strategic fit should translate to higher brand luxury perceptions.

When the price discount offered by the brand is low, I theorize that an agentic message will lead to perceptions of higher strategic fit than a communal message. This is because a low discount is indicative of a higher price which as theorized earlier has the potential to signal exclusivity as a higher price point creates a significant financial barrier for a consumer who may be looking to own a luxury product to fulfil their need for status. Such a barrier may be perceived to be perfectly complimentary with agentic messaging that terms like 'just for you' to create a sense of exclusivity. I also theorize that when the price discount offered by the brand is high, a communal message will lead to perceptions of higher strategic fit than an agentic message. This is because a high discount is indicative of a lower price point, suggesting that the luxury brand intends to break down the financial barrier for ownership and open itself up for consumption by a

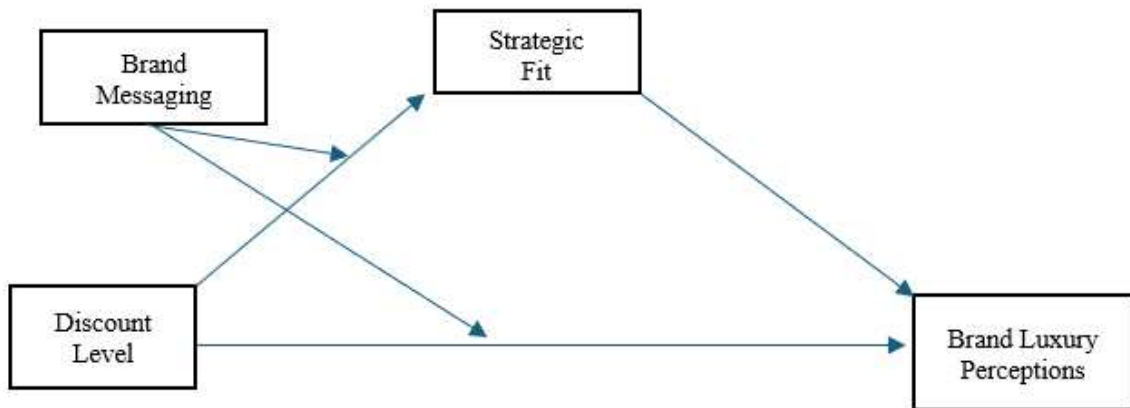
wider audience. Such a strategic move may be perceived to align perfectly with a communal messaging as the use of terms like ‘for your whole group’ can be perceived to be more welcoming and enable communal buying instead of exclusivity. Finally, I theorize that higher perceived strategic fit will increase luxury perceptions by virtue of the brand being consistent with their promotion as well as messaging strategy.

**H2a:** When the price discount level is low, an ad with agentic messaging will generate perceptions of higher strategic fit compared to an ad with communal messaging.

**H2b:** When the price discount level is high, an ad with communal messaging will generate perceptions of higher strategic fit compared to an ad with agentic messaging.

**H3:** Higher perceived strategic fit will increase luxury perceptions.

**Figure 1. Proposed Conceptual Model**



## **OVERVIEW OF THE STUDIES**

The thesis consists of one pre-test and three studies. The goal of the pre-test was to determine a set of stimuli (Visual Set 1 vs. Visual Set 2) that is perceived to have higher luxury

perceptions prior to the introduction of any pricing factors along with ensuring that manipulation used for the brand messaging is being perceived correctly for the stimuli. Study 1 then focussed on examining how brand messaging (agentic vs. communal) would affect luxury perceptions at the different discount levels (High vs. Low) to check if hypotheses H1a and H1b were being supported. Study 2 was the main study of this thesis wherein we examined hypotheses H1a and H1b with a different set of stimuli reflected the brand messaging being more elaborate, tested the effects of brand messaging and discount levels on perceptions of strategic fit for H2a and H2b, and finally examined the mediating effect of strategic fit (H3) along with exploring how individual differences in self-construal may affect the results of the experimental factors. Finally, Study 3 was conducted to validate the findings of study 2 with respect to H1-H3 with the stimuli being adjusted for discount sensitivity (Higher High discount and Lower Low discount) and to check for possible downstream effects of brand luxury perceptions to obtain findings that have greater managerial relevance. The choice of product category focussed on across the studies was women's luxury handbags. Given the relevance to the choice of category, the participants for the studies were filtered to be only women.

## **PRE-TEST**

A pre-test was conducted before the proceeding with the studies with two goals in mind –  
i) To determine a set of stimuli that is perceived to have higher luxury perceptions prior to the introduction of any pricing factors, ii) To ensure that the brand messaging is being perceived correctly with the help of the manipulation.



## Method

One hundred and sixty-one female participants were recruited through the CloudResearch Connect platform ( $M_{age} = 38.58$ ;  $SD = 11.19$ ) Only female participants were selected due to the nature of the stimuli (handbags for women). The participants were compensated with US\$0.50 for a 4-minute study. To participate, participants were first required to provide informed consent using the online consent form provided on the first page of the survey.

Participants were randomly assigned to one of four conditions in a 2 (visual set 1 vs. visual set 2) x 2 (brand messaging: agentic vs. communal) between-participant design. Participants were shown an ad based on their assigned condition. The ad featured handbags from a fictitious luxury handbag brand named Luxe. Both the visual sets were created to be starkly different from one-another. Participants assigned to the visual set 1 condition observed stimuli showcased model/s dressed in eye-catching attire in an empty subway, holding an eye-catching handbag. In contrast to this, participants in visual set 2 observed a stimulus showcasing models dressed in simple yet elegant attire in an unassuming outdoor setting, holding a more simplistic handbag. Further, participants assigned to the agentic messaging condition examined an ad showcasing an agentic visual (solo model) along with a short agentic messaging line (“The Perfect Handbag, Just For You”) while participants assigned to the communal messaging condition examined an ad showcasing a communal visual (group of models) along with a short communal messaging line (“The Perfect Handbag, For You and Your Squad”) (See Appendix A for study materials).

Next, participants responded to a Brand Luxury Index scale which measured their luxury perceptions towards the brand displayed in the advertisement. The Brand Luxury Index scale was adapted from Vigneron and Johnson (2004), with the items adjusted and reduced to fit the

context of the study. Participants indicated their response to the items (*like, owning a product from this brand is a status symbol, owning a product from this brand is a sign of exclusivity, this brand's products provide a luxurious and indulgent experience*) on a 10-point Likert scale (scale: 1 = *Not at all*, 10 = *Extremely*) (See Appendix B for complete list of items).

Participants then responded to a manipulation check assessing the extent to which they perceived the ad as being agentic or communal in nature. The agentic and communal messaging indices were created to fit the context of the study. Participants indicated their response to the items (*like, This ad is for someone who likes to be self-sufficient; This ad reflects a sense of community; This ad reflects a sense of individualism; This ad shows the value of social relationships*) on a 7-point Likert scale (scale: 1 = *Highly Disagree*, 7 = *Highly Agree*) (See Appendix B for complete list of items).

Finally, participants were given a chance to share additional comments toward the experiment – followed by completing the standard demographic measures.

## **Results and Discussion**

*Perceptions of Agency and Communion.* To examine whether participants perceived the ads as intended, the agentic and communal measures were separately examined using 2 (visual set 1 vs. low visual set 2) x 2 (agentic messaging vs. communal messaging) ANOVAs. The items in the Agentic Index for brand messaging were averaged into a single score (*Cronbach's  $\alpha = 0.91$* ). Similarly, the items in the Communal Index were averaged into a single score (*Cronbach's  $\alpha = 0.89$* ). A higher score in each case represents stronger perceptions of agentic and communal messaging respectively. For the Agentic Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the agentic ads ( $M = 5.04$ ,  $SD = 1.25$ ) were rated to be

more agentic than the communal ads ( $M = 3.62, SD = 1.59$ ),  $F(1, 157) = 39.86, p < 0.001$ . Perceptions of agency did not significantly differ across the two sets of visuals ( $F(1, 157) = 2.85, p = 0.09$ ). The brand messaging x visual interaction was nonsignificant ( $F(1, 157) = 0.23, p = 0.63$ ).

Similarly, for the Communal Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the communal ads ( $M = 5.3, SD = 1.19$ ) were rated to be more communal than the agentic ads ( $M = 3.64, SD = 1.46$ ),  $F(1, 157) = 62.64, p < 0.001$ . Perceptions of communion did not significantly differ across the two sets of visuals ( $F(1, 157) = 2.44, p = 0.12$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 157) = 0.05, p = 0.82$ ).

*Brand Luxury Perceptions.* To compare the two visual sets for Brand Luxury Perceptions, I averaged the items on the Brand Luxury Index into a single score (*Cronbach's alpha* = .94). The means were observed to be higher for Visual Set 1 ( $M = 6.58, SD = 2.16$ ) when compared to Visual Set 2 ( $M = 6.39, SD = 1.84$ ), however, these differences were observed to be nonsignificant based on a T-test ( $t = 0.58, p = 0.56$ ). Additionally, a two-way ANOVA was conducted (2 (visual set 1 vs. visual set 2) x 2 (agentic messaging vs. communal messaging). For the Brand Luxury Index, the ANOVA revealed a nonsignificant effect of the brand messaging condition ( $F(1, 157) = 0.19, p = 0.67$ ). The visual set condition did not significantly impact perceptions of luxury ( $F(1, 157) = 0.349, p = 0.56$ ). The brand messaging x visual set interaction was nonsignificant ( $F(1, 157) = 2.08, p = 0.15$ ).

