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# A CONCEPTUAL FRAMEWORK ON THE INFLUENCE OF AUTHENTICITY AND RARITY ON LUXURY BRAND VALUE

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## ABSTRACT

The luxury goods market has been expanding globally since the early 1990s. Luxury consumption has witnessed a phenomenon of democratisation with the recent progress of civilisation and technology. It is easier now than 50 years ago to discover a scarce resource or purchase a refined item. Luxury marketers are faced with the challenge of the dilution of rarity and authenticity. This exploratory study is based on existing studies that discuss the definitions and associations of luxury, luxury brand, brand rarity, brand authenticity. The present study proposes a conceptual framework illustrating the internal relations of luxury brand authenticity, rarity and brand behaviour. It emphasises that in post-scarcity world, the nature or technical scarcity will tend to zero. The gap in the quality and functional value between each brand will diminish or even disappear. Intangible value generated by brand authenticity became the brand kernel, thus placing a price tag and attracting consumers, especially for luxury brand. Authenticity becomes the dominant factor distinguishing a luxury brand from others and whether the brand behaviour reflects its authenticity consistently, continuously and individually determines how consumers judge this brand.

**Keywords:** Authenticity, rarity, luxury brand, individuality, consistency, continuity

**JEL codes:** M30, M31

## INTRODUCTION

Technology has rapidly evolved since the Industrial Revolution. Its subsequent influence is too impeccable that the world is changing in an unpredictable direction. As the development of civilization and technology evolve, it is easier to discover scarce resource and produce refined goods than ever before. Uniformity in products due to mass production has led to a social identity crisis, which may be the primary reason for the present-day interest in authenticity such as heritage, the past and the original (Laenan 1989). This trend also appears significantly in traditional luxury industry in the past several decades. How can luxury become a social label is long debated, but in ancient eras, because of lack of technology and labour, it was difficult to finding certain scarce material such as precious stones (Berry, 1994). Luxury appeared unnecessary, but only a symbol of status in a society (Baudrillard, 1970; Berg, 2012; Veblen, 1898). Later, as present-day civilisation and technology developed, it was easier to discover a scarce resource or to produce a refined item. It was now easier to possess a luxury item. Kapferer and Bastien (2009) referred to this phenomenon as ‘democratisation of luxury’, which became obvious since the 1990s. The value of personal luxury goods in the global market witnessed has a sharp increase since 2000s. Recent research reports by Transparency Market Research indicate that this value will reach €260 billion in 2018, which was only €147 euros billion in 2009 (Statista 2019) and the global luxury goods market will cross €322.37 billion by the end of 2020.

Following this trend, as ‘brand’ assumed an identity independent from the manufacturer, luxury brand and luxury houses started to become distinct at the same time. A brand indicates not only the fame of the luxury house, but also an intangible value generated by branding, especially authenticity and rarity. Since then, the debate on luxury shifts from ancient to modern and from luxury goods to luxury brand is ongoing. The boundary between product and brand appears and then becomes distinct, which also impacts the luxury industry. In modern luxury, brands are critical because the more one sells intangible values beyond the functional ones, then more of these intangible values must be certified: which the fame of the brand alone can guarantee. Thus, scholars and marketers have been striving to find the new boundary of luxury and luxury brands to explore the brand attributes that increase brand rarity (Cattray, 2003; Phau and Prendergast, 2000, etc.) and authenticity (Gundlach and Neville, 2012; Schallehn, 2014; Coary, 2013, etc.). On the other hand, the high growth and penetration of luxury brand goods leads to a problem: rarity is diluted, and the luxury brand becomes less desirable (Kapferer and Valette-Florence, 2016). The constant growth in the number of brands, similar product offerings and fast imitation of product innovation have led to high levels of brand parity (BBDO Consulting GmbH, 2009) and

escalating brand competition. The kernel of most luxury definitions is elitism. However, in the present day, elitism is more an image than a reality (Thomas, 2008). Luxury brands have had little choice but to abandon natural rarity as a precondition of luxury and instead adopt 'abundant rarity' strategy (Kapferer, 2012) which creates feelings of exclusivity rather than actual exclusivity and by artificial rarity tactics (Kapferer and Valette-Florence, 2016). Some researchers view brand authenticity as a potential new pillar to create brand rarity and exclusivity (Beverland, 2005a, 2005b; Pine and Gilmore, 2008; Gilmore and Pine, 2007; Blackshaw, 2008, Eggers et al., 2013).

