



Lisbon School  
of Economics  
& Management  
Universidade de Lisboa

# MASTER IN MANAGEMENT (MiM)

## MiM Final Work

Dissertation

**Examining Value Creation and Loyalty in  
Luxury Brands from a customer's  
perspective: The influence of Exclusivity and  
Experience**

Aida Beatriz Nunes Lima

April 2025



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## ABSTRACT

Consumer loyalty in the luxury market of today is not simply about having the best product and the best quality, it is an experience that the brands deliver, through exclusivity and meaningful engagement. Consumers now demand rarity, emotional connection and immersive experiences that go far beyond ownership, all of which helps define their perception of a brand's value. However, the interplay of these factors and their influence on brand loyalty is still underexplored. Thus, this dissertation intends to explore the relationship between exclusivity and experiences and their roles in perceived value and long-term loyalty. Using a qualitative approach, 13 in-depth interviews were conducted with mid-tier and upper mid-tier luxury consumers to understand their motivations and purchasing behaviors.

Findings show that exclusivity enhances perceived value, mostly because it fosters a feeling of rarity, distinction, and personal identity. However, the influence of exclusivity on loyalty diverge between the consumers. Some consumers remain loyal precisely because of exclusivity, while others prioritize other factors such as quality, authenticity and emotional connections. Luxury experiences play a critical role too, with consumers prioritizing personalized service, emotional engagement and sensory appeal as factors that influence their perceived value and consequently their loyalty to the brand. While mid-tier consumers value emotional and relational aspects, upper mid-tier consumers focus more on status, craftsmanship, and heritage.

From an academic perspective, this study contributes to the literature by providing an integrative perspective that addresses the influence of exclusivity, experiences and perceptions of value on loyalty, while underscoring the importance of more profound qualitative exploration in luxury brand management.

For managers at luxury brands, the study emphasizes the need for a balance between exclusivity and accessibility, creating remarkable brand experiences and maintaining exceptional product quality, in order to create stronger ties with consumers and develop long-term loyalty.

**Keywords:** Luxury brands, exclusivity, experiences, perceived value, brand loyalty, consumer behavior

## RESUMO

A lealdade do consumidor no mercado de luxo atual não se resume apenas a ter o melhor produto e a melhor qualidade, mas sim a uma experiência que as marcas proporcionam, através da exclusividade e de um envolvimento significativo. Atualmente, os consumidores exigem raridade, ligação emocional e experiências imersivas que vão muito além do produto.

A interação destes fatores e a sua influência na lealdade à marca é ainda pouco explorada. Assim, esta dissertação pretende explorar a relação entre exclusividade e experiências e a consequente influência no valor percebido e na lealdade. Foi utilizada uma abordagem qualitativa e realizadas 13 entrevistas a consumidores de luxo de nível médio e médio-alto para compreender as suas motivações e comportamentos de compra.

Os resultados mostram que a exclusividade aumenta o valor percebido, sobretudo porque promove um sentimento de raridade, distinção e identidade pessoal. No entanto, a influência da exclusividade na lealdade difere entre os consumidores. Alguns consumidores permanecem leais pela exclusividade, enquanto outros dão prioridade a outros fatores, como a qualidade, a autenticidade e as ligações emocionais. As experiências de luxo também desempenham um papel fundamental, uma vez que os consumidores demonstraram valorizar o serviço personalizado, o envolvimento emocional e o apelo sensorial. Enquanto os consumidores de nível médio valorizam os aspetos emocionais e relacionais, os consumidores de nível médio-alto centram-se mais no *status*, no artesanato e no património.

De um ponto de vista académico, este estudo contribui para a literatura ao fornecer uma perspetiva integradora que aborda a influência da exclusividade, das experiências e da perceção de valor na lealdade, ao mesmo tempo que sublinha a importância de uma abordagem qualitativa mais profunda na gestão das marcas de luxo.

Para os gestores de marcas de luxo, o estudo sublinha a necessidade de um equilíbrio entre exclusividade e acessibilidade, através da criação experiências memoráveis e da garantia de uma qualidade de produto excepcional, a fim de criar laços mais fortes com os consumidores e fomentar uma lealdade a duradoura.

**Palavras-chave:** Marcas de luxo, exclusividade, experiências, valor percebido, lealdade à marca, comportamento do consumidor.

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## CHAPTER 1- INTRODUCTION

### *1.1 Theoretical Context*

The negative effects of the macroeconomic, political, and social challenges that the world has been dealing with for the last few years at both the macro and micro levels can be observed in different markets across the globe (Gourinchas, 2024). In contrast, 2023 marked a strong rebound in the global luxury market, achieving an impressive growth of 8% to 10% comparing with 2022 and reaching an estimated value of €1.5 trillion in the market (D'Arpizio et al., 2024). These figures not only set a historical record for the industry but also demonstrate its resilience and ability to adapt to new conditions.

Luxury brands stand out by offering: high-priced products, highest quality, exclusivity, and prestige (Ko et al., 2019). Therefore, traditionally, the growth of luxury industry is driven by consumers who value not only the superior quality of products but also the exclusivity, prestige, heritage, legacy, and rarity that accompany luxury brands' offerings (Heine & Phan, 2011; Phau & Prendergast, 2000), providing a higher status position (Kapferer & Valette-Florence, 2021). Status is closely connected to a person's social position in a specific context, significantly affecting how individuals think, feel, and interact with one another, both within their groups and in broader social settings (Benson et al., 2023).

However, it is important to note that a brand's offering is not limited to the product itself, as consumers increasingly seek strong and memorable experiences (Zomerdijk & Voss, 2009). These experiences make the acquisition of the product more exclusive and have the power to create emotional ties with consumers (Dion & Borraz, 2017). Thus, it becomes increasingly relevant to analyze the consumer's perspective in choosing a luxury brand, as their considerations are becoming more complex and go beyond the product itself and its social representation (Kerviler & Rodriguez, 2019). Based on significant changes in social and economic dynamics, luxury is associated with the desire to own and use luxurious goods that provide a sense of accomplishment and personal fulfillment (Cristini et al., 2017).

Loyalty becomes an essential part of luxury brands' success, as it is a central pillar that enables long-term survival (Fanandaru et al., 2023). Repeated purchasing in the luxury market is not enough in terms of loyalty. Consumers are looking for emotional connection with the brand, which can be developed with personalized services, exclusive events and more bespoke experiences (Loureiro & Araújo, 2014). Luxury brands play an important role in actively shaping the perception of exclusiveness and prestige in order to reinforce these emotional relationships and increase the consumer's right of identity and social position (Balabanis & Stathopoulou, 2021). Equally critical in this landscape is the concept of value creation, which lies at the heart of luxury brand strategies (Holmqvist et al., 2020). From the customer's perspective, value creation in the luxury market is a holistic process where exclusivity and experiences interplay to deliver a product that is not only of superior quality but also rich in symbolic and emotional meaning (Tynan et al., 2010). This complex interplay is what differentiates luxury brands from their non-luxury counterparts and is fundamental to their ability to command premium prices and maintain consumer loyalty (Kapferer & Bastien, 2009).

It is the critical role of exclusivity and experiences in shaping consumer perceptions and behaviors in the luxury market (Tynan et al., 2010) that leads these constructs in the present study. Exclusivity and experiences are not only central to the creation of value but also have a profound influence on brand loyalty (Chaudhuri & Holbrook, 2001; Oliver, 1999). Therefore,

these elements are pivotal in understanding how value is created and sustained in the luxury market, making them the most relevant factors to explore in the context of this dissertation (Atkinson & Kang, 2022; Holmqvist et al., 2020).

## ***1.2 Purpose of the Study and Specific Objectives***

As contextualized above, the luxury market is defined by its unique attributes, where factors such as exclusivity and experiences play pivotal roles in shaping consumer perceptions and fostering both value creation and brand loyalty. Although, it is essential to explore how and why these influential variables influence the value that consumers perceive in luxury brands and their subsequent loyalty to these brands. By delving into the underlying motivations and perceptions that drive consumer engagement with these elements, this research aims to uncover the intricate ways in which these factors contribute to a luxury brand's ability to create and sustain value, ultimately fostering strong consumer loyalty.

### ***1.2.1 Research Question and Specific Objectives***

The research seeks to answer the central question: **How do exclusivity, experiences, and value creation foster loyalty toward luxury brands?** To address this question, the investigation establishes three specific objectives. First of all, it aims to analyze the importance of exclusivity in enhancing perceived value and building customer loyalty. In addition to exclusivity, the study seeks to explore the role of experiences in shaping customer perception of value and reinforcing loyalty. Furthermore, the research intends to investigate how value creation drives brand loyalty and fosters long-term commitment.

## ***1.3 Relevance of the study and Motivation***

The luxury market has been extensively studied, particularly in consumer behavior, brand management, and value creation (Gupta et al., 2023; Hennigs et al., 2015; Wang et al., 2022). However, there are still significant research gaps in understanding how the key variables in this investigation: exclusivity and experiences, interact to influence perceived value and consumer loyalty while interacting between each other. Despite previous studies have examined these factors individually, there is a lack of integrative research that explores their combined influence on consumer perceptions and long-term commitment to luxury brands (Atkinson & Kang, 2022).

From an academic perspective, this study advances knowledge in luxury brand management by addressing key gaps and providing a more comprehensive view of the relationship between exclusivity, experiences, and value creation, examining how they interact with each other and consequently influence perceived value and consumer loyalty. Previous research has often treated these factors separately, without fully exploring their interconnected effects on consumer perceptions (Cristini et al., 2017). This study takes a holistic approach, analyzing how these elements collectively drive brand loyalty. Additionally, most past studies have relied on quantitative methods, which may not fully capture the complexity of consumer behavior in luxury markets (Holmqvist et al., 2020). By integrating insights from consumers, this research offers a deeper understanding of how these interrelated variables shape brand loyalty and value perception in the luxury sector. Furthermore, the study expands existing literature by investigating how luxury brands can balance accessibility and exclusivity in an era of mass production and digitalization (Bazi et al., 2020; Fuentes et al., 2023). In an increasingly competitive and evolving landscape, understanding how brands can sustain exclusivity while catering to a broader global audience is crucial (Kapferer & Valette-Florence, 2016). This research also aligns with recent calls for a more experience-driven understanding of luxury, as

consumers shift from product ownership to immersive brand experiences as one important source of value (Atwal & Williams, 2009).

From a practical standpoint, the findings offer valuable insights for luxury brand managers navigating in increasingly dynamic and competitive market. Despite economic fluctuations, the luxury sector continues to grow, with projections indicating an annual increase of 5% to 7% over the next six years, driven by younger consumers and digital expansion (D'Arpizio et al., 2024). This evolution underscores the importance of understanding the drivers of consumer loyalty and value creation. As luxury brands rely more on their ability to craft personalized, immersive experiences, this study provides actionable strategies for fostering deeper consumer relationships and ensuring long-term commitment (Kapferer & Bastien, 2012).

#### ***1.4 Dissertation structure***

This dissertation is organized into five sections. The introduction defines the research challenge, aims, and relevance, highlighting theoretical and practical gaps and emphasizing the importance in the study of luxury brands. Further, the literature review critically examines key studies and theories, addressing the limitations of previous research and establishing this work as a contribution to academic investigation. The methodology details the qualitative research design, data collection method, analysis techniques and the results. In the analysis and discussion of results, the data is presented and interpreted, relating findings with previous research while analyzing implications for luxury brands. Finally, the conclusion summarizes key findings of the investigation, highlights the academic and practical contributions, discusses limitations, and offers suggestions for future research.

## **CHAPTER 2- LITERATURE REVIEW**

### ***2.1 Luxury, Luxury Brands and Luxury Consumption***

#### **a. Luxury**

The concept of luxury has roots in ancient times, appearing in classical literature from authors like Virgil and Cicero, where it was often criticized by religious and moral authorities (Chandon et al., 2016). Despite the enduring critiques from philosophers like Aristotle to modern thinkers regarding the behaviors of luxury consumers, the luxury industry has remained successful and expanded, despite global economic challenges (Chandon et al., 2016). Luxury was over the centuries transformed from a symbol of excess and available only to an exclusive elite to a medium for people to express who they are and what they want to be. Now, luxury speaks to a wider spectrum of people as a synonym of self-expression in society (Chandon et al., 2016). According to Kapferer and Valette-Florence (2018), luxury goes beyond a simple idea of physical product characteristics as it involves a range of attributes, such as superior quality, exclusivity, rarity, personalized service, and finally provides an emotional and symbolic experience to the consumer. This perspective is supported by more recent research that emphasize the critical role of consumer experience and the creation of symbolic value in defining what luxury truly means (Gupta et al., 2023). Wang (2022) further refines this idea, defining luxury as products and brands that stand out due to their high cost, exclusivity, exquisite design, craftsmanship, sensory appeal, and distinct socio-cultural narratives. Additionally, Kapferer and Valette-Florence (2016) emphasize that luxury is not merely about the products themselves but also about the dreams and symbolism associated with luxury brands.

## **b. Luxury Brands**

Keller (2009) identifies ten key attributes that set luxury brands apart: maintaining a premium image, creating intangible brand associations, aligning with high quality, leveraging logos and symbols to build brand equity, linking with influential personalities and events, controlling distribution channels, adopting premium pricing strategies, managing brand architecture carefully, considering broad competition, and ensuring legal protection of trademarks.

Building on this foundation, recent studies by Ko et al. (2019) have re-evaluated existing definitions and proposed a more comprehensive understanding of luxury brands. They describe luxury brands as those perceived by consumers to offer exceptional quality, deliver authentic value through both functional and emotional benefits, and maintain a prestigious image rooted in qualities like craftsmanship and service excellence. Furthermore, these brands are seen as justifying their premium prices and fostering deep emotional connections with consumers. Ultimately, what defines a brand as luxury is the consumer's perception, which hinges on these intricate dynamics (Ko et al., 2019).

## **c. Luxury Consumption**

Kapferer and Bastien (2009) describe luxury consumption as involving the purchase of goods that offer exceptional quality, exclusivity, and prestige, often associated with high prices that enhance their rarity and desirability. These products are more than mere commodities, they symbolize status and social power.

Vigneron and Johnson (2004) identify five key dimensions of perceived value in luxury consumption: quality, uniqueness, pleasure, social value, and self-expression. These dimensions highlight that luxury consumers are attracted not only to the tangible qualities of products but also to the emotional and social benefits they provide. Moreover, Fionda and Moore (2009) highlight that luxury consumption transcends basic needs by encompassing products and experiences that offer superior quality and craftsmanship but also significant emotional satisfaction and social distinction. They suggest that luxury goods are closely associated with symbolic meanings, which allow consumers to express their identity and differentiate themselves in society.

With changing trends in luxury consumption, identifying customers' perception of value and creation of loyalty toward luxury brands has become even more critical (Wang, 2022). Traditionally, luxury products have been considered to be high quality, rare, and exclusive products that act as symbols of status and wealth (Kapferer, 2014; Pandelaere & Shrum, 2020; Veblen, 1999). Nevertheless, the expectations and behaviors of luxury consumers are extensively influenced by recent socio-economic, cultural and technological changes, and these need to be reconsidered in order to shape effective strategies for luxury brands (Wang, 2022).

## **d. Luxury Consumption theories and evolution**

Luxury consumption has traditionally been motivated by a need to show wealth and gain social status. According to Thorstein Veblen (1999)'s theory of conspicuous consumption Luxury consumers buy expensive and ostentatious products to signal wealth and social standing. This traditional approach of luxury, however, stresses that ostentation and display of wealth is the fundamental driver for luxury consumption, where the exclusivity of luxury reinforces its expensive prices (Kapferer, 2014). Studies further indicate that heritage, tradition and authenticity are fundamental drivers in luxury consumption because they constitute the guarantees of quality and prestige (Dubois & Duquesne, 1993; Kapferer & Bastien, 2009). Truong

et al. (2009) expand on this understanding by discussing luxury consumption as closely tied to the consumers' need for social recognition and the desire for products that reflect their personal values and aspirations

Contemporary views have transformed luxury consumption. Modern consumers are increasingly interested in personal, personalized, and meaningful experiences through luxury consumption, rather than mere ostentation of wealth (Gupta et al., 2023). Atkinson and Kang (2022) identify five new core values in luxury consumption, reflecting this shift: inconspicuous consumption, self-directed pleasure, intrinsic experiential value, personal fulfillment, and sustainability.