## Figure 2.



Overall, this pretest revealed that brand messaging (agentic and communal) functioned as intended. This pretest also indicated that both sets of visuals were perceived similarly, thus either set would be appropriate to use in the studies.

## STUDY 1

The main goal of Study 1 was to examine how brand messaging (agentic vs. communal) would affect luxury perceptions at high vs. low discount levels (H1a and H1b).

### Method

Four hundred female participants were recruited through the CloudResearch Connect platform ( $M_{age} = 42.28$ ;  $SD = 13.51$ ). Only female participants were selected due to the nature of the stimuli (handbags for women). The participants were compensated with US\$0.50 for a 4-minute study. To participate, participants were first required to provide informed consent using the online consent form provided on the first page of the survey.

Participants were randomly assigned to one of four conditions in a 2 (high discount or low discount) x 2 (brand messaging: agentic vs. communal) between-participant design. Participants were shown an ad based on their assigned condition. Since there was no significant difference between visual set 1 and visual set 2 based on the pre-test, I proceeded with visual set 1 based on random selection. The ad featured handbags from a fictitious luxury handbag brand named Luxe. The stimuli showcased model/s dressed in eye-catching attire in an empty subway, holding an eye-catching handbag. In the agentic messaging condition, the ad showcased a solo female model along with a short agentic messaging line (“The Perfect Handbag, Just For You”). In the communal messaging condition, the ad showcased a group of female models along with a short communal messaging line (“The Perfect Handbag, For You and Your Squad”). Participants in the high discount condition examined an ad displaying a price discount of sixty percent (original price = \$700, discounted price = \$280) while participants in the low discount condition examined an ad displaying a price discount of fifteen percent (original price = \$700, discounted price = \$595). Participants were only shown information regarding the original and discounted price, no percentages were explicitly shown in the stimuli (see Appendix A for study materials). The questionnaire was created with a ten-second timer to ensure that participants observed the assigned stimuli carefully.

Since it was imperative for study that participants take note of the pricing in the process of forming their perceptions towards the stimuli presented to them, a multiple-choice price-check question was presented to them immediately after being they examined the stimuli (“What is the discounted price of the handbag as seen in the ad?”). Participants who failed to answer the price check question correctly for their respective conditions were excluded from the sample.

Participants then responded to a manipulation check assessing the extent to which they perceived the ad as being agentic or communal in nature. The manipulation check items were the same as the pretest measures (see Appendix B for complete list of items).

Next, participants responded to a Brand Luxury Index scale which measured their luxury perceptions towards the brand displayed in the advertisement. The Brand Luxury Index items were the same as the pretest measures. (see Appendix B for complete list of items)

Two exploratory measures were also taken in this study. One was the brand clarity scale (“*I believe this brand’s image is .. unapparent/apparent, vague/well-defined, unclear/clear*”), which assesses the clarity of the brand image (Freling and Henard, 2011). The second was the brand favorability scale (scale items include, “*I believe this brand’s image is .. unsatisfactory/satisfactory, unpleasant/pleasant, undesirable/desirable*”) (Freling and Henard, 2011). Both measures used 7-point bipolar scales (see Appendix B for complete list of items).

Finally, participants were given a chance to share additional comments toward the experiment, followed by completing the standard demographic measures.

## **Results and Discussion**

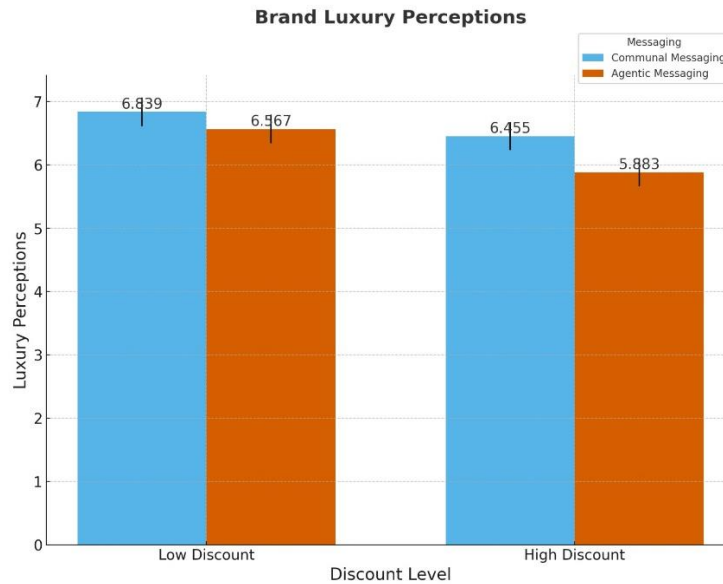
Three participants were excluded from the sample for failing to answer the multiple-choice price-check question correctly. For each outcome measure reported below, the data were analysed using 2 (high discount vs. low discount) x 2 (agentic vs. communal messaging) ANOVAs.

*Manipulation checks.* The items in the Agentic Index for brand messaging were averaged into a single score (*Cronbach’s  $\alpha = .895$* ). Similarly, the items in the Communal Index were averaged into a single score (*Cronbach’s  $\alpha = .887$* ). A higher score in each case represents

stronger perceptions of agentic and communal messaging respectively. For the Agentic Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the agentic ads ( $M = 4.85$ ,  $SD = 1.31$ ) were rated to be more agentic than the communal ads ( $M = 3.79$ ,  $SD = 1.44$ ), ( $F(1, 393) = 58.91$ ,  $p < 0.001$ ). Discount level did not significantly impact perceptions of agency ( $F(1, 393) = 0.21$ ,  $p = 0.64$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 393) = 0.61$ ,  $p = 0.44$ ). Similarly, for the Communal Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the communal ads ( $M = 5.18$ ,  $SD = 1.25$ ) were rated to be more agentic than the agentic ads ( $M = 3.35$ ,  $SD = 1.38$ ), ( $F(1, 393) = 190.79$ ,  $p < 0.001$ ). The discount level did not significantly impact perceptions of communion ( $F(1, 393) = 0.90$ ,  $p = 0.34$ ). The brand messaging x discount level interaction was nonsignificant, ( $F(1, 393) = 0.23$ ,  $p = 0.63$ ).

*Brand Luxury Perceptions.* The items in the Brand Luxury Index were averaged into a single score (*Cronbach's*  $\alpha = .926$ ) wherein a higher score represents perceptions of higher luxury. To examine brand luxury perceptions, a two-way ANOVA was conducted. A marginally significant main effect of brand messaging emerged, such that the communal ads ( $M = 6.64$ ,  $SD = 2.16$ ) produced higher brand luxury perceptions than the agentic ads ( $M = 6.22$ ,  $SD = 2.31$ ),  $F(1, 393) = 3.57$ ,  $p = 0.06$ . Discount level did not significantly impact perceptions of luxury ( $F(1, 393) = 5.71$ ,  $p = 0.17$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 393) = 0.45$ ,  $p = 0.50$ ).

**Figure 3.**



*Brand Clarity.* The items in the Clarity Index were combined to form a single score (*Cronbach's*  $\alpha = .871$ ). To gauge the effects of the conditions on the brand clarity, similar tests were performed with same conditions as used for brand luxury perceptions. Brand messaging did not significantly impact brand favorability ( $F(1, 393) = 0.06, p = 0.81$ ). Discount level did not significantly impact brand favorability ( $F(1, 393) = 0.34, p = 0.56$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 393) = 0.00, p = 0.98$ ).

*Brand Favourability.* The items in the Favourability Index were averaged into a single score (*Cronbach's*  $\alpha = .971$ ). Brand messaging did not significantly impact brand favorability ( $F(1, 393) = 0.08, p = 0.77$ ). The discount level did not significantly impact brand favorability, ( $F(1, 393) = 0.52, p = 0.47$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 393) = 0.75, p = 0.39$ ).

The nonsignificant discount level x brand messaging interactions in study 1 did not yield support for H1a and H1b. Comments shared by participants of this study provided possible



insight. Examples of comments include “*The sepia coloring and unique clothing gave me more of a vibe of unique/quirky/fantasy than luxe in this instance. The handbag was still appealing but seemed slightly out of place with the ad*” and “*I love the girl's outfit and styling choices, but the train background throws me off.*” These comments, along with others, hinted at potential confounds like location of the visual and clothing displayed on the model/s that may have affected the results. Hence, a replacement of visuals for the ads that may help avoid these problems was considered for the next study. Additionally, the brand messaging displayed in the ads were short, which may make it more difficult for participants to draw the intended inferences. Hence, elaborating on the agentic and communal messages could be a potential step to enhance these effects. Due to nonsignificant results, the exploratory measures (brand clarity and brand favorability) were dropped from the remaining studies.

It should also be noted that while attempts to focus brand messaging on agency vs. communion appeared to be successful, different consumers may respond differently to these types of brand positioning. As noted in the literature review, agency and communion represent important individual differences—these are two broad dimensions that subsume more specific constructs (e.g., independent vs. interdependent self-construal). Thus, individual differences on these two dimensions may affect how consumers respond to agentic vs. communal brand messaging. To explore this possibility, the next study also measured independent (agency) interdependent (communion) self-construal to examine how it may interact with the experimental factors of interest.