### **Luxury, luxury brand and brand value**

There is ongoing debate on 'luxury' for centuries and 'luxury' is also a swerve positioned with respect to a norm, a rule, a law that changes from society to society and era to era. Thus, luxury is always relative and impossible to define without situating it in time and space (Sicard, 2013:25). In his famous book *Luxury and Capitalism*, Sombart (1913, 1922) introduced two aspects of luxury regarding subjective evaluation of 'the necessary', quantitative and qualitative, which are most often combined. Quantitative luxury is synonymous with prodigality, while qualitative luxury is the use of superior-quality goods. He also characterised 'luxury goods' as 'refined goods' derived from the concept of qualitative luxury which is also defined similarly in marketing research literature. 'Luxury' is usually something related to self-indulgence and unnecessary (Ghosh and Varshney, 2013). Besides, although not all rare things can be considered luxury, luxury is something that must be rare or difficult to access. Rarity is one feature of luxury goods (Bourdieu, 1984; Veblen, 1899; Mauss, 2006; Sombart, 1913/1922; Berry, 1992; Douglas and Isherwood, 1979; Hirsch, 1977).

Brands are interfaces: they mediate between production and consumption and symbolise industrial production of differences (Baudrillard, 1970/2003) and a hegemonic vehicle for endless diversity (Askegaard, 2006). Studies on brand value grew since the 1950s. Earlier research concentrated more on the product itself rather than the brand value. The extensive value created by a brand despite of the product has been widely debated since decades, including some well-known theories such as brand equity (Aaker, 2001) and brand identity (Kapferer, 2008). When a product/commodity becomes a brand, its value is supplemented by a number of further associations (Danesi, 2006: 3, 21). Branding generates 'luxury brand' from 'luxury' and makes it a more complex. The divergence lies in the way how a brand creates the value as a luxury and by what brand associations. Luxury is a controversial and sophisticated topic in sociology and anthropology for centuries, while the contents of luxury brand became more complex than luxury itself, for brand attaches

several associations with luxury goods. It is composed of not only attributes and functions of luxury but also that of brand, which makes luxury brand a separate facet distinct from other commercial brands.

In the past century, economists or sociologists have defined 'value' variously. In philosophy, 'value' refers to the standards for behaviour or an optative, an expectation, with a view to perfection. However, precise concepts of value are still lacking. Marketers and researchers introduced perceived value, which is a specific inference-making mechanism based on consumers' intuitions of market efficiency (Chernev and Carpenter, 2001). Consequently, studying benefit components is one the main approaches of perceived value. Monroe's (2003) pioneering conceptualisation has finally been transformed into a model of perceived value with four components. A few others have focused on the perceived value and consumer behaviour using the means–end method. Zeithaml (1988) states that the components of perceived value include perceived quality, perceived sacrifice, extrinsic attributes, intrinsic attributes and high-level abstractions; and perceived quality is influenced by extrinsic attributes, intrinsic attributes and perceived monetary price (a part of perceived sacrifice).