Modern luxury consumers place high value on personalized and meaningful experiences that connect them with brands (Shin et al., 2022). Luxury brands are increasingly focused on creating unique and memorable experiences that go beyond product ownership, as these experiences significantly influence consumers' perception of value, satisfaction, and loyalty (Gupta et al., 2023). An emerging trend in luxury consumption is inconspicuous consumption, which challenges the traditional definition of luxury (Atkinson & Kang, 2022). This concept posits that luxury consumers prefer products that do not ostentatiously display logos and are not automatically recognized by the general public. Instead, the value of luxury is intended to be interpreted by those who are familiar with the culture and value of luxury brands, that is, by specific groups (Eckhardt et al., 2015). This trend reflects a shift in how status is signaled, favoring discretion and sophistication over open ostentation.

While contemporary approaches are gaining prominence, traditional drivers of luxury consumption, such as the pursuit of social recognition and status, continue to be relevant in recent literature (Bazi et al., 2020). Public self-consciousness also emerges as a relevant factor, where individuals consume luxury products to enhance their social image and gain validation from others (Balabanis & Stathopoulou, 2021). The role of intangible attributes, such as heritage, authenticity, and exclusivity, remains central to luxury brands' status signaling. The intangible attributes not only differentiate luxury brands from other product categories but also create a deep emotional connection with consumers, influencing their loyalty and willingness to pay a premium price (Wang, 2022).

## ***2.2 Perceived Value***

Perceived value is the consumer's judgment about the product's worth and is the comparison of benefits received in exchange for the sacrifices or costs incurred (Zeithaml, 1988). In the luxury brand context, perceived value extends beyond tangible attributes, incorporating emotional, symbolic, and social dimensions (Wiedmann & Hennigs, 2007). Based on Wiedmann and Hennigs (2007), the perception of value in luxury products can be divided in four major main components:

### **a. Functional Value**

Functional value aligns with the tangible and practical characteristics of a product, including its quality, performance, durability, and functionality (Sweeney & Soutar, 2001). Luxury products are typically associated with high functional value due to the use of superior materials and meticulous manufacturing processes (Wiedmann & Hennigs, 2007). These products are designed to offer greater longevity and better performance compared to mass-market alternatives (Beverland, 2004). Luxury goods enhance durability and performance, and these are achieved in part by rigorous quality testing and the use of high technology (Fionda & Moore,

2009). Consequently, research shows that consumers' perception of the quality of a product is a defining factor when they are willing to pay premium prices for luxury products (Vigneron & Johnson, 2004). Luxury consumers traditionally spend more because they consider luxury goods to provide superior value compared to mass produced goods which is mainly due to the fact that they believe that these goods are of superior quality, craftsmanship and are exclusive (Vigneron & Johnson, 2004).

#### **b. Emotional Value**

Luxury brands fulfill not only functional needs but also psychological desires, with the latter often being the key differentiator (Vigneron & Johnson, 2004). Emotional value refers to the feelings and emotions that a product evokes in the consumer (Bagozzi et al., 1999). These emotions are complex and multidimensional, reflecting the consumer's relationship with their social and physical environment as well as their interpretations of these relationships (Achar et al., 2016). This emotional component is central to the luxury consumption experience, as consumers often seek emotional satisfaction that goes beyond mere functionality (Vigneron & Johnson, 2004). The emotional experience is further enhanced by the brand's narrative, which may include elements such as craftsmanship, cultural heritage, and exclusivity (Franco et al., 2022).

#### **c. Symbolic Value**

Symbolic value in luxury brands is closely tied to the meanings and cultural associations that these products represent (Vigneron & Johnson, 1999). Luxury brands are often perceived as symbols of status, prestige, and exclusivity, motivating consumers to purchase them as a way to express these qualities (Esmaeilpour, 2015; Kapferer & Bastien, 2012). This value arises from the product's ability to signify something greater, such as the consumer's social position or their affiliation with an exclusive group (Belk, 1988). In this perspective, the results presented in the recent study by Sahin and Nasir (2022) initially observed that status-oriented consumption and conspicuous consumption are linked to the perception of symbolic value. Subsequently, it was identified that the symbolic status attributed to the product by the consumer is related to the symbolic status attributed by other consumers. Finally, the research revealed that, on average, consumers evaluate the symbolic status of the products they own more highly than they evaluate the symbolic status of products owned by others.

#### **d. Social Value**

Social value in luxury products pertains to their influence on the consumer's social image and status (Reyes-Menendez et al., 2022). Possessing and using luxury items can enhance social recognition and acceptance within certain groups, thereby reinforcing an individual's social identity (Wiedmann & Hennigs, 2007). This is particularly significant as luxury products are often associated with high social status and are used as symbols to signal one's position within a social hierarchy (Balabanis & Stathopoulou, 2021). The perceived value of luxury brands stems not only from financial exclusivity but also from their social significance, which merges uniqueness with social value. Consumers actively co-create and reinforce the value of luxury through their interactions within various social groups, such as brand communities (Reyes-Menendez et al. 2022). This concept aligns with Kastanakis and Balabanis' (2012) "bandwagon effect", which suggests that luxury consumers exhibit collective consumption behaviors rooted in social influence rather than individual preferences.

These socially driven behaviors contrast with the traditional snob and Veblen effects, where luxury is intended to be unattainable for the average consumer (Kastanakis & Balabanis, 2012).

The social value of luxury products is particularly amplified in environments where public display is important (Berger & Ward, 2008).

In 1999, Thorstein Veblen conceived the theory of conspicuous consumption as the foundation of social value. According to Veblen, people often buy luxury goods not just for its functional or intrinsic value but because they are signs of wealth and social standing. This behavior is also because they want to be respected, admired, or even envied by peers, because the ownership of such goods serves as a 'privileged' indicator, of success and high status.

### ***2.3 Brand Loyalty***

Oliver (1999) defines loyalty as a strong commitment from consumers to continuously repurchase or engage with a preferred product or service, even when external factors or marketing from competitors could influence them to switch. He further elaborates that true loyalty is when a consumer is deeply determined to repurchase and remains dedicated to their choice, even in the face of significant challenges or obstacles. The author proposes a comprehensive model that includes three main dimensions of loyalty: cognitive, attitudinal, and behavioral loyalty. This model suggests that loyalty begins with brand awareness (cognitive loyalty), evolves into an emotional preference (attitudinal loyalty), and culminates in repeat purchase actions (behavioral loyalty). According to Oliver (1999), true loyalty involves a deep commitment to the brand, reflected in both attitudes and behaviors.

In addition, there is a real and measurable economic impact on consumer loyalty. Classic studies of Reichheld (1996), and Reichheld & Sasser (1990) show that a 5% increase in customer retention is associated with a profitability gain of 25% to 95% net present value in 14 different industries. The importance of loyalty remains emphasized in recent studies. For example, Bain and Company (Markey & Reichheld, 2012) points out that customer loyalty can substantially boost a company's profitability. The report also reiterates that loyal customers' spend more over time, not only through repeated purchase expenditure, but also by averagely spending more on each transaction. Moreover, loyal customers are more likely to recommend the brand to others, which starts a cycle of organic growth and lowers acquisition costs (Markey & Reichheld, 2012).

### ***2.4 Exclusivity***

In the luxury brand narrative, exclusivity is a fundamental part of it, it defines consumer perceptions and plays a huge role in creating the perception of value of luxury product (Kapferer & Valette-Florence, 2016). Exclusivity, when applied to luxury, involves limiting product availability to generate rarity and uniqueness perceptions among customers (Kapferer & Bastien, 2012). However, this limited access is not restricted to supply constraints, rather, luxury brands often employ this tactic intentionally to increase desirability and protect reputation (Wang et al., 2022).

There are two aspects of the concept of exclusivity: tangible and intangible (Vigneron and Johnson, 2004). In terms of the tangible, exclusivity is expressed through limited supply of production runs, exclusive distribution channels and high price points and this makes the consumer believe that it is a rare product (Berger & Ward 2008; Kapferer, 2014). These strategies are used to keep luxury products out of the hands of the mass market so that they retain their prestige. Exclusivity, from an intangible perspective, is closely related to the emotional and symbolic value of luxury goods (Wang et al., 2022). This creates a feeling of privilege and distinction among consumers, and allows them to perceive the ownership of specific exclusive products as a marker of social status and personal achievement (Seo &

Buchanan-Oliver, 2015). The emotional appeal of exclusivity is further enhanced by brand narratives that emphasize heritage, craftsmanship, and the unique stories behind each product (Franco et al., 2022).

Scarcity marketing strategies like "Hunger Marketing" effectively prompt consumers to believe that the items being marketed are scarce, and thus cause consumers to feel that they are missing out on the opportunity to purchase it (Shi et al., 2020). In Hunger Marketing we create scarcity through deliberate tactics such as waiting lists, limited editions or explicit product exclusivity (Herpen et al., 2014). These strategies amplify the perceived rarity and prestige of luxury products, compelling consumers to act swiftly to secure these exclusive items (Lynn, 1991). For example, waiting lists are particularly effective at creating the appearance of high demand and low supply, sparking greater desire, particularly for products perceived as highly desirable and difficult to acquire (Kim & Sullivan, 2019).

#### **2.4.1 Exclusivity as a Driver of Perceived Value in Luxury Consumption**

Kapferer and Bastien (2009) argue that the limited availability of luxury products enhances their perceived value by fostering social distinction. This exclusivity not only adds symbolic and emotional value but also reinforces the premium status of luxury brands (Wiedmann et al., 2007). Heine and Phan (2011) support this, noting that consumers associate exclusivity with superior craftsmanship, quality, and uniqueness, which collectively elevate the perceived worth of luxury items. Wang et al. (2022) further emphasize that exclusivity and rarity contribute to consumers' perceptions of value by reinforcing their social identity and status within an elite group. By carefully controlling access, luxury brands not only drive desire but also maintain their high-end positioning. Together, these studies highlight how exclusivity, beyond scarcity, is a key driver of perceived value, blending emotional fulfillment with the social rewards of luxury consumption.

Scarcity marketing strategies amplify this perceived value by deliberately limiting the availability of luxury products (Hamilton & Shaheen Hosany, 2023). Tactics such as limited editions and waiting lists are commonly employed to enhance a brand's prestige and exclusivity (Shi et al., 2020). For instance, Hermès creates waiting lists for its iconic Birkin bags, increasing both the desire and perceived value of the product due to the difficulty of acquisition (Kapferer & Valette-Florence, 2016). Research by Herpen et al. (2014) demonstrates that product scarcity can signal high quality to consumers, either through its association with exclusivity (limited supply) or popularity (high demand). This dual perception effectively enhances both the perceived value and attractiveness of a product, reinforcing the effectiveness of scarcity marketing as a strategy for luxury brands. Similarly, Teubner and Graul (2020) note that consumers who perceive a product as scarce tend to view it as more unique and exclusive, further reinforcing its perceived value in the marketplace. This strategic use of scarcity not only differentiates luxury products but also solidifies their exclusivity and, consequently, their perceived value.

The intersection of exclusivity and perceived value is further reinforced by consumer behavior studies that highlight how scarcity marketing can manipulate demand and enhance consumer perception (Hamilton & Shaheen Hosany, 2023). When consumers perceive a product as both exclusive and scarce, their desire to acquire it increases, leading to a higher perceived value and, in many cases, a stronger emotional attachment to the brand (Shi et al., 2020). This relationship underscores the strategic importance of managing exclusivity and scarcity in luxury brand marketing (Herpen et al., 2014). As such, we propose that:

**P1:** Exclusivity enhances perceived value of luxury brands in the mind of consumers.

#### **2.4.2 The Role of Exclusivity in fostering Brand Loyalty**

Exclusivity is a key driver of brand loyalty, particularly in the luxury market, where consumers are drawn to brands offering rarity, privilege, and distinction (Wiedmann et al., 2009). Beverland (2004) shows how limiting availability and offering personalized experiences in the luxury wine industry creates a sense of privilege, making consumers feel part of an elite group. This emotional bond, coupled with exclusivity, encourages long-term loyalty. Beverland (2004) further notes that exclusivity is about crafting a narrative of craftsmanship and rarity, which significantly enhances consumer attachment.

Similarly, Heine and Phan (2011) argue that exclusivity fosters emotional bonds by elevating perceived value. Consumers feel privileged owning rare, high-quality products, which strengthens their connection to the brand. This sense of belonging and prestige not only boosts loyalty but also reinforces social identity, with rarity enhancing desirability and commitment over time. Wiedmann et al. (2009) emphasize that exclusivity enhances both social and emotional value by offering consumers distinction through rarity. Exclusive ownership allows consumers to express individuality and status, reinforcing emotional ties and loyalty. This emotional connection, driven by exclusivity, aligns with consumers' aspirations for uniqueness, fostering long-term brand commitment.

Together, these studies highlight how offering rare and distinctive products creates emotional and social value, making exclusivity a powerful tool for cultivating and maintaining brand loyalty in the luxury market (Beverland, 2004; Heine & Phan, 2011; Wiedmann et al., 2009). Thus, it is proposed that:

**P2:** Exclusivity strengthens brand loyalty.

#### **2.5 Experiences**

Experiences has become integral to luxury brands, shifting the focus from merely offering high-quality products to delivering memorable and emotionally engaging moments (Tirado et al., 2024). Luxury experiences refer to tailored, exclusive interactions that offer a heightened sense of personalization and emotional engagement (Atwal & Williams, 2009). They are characterized by their ability to deliver not just products but exceptional moments that resonate deeply with consumers (Holmqvist et al., 2020). These experiences can include private events, customized services, and immersive brand interactions that cater to individual preferences (Fanandaru et al., 2023; Franco et al., 2022; Gupta et al., 2023; Holmqvist et al., 2020; Verhoef et al., 2009). Gupta, et al. (2023) emphasize that these experiences add symbolic and experiential value to functional benefits, essential in a market where differentiation through quality or price alone is increasingly challenging.

Pine & Gilmore (2013) introduced the "Experience Economy," asserting that value comes not only from products or services but also from the accompanying experiences. According to Verhoef et al. (2009), customer experience involves elements, such as store environment, employee interaction, and brand engagement. Additionally, Holmqvist et al. (2020) and Shahid et al. (2022) also note that luxury experiences require the stimulation of consumers' senses; offering personalized services; and creating emotional connections through exclusivity and sensory appeal. In addition, Franco et al. (2022) and Tynan et al. (2010) argue that brand narratives and coherent experiential touchpoints strengthen the emotional bond towards the brand, leading to greater perceived value and loyalty.

Gentile et al. (2007) provide a comprehensive framework for understanding customer experience, which they define as a series of interactions between consumers and the brand, product, or company. These interactions trigger responses that are not just rational, but also emotional, sensorial, physical, and relational, offering a multidimensional experience. Central to this framework are six key dimensions that shape consumer perceptions and engagement (Gentile et al., 2007):

First, the sensorial component focuses on stimulating the five senses, where brands create environments or products that generate pleasure, excitement, and satisfaction. A well-designed store or product that appeals to sight, touch, or even smell can significantly enhance the customer's experience. The emotional component, on the other hand, focuses on the feelings that the brand sparks, drawing the attention to the positive emotional responses to form stronger connections and secure loyal customers over the long term.

The cognitive component involves engaging the consumer's intellect, encouraging creativity or problem-solving through the brand experience, which leads to deeper, more meaningful interactions. There is also a pragmatic component which takes care about the practical aspects of the brand offering such as the convenience, functionality, ease of use so that the product or service is usable and pleasant to the consumers at the same time.

The lifestyle component is another important component as it encompasses the suitability of a product or brand to the values, beliefs and lifestyle of a consumer. Most of the time brands that are creating affinity with consumers on a personal level tend to build up a stronger affinity among consumers as they feel the brand is an extension of their identity. Finally, the relational component seeks to explore the ways in which consumers construct relationships with the product, by sharing these experiences with other consumers or joining brand communities, which augments the social depth of the actual experience.

Gentile et al. (2007) emphasize that these six dimensions are crucial in co-creating value between brands and consumers, resulting in more engaging and memorable experiences. This framework is especially relevant in the luxury sector, where sensory and emotional engagement are vital in building perceived value and fostering brand loyalty (Atwal & Williams, 2009). Luxury brands often depend on these experiential components to stand out, making personalized and unique experiences essential for maintaining a competitive advantage and nurturing long-term customer relationships (Wiedmann et al., 2009).

It is important to note that the customer experience extends well beyond the point of sale, with post-purchase interactions being pivotal in sustaining brand loyalty (Lemon & Verhoef, 2016). Personalized post-sale services, including dedicated customer support and ongoing care, are vital for reinforcing customer satisfaction and loyalty (Davidow, 2003). Brands that excel in after-sales service ensure customers feel continuously valued and supported, thus contributing to a consistently positive brand experience (Grewal et al., 2017).

### **2.5.1 Linking Luxury Experiences to Perceived Value**

In today's luxury market, perceived value is increasingly shaped by the experiences brands offer rather than just product quality (Ko et al., 2016). As consumers seek more than material goods, brands have recognized the importance of delivering emotionally resonant experiences that foster exclusivity and deeper connections (Shahid et al., 2022).