## STUDY 2

The goals of Study 2 were as follows: i) to examine H1a and H1b with a different set of stimuli, ii) to test the effects of brand messaging and discount levels on perceptions of strategic fit (H2a and H2b), iii) to examine the mediating effect of strategic fit (H3), and iv) to explore how individual differences in self-construal may affect the results of the experimental factors.

### Method

Four hundred and twenty female participants were recruited through the CloudResearch Connect platform ( $M_{age} = 40.76$ ;  $SD = 11.81$ ). Only female participants were selected due to the nature of the stimuli (handbags for women). The participants were compensated with US\$0.50 for a 4-minute study. To participate, participants were first required to provide informed consent using the online consent form provided on the first page of the survey.

Participants were randomly assigned to one of four conditions in a 2 (high discount or low discount) x 2 (brand messaging: agentic vs. communal) between-participant design. Participants were shown an ad based on their assigned condition. The ad featured handbags named 'The Enigma Bag' from a fictitious luxury handbag brand named Luxe. Based on comments received from participants in study 1 critiquing the visual of the models, bag and the location displayed in the images, I decided to proceed with visual set 2 from the pre-test, which were created using more simplistic imagery showcasing models dressed in simple yet elegant attire in an unassuming outdoor setting, holding a more simplistic handbag, since the differences in perceived brand luxury were reported to be nonsignificant. Additionally, in a hope to enhance the perceptions of brand messaging from study 1, participants in this study were presented with stimuli that elaborated on the messaging in the ad. In the agentic messaging condition, the ads

stated *“Indulge in the elegance of the Enigma Bag, meticulously crafted just for you. Made with premium materials and matte sophistication, this handbag caters to your unique style, ensuring that you stand out from the crowd.”* while in the communal messaging condition the ads stated *“Indulge in the elegance of the Enigma Bag, meticulously crafted for your whole squad. Made with premium materials and matte sophistication, this handbag caters to your group’s unique style, allowing every woman to feel like she belongs.”* The pricing information provided to participants in this study (for high discount as well as low discount) was the same as provided in the stimuli for study 1 (see Appendix A for study materials). To ensure that participants examined the assigned stimulus thoroughly, a ten second timer was added to the blocks.

The questionnaire then included the same multiple-choice price-check question as used in study 1 to ensure that participants take note of the pricing in the process of forming their perceptions towards the stimuli presented to them. Participants who failed to answer the price check question correctly for their respective conditions were excluded from the sample.

Next, participants responded to a Brand Luxury Index scale which measured their luxury perceptions towards the brand displayed in the advertisement. The Brand Luxury Index items were the same as the pretest and study 1 measures. (see Appendix B for complete list of items)

Participants then responded to a manipulation check assessing the extent to which they perceived the ad as being agentic or communal in nature. The manipulation check items were the same as the pretest measures (see Appendix B for complete list of items).

To test the hypothesized effect of strategic fit on luxury perceptions, participants indicated perceptions towards the combination of the brands messaging and current price with three items (that included, Based on the ad above, I think the combination of the brand’s message

and its current price: *Does not belong with/ Belongs with, Does not go together/ Goes together, Does not fit together/ Fits together*) on a 7-point bipolar scale.

Finally, participants responded to a self-construal scale adapted from D'Amico and Scrima (2016), containing ten-items (including, *I do my own thing, regardless of what people think; My happiness depends on the happiness of those around me; I'd rather say "no directly, than risk being misunderstood; I will stay in a group if they need me, even if I am not happy with the group*) that indicate if a participant has an independent (vs. interdependent) self-construal on a 7-point Likert scale (scale: 1= *Highly Disagree*, 7= *Highly Agree*) (see Appendix B for complete list of items). Embedded among the scale items was an attention-check which stated – *"I always express myself openly. Please ignore this question and select 2 on the scale."* Participants who failed the attention-check were excluded from the sample.

To conclude, participants were given a chance to share additional comments toward the experiment, followed by completing the standard demographic measures.

## **Results and Discussion**

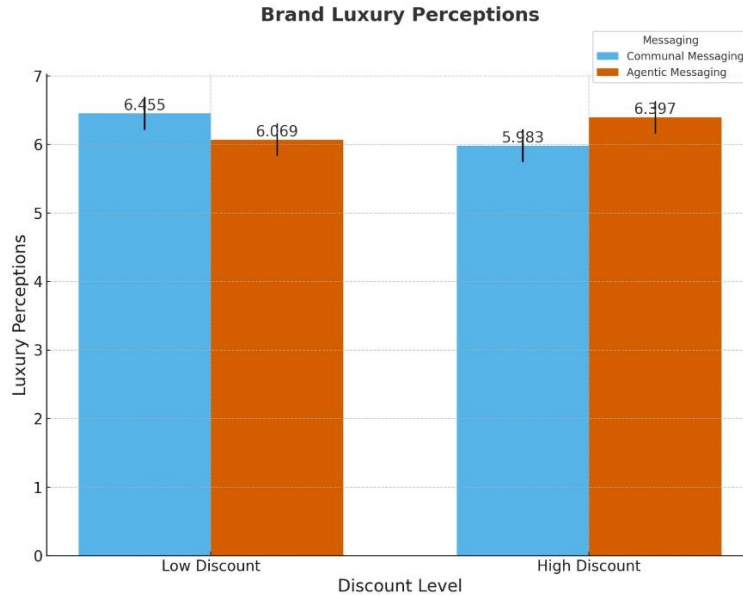
Seven participants were excluded from the analyses for failing to answer the multiple-choice price-check question correctly and fourteen participants failed the attention-check. Hence, a total of twenty-one participants were excluded from the sample. For each outcome measure reported below, the data were analysed using 2 (high discount vs. low discount) x 2 (agentic vs. communal messaging) ANOVAs.

*Manipulation checks.* The items in the Agentic Index for brand messaging were averaged into a single score (*Cronbach's  $\alpha = 0.87$* ). Similarly, the items in the Communal Index were averaged into a single score (*Cronbach's  $\alpha = .84$* ). A higher score in each case represents

stronger perceptions of agentic and communal messaging respectively. For the Agentic Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the agentic ads ( $M = 4.60, SD = 1.33$ ) were rated to be more agentic than the communal ads ( $M = 3.55, SD = 1.54$ ),  $F(1, 395) = 52.00, p < 0.001$ . The discount level did not significantly impact perceptions of agency ( $F = 0.06, p = 0.81$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 395) = 0.05, p = 0.83$ ). Similarly, for the Communal Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the communal ads ( $M = 4.95, SD = 1.28$ ) were rated to be more agentic than the agentic ads ( $M = 3.37, SD = 1.24$ ),  $F(1, 395) = 155.70, p < 0.001$ . Discount level did not significantly impact perceptions of communion ( $F(1, 395) = 0.26, p = 0.61$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 395) = 0.28, p = 0.60$ ).

*Brand Luxury Perceptions.* The items in the Brand Luxury Index were averaged into a single score (*Cronbach's*  $\alpha = .942$ ) wherein a higher score represents perceptions of higher luxury. For the Brand Luxury Index, the ANOVA revealed a nonsignificant effect of the brand messaging condition ( $F(1, 395) = 0.004, p = 0.95$ ). The discount level did not significantly impact perceptions of luxury ( $F(1, 395) = 0.09, p = 0.76$ ). The brand messaging x discount level interaction was marginally significant ( $F(1, 395) = 2.81, p = 0.094$ ). Participant's luxury perceptions did not differ significantly when exposed to the low discount – communal messaging ( $M = 6.45, SD = 2.40$ ) and the low discount – agentic message ( $M = 6.07, SD = 2.54$ ), ( $F(1, 395) = 1.29, p = 0.257$ ). For the high discount condition as well, participants' purchase intentions did not differ significantly across the communal messaging ( $M = 5.98, SD = 2.33$ ), and agentic messaging ( $M = 6.39, SD = 2.25$ ), ( $F(1, 395) = 1.53, p = 0.217$ ).

#### **Figure 4.**



*Strategic fit.* The items for the Strategic Fit Index were combined to form a single score (*Cronbach's*  $\alpha = .985$ ) wherein a higher score indicated a higher perception of strategic fit. For the Strategic Fit Index, the ANOVA revealed a nonsignificant effect of the brand messaging condition ( $F(1, 395) = 2.35, p = 0.13$ ). The discount level did not significantly impact perceptions of strategic fit ( $F(1, 395) = 0.24, p = 0.62$ ). The brand messaging x discount level interaction was significant ( $F(1, 395) = 7.30, p = 0.007$ ). Participant's perceptions of strategic fit were significantly higher when exposed to the low discount – agentic messaging ( $M = 5.66, SD = 1.99$ ) and significantly lower when exposed to the low discount – communal messaging ( $M = 4.86, SD = 2.13$ ), ( $F(1, 395) = 8.85, p = 0.003$ ). For the high discount condition, participants' perceptions of strategic fit did not differ significantly across the agentic messaging ( $M = 5.25, SD = 1.71$ ), and communal messaging ( $M = 5.47, SD = 1.69$ ), ( $F(1, 395) = 0.694, p = 0.41$ ). The significance of the interaction led me to further test the mediating effect of strategic fit on the model.