**Table-1. Review of luxury brand dimensions.**

Vigneron and Johnson (2004)	Conspicuousness	Uniqueness	Quality	Hedonism	Extended self	
Berthon et al. (2009)	Functional	Experiential	Symbolic			
Brakus et al. (2009)	Behavioural	Feelings	Cognition			
Vickers and Renand (2003)	Functionalism	Experientialism	Symbolic Interactionism			
Gofman et al. (2010)	Design	Style	Experience	Emotions	Exclusivity	
Heine and Phan (2011)	Price	Quality	Aesthetics	Rarity	Extraordinariness	Symbolic meaning
Reyneke et al. (2011)	Modern	Classic	Post-modern	Wabisabi		
Walley et al. (2013)	Affect	Characteristics	Status	Gifting	Involvement	
Kapferer and Valette-Florence (2016)	Objective rarity	Exclusivity	Prestige	Creative Leadership		

**Table-2. Selected luxury brand dimension and attributes**

Vigneron and Johnson (2004)'s BLI scale		Kapferer (1998)	Dubois et al., (2001)
Conspicuous	Conspicuous Elitist Extremely expensive For wealthy	Belonging to a minority Its price	Conspicuous Elitist Very high price
Uniqueness	Very exclusive Precious Rare Unique	Exclusiveness Its uniqueness Its great creativity Grown out of a creative genius Knowing that few have one	Scarcity Uniqueness Not mass-produced Differentiate from others Few people own
Quality	Crafted Luxurious Best quality Sophisticated Superior	Craftsman Its quality Beauty of object Excellence of product	Rather like luxury Excellent quality Good taste
Hedonism	Exquisite Glamorous Stunning	Its sensuality Its magic	Pleasure Pleasing Aesthetics and polysensuality Makes life beautiful Make dream
Extended self	Leading Very powerful Rewarding Successful		Refined people Reveal who you are
		Savoir faire and tradition International reputation Long history Never out of fashion Forefront of fashion	Ancestral heritage and personal history Superfluous and non-functional

In research on luxury, researchers defined aspects of luxury products and brands semiotically using means–end method. Table 1 lists an initial review of describing luxury products and brands. These findings have little in common with each other. According to the literature in sociology, a necessary condition of luxury is refined goods (Veblen, 1899; Mauss, 2006; Sombart, 1913/1922; Berry, 1992), which implies that the functional, physical and aesthetic attributes of the goods must reach a basic standard that is higher than mass products. However, majority of the research reaches a consensus that rarity and authenticity are critical parts of a luxury brand and distinguishes a luxury brand from common commercial brands (e.g. Berthon et al., 2009; Brakus et al., 2009; Vickers and Renand, 2003; Vigneron and Johnson, 2004; Gofman et al., 2010; Kapferer, 1997, 1998).

### **Scarcity, Post-scarcity and rarity**

Scarcity is an economic term and basically framed by assuming finite productive resources, infinite and insatiable social needs and a market mechanism as the best means for optimal allocation of resources (Matthaei, 1984). It is determined by supply and demand conditions, while the mechanisms of access are often considered as playing an important role as well (O'Connor, 1993; Hoeschele, 2010; Panayotakis, 2013). A scarce good is one that has more demand than the quantity supplied (Jeffrey and Stephan, 2010). Infinite and insatiable needs are part of a metaphysically conceived human nature, underlining instead that human needs are socially determined, manipulated and artificially expanded to serve the interests prevailing in the market (Lioudakis, 2016). From a neo-Marxist approach, technological development and increasing energy-intensive capitalist production have led to an increasing economic surplus, building this as a basis for transcending scarcity (Baran and Sweezy, 1966). Scarcity falls into three distinctive categories: demand-induced, supply-induced and structural (Homer-Dixon, 2001). Demand-induced scarcity occurs when the demand for the resource increases and the supply remains the same. Supply-induced scarcity occurs when the supply is very low in comparison to the demand. Structural scarcity occurs when part of a population does not have equal access to resources owing to political conflicts or location (Homer-Dixon, 2001). In terms of luxury goods, by the beginning of the 20th century, the scarcity mainly indicated supply-induced and structural scarcity and for a short period of demand-induced scarcity by the 1990s.