Atwal and Williams (2009) highlight how well tailored luxury experiences enhance a brand's appeal, positioning the consumer not just as a buyer, but as part of a narrative that aligns with their personal identity and aspirations. These experiences, such as VIP events or behind-the-scenes access, create a strong sense of privilege, serving to strengthen emotional bonds between the brand and the consumer. This emotional connection significantly enhances perceived value, making the brand feel more prestigious and justifying premium pricing.

Additionally, Wiedmann et al.(2009) argue that social and emotional aspects of luxury experiences are crucial in driving perceived value, especially when brands emphasize exclusivity and status. Their findings show that luxury consumers place higher value on brands that offer unique and exclusive experiences that elevate their social standing. Similarly, Holmqvist et al. (2020) explore luxury from a service-dominant logic, demonstrating how multisensory and emotional engagement in luxury experiences significantly enhances consumers' value perception by creating a deeper emotional connection with the brand.

Lastly, Krishna (2012) explains how sensory marketing further enhances perceived value by creating emotional connections through touch, sight, and smell. The tactile experience of handling luxury products made from fine materials evokes feelings of craftsmanship and exclusivity, while sophisticated store atmospheres heighten the sense of luxury and refinement. As such it is proposed that:

**P3:** Luxury brand experiences enhance perceived value

### **2.5.6 The Influence of Luxury Experiences on Consumer Loyalty**

Fostering consumer loyalty requires more than just offering high-quality products, it fundamentally depends on delivering a rich, memorable brand experience (Brakus et al., 2009). Experiential marketing, as introduced by Pine & Gilmore, 2013, emphasizes creating emotionally engaging and unforgettable interactions, which has become vital for luxury brands striving to build lasting consumer loyalty.

Lemon and Verhoef (2016) present a framework of customer experience throughout the customer journey that emphasizes the roles played by cognitive, emotional and behavioral responses at every stage of interaction. According to them it is important to have a seamless and positive experience across these touch points to create lasting loyalty. In addition, Brakus et al. (2009) examine how brands can design experiences that directly influence consumer perception and behavior. The research shows that positive brand experiences that stimulate consumers' senses and emotions correlate strongly with higher brand loyalty and advocacy. As such, it is proposed that:

**P4:** Luxury experiences cultivate consumer loyalty

### **2.6 Perceived Value and Consumer Loyalty**

In luxury brands, perceived value plays a pivotal role in shaping consumer loyalty, encompassing both tangible and intangible elements that contribute to a product's overall worth (Wiedmann et al., 2009). This value extends beyond the economic exchange between the consumer and the brand, incorporating emotional, symbolic, and social benefits derived from luxury products (Tynan et al., 2010). These elements are crucial determinants of consumer behavior and brand loyalty in the luxury market (Vigneron & Johnson, 2004).

Research by Ko et al. (2019) and Wiedmann & Hennigs, (2007) emphasizes that perceived value in luxury brands is not merely based on product quality but also on the symbolic

meanings and emotional benefits associated with the brand. This broader understanding of value, which integrates exclusivity, rarity, and unique experiences, is essential for fostering deep consumer loyalty. Keller (2009) delves into the complexities of luxury brand management, particularly focusing on the balance between growth and maintaining brand exclusivity, emphasizing that perceived value is a crucial element in this balancing act, as it directly influences consumer loyalty.

These studies consistently underscore that perceived value is a pivotal driver of consumer loyalty within the luxury market. The ability to enhance and sustain this perceived value is critical for luxury brands as they are highly dependent on the capacity to create enduring consumer loyalty and succeed in the long term. By prioritizing the emotional, symbolic, and functional aspects that add value for consumption overall, luxury brands can create deep, enduring relationships with consumers, and cement their loyalty in a growing competitive market. As such, it is proposed that:

**P5:** Perceived value strengthens consumer loyalty in the luxury market

## CHAPTER 3 – CONCEPTUAL MODEL

The Conceptual Model of the study (Figure 1) integrates the key constructs of exclusivity and experiences to demonstrate their importance in developing value and brand loyalty in the luxury market.

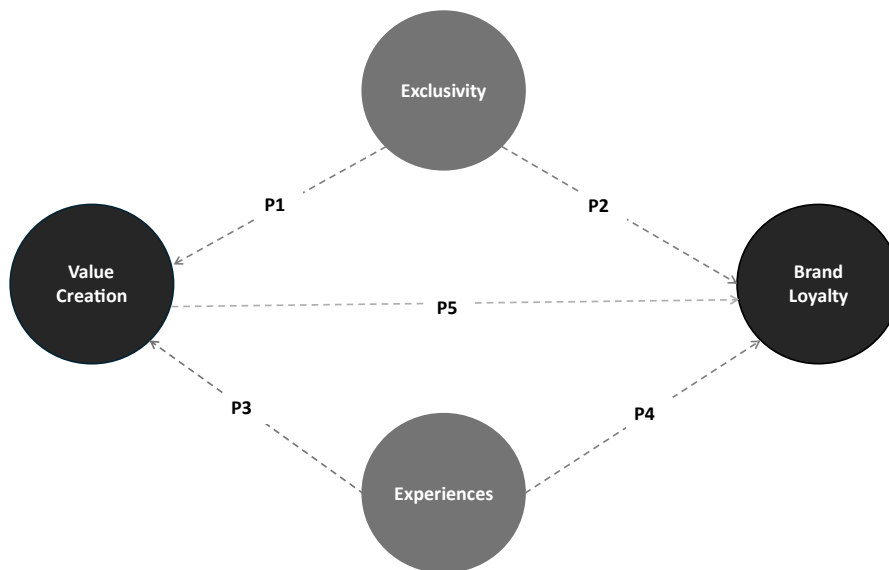


Figure 1- Conceptual Model (Source: Personal Elaboration)

It is proposed that each of these constructs plays a crucial role in enhancing the perceived value consumers associate with luxury brands, ultimately strengthening their long-term commitment and loyalty.

## CHAPTER 4 – METHODOLOGY

### 4.1 Type of Study

Given the objectives of this dissertation, the study adopts an exploratory qualitative approach aimed at understanding how consumers perceive exclusivity and experiences in

relation to value creation and brand loyalty within luxury brands. While the research allows for the possibility of validating the relevance of these variables, it also seeks to explore their significance to consumers, how they are interpreted, and whether other factors may play a role in influencing consumer loyalty.

An abductive approach is employed, combining both inductive and deductive elements (Saunders et al., 2019). This approach allows the study to begin with theoretical concepts related to exclusivity, experiences, and their effects on value creation and loyalty, while remaining open to insights that may arise from the qualitative data. The aim is to uncover both the potential validation of these variables and any additional factors that consumers consider relevant.

Exploratory research, as described by Malhotra et al. (2017), is adaptable and well-suited for investigating complex marketing phenomena that are difficult to quantify, such as the role of exclusivity and experiences in luxury brand loyalty.

To gather data, the study used semi-structured interviews. The semi-structured interviews allowed for deeper, one-on-one conversations with individual participants, offering a more detailed understanding of their personal perspectives on luxury brand experiences and value creation (Oberoi, 2024). The study employed a cross sectional design and data were collected at a single time. This method allows the researcher to capture a current representation of consumer point of view without expending time on data collection (Saunders et al., 2019).

Saunders et al. (2019) consider a cross sectional design particularly appropriate when there are resources and time restrictions. This, allowed, for instance, the assessment of attitudes, behaviors or opinions in a particular time frame. In addition, this design can facilitate efficient analysis and presentation of results in a rapidly changing environment like the luxury market.

## ***4.2 Sample***

The selected sampling method was non-probabilistic, allowing the researcher to choose participants based on their judgment and relevant criteria (Malhotra et al., 2017). This research employs a convenience sampling approach, using judgment sampling as a technique. Participants were chosen based on their suitability for the study, according to the researcher's discretion and evaluation (Malhotra et al., 2017). This method ensures that the sample reflects the characteristics necessary to gain relevant insights to the research questions.

To qualify, participants must have previously purchased at least one luxury item. The sample was divided into two groups:

1. Individuals who purchase upper mid-tier luxury products.
2. Individuals who purchase mid-tier luxury products.

Focusing on these groups allows the study to examine how experiences, exclusivity, and perceived value influenced brand loyalty across different segments of luxury consumers, recognizing that differences may exist between them. Mid and upper mid-tier consumers balance a desire for exclusivity with attainable luxury, making them ideal for exploring how these factors interact. These categories are also broader and more inclusive, which facilitates the recruitment of interview participants fitting these profiles. This segmentation aligns with the qualitative nature of the study, as understanding the motivations and "why" behind purchasing behaviors benefits from a wider set of influencing factors, particularly in these categories. By selecting these segments, the study provides insights into how value is created and loyalty is

maintained in a market that values both high-quality experiences and a sense of exclusivity, without the ultra-high barriers of top-tier luxury.

In order to understand the distinction between upper mid-tier luxury and mid-tier luxury consumers (Table 1), this study will draw on two luxury brand pyramids (Appendix 1 and Appendix 2) that categorize brands based on price points (Sheanoy, 2023) and market positioning (Lorenzoni, 2024):

*Table 1- Segmentation of Luxury Brands into mid-tier and upper mid-tier categories  
(Source: Personal elaboration based on Appendix 1)*

Category	Price	Examples of the Brands
<b>Mid-tier Luxury</b>	1500€ - 5000€	Bottega Veneta, Gucci, Yves Saint Laurent, Celine, Prada
<b>Upper Mid-tier Luxury</b>	5000€ - 15000€	Dior, Hermès, Chanel, Fendi, Louis Vuitton

This segmentation offers a simplified approach for classifying brands during interviews. When participants mention specific brands, it becomes easier to classify them as either Upper Mid-tier Luxury or Mid-tier Luxury based on their market positioning and price range. Additionally, it was asked to the participants to specify how much they spent on each item, as even within the same brand, products can fall into different categories depending on their individual price points. By comparing these two consumer segments, the study aims to uncover whether one group emphasizes these factors more or whether other variables emerge as more influential in shaping loyalty and perceived value.

Additionally, the study will feature a mixed-gender sample, reflecting the fact that both men and women actively participate in luxury consumption. According to recent data, 60.2% of luxury purchases globally are made by women, while men account for 40% (Grand View Research, 2023). Finally, all participants must be over 18 years old, ensuring they have sufficient experience and decision-making power regarding luxury purchases. According to Saunders et al. (2019), a sample size of 12 to 30 participants is appropriate for homogeneous groups in qualitative research. In line with this guidance, this dissertation includes 13 semi-structured interviews.

### **4.3 Data Collection Method**

Data for this study was collected through semi-structured, non-standardized interviews to gain a deeper understanding of the topic at hand, in line with an interpretive approach (Saunders et al., 2019). To guide the interviews, an interview script was prepared (Appendix 3), though the conversations remained flexible and fluid, allowing for adjustments in the sequence and content of questions as the discussion unfolded (Saunders et al., 2019). This flexible structure ensures that the dialogue evolves naturally, with questions potentially changing as the interview progresses.

For accurate analysis, the interviews were audio-recorded, and participants' data was collected anonymously and confidentially, encouraging greater honesty and openness. As this is a cross-sectional study, the interviews were conducted within a specific time frame, from October 20, 2024, to November 30, 2024. The interviews were held one-on-one online and

presential, with participants from Portugal, ensuring accessibility and convenience. Each interview lasted an average of 30 minutes, providing rich data for analysis.

#### ***4.4 Quality Criteria***

This study was based on several data quality standards specific to qualitative interviews and research methods to ensure accuracy and validity of the research. Given the nature of qualitative research, key quality standards include credibility, transferability, confirmability, and dependability (Lincoln & Guba, 1985; Saunders et al., 2009). Recognizing the inherent limitations of all research methods, a number of procedures have been implemented to support these quality standards. This includes clear explanations of data collection and sampling techniques, careful interview preparation, and prolonged engagement in the research process to build trust and collect comprehensive data. In addition, thorough reflection, detailed analysis, and data review were conducted, and participants received regular feedback on their interpretations. Other quality measures address specific challenges associated with semi structured interviews, such as researcher and answer biases and possible cultural differences between interviewer and interviewee. To mitigate these issues, researcher impartiality was considered a top priority to prevent undue influence or misinterpretation of responses. Structured topic exploration was used to ensure a balanced approach to each topic and to allow interviewees to share their insights freely without pressure from the interviewer's perspective. Furthermore, the codes created for the analysis of the interviews were validated by other investigator beside myself.

#### ***4.5 Data Processing and Analysis***

Due to the chosen data collection method, the data obtained are qualitative, consisting primarily of spoken words and verbal responses (Saunders et al., 2019). All data were collected anonymously, with each participant providing their informed consent prior to participation. The next step involved content analysis, which was facilitated by the software MAXQDA. The interviews were transcribed and given number to each participant. These transcripts were then organized into separate documents for analysis, ensuring clarity and structure during the data processing phase. After transcribing the interviews, the transcripts were uploaded into the software and data were coded, along with creating categories and subcategories based on the questions asked and the responses provided by the participants during the interviews (Appendix 4). By coding, data analysis and interpretation was streamlined by allowing the identification of the key themes and conducting frequency analysis of the selected indicators. The code created was validated by two investigators, the coefficient of agreement was 96,83% (Appendix 5). A total of 8 dimensions (categories) and 135 subdimensions (subcategories) were created, forming the basis for the analysis presented in the following chapters. This approach seeks to address the previously outlined propositions.

## **CHAPTER 5 – ANALYSIS OF RESULTS**

### ***5.1 Sample Characterization***

A total of 13 interviews were conducted, with participants evenly distributed between males (53.8%) and females (46.2%) ensuring gender balance (Appendix 6). The age range of the participants spans from 18 to over 57 years, offering broad demographic representation. Most participants hold higher education degrees, with 7 (53.8%) having an undergraduate degree and 6 (46.2%) holding a postgraduate degree. Professional occupations are evenly divided, with 50% in full-time employment and 50% self-employed. In terms of income, 23.1% of participants earn

between 15,000€ and 30,000€ annually, 30.8% earn between 30,000€ and 50,000€, another 30.8% earn between 50,000€ and 75,000€, and 23.1% report earning more than 75,000€ per year. Table 2 presents the sociodemographic data of the participants.

Moreover, the approximate value of the last luxury item purchased by each participant is presented on Appendix 6. Based on this value, participants were segmented into two categories: Mid-tier luxury (1,500€–5,000€) and Upper Mid-tier luxury (5,000€–15,000€), as defined on Table 1. The segmentation shows that 8 participants (61.5%) belong to the Upper Mid-tier luxury category, while 5 participants (38.5%) are classified as Mid-tier luxury. Those in the Upper Mid-tier luxury group typically have higher incomes (50,000€ or more annually) and postgraduate education, with many being self-employed or holding senior full-time positions.

Three questions were asked at the start of the interview to delve into the perceptions and variables that influenced the respondents' decision to buy the luxury item. These criteria led to the coding of 14 subcategories, which are shown in the word cloud below (Figure 2).



Figure 2- Word Cloud of perceptions shaping purchasing decision

Craftsmanship was noted in 61.5% of the interviews, while design was cited in 53.8% of them. These are the main perceptions that were found. In 46.2% of the interviews, respondents reported that they felt their assessment of the acquired item matched their own unique taste and style. This was followed by self-identification. Furthermore, 46.2% of the interviews emphasized the importance of "Special Occasion," with respondents linking the luxury item to a noteworthy life event or the accomplishment of a personal or professional goal.

## 5.2 Interview Analysis

A total of 13 individual interviews were conducted based on the interview guide in Appendix 3 to evaluate the five propositions derived from the literature review. Following transcription, the data were analyzed using codes developed in MAXQDA software. Appendix 4 provides the coding matrix, detailing the codes created and their application across the interviews.

### 5.2.1 Perceptions associated with Brand Loyalty

A key variable in this research is brand loyalty, it is essential understand how consumers view and define "loyalty" in relation to luxury brands, the elements that influenced it and the reasons why people either stay loyal to these brands or think about moving to another one. As one participant noted: " I stayed loyal to Saint Laurent because their designs continue to feel relevant to me. Other brands may have comparable or even better prices, but I choose Saint Laurent because their pieces always feel bold and confident." (Verbentin, Interview 06). Thus,

brand loyalty frequently supersedes external factors, underscoring the notion that loyalty signifies a profound connection that transcends mere practical considerations such as price.