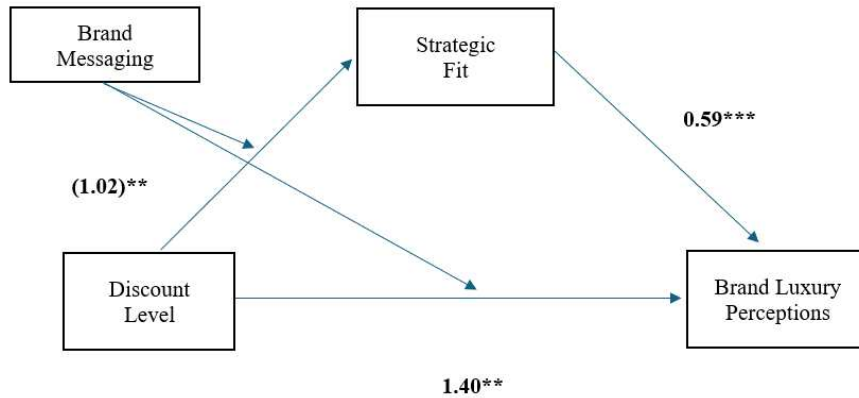
*Mediating role of strategic fit.* To test if strategic fit would mediate the interactive effect of discount level and brand messaging on brand luxury perceptions, a mediation analysis using process model 8 (5,000 bootstrapped samples; Hayes 2022) was conducted, with discount level as the independent variable, brand luxury perceptions as the dependent variable, brand messaging as the moderator and strategic fit as the mediator.

When observing the effects on strategic fit, discount level had a significant impact on strategic fit ( $\beta = 0.61$ ,  $SE = 0.27$ ,  $t = 2.22$ ,  $p = 0.027$ ). Brand messaging had a significant impact on strategic fit ( $\beta = 0.80$ ,  $SE = 0.29$ ,  $t = 2.72$ ,  $p = 0.007$ ). The discount level x brand messaging interaction had a significant impact on strategic fit ( $\beta = -1.02$ ,  $SE = 0.39$ ,  $t = 2.70$ ,  $p = 0.007$ ).

When observing the effects on brand luxury perception, discount level had a significant impact on brand luxury perceptions ( $\beta = -0.83$ ,  $SE = 0.29$ ,  $t = -2.90$ ,  $p = 0.004$ ). Brand messaging had a significant impact on brand luxury perceptions ( $\beta = -0.85$ ,  $SE = 0.42$ ,  $t = 3.37$ ,  $p = 0.006$ ). The discount level x brand messaging interaction had a significant impact on brand luxury perceptions ( $\beta = 1.40$ ,  $SE = 0.42$ ,  $t = 3.37$ ,  $p = 0.001$ ). Strategic fit had a significant impact on brand luxury perceptions ( $\beta = 0.59$ ,  $SE = 0.61$ ,  $t = 9.61$ ,  $p < 0.001$ ).

Finally, confidence interval for the index of moderated mediation did not include zero (bootstrapped 95% CI = [-1.07; -.16]), indicating that strategic fit contributed towards explaining the interactive effect of discount level and brand messaging on brand luxury perception.

**Figure 5.**



\*\*\* =  $p < 0.001$ , \*\* =  $p < 0.01$ , \* =  $p < 0.05$

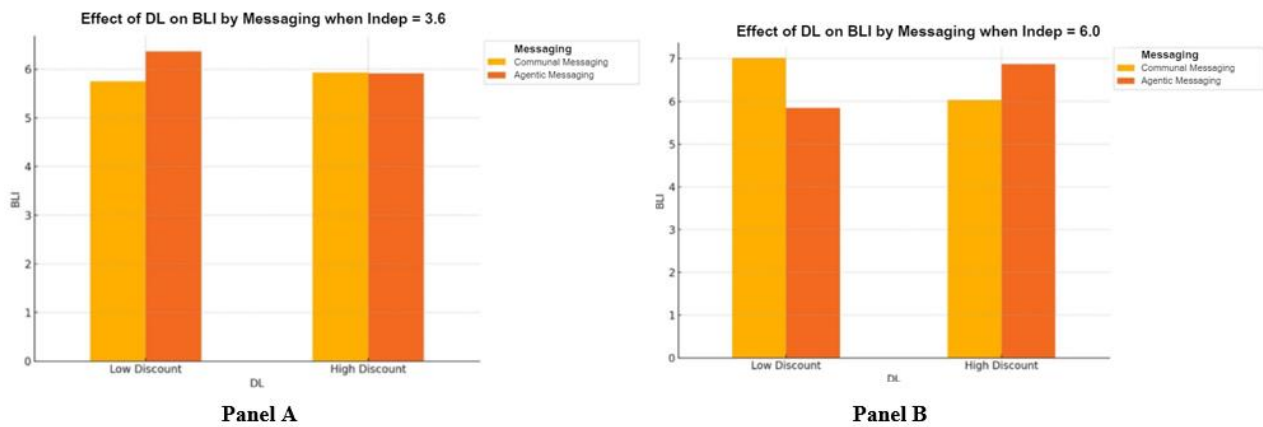
*Individual differences in self-construal.* To examine whether individual differences in self-construal would interact with experimental variables to affect luxury perceptions, these variables were added to the model. The items measuring independence were combined to form a single score, as were the items for interdependence (*Cronbach's*  $\alpha = 0.67$  for independence and *Cronbach's*  $\alpha = 0.76$  for interdependence). These scores, and their interactions with the factor variables, were entered into an ANCOVA. Of interest, the three-way discount level x messaging x independence interaction was significant ( $F(1, 390) = 7.66, p = 0.006$ ). The three-way discount level x messaging x interdependence interaction was also significant ( $F(1, 390) = 4.78, p = 0.029$ ).

To break down these three-way interactions, I ran PROCESS model 3, with one model for independence and a separate model for interdependence. The model for independence suggested that the main effect of discount level was nonsignificant ( $\beta = 1.91, SE = 1.40, t = 1.37, p = 0.17$ ) while the main effect of messaging was significant ( $\beta = 3.28, SE = 1.50, t = 2.19, p = 0.03$ ). Additionally, the main effect of independence was significant ( $\beta = 0.53, SE = 0.19, t = 2.70, p = 0.007$ ). Further, examining the effects of the different interactions showed that the



discount level x messaging interaction was significant ( $\beta = -4.57$ ,  $SE = 2.10$ ,  $t = -2.18$ ,  $p = 0.03$ ); the discount level x independence interaction was marginally significant ( $\beta = -4.82$ ,  $SE = 0.28$ ,  $t = -1.72$ ,  $p = 0.08$ ); the messaging x independence interaction was significant ( $\beta = -0.74$ ,  $SE = 0.29$ ,  $t = -2.52$ ,  $p = 0.01$ ); and the three-way interaction of discount level x messaging x independence was significant ( $\beta = 1.10$ ,  $SE = 0.42$ ,  $t = 2.61$ ,  $p = 0.009$ ). For the three-way interaction with independence, the Johnson-Neyman point occurred at independence = 5.03, where above this value (45.61% of the sample), the brand message x discount level interaction was significant. Appendix F presents the floodlight analysis. Figure 6 displays the brand message x discount level interaction patterns at independence = 3.60 (Panel A) and independence = 6.00 (Panel B). Despite the three-way interaction being significant, the effect of discount level by messaging when independence = 6.0 revealed a possible compensatory effect. This possibility is further discussed in the general discussion.

**Figure 6**



While the ANCOVA revealed the three-way discount level x messaging x interdependence interaction to be significant, these results were not in line with the results observed using PROCESS model 3. The main effects of discount level, messaging and

interdependence were nonsignificant. Additionally, I observed the two-way as well as three-way interactions as I did for independence. Each of the interactions were nonsignificant.

For brand luxury perceptions, even though the brand messaging x discount level interaction was significant, the results were opposite to what we predicted, such that the luxury perceptions were higher when the discount level was low and the messaging was communal and were higher when the discount level was high and the messaging was agentic. Hence, H1a and H1b were not supported. The hypothesized mediating effect of strategic fit on the model was observed to be significant, implying that it explains the direct effect of messaging and discount level on luxury perceptions. The mediation results positively support my hypotheses H2a and H2b. However, given that results of the study contradict the hypotheses H1a and H1b, we do not have sufficient evidence to support H3. I will be speculating on possible reasons leading to this outcome in the general discussion. To enhance the effects on luxury perception and minimize the effects of confounds like message clarity and likeability of product name comments like “... *also the name is horrible*” “*The ad said the purse was made from premium materials--but what does that actually mean?*”, and “*The bag description did not specify the quality materials used*” from participants were kept in mind were to be kept in mind while designing the stimuli for the next study. Additionally, greater emphasis was to be placed on the product being at a discounted price to ensure that participants kept the discounted pricing in mind while forming their perceptions.

### **STUDY 3**

Study 3 aimed to provide another test of H1-H3. It also aimed to examine the downstream effects of luxury perceptions on a managerially relevant outcome—purchase intentions.

## Method

Four hundred and twenty female participants were recruited through the CloudResearch Connect platform ( $M_{age} = 39.81$ ;  $SD = 12.08$ ). Only female participants were selected due to the nature of the stimuli (handbags for women). The participants were compensated with US\$0.50 for a 4-minute study. To participate, participants were first required to provide informed consent using the online consent form provided on the first page of the survey.

