

Leave Lagerfeld alone: Status of luxury brands could be ruined by buyers customizing their products

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As the fashion industry continues to give customers a more active role in designing their own products, luxury brands must be careful not to take customization too far, according to new research from Vienna University of Economics and Business (WU Vienna).

Many brands make it possible for customers to make their own design choices when it comes to selecting colors, fabrics, and cuts. But does this approach also work for luxury brands? Headed by Martin Schreier and Silke Hieke, researchers from WU Vienna's Institute for Marketing Management set out to answer to answer this question, finding that, for luxury brands, there is such a thing as too much choice.

With new manufacturing processes opening up greater possibilities when it comes to customization, consumers now place a greater value on customized than on standard products.

However, while existing marketing research has shown that consumers like customized products because these unique products communicate their identity more effectively. This is only true for mainstream brands.

The WU Vienna researchers carried out a series of studies, showing that while luxury brands can indeed benefit from customization, there is also the risk of going too far. Particularly fashion-conscious customers – the primary consumer base of luxury brands – place great importance on their appearance and are more sensitive to prestige. Its because of this that these customers are highly aware of the signal value associated with luxury brands.

Customers pay a premium for the designer's expertise and the status luxury brands convey. This means that the brand must remain clearly recognizable. If customization is taken too far, the consumers' desire for self-expression can potentially erode the product's signaling value.

"It pieces" like the Hermès Birkin bag have a special value because they are exclusive and they convey a clear brand identity.

According to the researchers, luxury brands can protect their ability to convey status by making the brand more prominent through overt means, for example through the obvious display of brand logos.

By assuring luxury consumers that others can receive the status signal that they are sending, these brands are able to give their consumers greater freedom for customization decisions. In general, however, luxury brands should leave only a few design decisions to their customers to protect the signal value created by the brands and their designers.

The study has been published in the Journal of Marketing Research.

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The study

Martin Schreier, Silke Hieke, C. Page Moreau, Emanuela Prandelli: "Customization in Luxury Brands: Can Valentino Get Personal?" Available at <https://doi.org/10.1177/0022243720943191>

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