Based on the responses gathered, the verbatims were coded according to the three types of loyalty described by Oliver (1999): cognitive loyalty, behavioral loyalty, and attitudinal loyalty. A general overview of the interviews reveals that participants perceive their loyalty to luxury brands as multidimensional. As represented in Figure 3, attitudinal loyalty being the most significant (77%), followed by cognitive loyalty (69%) and behavioral loyalty (54%). Attitudinal loyalty, driven by emotional and symbolic connections, reflects participants' identification with brand values, exclusivity, and prestige. *"The reason was simple, I trust Prada's design philosophy and craftsmanship. It is their entire vision that resonates with me. I know they will keep pushing boundaries in a way that fits with me and with my style and this for me is irreplaceable"* (Verbatim, Interview 10). Cognitive loyalty, predicated on rational decision-making, underscores the significance of superior quality, craftsmanship, and value, thus one participant said: *"I keep going back because their designs are always striking and unique. They have a way of blending timeless elegance with bold details that really resonate with me"* (Verbatim, Interview 8). Behavioral loyalty, though less prominent, represents repeat purchases motivated by satisfaction and trust, *"I saw other brands but I do return to brands I trust because there's comfort in knowing what to expect."* (Verbatim, Interview 8).

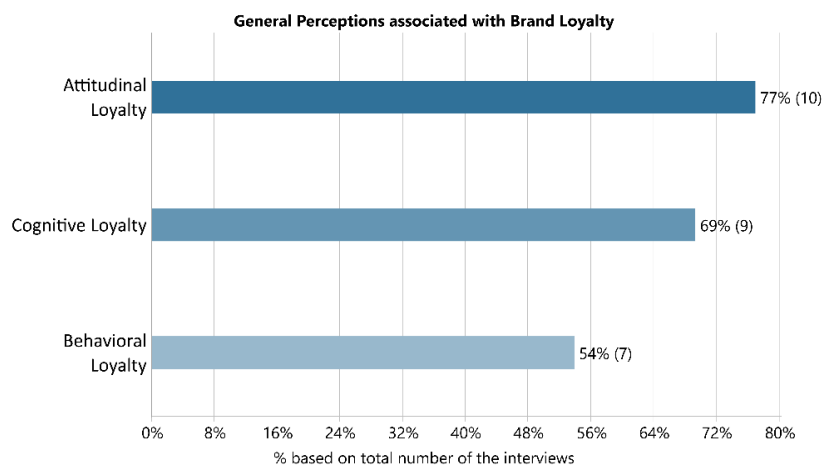


Figure 3- General Perceptions associated with brand Loyalty

Having set the general context around how consumers perceive brand loyalty in terms of luxury brands, it is necessary to analyze how consumers at each segment we have focused on this research, mid-tier luxury (Figure 4) and upper mid-tier luxury (Figure 5), differ in their perceptions. This comparison's purpose is to locate differences in the salience of attitudinal, cognitive, and behavioral loyalty among these segments, thus leading to insights on how each segment is weighted toward the emotional, rational, habitual aspects of loyalty.

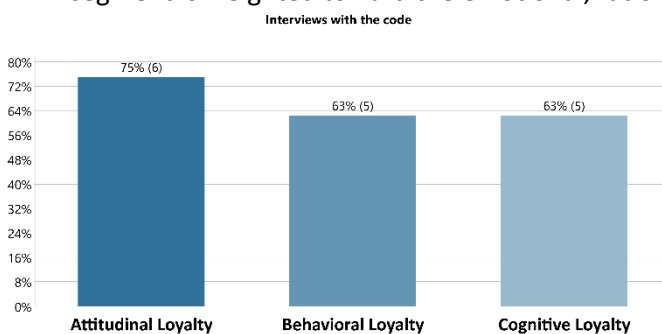


Figure 4- Upper Mid-Tier Luxury consumers perception about brand loyalty

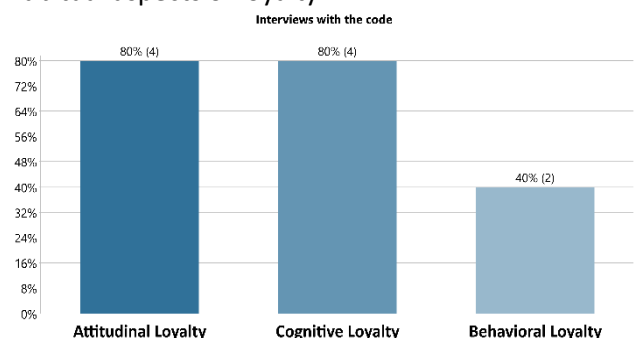


Figure 5- Mid-tier Luxury consumers perception about brand loyalty

Mid-tier consumers exhibited significantly lower behavioral loyalty (40%) but higher cognitive (80%) and attitudinal (80%) loyalty, suggesting a more rational and less habitual connection with brands. Their decision-making is guided by evaluation rather than routine purchases. One mid-tier consumer emphasized this rational approach, stating: *"I keep going back because their designs are always striking and unique"* (Verbatim, Interview 8), highlighting the role of distinctiveness in maintaining loyalty.

Conversely, upper mid-tier consumers demonstrated a stronger inclination toward long-term brand commitment, with one participant explaining: *"If I trust a brand, I tend to stick with it unless there's a compelling reason to switch"* (Verbatim, Interview 5). This contrast illustrates how cognitive loyalty manifests differently. For mid-tier consumers, it is driven by continuous assessment of brand appeal, whereas for upper mid-tier consumers, it is more closely tied to trust and reliability.

Upper mid-tier consumers exhibited a more balanced distribution of loyalty, with 75% demonstrating attitudinal loyalty and 63% displaying both cognitive and behavioral loyalty, reflecting a mix of emotional connection and rational commitment. Both groups emphasized attitudinal loyalty, as illustrated by an upper mid-tier participant: *"If a brand makes me feel valued, I want to remain loyal. It is comparable to a relationship, like if the expectations continue to be met I will come back"* (Verbatim, Interview 2). Similarly, a mid-tier consumer highlighted the importance of emotional and cultural resonance, stating: *"Even if another winery offers a comparable product, it does not hold the same meaning without that deep cultural and the emotional bond"* (Verbatim, Interview 13). These perspectives underscore the role of emotional attachment and brand symbolism in sustaining brand loyalty across both consumer segments.

Some participants expressed a strong connection to specific luxury brands, however, others demonstrated a willingness to switch brands under particular circumstances. The analysis of the interview data led to the identification of four overarching reasons for brand switching: a desire to explore new brands, the perception of better value, the search for greater innovation, and alignment with personal needs. The upper-mid-tier group were the only consumers that mentioned that they would switch brands if they find something more innovative. As one participant stated: *"I would switch if another brand offered a fresh perspective or innovation that better suited me"* (Verbatim, interview 5). Conversely, mid-tier consumers primarily switched brands for two reasons: *"Like to try new brands"* and *"Better suited with the needs"*. One participant expressed a preference for exploring different brands: *"I'm definitely open to trying new brands. It's more about finding something that feels more unique and speaks to me than sticking to one name"* (Verbatim, Interview 10). Another participant emphasized the importance of alignment with personal style: *"For me, it's about finding pieces that fit with my style and make me feel confident, whether it's from a familiar brand or a new one."* (Verbatim, interview 6).

### 5.2.2 Perceptions associated with Value Creation

The participants were asked to answer the following question in order to assess their view of the concept of value creation in luxury products *"What does 'value' imply to you when it comes to luxury products? Could you elaborate on the elements that, in your opinion, make a luxury goods desirable and why, such as quality, exclusivity, craftsmanship, and experience"*. The interpretation of value included social value, symbolic value, emotional value, and functional value.

The functional value dimension was identified as the most frequently mentioned among participants, with twelve individuals (92.3%) emphasizing attributes that align with this category. This pronounced attention underscores the significance participants assign to tangible attributes such as craftsmanship, durability, and quality in the evaluation of luxury products. One participant articulated this sentiment, stating: *“Value, for me, is about creating a lasting impression. Quality and craftsmanship are essential. In my opinion there’s no point in luxury if the product isn’t exceptional.”* (Verbatim, Interview 13). Another participant remarked: *“It is a combination of tangible and intangible aspects. Tangibly, it’s the exceptional quality and craftsmanship when I look at my Hermès Kelly, every stitch tells a story of care and precision.”* (Verbatim, Interview 12).

The symbolic value dimension was the second most frequently mentioned, with seven participants (53.8%) associating luxury products with personal identity, achievement or cultural significance for example. The emphasis placed on this aspect of luxury items is reflective of how these products are not merely regarded as goods, but rather as symbols signifying status and aspiration. One participant articulated this sentiment by stating: *“The product’s impact on my status and professional image matters far more to me than the experience surrounding the purchase.”* (Verbatim, interview 4).

Four participants (30.8%) cited emotional value when asked how they perceived the value, emphasizing the profound psychological and individual fulfillment that comes with possessing luxury goods. Furthermore, this dimension strengthens the emotional bonds that customers form with the brands they choose, which are frequently associated with sentiments of self-worth, assurance, and fulfillment. One participant clarified, *“For me, value in luxury products isn’t just about how much it costs or how useful it is. It’s about how it all comes together, like the quality, the story behind it, and how it makes me feel. When I buy something luxurious, I want it to feel special in every way.”* (Verbatim, Interview 1).

The social value dimension, despite being the less frequently mentioned, was highlighted uniquely by two participants (15.4%). The participants articulated that the ownership of luxury items serves as a medium for expressing their social status and as a means of affiliating with specific social circles. As one participant explained: *“For example, Rolex is recognized globally as a symbol of success and reliability, and that aligns with how I want to present myself.”* (Verbatim, interview 4).

The analysis highlights key differences in value perception between mid-tier (Figure 6) and upper mid-tier luxury consumers (Figure 7).

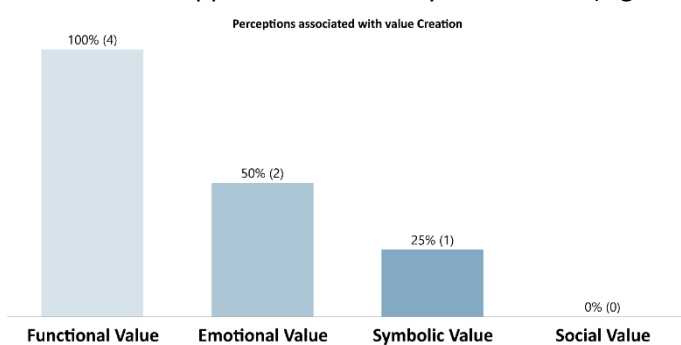


Figure 6- Mid-tier luxury consumers value perception

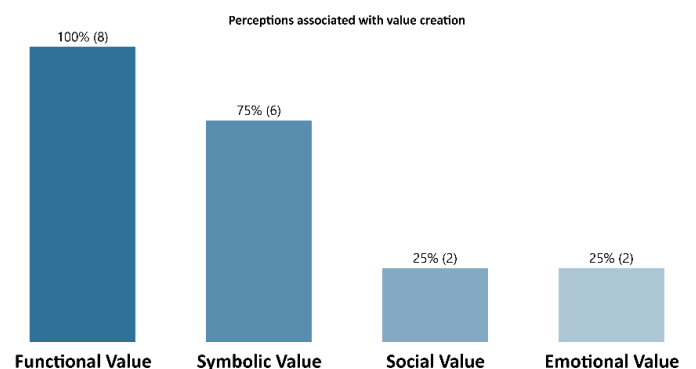


Figure 7-Upper mid-tier luxury consumers value perception

Both groups prioritize functional value (100%), emphasizing quality and durability. However, upper mid-tier consumers place significantly more importance on symbolic value (75% vs. 25%

in mid-tier), indicating that status and prestige play a larger role for this segment. Additionally, only upper mid-tier consumers recognize social value (25%), suggesting that exclusivity and social belonging influence their perception of value. In contrast, emotional value has a greater influence on mid-tier consumers (50% vs. 25%), reflecting a stronger emotional attachment to brands.

### 5.2.2.1 Value Creation and Loyalty

To evaluate Proposition 5, participants were asked: "In your opinion, does the value you perceive in a luxury brand influence your decision to remain loyal to it? In what way?". All participants, comprising 100% of the total, emphasized the critical role of their perception of value in influencing their loyalty to luxury brands: "*Absolutely, perceived value influences loyalty because it reflects how the brand fits into my life*" (Verbatim, Interview 10). The reasons behind this bond varied among participants, indicating the importance of four dimensions of value: functional, symbolic, emotional, and social.

The exploration of each value dimension involved specific subcategories to gain a deeper understanding of how participants perceive value and its influence on their connection to luxury brands. The analysis of the Figure 8 revealed that superior quality and reliability were the most frequently mentioned subcategory, with 12 participants (92%) emphasizing its significance. This highlights the foundational role of functional attributes in fostering loyalty, as luxury products are often perceived as long-term investments "*Consistency in delivering high-quality products is the biggest factor for me. If a brand proves that I can trust them to always meet or exceed expectations, I'll stay loyal*" (Verbatim, Interview 5).

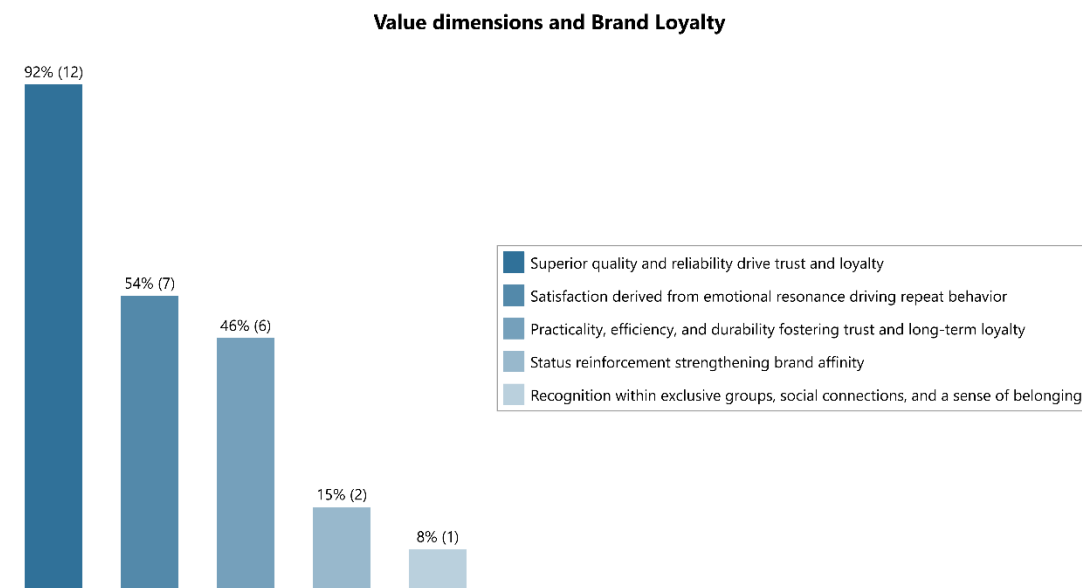


Figure 8- Frequency of Subcategories Linking Value Dimensions to Brand Loyalty

Emotional resonance, identified by 7 participants (54%), further demonstrates the importance of emotional connections in building and maintaining loyalty. One participant's statement exemplifies the influence of emotional connections: "*Saint Laurent's consistent balance of bold design and practicality has made me loyal to the brand. It's more than just owning something luxurious, it's more about how well the product integrates into my personal style and the confidence it gives me when I wear it.*" (Verbatim, Interview 6). This finding demonstrates the brand's ability to connect with a person's unique identity and evoking pleasant emotions. The emphasis on practicality, efficiency, and durability by 6 participants

(46%) indicates the ongoing relevance of rational considerations in purchase decisions, *"For me, the decision is always about whether the product is practical and well-designed."* (Verbatim, Interview 5). In contrast, the lower frequency of mentions for status reinforcement (15%, 2 participants) and recognition within exclusive groups (8%, 1 participant) suggests that symbolic value and social value plays a less significant role in comparison to functional and emotional dimensions.

Rational reasons dominated the relationship between loyalty and value perception in the mid-tier luxury consumer group. All participants (100%) underlined functional value, showing the significance of reliability and quality in building loyalty and confidence. 80% of participants indicated that emotional value was significant reflecting the satisfaction that results from having a good emotional experience with the brand, as noted by one participant: *"When a brand can consistently evoke that sense of pride and connection on me, I'll remain loyal. The sommelier's expertise during my Bordeaux purchase made me feel like I was part of a select group, which deepened my loyalty"* (Verbatim, Interview 13). Symbolic and social values, however, were irrelevant to this group, indicating that mid-tier consumers are more concerned with their practical and emotional requirements than with social recognition and status signaling.

The value characteristics that connect participants to brands, were distributed more evenly in the upper mid-tier luxury consumer group. Nevertheless, according to 88% (7) of respondents, functional value is still the most valued, suggesting that exceptional workmanship and reliability continue to be the main factors influencing loyalty. As explained by one interviewee: *"That craftsmanship feels like an extension of the brand's respect for tradition, and it makes me more loyal because I know I'm investing in something timeless"* (Verbatim interview 10). Additionally, only in this group, status reinforcement and recognition within exclusive groups carried some weight in the responses. One participant shared: *"It is all about what the watch represented. After the purchase, I felt proud because it marked an achievement in my business and added to my professional image."* (Verbatim, interview 4).