Participants were randomly assigned to one of four conditions in a 2 (high discount or low discount) x 2 (brand messaging: agentic vs. communal) between-participant design. Participants were shown an ad based on their assigned condition. The ad featured handbags from a fictitious luxury handbag brand named Luxe. Based on the comments from participants in study 2 towards the name of the handbag (The Enigma Bag), I decided to rename the fictitious handbag in the stimuli for study 3 to ‘The Éléante Bag’ to avoid confounding variables towards luxury perceptions. Further, edits were made to the product description based on comments from participants in study 2 expressing the lack of clarity in stating that the handbag was made with ‘premium materials’. Additionally, in a hope to enhance the results of discount level towards luxury perceptions, greater emphasis was laid on the fact that the handbag was available at a discounted price. Study 3 further differentiated itself from Study 1 and Study 2 in a way that participants in the high discount condition examined an ad displaying a higher (in comparison to Study 1 & Study 2) price discount of seventy percent (Original Price = \$700, Discounted Price = \$210) while participants in the Low Discount condition examined an ad displaying a lower (in comparison to Study 1 & Study 2) price discount of ten percent (Original Price = \$700, Discounted Price = \$630). Participants were only shown information regarding the original and discounted price, no percentages were explicitly shown in the stimuli. In the agentic messaging

condition, the ads stated “*Indulge in the elegance of The Élégante Bag, meticulously crafted just for you. The sleek and timeless design epitomizes Luxe’s vision and caters to your unique style, ensuring that you stand out from the crowd. Own this exquisite creation now at an exclusive price.*” In contrast, in the communal messaging condition, the ads stated “*Indulge in the elegance of The Élégante Bag, meticulously crafted for your whole squad. The sleek and timeless design epitomizes Luxe’s vision and caters to your group’s unique style, allowing every woman to feel like she belongs. Own this exquisite creation now at an exclusive price.*” (see Appendix A for study materials). To ensure that participants examined the assigned stimulus thoroughly, a ten second timer was added to the blocks.

In line with Study 1 and Study 2, participants in all conditions were presented with the multiple-choice price-check question. Participants who failed to answer the question correctly were excluded from the study. Next, in contrast to study 2, participants of study 3 were first asked to answer a series of questions that comprised of the strategic-fit scale to ensure that participants formed strategic fit perceptions before forming luxury perceptions. The strategic fit index items were the same as the study 2 measures (see Appendix B for complete items list).

Next, participants responded to a Brand Luxury Index scale which measured their luxury perceptions towards the brand displayed in the advertisement. The Brand Luxury Index items were the same as the pretest, study 1 and study 2 measures (see Appendix B for complete items list).

For us to understand the downstream effects of luxury perceptions on purchase intention, participants then answered two questions on a 7-point Likert Scale: *Suppose you are looking to buy a luxury handbag for yourself, and you are willing to budget up to \$900 for a handbag...how likely would you be to purchase the Luxe Élégante handbag?* (scale: 1 = *Not likely at all*, 7 =

*Very likely*) and ...to what extent would you be inclined to purchase the Luxe Élégante handbag? (scale: 1 = *Not inclined at all*, 7 = *Very inclined*).

Participants then responded to a manipulation check assessing the extent to which they perceived the ad as being agentic or communal in nature. The manipulation check items were the same as the pretest measures (see Appendix B for complete items list). The questionnaire was concluded with participants being given a chance to share additional comments toward the experiment and completion of standard demographic measures.

## **Results and Discussion**

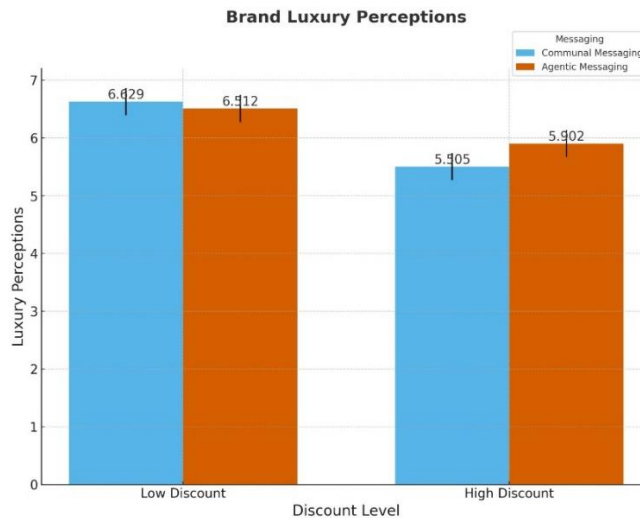
One participant was excluded from the analyses for failing to answer the multiple-choice price-check question correctly, leaving us with a total of four hundred and nineteen participants female participants ( $M_{age} = 40.72$ ;  $SD = 12.08$ ). For each outcome measure reported below, the data were analysed using 2 (high discount vs. low discount) x 2 (agentic vs. communal messaging) ANOVAs.

*Manipulation checks.* The items in the Agentic Index for brand messaging were averaged into a single score (*Cronbach's*  $\alpha = 0.91$ ). Similarly, the items in the Communal Index were averaged into a single score (*Cronbach's*  $\alpha = .85$ ). A higher score in each case represents stronger perceptions of agentic and communal messaging respectively. For the Agentic Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the agentic ads ( $M = 4.71$ ,  $SD = 1.41$ ) were rated to be more agentic than the communal ads ( $M = 3.54$ ,  $SD = 1.60$ ),  $F(1, 415) = 64.12$ ,  $p < 0.001$ . Discount level did not significantly impact perceptions of agency ( $F(1, 415) = 0.31$ ,  $p = 0.58$ ). The brand messaging x discount level

interaction was nonsignificant ( $F(1, 415) = 2.30, p = 0.13$ ). Similarly, for the Communal Index, the ANOVA revealed a significant main effect of the brand messaging condition, such that the communal ads ( $M = 4.98, SD = 1.22$ ) were rated to be more agentic than the agentic ads ( $M = 3.38, SD = 1.27$ ),  $F(1, 415) = 173.37, p < 0.001$ . Discount level did not significantly impact perceptions of communion ( $F(1, 415) = 0.75, p = 0.39$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 415) = 0.15, p = 0.70$ ).

*Brand Luxury Perceptions.* The items in the Brand Luxury Index were averaged into a single score (*Cronbach's*  $\alpha = .955$ ) wherein a higher score represents perceptions of higher luxury. For the Brand Luxury Index, the ANOVA revealed a significant main effect of the discount level condition, such that the low discount ads ( $M = 6.57, SD = 2.33$ ) were rated to have higher luxury than the high discount ads ( $M = 5.70, SD = 2.48$ ),  $F(1, 415) = 13.56, p < 0.001$ . Brand messaging did not significantly impact perceptions of luxury ( $F(1, 415) = 0.36, p = 0.55$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 415) = 1.19, p = 0.27$ ).

**Figure 7.**



*Strategic fit.* The items for the Strategic Fit Index were combined to form a single score (*Cronbach's*  $\alpha = .984$ ) wherein a higher score indicated a higher perception of strategic fit. For the Strategic Fit Index, the ANOVA revealed a significant main effect of the brand messaging condition such that participants reported higher perceptions of strategy fit in the agentic messaging condition ( $M = 5.66, SD = 1.88$ ) than in the communal messaging condition ( $M = 5.23, SD = 2.05$ ),  $F(1, 415) = 4.93, p = 0.027$ . The discount level did not significantly impact perceptions of strategic fit ( $F(1, 415) = 0.085, p = 0.77$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 415) = 0.84, p = 0.36$ ).

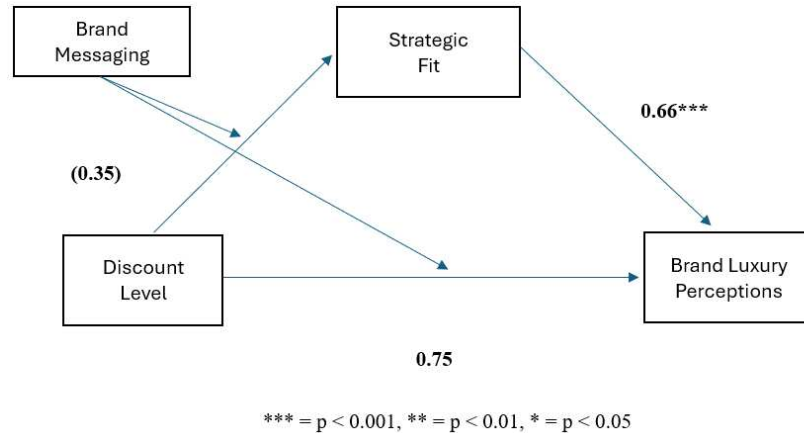
*Mediating role of strategic fit.* To test strategic fit mediated the interactive effect of discount level and brand messaging on brand luxury perceptions, a mediation analysis using process model 8 (5,000 bootstrapped samples; Hayes 2022) was conducted, with discount level as the independent variable, brand luxury perceptions as the dependent variable, brand messaging as the moderator and strategic fit as the mediator.

When observing the effects on strategic fit, discount level had a nonsignificant impact on strategic fit ( $\beta = 0.12, SE = 0.27, t = 0.44, p = 0.66$ ). Brand messaging had a significant impact on strategic fit ( $\beta = 0.60, SE = 0.27, t = 2.22, p = 0.027$ ). The discount level x brand messaging interaction had nonsignificant impact on strategic fit ( $\beta = -0.35, SE = 0.39, t = -0.92, p = 0.359$ ).