### 5.2.3 Perceptions associated with Exclusivity

Responses were examined to determine the components that participants believed to be connected with exclusivity, a crucial variable in this study. The most commonly reported factors were "elite group affiliation," "perceived rarity," and "how unique the product feels", as the word cloud illustrates (Figure 9).



Figure 9- Word cloud key perceptions of Exclusivity Among Participants

The most frequently cited dimension was perceived rarity, with participants emphasizing the importance of limited availability in creating a sense of exclusivity. As one participant articulated, *"It's not just about owning something expensive; it's about having something that feels rare and special, like it was made for a select few. Exclusivity, to me, is what separates luxury from just another product"* (Verbetim, interview 1). Moreover, "elite group affiliation", was linked by the participants with exclusivity to belonging to a select group, as one interviewee mentioned, *"It's about rarity and feeling like the product is tailored for a select group."* (Verbetim, Interview 3). Finally, participants frequently mentioned "how unique the product feels", reflecting the importance of distinctiveness in their perception of exclusivity. One participant articulated this sentiment by stating, *"Exclusivity is pretty important to me. I want a luxury product to feel special, not just like everybody else has the same thing. If a product feels too common or mainstream, it kind of loses that "wow" factor for me."* (Verbetim, Interview 1).

Considering the most frequently mentioned variables among respondents in both consumer groups, we can observe distinct patterns in how exclusivity is perceived. Mid-tier consumers prioritize affiliation with elite groups, followed by the uniqueness of the product and its perceived rarity. This suggests that, for this segment, exclusivity is closely linked to a sense of belonging and social validation rather than the inherent scarcity of the product.

In contrast, upper mid-tier consumers place the greatest emphasis on perceived rarity, with elite group affiliation and product uniqueness being less significant. This indicates that, for these consumers, exclusivity is primarily defined by the rarity of the product itself rather than by social recognition.

### 5.2.3.1 Exclusivity and value creation

In order to assess Proposition 1, participants were prompted with the following question: "In your opinion, does the sense of exclusivity contribute to enhancing the value previously described? If so, how? If not, why do you think that is? ". This question aimed to elucidate the participants' perceptions regarding the influence of exclusivity on the value ascribed to luxury brands. One participant articulated their perspective as follows: *"Yes, because when something is rare, it's not just about the product itself, it's about the story behind it and the privilege of owning it."* (Verbetim, interview 13).

For a better comprehension behind the reasons underlying the association between exclusivity perceptions and enhanced perceived value, Figure 10 and 11 presents the most frequent reasons given by each group of interviewees. These reasons underscore divergent perceptions and priorities among mid-tier and upper mid-tier luxury consumers in regard to the role of exclusivity in value creation.

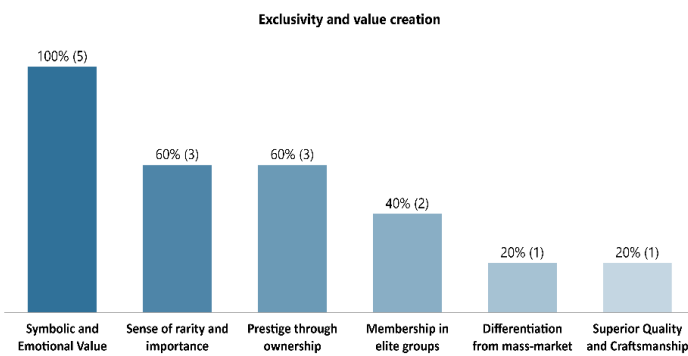


Figure 10- Mid-tier luxury consumers perceptions of exclusivity and value creation

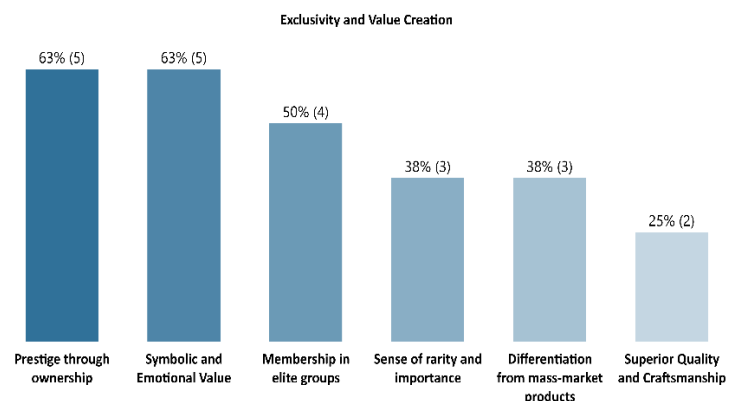


Figure 11- Upper mid-tier luxury consumers perceptions of exclusivity and value creation

An analysis of mid-tier luxury consumers reveals that symbolic and emotional value emerged as the predominant factor, with 100% (5) of participants citing it as the primary consideration. This finding suggests that exclusivity primarily enhances perceived value by fostering emotional bonds and cultivating a sense of personal identity and fulfillment. These were some of the perceptions shared by consumers during the interviews: *"Exclusivity adds a layer of emotional value. It makes the product feel more special because it's not something that can be easily replicated or found everywhere."* (Verbetim, Interview 10); *"It's not just something you buy, it becomes something that feels like it was made specifically for you, and that's what makes it more valuable."* (Verbetim, Interview 1); *"Yes, exclusivity for me makes each purchase feel like an achievement, a personal milestone."* (Verbetim, Interview 13). In contrast, less frequently mentioned were membership in elite groups (40%, 2 participants), differentiation from mass-market products (20%, 1 participant), and superior quality and craftsmanship (20%, 1 participant). These responses suggest a prioritization of personal benefits over functional or social benefits.

Within the upper mid-tier group, perceptions were more uniformly disseminated across the factors. Symbolic and emotional value, prestige derived from ownership, were equally cited by 63% (5 participants). In the last perception mentioned, the participants noted: *"exclusivity makes a product feel like more than just an object, more like a piece of art that only a few can own."* (Verbetim, Interview 11). In contradistinction to mid-tier consumers, membership in elite groups (38%, 3 participants), where one participant explained: *"Knowing that not everyone can have the same item makes it feel special and adds to the pride of ownership"* (Verbetim, Interview 6) and superior quality and craftsmanship (25%, 2 participants), were assigned greater importance, reflecting a more expansive appreciation of the tangible and social dimensions of exclusivity.

Therefore, it can be concluded that, despite the consensus between both groups regarding the enhancement of value perception by exclusivity, their underlying motivations differ. The comparison reveals that mid-tier luxury consumers explained exclusivity with the enhancement of emotional and symbolic value, emphasizing how it makes them feel unique and distinguished. Meanwhile, upper mid-tier consumers understand exclusivity as a multifaceted concept, recognizing not only the emotional and symbolic benefits but also its capacity to signal social status and craftsmanship.

### 5.2.3.2 Exclusivity and Loyalty

In order to understand the perception associated with Proposition 2, participants' share their views about the relationship between exclusivity and loyalty highlighted two key views: respondents who felt that exclusivity strengthened their loyalty to a brand, and others who emphasized other factors over exclusivity in fostering brand loyalty.

Figure 12 shows a word cloud that illustrates the top reasons why respondents feel more loyal to brands that offer exclusivity. When analyzing the reasons why participants feel more connected to brands that offer exclusivity, the most common reason was "emotional connection," cited by 69.2% of respondents. This underscores the powerful role of exclusivity in creating deep personal connections with luxury brands, often creating senses of uniqueness and loyalty. As one respondent reflected: *"Sure, exclusive products create an emotional tie because they feel personal, almost like they were made for you."* (Verbetim, Interview 13). Other strong drivers were "personal offer" and "expression of individuality," each cited by 38.5% of interviewees. As one participant explained, *"Honestly, I feel more loyal to a brand that offers*

exclusive products. For me, it's about owning something unique and special that reflects my taste." (Verbatim, Interview 2). These reasons illustrate how exclusivity caters to individual preferences and allows consumers to feel unique in their consumption choices. In addition, aspects such as "value quality over mass production" and "rewarding customers" were each cited by 30.8% of participants, as mentioned by an interviewee: "Exclusivity absolutely impacts my loyalty. If a brand continues to create rare or limited-edition products, it keeps me interested and makes me feel like they value quality over mass production" (Verbatim, Interview 3), emphasizing the appreciation for craftsmanship and personalized recognition that exclusivity brings. Lower, but still notable, mentions included "Belonging to an elite group" (23.1%) and "Alignment with aspirations for uniqueness" (15.4%), with one respondent noting, "If a brand can make me feel like I'm part of an elite group, I'm more likely to stay loyal. Hermès does this brilliantly by combining exclusivity with incredible experiences." (Verbatim, Interview 12).



Figure 12- Reasons why respondents feel more loyal to brands that offer exclusivity

For those respondents who did not feel more loyal to brands offering exclusivity, the most commonly cited reason was the preference for "quality over exclusivity". This suggests that for a considerable proportion of respondents, product quality is a more important driver of loyalty than exclusivity. As explained by one participant: "While exclusivity is nice, it's not the main factor that drives my connection to a brand. I care more about quality, timeless design, and how well the product fits into my lifestyle." (Verbatim, Interview 5). In addition, some participants valued "authenticity over scarcity" and "experiences over exclusivity," revealing that exclusivity alone does not necessarily enhance their connection to a brand. Instead, these consumers value more having genuine connections with brands and value unique, unforgettable experiences than the excitement of limited-edition items: "Don't get me wrong, having a unique product is great, but it's the experience that really sticks with me and makes me want to go back." (Verbatim, Interview 1).

Examining the two groups, upper and mid-tier luxury consumers, we can see on Figure 13 and Figure 14, that both prioritize quality over exclusivity when exclusivity fails to strengthen their loyalty to the brand. Upper mid-tier consumers place a greater emphasis on quality and authenticity, likely due to their higher aspirations for superior craftsmanship and the authenticity that defines luxury products, as one participant explained: "Exclusivity doesn't have a big impact on my loyalty. What makes me loyal is consistency in quality and design. Limited

editions might catch my eye, but they don't necessarily make me feel more connected to the brand." (Verbatim, Interview 7).



In contrast, mid-tier consumers emphasize experience as an alternative value driver to their loyalty, reflecting their appreciation for the emotional and functional benefits that go beyond exclusivity. One participant explained: "I definitely feel more loyal to a brand that offers exclusive experiences rather than just exclusive products. Don't get me wrong, having a unique product is great, but it's the experience that really sticks with me and makes me want to go back." (Verbatim, Interview 1)

### 5.2.4 Perceptions associated with Experiences

Participants linked luxury experiences to a number of factors, as showed on the word cloud below (Figura 15), such as relationship connections, personalization, sensory appeal, emotional engagement, lifestyle integration, and cognitive and practical aspects. These aspects demonstrate how luxury experiences go beyond tangible goods and services, emphasizing the development of memorable, emotionally impactful, and meaningful connections.



Figure 15- Word Cloud of perceptions associated with experiences

Personalization was the most commonly mentioned characteristic with participants highlighting the importance of customized services, invitation-only events, and interactions that are especially in line with their tastes. With 83% of respondents mentioning it, "Unique Interactions Aligned with Preferences" was the most important component of this dimension. The significance of customized experiences" that satisfy personal preferences and strengthen sentiments of exclusivity and gratitude are explained by one participant: "When I bought my Dior bag, what made me feel connected wasn't just the beautiful store or packaging, but how the staff took the time to understand what I wanted." (Verbatim, Interview 3). 50% of

respondents also emphasized product personalization, indicating the growing appeal of goods that are tailored to each person's requirements and taste. According to one participant, *"What really stood out was the option to personalize the bag with my initials. They explained the process, showed me samples, and made the whole thing feel like I was creating something unique."* (Verbatim, Interview 1).

Relational connections were another view that the respondents emphasized, with "Attention to Detail from Staff" being the most commonly reported subdimension (76.9%). Individualized, attentive service that made them feel distinctive was considered important by the participants. A participant said, *"Yes, the boutique staff made the experience memorable. They walked me through the history of the Serpenti line, and their enthusiasm was infectious."* (Verbatim, Interview 8).

In addition to the previously mentioned dimensions, participants identified Sensory Appeal, Emotional Engagement, Lifestyle Integration, and Cognitive and Practical Aspects as essential components of their understanding of luxury experiences. The focus on emotional and lifestyle integration indicates the increasing significance of crafting experiences that resonate profoundly with consumers' identities, *"They asked about my preferences and lifestyle rather than pushing a product."* (Verbatim, interview 9). In terms of emotional engagement, one participant shared: *"Experiences make the brand feel more human and relatable. It created a sense of community and connection that went beyond just buying a bottle"*. While the acknowledgment of cognitive and practical elements, as shown by this participant *"It wasn't just a transaction; it felt like a moment of education and a celebration."* (Verbatim, Interview 13), illustrates that thoughtful design and functionality are vital for enhancing overall satisfaction.

Considering the most referenced variables, Upper Mid-Tier consumers place high importance on Personalization, Relational Connections, and Attention to Detail from Staff, showing a strong preference for tailored, high-touch experiences. They also value Unique Interactions Aligned with Preferences, Product Personalization, and Emotional Engagement, reinforcing their desire for exclusivity and deep emotional bonds with brands.

Meanwhile, Mid-Tier consumers also emphasize Personalization, Unique Interactions Aligned with Preferences, and Relational Connections, but they show a stronger appreciation for Cognitive and Practical Aspects, Engaging Intellect Through Creative Experiences, and More Than Transactional Relations. This suggests they seek experiences that go beyond luxury status, valuing intellectual engagement and meaningful interactions with brands.

#### **5.2.4.1 Experiences and value creation**

In order to explore P3, participants were urged to discuss how immersive, customized, and one-of-a-kind experiences influenced their opinion of a brand's value, going beyond tangible aspects to examine the intangible aspects of luxury. Following this, one participant stated that *"Honestly, the experiences can make or break how I see the brand. If they treat me well, like remembering what I like or making the process feel special, it boosts how much I value them"* (Verbatim, Interview 1). Another underlined, *"Personalized experiences enhance the value because they make the product feel like it was designed specifically for me"* (Verbatim, Interview 5).

According to the overall analysis, mid-tier and upper mid-tier luxury customers showed comparable views about how experiences shape the value they perceive in luxury brands. The

comparative charts below, Figure 16 and 17, illustrate the six main points that both groups highlighted.

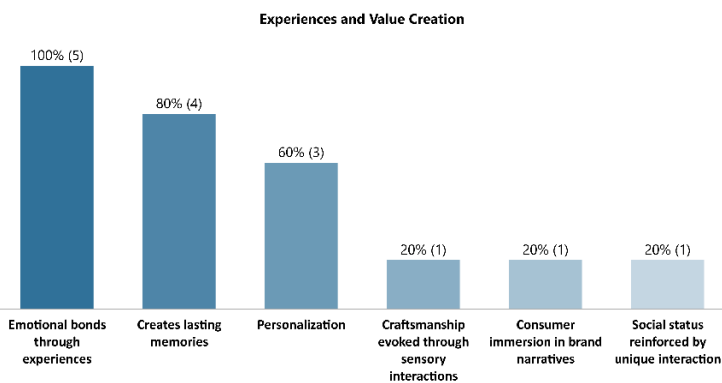


Figure 16- Mid-tier luxury consumers perceptions of experiences and value creation

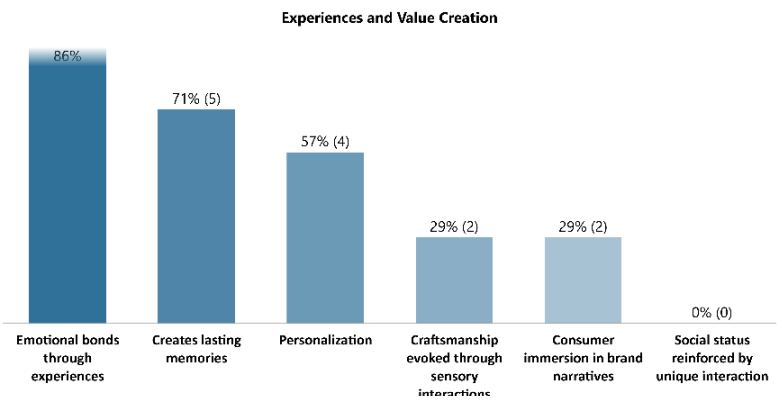


Figure 17- Upper Mid-tier luxury consumers perceptions of experiences and value creation

The most often mentioned element among these in both groups was emotional bonds developed from experiences, demonstrating the importance of emotional connections in influencing perceptions about luxury brands. 86% of respondents in the upper mid-tier shared the same opinion, with 100% of mid-tier consumers associated this element as an important aspect of value generation. *"It wasn't just wine; it was a shared experience, a memory tied to something truly exceptional. That's the kind of value that stays with you, far beyond the product itself"* stated one mid-tier participant (Verbatim, Interview 4).

80% of participants in the mid-tier and 71% of those in the upper mid-tier named the creation of lasting memories as the second most important dimension. This was explained by the participants saying: *"Every time I wear my watch, I think back to the day I purchased it and the care they showed me"* (Verbatim, Interview 9). Lower but still noteworthy comments were made of consumer immersion in brand narratives (20% mid-tier vs. 29% upper mid-tier) craftsmanship evoked through sensory interactions (20% mid-tier vs. 29% upper mid-tier). Ultimately, only one mid-tier participant (20%) acknowledge social status reinforced by unique interaction.

#### 5.2.4.2 Experiences and Loyalty

In order to investigate Proposition 4, participants were asked to consider why brand experiences from luxury brands could strengthen their loyalty or, conversely, why they might not think of these experiences as an important variable in loyalty. Participants discussed how, for example, personalized services, exclusive events, and customer engagement created or strengthened their connection with luxury brands.

Among the main explanations given by the individuals who felt more connected to brands as a result of their experiences were: interactive and immersive experiences, storytelling, ongoing support, innovation and personalization, and creating a sense of community. Among these reasons, one participant revealed: *"If the brand takes the time to make me feel part of their story, whether through personalized service or exclusive insights into their creations, it makes me want to stay loyal"* (Verbatim, Interview, 12).

Furthermore, a vital viewpoint that emphasized the sorts of experiences which contributed to participants to feel loyal was the "experiences worth the returning" component. For instance, one respondent explained: *"That experience stays with you and makes you want to return because you know you'll be valued as a customer."* (Verbatim, Interview 8). Other participant explain how and why experiences create a stronger connection and consequently

influencing their loyalty, saying: *"The product itself can be extraordinary, but the experience is what creates lasting loyalty. If a brand treats me with care and respect, and goes out of their way to make me feel valued, it builds a stronger connection."* (Verbetim, interview 9). Likewise, one respondent highlighted: *"The excellent experience during the purchase just reinforced my loyalty to the brand."* (Verbetim, Interview 6). These interactions and the perspective provided by the participants show that the experiences are viewed as another manifestation of the brand's values, producing an atmosphere in which individuals were recognized and emotionally involved.

Some participants, on the other hand, emphasized that their loyalty to luxury brands was not mainly centered on experiences. Rather, they gave more weight to symbolism, brand reputation, and product quality because they believed these factors were more important in fostering their bond with the brand. Among the reasons, one participant explained: *"Not really. While a good experience is nice, it's not a deciding factor for me. My loyalty is tied more to the brand's reputation and what their products symbolize. As long as the process is smooth and professional, I'm satisfied."* (Verbetim, interview 4). Moreover, some respondents clearly prioritized exclusivity over experiential value, viewing experiences as additional rather than core. According to one interviewee, *"I value the exclusivity of the product itself more than experiences. I'm not looking for events or personal touches from the brand, I care about what the product stands for and how it aligns with my goals."* (Verbetim, interview). Finally quality was mentioned by some participants as a non-negotiable when analyzing their loyalty to the brands: *"Yes, quality has definitely been a bigger reason for my loyalty than exclusivity or experience"* (Verbetim,, Interview 2).

A comparative analysis shows that none of the mid-tier participants indicated that experiences did not make them feel more connected to the brand. This emphasizes how experiences are a key factor in fostering loyalty in this audience, as emotional connection and memorable experiences seem to be crucial in forming their loyalty to luxury brands. On the other hand, the upper mid-tier group included all participants who gave additional justifications for their loyalty to luxury brands outside of the experiences offered. For these consumers, quality in particular stood out as an essential attribute, suggesting their strong preference for excellent craftsmanship, durability, and the knowledge that the items they buy are of the highest possible standard. Exclusivity was another often noted factor, with participants declaring that their loyalty centered on the distinctive qualities and exclusivity of what they owned. Furthermore, brand symbolism was important to these consumers, who appreciated the prestige and status that came with buying luxury things that reflected their aspirations and social position.

While these upper-mid-tier consumers appreciated experiences, they were not the deciding factor in their loyalty. Instead, the tangible attributes of the product and the symbolic meanings associated with the brand were highlighted to be more important in maintaining their relationship. As one of the participants explained, *"Without quality, the experiences wouldn't matter, but together, they create a complete package that feels truly special"* (Verbetim, Interview 2).

### **5.2.5 Other factors that influenced Value Creation**

Aside the factors that we analyzed until now, many participants have other views about the value they perceive in luxury brands. The world cloud below (Figure 18), presents the additional variables that enhance value creation according to the participants.



Figure 18- Other factors that influenced value creation

"Personal Identification" emerged as the most influential component in value perception. Participants commonly stated luxury brand's capacity to relate with their personal beliefs and goals enhanced the perceived value of the products. As one respondent declared: *"it's more about how well the product integrates into my personal style and the confidence it gives me when I wear it"* (Verbetim, Interview 6). Moreover "craftsmanship" was a further significant variable in perceived value. Participants pointed out how important is the attention to detail, precision, and the handcrafted character of luxury products. One participant commented: *"I've always appreciated brands that focus on authenticity and craftsmanship rather than just following trends. That's what makes a purchase feel like an investment, not just an indulgence"* (Verbetim, Interview 7). Finally, participants acknowledged long-lasting of products that transcend trends, and "Timeless Design" was shown to be a significant factor in determining perceived value. According to one respondent: *"timeless design is one of the most important factors because I want to buy something that I'll still love in 10 years"*. (Verbetim, Interview 3).

### 5.2.6 Other factors that influenced Loyalty

The examination of other elements fostering loyalty finds both overlaps with those identified as enhancing perceived value and the introduction of new dimensions particular to developing long-term consumer connections. Personal identification, quality, timeless design, and consistency were major drivers of loyalty, as shown in the word cloud (Figure 19), which aligned with the value creation findings. However, other factors, such as ongoing support and engagement, brand reputation, and transparency, have been recognized as reasons why customers are loyal to brands, illustrating how loyalty extends beyond the dimensions related to creating value.



Figure 19- Other factors influencing loyalty

One important factor that stood out was ongoing support and engagement, which highlights the significance of reliable, superior after-sales care and brand interactions in preserving the customer-brand relationship over time, as explained by one participant: *"Experiences are important, but ongoing support and engagement would have the greatest impact on keeping me loyal."* (Verbatim, Interview 3). Brand reputation was also identified as a significant influence in loyalty, with respondents underlining the importance of a brand's image and credibility in sustaining their trust and commitment. As an interviewee explained, *"For me, it's not just about consistency in quality, but whether the brand maintains a clear and meaningful identity"* (Verbatim, Interview 10). Some participants also mentioned transparency, saying they valued clear communication and honesty from the company, especially in areas like sources, sustainability, and company practices. As another individual phrased: *"Transparency is also important, for me, how a brand communicates about its materials, processes, or values builds trust"* (Verbatim, Interview 3).

## CHAPTER 6 – Discussion and conclusion

### 6.1 Discussion of Results

The primary goal of this investigation is to answer the research question: "How do exclusivity, experiences, and value creation foster loyalty toward luxury brands?". In order to respond to the question, five propositions were suggested based on the literature review made.

Regarding the first proposition, "Exclusivity enhances the perceived value of luxury brands in the mind of consumers", results revealed that the majority of participants considered exclusivity as a crucial driver of value creation. This is consistent with previous research, which has found that exclusivity not only encourages rarity and distinction, but it additionally improves the total appeal and perceived value of luxury brands (Kapferer & Bastien, 2009; Wiedmann et al., 2007). Participants linked exclusivity mostly to emotional and symbolic value, emphasizing its significance in developing a sense of uniqueness and personal identity. Mid-tier luxury consumers highlighted these dimensions, seeing exclusivity as a way to strengthen the emotional connection and symbolic significance of their purchases. This supports Wiedmann et al.'s (2007) hypothesis that emotional and symbolic value play an important role in shaping consumers' perceptions of luxury. For these consumers, exclusivity becomes a personal milestone or an expression of personality, which strengthens its role in improving perceived value. Meanwhile, upper-mid-tier luxury consumers, developed a more holistic approach, that includes functional and social dimensions as well as emotional and symbolic elements. They emphasized exceptional craftsmanship and the capacity of exclusive products to communicate social status as important factors in value perception. This is consistent with Kapferer and Valette-Florence's (2016) argument that exclusivity improves both the quality and reputation associated with luxury brands. These buyers respect exclusivity not only for its emotional impact, but also for its practical and societal ramifications, demonstrating an integrated understanding of luxury.

The findings for the second proposition, "Exclusivity strengthens brand loyalty," shows that many participants cited exclusivity as a compelling incentive to stay loyal to a brand. This is consistent with Kapferer and Bastien's (2009) argument that exclusivity gives consumers a sense of belonging to a limited group, which strengthens their commitment to the brand. Mid-tier consumers, in particular, emphasized the emotional resonance of exclusivity, characterizing it as a mechanism that makes each purchase feel special and worthwhile. This viewpoint supports

Tynan et al. (2010), who argue that exclusivity not only increases emotional involvement but also fulfills aspirational needs, making the brand experience more meaningful. For upper-mid tier consumers, exclusivity was appreciated since it was associated with excellent craftsmanship, product quality, and brand heritage. This larger approach is consistent with the findings of Heine and Phan (2011), who assert that exclusivity enhances loyalty by combining emotional appeal with tangible characteristics like quality and rarity. Upper-mid-tier consumers frequently stated that exclusivity improved their trust in the brand's capacity to offer outstanding items, resulting in a stronger and more lasting relationship. Nevertheless, the findings demonstrate that exclusivity is not always enough to ensure loyalty. A subset of upper-mid-tier individuals stated that their loyalty was primarily motivated by other considerations, such as product quality, brand reputation, and alignment with personal values. This finding is consistent with research by Beverland (2004), which emphasizes the importance of reliability and quality in developing consumer loyalty. These individuals saw exclusivity as an enhancement rather than a core factor of their loyalty, implying that its success relies on how well it complements other crucial traits.

In terms of the third proposition, "Luxury brand experiences enhance perceived value", the research showed that experiences are essential to how customers understand the value of luxury brands. Beyond the product itself, participants consistently stated that the relationships, emotions, and uniqueness associated with brand experiences influence their perception of value. Luxury experiences were viewed as a gateway to developing emotional attachments, which participants saw as a critical aspect for improving their perception about the brand's value. In this line of thought, Wiedmann et al. (2007) and Holmqvist et al. (2020) argue that emotional connection enhances consumer attachment and admiration for the brand. The potential of luxury experiences for generating positive feelings, such as feeling valued or understood, distinguishes them from non-luxury options. However, mid-tier luxury consumers prioritized individualized and emotionally engaging experiences, which can be related with Wiedmann et al. (2009), who emphasize the relevance of emotional benefits to enhancing perceived value among aspirational consumers. These participants commonly connected value creation with unique interactions suited to their preferences, confirming Tynan et al.'s (2010) results that personalized experiences promote self-expression and emotional pleasure. Luxury brands and the experiences shared for many participants, were highly regarded for their customized attention and service, which generated a sense of individuality and exclusivity. Upper mid-tier consumers, on the other hand, showed a stronger preference for experiences that reaffirm their social standing and highlight craftsmanship, reflecting their emphasis on exclusivity and functional quality. While they valued emotional and relational qualities, these were frequently overshadowed by the perceived prestige and quality contained in their interactions. These distinctions suggest that luxury firms should employ nuanced techniques when building experiences, ensuring congruence with the diverse goals and expectations of each consumer segment.

The fourth proposition, "Luxury experiences cultivate consumer loyalty," investigates how the experiential components can enhance the relationship between consumers and luxury brands. This study shows that personalized and immersive experiences are key drivers of loyalty, however the effects vary by consumer niche. This can be sustained by (Pine & Gilmore, 2013) paradigm for experiential marketing and Brakus et al.'s (2009) study on the sensory and emotional components of consumer-brand connections. Mid-tier luxury customers expressed a high preference for emotional and relational components of their interactions with brands. Personalized attention and specialized offerings were often cited as essential factors in building

customer loyalty. These findings are consistent with research by Tynan et al. (2010) and Holmqvist et al. (2020), which emphasize the relevance of emotional involvement and relationship depth in promoting loyalty, particularly among aspirational consumers. However, customers in the upper mid-tier had a different view about this topic. The uniqueness, craftsmanship, and symbolic value ingrained in the brand's experiences had a greater impact on their devotion. Their sense of belonging to an exclusive group was strengthened by exclusive events and opportunities with limited access, which supports Kapferer and Bastien's (2009) thesis that exclusivity and rarity are crucial for maintaining prosperous consumers' loyalty. This group gave more weight to the status-enhancing and premium quality aspects of their brand interactions, even if personalization was still crucial. It is important to note that for certain participants, the influence of experiential components on loyalty was not the most important aspect, but product quality and consistency were the outstanding factors. This supports the proposition made by Wiedmann et al. (2007) that in the luxury market, functional value is still a crucial factor in determining loyalty.

Finally, the fifth proposition, "Perceived value strengthens consumer loyalty in the luxury market," explores the relationship between loyalty among luxury consumers and the multifaceted character of perceived value, which includes functional, emotional, symbolic, and social elements. The results firmly support this assertion, highlighting how important perceived value is when building long-lasting relationships between consumers and brands. The most important factor influencing loyalty among mid-tier and upper mid-tier luxury consumers was found to be functional value. The focus on craftsmanship, quality, and durability supports research by Wiedmann et al. (2007) that emphasizes the fundamental significance of functional features in luxury purchases. As a major factor in their ongoing commitment, participants frequently mentioned their belief in the products' exceptional quality. Customers in the upper mid-tier group for example showed a greater value for accuracy and craftsmanship, which also supports the point made by Heine and Phan (2011) that higher functional value increases brand loyalty. Further, emotional value was important, especially for mid-tier customers who frequently linked their allegiance to the emotional resonance of the products they bought. Based on that, Vigneron and Johnson's (2004) findings shows that luxury consumption is distinguished from non-luxury alternatives by emotional benefits, these consumers saw their luxury goods as sources of emotional fulfillment and personal happiness. Among upper-mid tier consumers, symbolic value was especially important since they connected their allegiance to luxury goods' signals of status, prestige, and identity. This discovery can be supported by Kapferer and Valette-Florence (2016) that luxury brands' symbolic value enhances their capacity to cultivate brand loyalty among customers looking for social differentiation. This segment's participants frequently highlighted how their selected brands complemented their own beliefs and goals, highlighting the significance of symbolic resonance in fostering loyalty. Even though it was not as often acknowledged, upper-mid-tier customers still valued social value. According to Wiedmann et al. (2007), this dimension illustrates how luxury brands help people join groups and raise their social status. The acceptance and respect that luxury brands provided in elite social circles contributed to these customers' loyalty.

The results showed that, in addition to the main dimensions of functional, emotional, symbolic, and social value previously examined, there are other elements that have a major influence on how consumers perceive value and loyalty in the context of luxury brands. These elements provide subtle insights into the larger processes influencing luxury consumption and were discovered through participant answers. For example, "personal Identification" was

indicated to be an essential component in how values are perceived. This is consistent with research by Vigneron and Johnson (2004), which highlights how luxury spending reflects personal identity and goals and acts as a vehicle for self-expression. Another significant factor was "craftsmanship," as participants valued the fine craftsmanship and meticulous care to detail found in luxury goods. This result supports Beverland's (2004) contention that luxury brands' premium status and ability to stand out from mass-market competitors are largely dependent on their craftsmanship. In terms of loyalty, continued support and engagement were highly emphasized. This is consistent with Grewal et al. (2017), who emphasize the importance of outstanding after-sales care and ongoing involvement in developing trust and long-term relationships. Personalized post-purchase services make clients feel valued, which boosts brand loyalty. Brand reputation has also emerged as an important driver of loyalty. Keller (2009) describes reputation as a foundation of consumer trust and a predictor of long-term commitment. This is also consistent with Herpen et al. (2014), who argue that clarity about exclusivity and production procedures increases consumer confidence and strengthens their connection to the brand.

In conclusion, this study successfully achieved its research objectives by demonstrating how exclusivity, experiences, and value creation influence consumer perceptions and loyalty in the luxury market. Although the proposed variables effectively supported the propositions, additional factors were also highlighted by consumers as relevant to their connection with value and loyalty. This suggests a broader and more nuanced framework of influences, warranting further exploration in future research to comprehensively understand the complexities of consumer-brand relationships in the luxury sector.