When observing the effects on brand luxury perception, discount level had a significant impact on brand luxury perceptions ( $\beta = -1.20, SE = 0.28, t = -4.29, p < 0.001$ ). Brand messaging had marginally significant effect on brand luxury perceptions ( $\beta = -0.51, SE = 0.28, t = -1.82, p = 0.07$ ). The discount level x brand messaging interaction had marginally significant effect on brand luxury perceptions ( $\beta = 0.75, SE = 0.40, t = 1.88, p = 0.06$ ). Strategic fit had a significant impact on brand luxury perceptions ( $\beta = 0.66, SE = 0.05, t = 12.99, p < 0.001$ ).

Finally, the 95% confidence interval for the index of moderated mediation did include zero (bootstrapped 95% CI = [-0.73; 0.25]), thus the mediating effect from study 2 was not replicated.

**Figure 8.**



*Downstream effects on Purchase Intention.* Finally, to examine the downstream effects of brand luxury perceptions on purchase intention a two-way ANOVA was conducted. The items were averaged into a single score (*Cronbach's*  $\alpha = .96$ ) wherein a higher score represents higher purchase intention. For purchase intention, the ANOVA revealed a significant main effect of the brand messaging condition, such that the agentic ads ( $M = 3.66$ ,  $SD = 1.94$ ) were rated to have higher purchase intention than the communal ads ( $M = 3.17$ ,  $SD = 1.83$ ), ( $F(1, 415) = 7.2$ ,  $p = 0.008$ ). Discount level did not significantly impact purchase intentions ( $F(1, 415) = 0.06$ ,  $p = 0.80$ ). The brand messaging x discount level interaction was nonsignificant ( $F(1, 415) = 0.11$ ,  $p = 0.74$ ).

While the prior two studies did not observe any differences in luxury perceptions across the low vs. high discount levels, this study increased the depth of the high discount and did observe a significant main effect on luxury perceptions such that the ads with a low discount



resulted in higher luxury perceptions when compared to those with high discounts. However, brand messaging did not successfully moderate this effect. Moreover, the mediating effect of strategic fit was not replicated. Finally, I observed a significant effect of brand messaging on purchase intentions, with agentic ads resulting in higher purchase intentions; no significant effects of discount level or its interaction with brand messaging were observed on purchase intention.

## **GENERAL DISCUSSION**

Three experiments in this thesis investigated how display ads varying in discount levels (high vs. low) and brand messaging (agentic vs. communal) affected brand luxury perceptions. Study 1 yielded only a marginally significant main effect for brand messaging. With changes to the stimuli, Study 2 revealed a marginally significant discount level x brand messaging interaction on luxury perceptions. Perceptions of strategic fit mediated these results. Moreover, individual differences in independent and interdependent self-construal affected how participants responded to the ads. Finally, Study 3 attempted to replicate study 2 findings and explore the downstream effects of luxury perceptions on purchase intentions. The interactive effect on luxury perceptions was observed to be nonsignificant, while purchase intentions were primarily affected by brand messaging. Interestingly, contrary to what one might expect, studies 1 and 2 did not find that steeper discounts negatively impacted luxury perceptions. A main effect of discount level only emerged in study 3, where the high discount condition used a very steep discount.

## **Theoretical Contributions and Marketing Implications**

This thesis theorized that a perceived fit or alignment between a luxury brand's discount level and brand messaging would help to preserve perceptions of the brand's luxuriousness. Findings from study 2 aligned with this theorizing. The ad showcasing a high discount and communal messaging was observed to have better strategic fit than an ad showcasing a high discount and agentic messaging. A high discount on a product tends to widen a product's potential consumer base by making it more accessible to a greater number of consumers – this widening of consumer base may be perceived to be in line with communal messaging as such messaging is usually more inviting and inclusive. Similarly, the ad showcasing a low discount and agentic messaging was observed to have better strategic fit than the ad showcasing a low discount and communal messaging. A low discount may be perceived as a brand's attempt to maintain exclusivity by making itself more accessible to only a smaller consumer base – such an attempt may be perceived to be in line with agentic messaging as such messaging is focused on maintaining prestige and exclusivity.

The findings from Study 1 help extend the existing literature on luxury perceptions from the lens of brand messaging with communal brand messaging being observed to have significantly higher luxury perceptions when compared to agentic brand messaging. This specifically is interesting as based on past literature and theorizing, I expected luxury perceptions to be higher for agentic brand messaging as the use of terms like 'for you' and implications of standing out indicate a higher sense of exclusivity. The higher sense of exclusivity would further signal that access to such a product is more limited, leading to inferences of higher luxury. However, this was not observed to be the case in Study 1.

Prior research on the effects of price discounts might lead one to believe that price discounts affect brand image in a negative and linear manner. This may also reflect managers' own beliefs. However, prior research usually only examined one discount level. By contrast, this research assessed more than one level and found unexpected results. Contrary to what one might expect, there appears to be a range in which high discounts may not adversely impact a brand's luxury perceptions compared to a lower discount. This implies that it is possible that, up to a point, higher discounts may not have the severe negative impacts on brand perceptions they are feared to have, however future research is needed to examine this possibility further. At the same time, brand managers may need be cognizant of the existence of a possible range beyond which luxury perceptions may be affected and until further research confirms, managers in favor of high discounts may want to be more cautious when advocating for promotion strategies involving extremely steep discounts.

While the findings across experiments may not have been consistently significant and leaves room for more research, it also possibly leaves enough room for managers of luxury brands to consider focusing their messaging strategy (agentic or communal) especially during promotional periods to ensure that the brand luxury perceptions are not negatively affected. These decisions on messaging strategy may be based on careful consideration towards the discount level being offered as it is possible that their consumers respond differently to different levels of discounts based on the messaging strategy of the brand. While further research is necessary, the findings of Study 2 regarding strategic fit playing a role in luxury perceptions may be an indicator for luxury brand managers to ensure that their focus must not be solely getting rid of excess stock, but also on how they're choosing to do so. If a promotional strategy is applied, brand managers may want to align their promotional strategies with the messaging to ensure

higher strategic fit. Based on the findings of this study, for promotions involving high discount, it may be advisable for brand managers to opt for a communal (vs. agentic) messaging if they wish to achieve a higher strategic fit. However, this may be reversed in case of a price promotion involving low discount.

Finally, the effects of self-construal observed in this study imply that individual differences in self-construal possibly play a role in how consumers respond to brand messaging. The effects of independence were observed to be more significant than those of interdependence. While this may be attributed to the cultural context of an American audience being studied in for the purpose of this research, it indicates that brand managers may want to consider strategically segmenting their customer base and developing a messaging strategy that fits their target segment.

### **Limitations and Future Research**

This research has several limitations. One limitation is that I chose not to include a control (no discount) condition in the experiments. The choice was made because the primary objective of this thesis was to examine the hypothesized interactive effect between discount level and brand messaging. A control condition would not be particularly useful in this regard. However, in retrospect, given that discount level did not appear to have a linear effect on luxury perceptions, a control condition would have revealed whether discounts have any negative impact on luxury perceptions. In particular, given that the studies used a fictitious brand, a control condition would have provided a baseline of luxury perceptions and, moreover, provided insight about how discounts may affect impression formation for a new brand.

Another limitation of this research is that I chose to focus only on the luxury handbags category. This choice was made keeping in mind that past research indicated the consumption of luxury products to align with the need for status with products being reflective of a ‘status symbol’. However, we may also want to consider that there may be different reasons that different consumers may have to purchasing luxury products, like durability, quality, etc. For example, the purchase of luxury skincare products may not be for status at all; instead it may be due to the benefits a consumer derives from the high quality and skin-safe components of the product. Future research may explore how different reasons for purchase may interact with discounted pricing.

The experiments in this thesis used American samples. This may be a limitation because, based on my data, individual differences of self-construal likely affect consumer response to agentic vs. communal brand messaging. Prior research has shown that self-construal is linked to culture, and American participants tend to be more independent (vs. interdependent) (Cross et al., 2003; Markus and Kitayama, 1991). This general observation aligns with the significantly higher means observed on the independence (vs. interdependence) scale used for the study. These results may differ vastly in case of an Asian demographic that may innately lay greater emphasis on interdependence (Cross et al., 2003; Markus & Kitayama, 1991). Since an individual’s self-construal may affect how they interact with agentic and communal messaging, it may be advisable for future research to explore the context of the study with a more diverse audience.

The studies for this thesis relied on consumer perceptions toward a fictitious luxury brand called Luxe. While fictitious brands help set a foundation of consumer perceptions free from bias based on familiarity, possibly aligning with how a new brand and its strategies may be perceived, however, comments from participants indicated greater purchase likelihood for a brand that they

may already be familiar with. Since luxury products are often perceived as a status symbol, status related agentic goals of an individual may be better achieved perhaps when consumers are faced with a brand that people around them are aware of. Moreover, discounts may affect established brands differently. One possibility is that established brands may be even more buffered against any potential negative effects of discounts given their existing brand equity. Another possibility is that established brands may be more negatively affected by discounts if discounts run contrary to consumers' expectations. To examine these possibilities, future research may be explored with stimuli that contain luxury brands that consumers are well acquainted with. Additionally, it would be interesting to explore how different customer bases, like new customers and existing customers, may respond to different levels of discounted pricing. I speculate that the luxury perceptions of existing consumers may be more negatively affected by discounts when compared to new customers. Existing customers may consider discounted pricing from a luxury brand that they associate themselves with as a threat to the self, especially if they purchased the product to signal uniqueness, as discounts make a product more accessible to a wider audience. Existing customers may also have other concerns, such as fairness or regret, if they had purchased the product at a higher (non-discounted) price.