## 6.2 Academic Contributions

This study, fulfill an important theoretical gap concerning the relationship between exclusivity, personalized experiences, perceived value, and loyalty in the luxury market. Although previous studies have examined these factors separately, the integrative approach taken in this research provides a comprehensive understanding of how these variables work together to influence consumer perceptions and behaviors. This insight addresses a gap noted by Atkinson and Kang (2022) and Cristini et al. (2017), who emphasized the need for more thorough investigations into the relationships between these factors. Moreover, one of the primary academic contributions is based on the employing of a qualitative approach. Thus, this study offers a deeper understanding of consumer motivations that are frequently missed in quantitative studies, highlighting the emotional and relational elements that contribute to lasting brand loyalty. Furthermore, it was emphasized during this research the pivotal role of exclusivity in differentiating luxury brands in an era of increasing accessibility and digitalization (Kapferer & Bastien, 2009; Fuentes et al., 2023). This, adds depth to the discourse on how exclusivity enhances brand value and loyalty (Wiedmann et al., 2007). Also, the critical importance of experiences in luxury branding, corroborating findings by Atwal and Williams (2009) and Holmqvist et al. (2020) that highlight the transition from product-centric to experience-driven value creation. It delves into how personalized interactions, sensory engagement, and lifestyle alignment enhance emotional connections, thereby elevating brand loyalty. This contribution is particularly timely, given the growing emphasis on experiential marketing in luxury branding to meet the evolving demands.

Besides that, this study finds that additional elements like craftsmanship and timeless elegance are significant contributors to loyalty and value. These results support those of Chapman and Dilmeri (2022) in highlighting the rising demand from consumers for ethical,

sustainable, and authentic luxury consumption behaviors. A key innovation of this study is its segmentation of participants into mid-tier and upper mid-tier luxury consumers, providing fresh insights into how different consumer groups prioritize exclusivity, experiences, and value creation. This segmentation approach opens new doors for academic literature, offering a refined lens through which to study consumer behavior and brand strategy in the luxury market. With this, the study establishes the foundation for further investigation by putting forward a dynamic framework to examine customer-brand relationships in light of changing and specific targeted consumer expectations.

### **6.3 Contributions to Management**

The research developed on this dissertation, offers actionable insights for managers of luxury brands on how consumer perceptions about value, drive their behaviors and decision-making. By collecting detailed insights into how consumers perceive value, this research offers practical guidelines and advices on how managers should design their strategies in order to foster loyalty and maintaining relevance in a competitive market.

Results highlight the importance of exclusivity, not only from a scarcity perspective but also in its multi-dimensional manifestations of rarity, distinction, and emotional connection. As noted by Kapferer and Valette-Florence (2016), managers will be able to elicit more intimacy if exclusivity is firmly rooted in unique narratives supported by bespoke offerings. This further underlines the importance of exclusivity as a strategic tool aimed at maintaining brand prestige and desirability. The second variable analyzed, experiences, was also highlighted, where personalized and immersive interactions, such as bespoke services, unique interactions with the staff, were shown to enhance perceived value and drive loyalty. Based on this discoveries, managers should prioritize crafting meaningful experiences that resonate not only with consumer identities but also, creates lasting memories that are perceived as experiences that worth the returning, positioning the brand as an integral part of the customer's lifestyle.

The segmentation insights from this research highlight distinct priorities between mid-tier and upper mid-tier consumers. Mid-tier consumers value emotional engagement and personalized relationships, indicating that brands should focus on tailored interactions and exclusivity to foster deeper connections. In contrast, upper mid-tier consumers prioritize quality, craftsmanship, and exclusivity, suggesting that strategies should emphasize superior product attributes and the prestige of ownership. Understanding these nuanced consumer expectations allows luxury brand managers to develop more targeted, consumer-centric strategies. By aligning brand practices with both the emotional and functional needs of their audience, brands can enhance customer satisfaction, strengthen loyalty, and maintain a lasting competitive edge in the luxury market.

### **6.4 Study Limitations and Research Suggestions**

Finally, the limitations of this study and suggestions for future research are presented. One limitation of this dissertation is the focus on mid-tier and upper mid-tier luxury segments. While these groups provided valuable insights into consumer behavior and brand perceptions. Future research could explore these additional tiers to provide a more comprehensive understanding of how exclusivity, experiences, and value creation influence consumer loyalty across the luxury spectrum. Another limitation concerns the geographical and cultural scope of the study. The sample was regionally specific, because all the participants interviewed are Portuguese, which may limit the generalizability of the findings to global markets. Cultural differences in how luxury is perceived and consumed may yield varying results, and future

studies could expand the geographical scope to explore these nuances in different cultural contexts.

The qualitative approach of this study, while effective in capturing detailed and nuanced insights, presents another limitation. Despite of the in-depth interviews offered valuable perspectives on consumer motivations, only 13 interviews were conducted, which represents a small sample size and consequently limits the ability to generalize findings to a broader population. Future research could incorporate more interviews or mixed-method approaches, combining qualitative depth with quantitative validation, to achieve a more balanced and generalizable analysis. Additionally, this study focused primarily on the role of exclusivity and experiences in value creation and loyalty but did not fully explore the influence of other emerging themes such as sustainability, ethical practices or digital transformation. Given the increasing importance of these factors in luxury consumption, future research should investigate their impact on consumer perceptions and loyalty strategies.

Also, the segmentation of consumers into mid-tier and upper mid-tier groups of consumers proved insightful but also highlighted the need for more granular analyses. Future studies could examine additional subgroups inside this ones, for example, as generational differences or varying levels of digital engagement, to uncover how these factors influence luxury brand perceptions. Lastly, while this research identified additional variables like craftsmanship and timeless design as influential in value creation and loyalty, it did not delve deeply into their interrelationships or potential long-term effects. Future studies could focus on these factors in more detail, exploring how they interact with exclusivity and experiences to shape consumer-brand relationships in the luxury sector.

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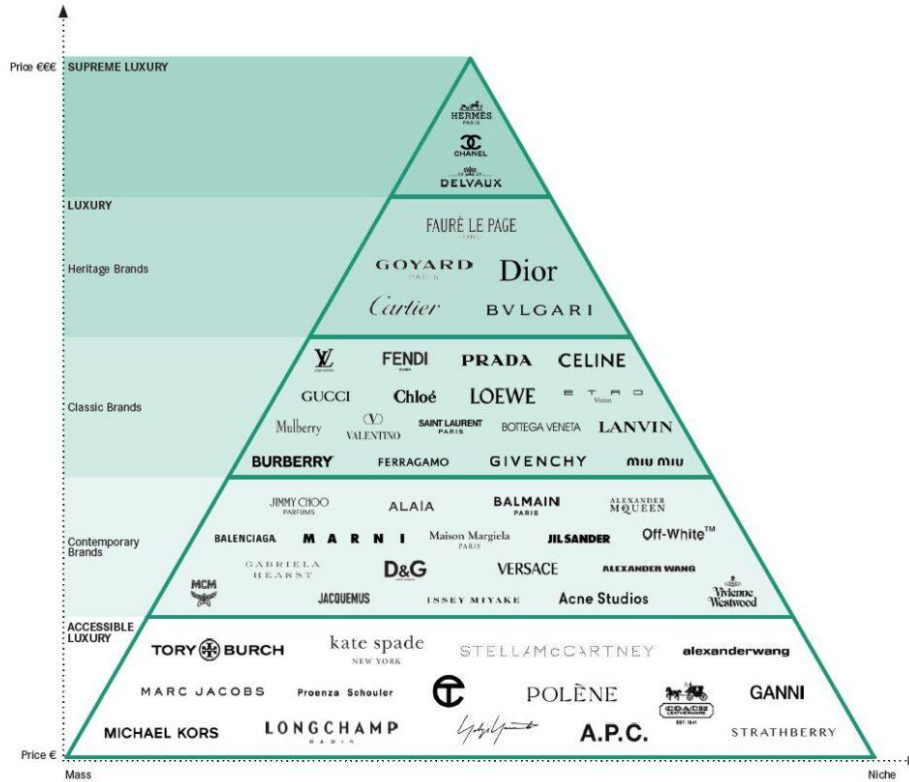
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# APPENDIX

## APPENDIX 1

### Luxury Brand Pyramid

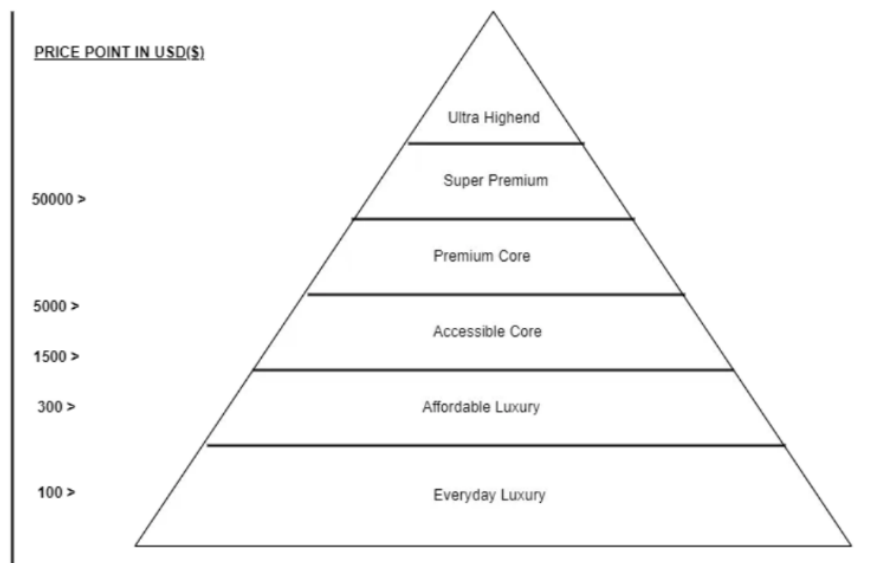


Source: <https://www.across-magazine.com/the-luxury-market-as-a-trendsetter-for-the-retail-world/>

## APPENDIX 2

### Luxury Brand Pyramid

#### The Theory of Luxury Brand Pyramid



Source: <https://medium.com/@ppsheanoy/an-introduction-to-luxury>

## APPENDIX 3

### Interview script

#### **i. Introduction**

This interview is taking place in the context of my master's dissertation in Management at ISEG – Lisbon School of Economics & Management, University of Lisbon. The focus of this research is to explore how exclusivity and experiences influence value creation and brand loyalty in the luxury market. More specifically, the study aims to understand the significance of these variables to luxury consumers, how they are perceived, and whether there are additional factors that consumers consider important when engaging with luxury brands.

I would like to express my gratitude for your willingness to participate in this interview. Your input is crucial in helping to deepen the understanding of this subject. Please be assured that all the data collected during this interview will be used exclusively for the purposes of this study and the dissertation. I encourage you to answer as honestly as possible, as there are no right or wrong answers, and all insights are valuable. There will be no judgment or evaluation of the responses you provide.

Before we begin, I would like to ask for your permission to record this interview. The recording will solely be used for transcription purposes and to ensure that I capture your responses accurately. May I have your permission to proceed with the recording?

This interview will follow a semi-structured format, meaning I have prepared some questions to guide our conversation, but the discussion may evolve based on your responses. Please feel free to elaborate on your answers or bring up any points that you feel are important for the topic.

#### **ii. Validation of profile requirements**

1. Have you ever purchased a luxury product? (Yes; No)
  - a. If yes, Can you recall the last luxury product you purchased? What was it and how much did you spend on it?
2. How often do you purchase luxury products?
3. What factors influenced your decision to purchase from this particular brand?
4. Could you explain what aspects of the brand stood out to you during the decision process? How did those aspects make you feel during and after the purchase?
5. Did you feel that this luxury brand offered you a unique or memorable experience during the purchase process? How so? In what way?
6. What were your expectations before purchasing this product? Would you say that the product met or exceed your expectations?
7. Have you purchased from this brand more than once? If yes, why? If not, why?
  - a. Was it based on the product's quality, brand experience, or another factor?
8. Do you plan to buy from this brand again in the future? Why or why not?

- a. Are you loyal to this brand, or do you consider switching to others?
9. When purchasing luxury products, do you consider trying new brands, or do you typically stick to brands you've previously purchased from?
  - a. What would make you switch or stay loyal to a brand?

**iii. Value Creation and Brand Loyalty**

1. What does "value" mean to you when it comes to luxury products? Could you explain what factors (e.g., quality, exclusivity, craftsmanship, experience) make a luxury product feel valuable to you, and why?
2. What factors do you believe create the strongest sense of loyalty to a luxury brand? Why do these factors make you remain loyal to one brand over another?
3. Have you ever switched from one luxury brand to another? If yes, what were the key reasons for doing so?
4. In your opinion, does the value you perceive in a luxury brand influence your decision to remain loyal to it? In what way? What specific aspects of value (e.g., exclusivity, quality, or experiences) make the biggest difference in your loyalty? Why?
5. Have you ever remained loyal to a luxury brand even when other brands offered better value in terms of price, quality, experiences or more exclusive products? If so, why did you choose to stay loyal?
6. How do you think a luxury brand can improve the value it offers to strengthen customer loyalty? Which aspects of value (e.g., product quality, exclusivity, experiences) do you believe would have the greatest impact?

**iv. Perceptions of Exclusivity in Luxury Brands**

1. What comes to mind when you think of exclusivity in luxury brands? Did you feel that you were buying an exclusive product?
2. How important is exclusivity when choosing a luxury brand? Why? What role does it play in your decision-making process?
3. Do you feel more loyal to a brand that offers exclusive products or experiences? Please explain your reasoning.
4. Have you ever purchased a luxury product because it was exclusive or limited edition? If yes, how did that influence your decision?
5. In your opinion, does the sense of exclusivity contribute to enhancing the value previously described? If so, how? If not, why do you think that is?
6. How does exclusivity in luxury brands impact your long-term loyalty? Do you feel more connected to a brand when it offers exclusive or limited-edition products? Why or why not?
7. Does a sense of exclusivity strengthen your emotional connection to a brand? If so, in what ways does it influence your decision to keep purchasing from them? If not, why do you think exclusivity doesn't affect your attachment to the brand?

**v. The Role of Experiences in Luxury Consumption**

1. Could you share a memorable or meaningful experience you've had with a luxury brand? I'd love to hear the full story, from how the experience started, the interactions you had with the brand, and how it made you feel during and after the experience.
2. Do you think the overall experience (e.g., customer service, personalized offers, events) influences your loyalty to a luxury brand? Why or why not?
3. How important are experiences (such as brand events, exclusive access) compared to the quality of the product itself?
4. Does the brand's experiences made you feel more connected to the brand? Why?
5. How do the experiences provided by a luxury brand shape the overall value you perceive in the brand? Can you explain why these experiences make the brand feel more (or less) valuable to you?
6. In what ways do unique or personalized experiences influence your perception of a luxury product's value? Could you explain why such experiences enhance (or don't enhance) the value you associate with the brand?

**vi. Other influential Factors**

1. Aside from exclusivity and experiences, are there other factors that you consider important when choosing a luxury brand?
2. Have any of these other factors ever made you more loyal to a brand than its exclusivity or the experiences it offers? In addition, do these factors also increase the value you associate with the brand? If so, how?

**vii. Sociodemographic Profile**

**1. Age**

- 18-24
- 25-34
- 35-44
- 45-54
- 55+

**2. Gender**

- Male
- Female
- Non-binary
- Prefer not to say

**3. Educational Background**

- Primary Education

- Secondary Education
- Undergraduate (Bachelor's Degree)
- Postgraduate (Master's Degree, PhD, etc.)