This research hinges on discounts offered directly by brands to their customers, overlooking the fact that the discounts are not always offered by the brand themselves. Examining an essential vertical of sales for brands, like partner stores, may have interesting insights to offer in terms of how discounts interact with luxury perceptions. Partner stores in case of luxury brands are stores like gilt.com that house products from several luxury brands under one roof. Such stores often offer steep discounts on high-end luxury brands. I would speculate that luxury perceptions of brands may not be hurt as much if the discount is offered by a partner

store as it would if offered by the brand's own store. This may be due to the discounted price possibly being reflective of the partner store's ability to present its customers with a good deal instead of the brand directly putting strategies that may reduce its exclusivity into effect. With more research on discounts offered by partner stores (vs. discounts offered by brands), we may hope to find that partner stores may hold luxury brands less accountable for the possible negative effects of reduced pricing.

Study 2 found a significant interaction between brand messaging and discount level on luxury perceptions. However, the findings were opposite to what I hypothesized. Participants indicated higher luxury perceptions toward ads with high discount and agentic (vs. communal) messaging as well as ads with low discount and communal (vs. agentic) messaging. Measures of strategic fit further suggested a greater strategic fit for ads with high discount – communal messaging and low discount – agentic messaging. This contradiction suggests a possible compensatory effect in case of luxury perceptions. I speculate that when high discount is paired with agentic messaging, the nature of the messaging (suggesting exclusivity) offsets the possible negative effects of high discount suggested by past research. Similarly, it's possible that when low discount is paired with communal messaging, consumers may correlate lower discount with higher luxury and may perceive the communal messaging to be more inviting.

The results of study 2 suggested a significant interaction between discount level and brand messaging in explaining the effect on luxury perceptions, mediated by strategic fit. However, the results of study 3 were unable to replicate these results with an increase in the high discount. This leaves room for speculation regarding the range of discounts that a brand may offer without affecting its luxury perceptions as a very steep discount may still lead to a negative impact on luxury perceptions. Hence, more research must be done with different discount levels

to better understand the range within which brands may avoid the negative effects of discounted pricing during promotional periods.

Finally, comments on the studies suggested that participants who seemed to suspect the use of AI to write the messaging presented in the ad were generally displeased. This displeasure may have a role to play in how they form their perceptions of the brand, especially toward the brand's luxury perceptions. Consumers may perceive the use of AI to suggest a reduced sense of brand competency and may be more forgiving in nature towards other brands but may expect a lot more resources to be put in by luxury brands to maintain their luxury status. Hence, it may be interesting to explore the mediating role that suspicion of AI may have to play toward luxury perceptions.

## **Conclusion**

This research examined how high discount and low discount, combined with agentic- or communal messaging, influence luxury perceptions and purchase intentions. The results suggest discount levels may not affect luxury perceptions in a linear manner. The results also suggest that a perceived fit between discount level and brand messaging contributes to maintaining luxury perceptions. Future research should continue to investigate these interactions, particularly in diverse settings, to refine strategies for effective marketing. By doing so, marketers can develop robust strategies that help the brand with their short-term goals as well as maintain the luxury status of the brand.



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## APPENDIX A: STUDY CONSENT FORM

(Same Consent Form used across all studies)



### INFORMATION AND CONSENT FORM

**Study Title:** Product information and consumer perceptions

**Researcher:** Varun Raheja

**Researcher's Contact Information:** v\_raheja@live.concordia.ca

**Faculty Supervisor:** Sharlene He

**Faculty Supervisor's Contact Information:** sharlene.he@concordia.ca

**Source of funding for the study:** N/A

We cordially invite you to take part in the aforementioned research study. This form contains details regarding the implications of participation. Kindly review it carefully to determine whether you would like to participate. If any aspect remains unclear or if you seek additional information, please inquire with the researcher.

#### A. PURPOSE

The purpose of the research is to understand the effects of product information and pricing on consumer perceptions and preferences.

#### B. PROCEDURES

If you decide to take part in this study, you will be requested to provide responses to questions such as your judgment and attitudes towards content shown in the study, standard psychological scales, as well as basic demographic details. In total, participating in this study will take less than 5 minutes.

#### C. RISKS AND BENEFITS

There are no identified risks associated with your involvement in this study. Previous participants who have taken part in similar studies have not reported any negative consequences or adverse effects. It is important to note that this research is not designed to provide personal benefits to individual participants.

#### **D. CONFIDENTIALITY**

In the course of this research, we will collect the following data: your platform ID and your responses to the study's questions. We want to assure you that the gathered information will remain strictly confidential and will only be accessible to individuals directly involved in the research process. Gathered information will be utilized solely for the purposes outlined in this study.

We will ensure the privacy and security of the data by restricting access to the dataset exclusively to the research team members. The data will be stored on password-protected computers, Qualtrics' servers, and password-protected cloud services. However, please note that data files uploaded to cloud services located on U.S. servers may be subject to the USA Patriot Act, which may impact data privacy. While we do intend to publish the research findings, it will not be possible to identify you in the published results. Anonymized data may be shared with editors and reviewers during the publication process, and it may also be made available to other researchers. However, it will not be possible to identify you in the data set.

If you withdraw before the end of the study, the survey automatically records your response as incomplete. Incomplete responses are always deleted before the data is analyzed. After you submit the survey, it will not be possible to withdraw your data at this point.

#### **F. CONDITIONS OF PARTICIPATION**

Your participation in this research is entirely voluntary. You have the freedom to decide whether or not to take part, and you are free to withdraw at any time during the study. If you choose to withdraw your participation at anytime during the study, simply close this web browser. As a compensation for your participation in this research, you will receive the monetary reward specified in the study description on the platform. Upon completion of the study, you will be redirected back to the platform. If you stop before completing the study, you will not receive this compensation.

It is important to note that there will be no negative consequences if you choose not to participate, discontinue your participation at anytime, or request that your information not be

used.

### **G. PARTICIPANT'S DECLARATION**

I have read and understood this form. I have had the chance to ask questions and any questions have been answered. I agree to participate in this research under the conditions described.

If you have questions about the scientific or scholarly aspects of this research, or would like to learn more about the purpose of this study, please contact the researcher. Their contact information is at the top of the page. You may also contact their faculty supervisor.

If you have concerns about ethical issues in this research, please contact the Manager, Research Ethics, Concordia University, 514.848.2424 ex. 7481 or [oor.ethics@concordia.ca](mailto:oor.ethics@concordia.ca).

**BY CLICKING "NEXT", I FREELY CONSENT AND VOLUNTARILY AGREE TO PARTICIPATE IN THIS STUDY.**



## APPENDIX B: STIMULI AND MEASURES – PRE-TEST



### Condition: Visual set 1

<p><i>L</i> LUXE</p>  <p>The Perfect Handbag, Just For You!</p>	<p><i>L</i> LUXE</p>  <p>The Perfect Handbag, For You &amp; Your Squad!</p>
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**Condition: Agentic Messaging**

**Condition: Communal Messaging**

### Condition: Visual set 2

<p><i>L</i> LUXE</p>  <p>The Perfect Handbag, Just For You!</p>	<p><i>L</i> LUXE</p>  <p>The Perfect Handbag, For You &amp; Your Squad!</p>
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**Condition: Agentic Messaging**

**Condition: Communal Messaging**

## Brand luxury index

Please answer the following questions about how you perceive this brand:

	Not At All 1	2	3	4	5	6	7	8	9	Extremely 10
Owning a product from this brand is a <b>status symbol</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Owning a product from this brand is a <b>sign of exclusivity</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand's products are of <b>exceptional quality</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand's products provide a <b>luxurious and indulgent experience</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe that his brand's products are <b>expensive</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Agentic & Communal Index

Based on the ad above, please rate your agreement with the following statements:

	Highly Disagree 1	2	3	4	5	6	Highly Agree 7
This ad is for someone who likes to be <b>self-sufficient</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would likely attract an <b>independent</b> individual.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>community</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is directed towards people who want to <b>connect with others</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad shows the value of <b>social relationships</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>individualism</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is intended for someone who wants to <b>stand out</b> from the crowd.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would attract someone <b>seeking to be accepted</b> by a particular social group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

# APPENDIX C: STIMULI AND MEASURES – STUDY 1



## Condition: Agentic Messaging

<p>L LUXE</p>  <p>The Perfect Handbag, Just For You!</p> <p><del>\$700</del> \$280</p>	<p>L LUXE</p>  <p>The Perfect Handbag, Just For You!</p> <p><del>\$700</del> \$595</p>
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Condition: High Discount Level

Condition: Low Discount Level

## Condition: Communal Messaging

<p>L LUXE</p>  <p>The Perfect Handbag, For You &amp; Your Squad!</p> <p><del>\$700</del> \$595</p>	<p>L LUXE</p>  <p>The Perfect Handbag, For You &amp; Your Squad!</p> <p><del>\$700</del> \$280</p>
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Condition: High Discount Level

Condition: Low Discount Level

## Price-Check

What is the discounted price of a handbag as seen in the ad?

- \$100
- \$280
- \$595
- \$1000

## Brand favorability

I believe this brand's image is...

Unsatisfactory	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Satisfactory
Unpleasant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Pleasant
Unattractive	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Attractive
Negative	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Positive
Bad	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Good
Poor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Excellent
Undesirable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Desirable

## Brand clarity

I believe this brand's image is...

Unapparent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Apparent
Distinct	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Indistinct
Obvious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Not Obvious
Vague	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Well-Defined
Unclear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Clear

## Agentic & Communal Index

Based on the ad above, please rate your agreement with the following statements:

	Highly Disagree 1	2	3	4	5	6	Highly Agree 7
This ad is for someone who likes to be <b>self-sufficient</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would likely attract an <b>independent</b> individual.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>community</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is directed towards people who want to <b>connect with others</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad shows the value of <b>social relationships</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>individualism</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is intended for someone who wants to <b>stand out</b> from the crowd.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would attract someone <b>seeking to be accepted</b> by a particular social group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>


# Brand luxury index



Please answer the following questions about how you perceive this brand:

	Not At All 1	2	3	4	5	6	7	8	9	Extremely 10
Owning a product from this brand is a <b>status symbol</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Owning a product from this brand is a <b>sign of exclusivity</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand's products are of <b>exceptional quality</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand's products provide a <b>luxurious and indulgent experience</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## APPENDIX D: STIMULI AND MEASURES – STUDY 2

### Condition: Agentic Messaging – High Discount Level






### The Enigma Bag



~~\$700~~ **\$280**

**Now at 60% off**

Indulge in the elegance of The Enigma Bag™, meticulously crafted **just for you**. Made with premium materials and matte sophistication, this handbag caters to **your unique style**, ensuring that you **stand out from the crowd**.

### Condition: Agentic Messaging - Low Discount Level






### The Enigma Bag



~~\$700~~ **\$595**

**Now at 15% off**

Indulge in the elegance of The Enigma Bag™, meticulously crafted **just for you**. Made with premium materials and matte sophistication, this handbag caters to **your unique style**, ensuring that you **stand out from the crowd**.

**Condition: Communal Messaging – High Discount Level**






### The Enigma Bag



~~\$700~~ **\$280**

**Now at 60% off**

Indulge in the elegance of The Enigma Bag™, meticulously crafted for **your whole squad**. Made with premium materials and matte sophistication, this handbag caters to **your group's unique style**, allowing every woman to **feel like she belongs**.

**Condition: Communal Messaging – Low Discount Level**





### The Enigma Bag

~~\$700~~ **\$595**

**Now at 15% off**

Indulge in the elegance of The Enigma Bag™, meticulously crafted for **your whole squad**. Made with premium materials and matte sophistication, this handbag caters to **your group's unique style**, allowing every woman to **feel like she belongs**.

## Price-Check

What is the discounted price of a handbag as seen in the ad?

- \$100
- \$280
- \$595
- \$1000

## Brand luxury index

Please answer the following questions about how you perceive this brand:

	Not At All 1	2	3	4	5	6	7	8	9	Extremely 10
Owning a product from this brand is a <b>status symbol</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Owning a product from this brand is a <b>sign of exclusivity</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand's products are of <b>exceptional quality</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand's products provide a <b>luxurious and indulgent experience</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Agentic & Communal Index

Based on the ad above, please rate your agreement with the following statements:

	Highly Disagree 1	2	3	4	5	6	Highly Agree 7
This ad is for someone who likes to be <b>self-sufficient</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would likely attract an <b>independent</b> individual.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>community</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is directed towards people who want to <b>connect with others</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad shows the value of <b>social relationships</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>individualism</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is intended for someone who wants to <b>stand out</b> from the crowd.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would attract someone <b>seeking to be accepted</b> by a particular social group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Strategic fit index

Based on the ad above, I think the combination of the brand's message and its current price:

Does not belong with	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Belongs with
Does not go together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Goes together
Does not fit together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fits together




## Self-construal scale

Please answer the following questions about yourself:

	Highly Disagree 1	2	3	4	5	6	Highly Agree 7
I do my own thing, regardless of what others think.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will sacrifice my self-interest for the benefit of the group that I am in.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'd rather say "No" directly than risk being misunderstood.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I prefer to be direct and forthright when dealing with people I've just met.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If my brother or sister fails, I feel responsible.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I often feel like my relationships with others are more important than my own accomplishments.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I act the same way no matter who I am with.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I always express myself openly. Please ignore this question and select 2 on the scale.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My happiness depends on the happiness of those around me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will stay in a group if they need me, even if I am not happy with the group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I act the same way at home as I do at school (or work).	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## APPENDIX E: STIMULI AND MEASURES – STUDY 3


### Condition: Agentic Messaging – High Discount Level




**The Élégente**  
~~\$700~~ **\$210**  
**Now at 70% off**

Indulge in the elegance of The Élégente Bag™, meticulously crafted **just for you**. The sleek and timeless design epitomizes Luxe's vision and caters to **your unique style**, ensuring that you **stand out from the crowd**.

Own this exquisite creation now at an **exclusive price**.




### Condition: Agentic Messaging – Low Discount Level




**The Élégente**  
~~\$700~~ **\$630**  
**Now at 10% off**

Indulge in the elegance of The Élégente Bag™, meticulously crafted **just for you**. The sleek and timeless design epitomizes Luxe's vision and caters to **your unique style**, ensuring that you **stand out from the crowd**.

Own this exquisite creation now at an **exclusive price**.




**Condition: Communal Messaging – High Discount Level**




**The Élégante**  
~~\$700~~ **\$210**  
Now at 70% off

Indulge in the elegance of The Élégante Bag™, meticulously crafted for **your whole squad**. The sleek and timeless design epitomizes Luxe's vision and caters to **your group's unique style**, allowing every woman to **feel like she belongs**.

Own this exquisite creation now at an **exclusive price**.




**Condition: Communal Messaging – Low Discount Level**



**The Élégante**  
~~\$700~~ **\$630**  
Now at 10% off

Indulge in the elegance of The Élégante Bag™, meticulously crafted for **your whole squad**. The sleek and timeless design epitomizes Luxe's vision and caters to **your group's unique style**, allowing every woman to **feel like she belongs**.

Own this exquisite creation now at an **exclusive price**.



## Price-Check

What is the discounted price (final price after discount) of the handbag as seen in the ad?

- \$100
- \$210
- \$630
- \$1000

## Strategic fit index

Based on the ad above, I think the combination of the brand's message and its current price:

Does not belong with	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Belongs with
Does not go together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Goes together
Does not fit together	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Fits together

## Brand luxury index

Please answer the following questions about how you perceive this brand:

	Not At All 1	2	3	4	5	6	7	8	9	Extremely 10
Owning a product from this brand is a <b>status symbol</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Owning a product from this brand is a <b>sign of exclusivity</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This brand's products are of <b>exceptional quality</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The brand's products provide a <b>luxurious and indulgent experience</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Purchase Intention Index

Suppose you are looking to buy a luxury handbag for yourself and you are willing to budget up to \$900 for a handbag...

...how likely would you be to purchase the Luxe Élégante handbag?

1 = Not likely at all	2	3	4	5	6	7 = Very likely
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

...to what extent would you be inclined to purchase the Luxe Élégante handbag?

1 = Not inclined at all	2	3	4	5	6	7 = Very inclined
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Agentic & Communal Index

Based on the ad above, please rate your agreement with the following statements:

	Highly Disagree 1	2	3	4	5	6	Highly Agree 7
This ad is for someone who likes to be <b>self-sufficient</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would likely attract an <b>independent</b> individual.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>community</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is directed towards people who want to <b>connect with others</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The ad shows the value of <b>social relationships</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad reflects a sense of <b>individualism</b> .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad is intended for someone who wants to <b>stand out</b> from the crowd.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This ad would attract someone <b>seeking to be accepted</b> by a particular social group.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## APPENDIX F: FLOODLIGHT ANALYSIS

Moderator value(s) defining Johnson-Neyman significance region(s):

Value	% below	% above
5.034	54.386	45.614

Conditional X\*W interaction at values of the moderator Z:

Indep	Effect	se	t	p	LLCI	ULCI
1.600	-2.821	1.454	-1.940	.053	-5.679	.038
1.870	-2.525	1.347	-1.874	.062	-5.174	.124
2.140	-2.229	1.242	-1.795	.073	-4.671	.213
2.410	-1.933	1.138	-1.699	.090	-4.171	.304
2.680	-1.637	1.036	-1.580	.115	-3.674	.400
2.950	-1.342	.937	-1.432	.153	-3.183	.500
3.220	-1.046	.841	-1.244	.214	-2.699	.608
3.490	-.750	.750	-1.000	.318	-2.225	.725
3.760	-.454	.666	-.682	.496	-1.764	.856
4.030	-.158	.592	-.268	.789	-1.322	1.006
4.300	.137	.532	.258	.796	-.909	1.183
4.570	.433	.491	.882	.378	-.532	1.399
4.840	.729	.474	1.537	.125	-.203	1.661
5.034	.941	.479	1.966	.050	.000	1.882
5.110	1.025	.484	2.117	.035	.073	1.977
5.380	1.321	.519	2.544	.011	.300	2.341
5.650	1.616	.575	2.813	.005	.486	2.746
5.920	1.912	.646	2.962	.003	.643	3.181
6.190	2.208	.727	3.036	.003	.778	3.638
6.460	2.504	.817	3.066	.002	.898	4.109
6.730	2.800	.911	3.072	.002	1.008	4.591
7.000	3.095	1.010	3.066	.002	1.110	5.080