**4. Professional Occupation**

- Unemployed
- Homemaker
- Student
- Part-time Employment
- Full-time Employment
- Self-employed
- Retired

**5. Salary Range**

- Less than 15,000€ per year
- 15,000€ - 30,000€ per year
- 30,000€ - 50,000€ per year
- 50,000€ - 75,000€ per year
- More than 75,000€ per year
- Prefer not to say

**6. How would you describe your financial lifestyle?**

- My income allows me to live comfortably
- My income covers my basic expenses
- I struggle to cover my expenses
- I have no income
- Prefer not to say

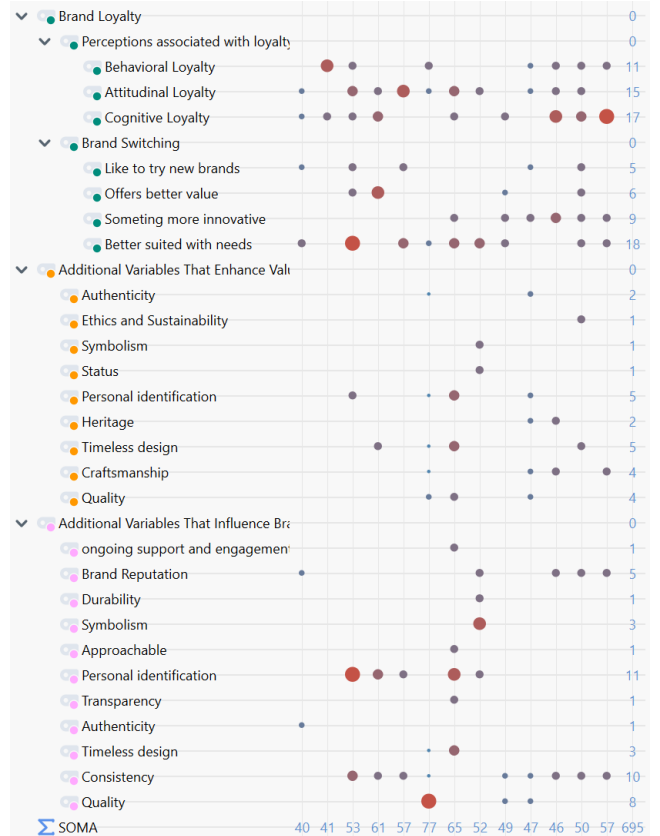
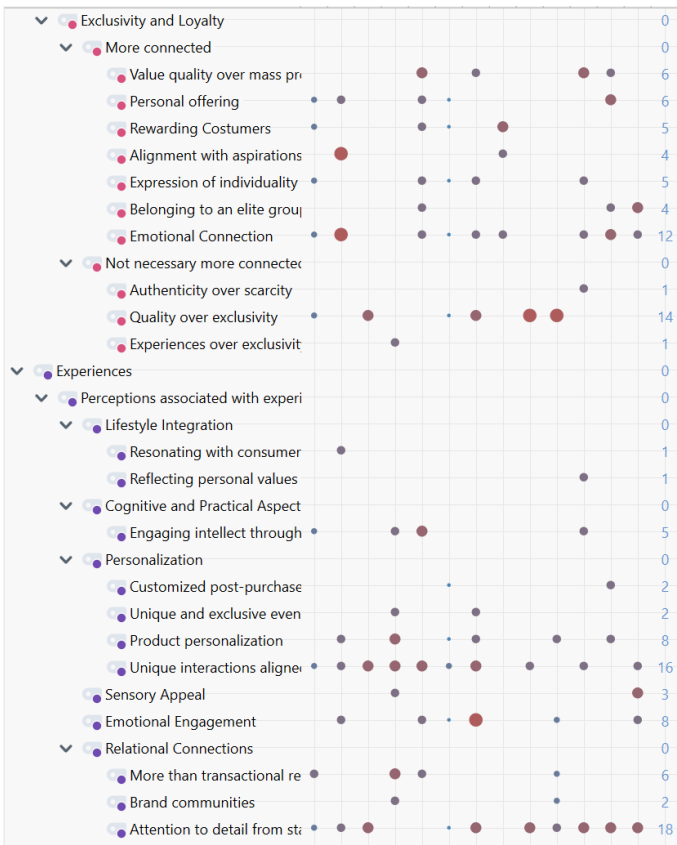
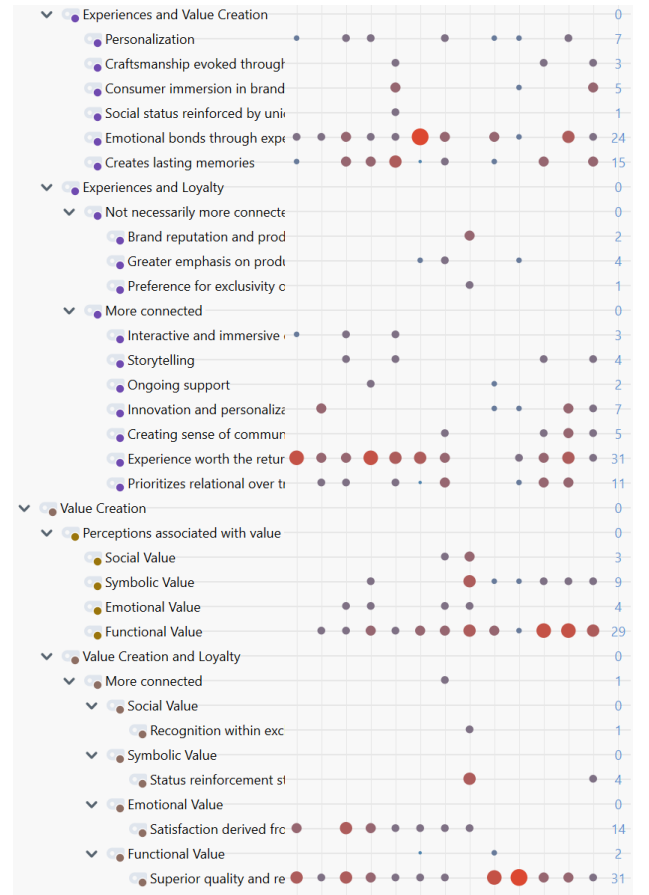
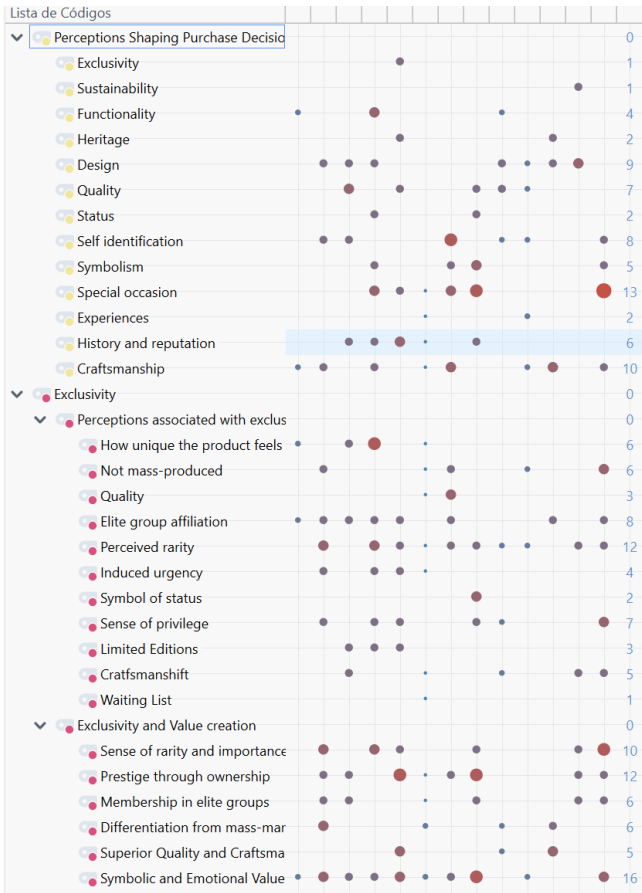
**viii. Closing Questions**

1. Is there anything else you would like to share about your experiences with luxury brands that we haven't covered?

Thank you for your participation. Your responses are highly valuable to this research.

APPENDIX 4

Coding matrix



APPENDIX 5

Coding Reliability Assessment

Codes	Total Coded	Total Agreed	Total modified
<b>c1a: Perceptions Shaping Purchase Decisions</b>	-	-	-
c1a1: Exclusivity	1	1	0
c1a2: Sustainability	1	1	0
c1a3: Functionality	4	3	1
c1a4: Heritage	2	2	0
c1a5: Design	9	8	1
c1a6: Quality	7	7	0
c1a7: Status	2	2	0
c1a8: Self-identification	8	5	3
c1a9: Symbolism	5	5	0
c1a10: Special occasion and and Self reward	13	13	0
c1a11: Experiences	2	2	0
c1a12: History and Reputation	6	6	0
c1a13: Craftsmanship	10	10	0
<b>c1b: Exclusivity</b>	-	-	-
<b>c2b: Perceptions associated with exclusivity</b>	-	-	-
c2b1: How unique the product feels	6	4	2
c2b2: Not mass-produced	6	5	1
c2b3: Quality	3	3	0
c2b4: Elite group affiliation	8	7	1
c2b5: Perceived rarity	12	12	0
c2b6: Induced urgency	4	4	0
c2b7: Symbol of status	2	2	0
c2b8: Sense of privilege	7	7	0
c2b9: Limited editions	3	3	0
c2b10: Craftsmanship	5	5	0
c2b11: Waiting list	1	1	0
<b>c3b: Exclusivity and Value creation</b>	-	-	-
c3b1: Sense of rarity and importance	10	9	1
c3b2: Prestige through ownership	12	11	1
c3b3: Membership in elite groups	6	6	0
c3b4: Differentiation from mass-market products	6	6	0
c3b5: Superior Quality and Craftsmanship	5	5	0
c3b6: Symbolic and Emotional Value	16	16	0
<b>c4b: Exclusivity and Loyalty</b>	-	-	-
<b>c4ba: More connected</b>	-	-	-
c4ba1: Value quality over mass production	6	6	0
c4ba2: Personal offering	6	6	0
c4ba3: Rewarding Customers	5	5	0
c4ba4: Alignment with aspirations for uniqueness	4	4	0
c4b5: Expression of individuality	5	5	0
c4ba6: Belonging to an elite group	4	4	0
c4ba7: Emotional Connection	12	12	0
<b>c4bb: Not necessarily more connected</b>	-	-	-
c4bb1: Authenticity over scarcity	1	1	0
c4bb2: Quality over exclusivity	14	12	2
c4bb3: Experiences over exclusivity	1	1	0
<b>c1c: Experiences</b>	-	-	-
<b>c2c: Perceptions associated with experiences</b>	-	-	-
c2c1: Sensory Appeal	3	3	0
c2c2: Emotional Engagement	8	8	0
<b>c2ca: Relational Connections</b>	-	-	-
c2ca1: More than transactional relation	6	6	0
c2ca2: Brand communities	2	2	0
c2ca3: Attention to detail from staff	18	18	0

Examining Value Creation and Loyalty in Luxury Brands from a Customer's perspective: The influence of Exclusivity and Experience

<b>c2cb: Lifestyle Integration</b>	-	-	-
c2cb1: Resonating with consumer beliefs	1	1	1
c2cb2: Reflecting personal values and identity	1	1	1
<b>c2cc: Cognitive and Practical Aspects</b>	-	-	-
c2cc1: Engaging intellect through creative experiences	5	3	2
<b>c2cc: Personalization</b>	-	-	-
c2cc1: Customized post-purchase care	2	2	0
c2cc2: Unique and exclusive events	2	2	0
c2cc3: Product personalization	8	8	0
c2cc4: Unique interactions aligned with preferences	16	16	0
<b>c3c: Experiences and Value Creation</b>	-	-	-
c3c1: Personalization	7	7	0
c3c2: Craftsmanship evoked through sensory interactions	3	3	0
c3c3: Consumer immersion in brand narratives	5	5	0
c3c4: Social status reinforced by unique interaction	1	1	0
c3c5: Emotional bonds through experiences	24	24	0
c3c6: Creates lasting memories	15	15	0
<b>c4c: Experiences and Loyalty</b>	-	-	-
<b>c4ca: Not necessarily more connected</b>	-	-	-
c4ca1: Brand reputation and product symbolism	2	2	0
c4ca2: Greater emphasis on product quality than on experiences	4	4	0
c4ca3: Preference for exclusivity over experiential value	1	1	0
<b>c4cb: More connected</b>	-	-	-
c4cb1: Interactive and immersive experience	3	3	0
c4cb2: Storytelling	4	4	0
c4cb3: Ongoing support	2	2	0
c4cb4: Innovation and personalization	7	7	0
c4cb5: Creating sense of community	5	5	0
c4cb6: Experience worth the returning	31	31	0
c4cb7: Prioritizes relational over transactional value	11	11	0
<b>c1d: Value creation</b>	-	-	-
<b>c2d: Perceptions associated with value creation</b>	-	-	-
c2d1: Social Value	3	3	0
c2d2: Symbolic Value	9	9	0
c2d3: Emotional Value	4	4	0
c2d4: Functional Value	29	25	4
<b>c3d: Value Creation and Loyalty</b>	-	-	-
<b>c3da: More connected</b>	-	-	-
c3da1: Social Value	-	-	-
c3da1a: Recognition within exclusive groups, social connections, and a sense of belonging	1	1	0
c3da2: Symbolic Value	-	-	-
c3da2a: Status reinforcement strengthening brand affinity	4	4	0
c3da3: Emotional Value	-	-	-
c3da3a: Satisfaction derived from emotional resonance driving repeat behavior	14	14	0
c3da4: Functional Value	2	2	0
c3da4a: Superior quality and reliability drive trust and loyalty	31	31	0
c3da4b: Practicality, efficiency, and durability fostering trust and long-term loyalty	9	9	0
<b>c1e: Brand Loyalty</b>	-	-	-
<b>c2e: Perceptions associated with loyalty</b>	-	-	-
c2e1: Behavioral Loyalty	11	11	0
c2e2: Attitudinal Loyalty	15	15	0
c2e3: Cognitive Loyalty	17	17	0
<b>c3e: Brand Switching</b>	-	-	-
c3e1: Like to try new brands	5	5	0
c3e2: Offers better value	6	6	0
c3e3: Something more innovative	9	9	0

Examining Value Creation and Loyalty in Luxury Brands from a Customer's perspective: The influence of Exclusivity and Experience

c3e4: Better suited with needs	18	18	0
<b>c1f: Additional Variables That Enhance Value Creation</b>	-	-	-
c1f1: Authenticity	2	2	0
c1f2: Ethics and Sustainability	1	1	0
c1f3: Symbolism	1	1	0
c1f4: Status	1	1	0
c1f5: Personal identification	5	5	0
c1f6: Heritage	2	2	0
c1f7: Timeless design	5	5	0
c1f8: Craftsmanship	4	4	0
c1f9: Quality	4	4	0
<b>c1g: Additional Variables That Influence Brand Loyalty</b>	-	-	-
c1g1: Ongoing support and engagement	1	1	0
c1g2: Brand Reputation	5	5	0
c1g3: Durability	1	1	0
c1g4: Symbolism	3	3	0
c1g5: Approachable	1	1	0
c1g6: Personal identification	11	10	1
c1g7: Transparency	1	1	0
c1g8: Authenticity	1	1	0
c1g9: Timeless design	3	2	2
c1g10: Consistency	10	10	0
c1g11: Quality	8	8	0
<b>Total</b>	<b>695</b>	<b>673</b>	<b>24</b>
<b>Reliability / Coefficient of Agreement</b>	<b>96,83%</b>		

Source: Personal Elaboration

APPENDIX 6

Sociodemographic characterization of the participants and Segmentation of Participants Based on the Value of the Last Luxury Purchase and Luxury Category

Interview	Age	Gender	Academic background	Professional occupation	Salary range	~ Value of the last Luxury Purchase	Luxury Category
1	25-34	Male	Postgraduate (Master's Degree)	Full-time employment	50000€-75000€	2200€	Mid-tier Luxury
2	45-54	Female	Undergraduate (Bachelor's Degree)	Full-time employment	50000€-75000€	6500€	Upper Mid-tier Luxury
3	25-34	Female	Undergraduate (Bachelor's Degree)	Full-time employment	30000€-50000€	5800€	Upper Mid-tier Luxury
4	25-34	Male	Postgraduate (Master's Degree)	Self-Employed	More than 75000€ per year	12000€	Upper Mid-tier Luxury
5	45-54	Male	Undergraduate (Bachelor's Degree)	Self-Employed	50000€-75000€	11000€	Upper Mid-tier Luxury
6	25-34	Female	Postgraduate (Master's Degree)	Full-time employment	30000€-50000€	1850€	Mid-tier Luxury
7	35-44	Male	Undergraduate (Bachelor's Degree)	Self-Employed	50000€-75000€	7800€	Upper Mid-tier Luxury
8	35-44	Female	Postgraduate (Master's Degree)	Full-time employment	More than 75000€ per year	3800€	Mid-tier Luxury
9	55+	Male	Undergraduate (Bachelor's Degree)	Self-Employed	More than 75000€ per year	8500€	Upper Mid-tier Luxury
10	18-24	Female	Undergraduate (Bachelor's Degree)	Full-time employment	15000€-30000€	1800€	Mid-tier Luxury
11	45-54	Male	Postgraduate (Master's Degree)	Full-time employment	50000€-75000€	6800€	Upper Mid-tier Luxury
12	45-54	Female	Undergraduate (Bachelor's Degree)	Full-time employment	50000€-75000€	11000€	Upper Mid-tier Luxury
13	55+	Male	Undergraduate (Bachelor's Degree)	Self-Employed	More than 75000€ per year	4800€	Mid-tier Luxury

Source: Personal Elaboration