Aguilar-Millan et al. (2010) claim that human history has fluctuated through periods of relative scarcity and relative abundance. The period from 1975 to 2005 was one of relative abundance, which ended after 2005 with a recession to mark the transition from a world of abundance to a world of scarcity. Between 2010 and 2050, the world is transforming from scarcity to post-scarcity, which means it will be a world without

scarcity. Economic growth and rapid technological development (material substitution, etc.) will drastically reduce scarcity (Gowdy, 1984; Reuveny, 2002). In the post-scarcity world, technological advances will facilitate reduction in costs until conceivably almost everything is free to the consumer, an idea well explored by *Wired* editor Chris Anderson (2009) in *Free*. Scarcity will no longer exist in this world, and, without scarcity, the concept of charging a price to consumers as a means of generating revenue will be unworkable.

Assume that the nature and technical scarcity of luxury goods, such as material, technology and productivity, tends to decrease and vanish in the future.

A distinctive Marxist approach contends that scarcity can be considered on an aggregate societal level in relation to a particular class or social category. Relative scarcity is meaningfully conceived as a class-based relative access to the means to satisfy human needs, while absolute scarcity should be understood as a limiting factor, determined by ecological/material conditions of production and a social configuration of production and social needs (Liodakis, 2016). In field of marketing, ever since perceived value was introduced, 'rarity' involved the perceived scarcity of either product or brand, because 'luxury' is dependent on the subjective interpretation of the consumers. In ancient eras, rarity had a strong association with luxury (Veblen, 1899; Sombart, 1913/1922; Berry, 1992). Rare raw materials, low productivity and the unique mechanism of access dominated by social hierarchy led to high rarity of luxury goods. These days, from the classic viewpoint of scarcity, both marketers and scholars recognise that a luxury brand suffers from losing its rarity. They are facing a dilemma that there is a decrease in scarcity when luxury goods are increasingly produced and there is homogeneity in competition. Uniformity in products, similarity in raw materials and technology, increasing accessibility of traditional luxury brand goods and high-quality counterfeit products are diluting scarcity and making luxury brand goods less rare. This dilemma becomes increasingly obvious during this period of transformation to post-scarcity world. Luxury brands, thus, create artificial rarity rather than actual, which is the scarcity of items that exist even though the technology for production or the sharing capacity exists to create a theoretically limitless abundance or at least a greater quantity of production than that which currently exists. Once luxury loses scarcity and becomes less rare, its social function will also disappear simultaneously and turn into a normal commodity, which is a significant damage to the traditional luxury brands. Dubois and Paternault (1995) describe this dilemma in their dream formula which identifies the luxury brand attraction in a regression equation and adopts accessibility as a dependent variable. In the regression equation, an increase in the ownership of a luxury brand decreases the purchasing intention of the brand. It is logical to assume that awareness of a brand excites consumers

to dream of owning it, and eventually stimulates purchase. This crucial factor together with luxury since born, but due to the development in science and technology as well as changes in market, the boundary of rarity became blurred. Scholars intend to find the trail and its tendency (Berry, 1992; Catry, 2003).

$$DREAM = -8.6 + 0.58AWARENESS - 0.59PURCHASE$$

In the studies by Catry (2003), rarity of luxury brand is categorised into four clusters (see Table 2): nature rarity, techno-rarity, limited edition and information-based rarity. Catry (2003) broadens rarity’s contents from product scarcity to a brand level and indicates that modern luxury brand differs from traditional luxury goods; it is more diversifying and changeable.

**Table-3. The rarity of luxury brand (Catry, 2003)**

Natural rarity	Techno- rarity	Limited edition	Information-based rarity
Limited availability of Raw ingredients, Components, Production capacity, Human expertise, etc.	Innovations in product features: New product, New technology, Creation of designers, etc	Virtual supply constraints: A maximum number of special pieces, Together with events Special orders and series of one, etc.	Information communicated to consumers: High price, Distribution, Advertising, Public relations, Stratification of designers, etc.

**Hypothes-1:** Luxury brand rarity is determined by not only a set attributes of products but also a series of brand behaviour.

**Hypotheses 1-1** Luxury brand rarity is related to two dimensions: product and brand.

**Hypotheses 1-2** Influence of product-related rarity tends to become less important.

**Authenticity**

Despite of rarity, authenticity is another key attribute of brand, especially for luxury brand. Ever since the Industrial Revolution increased mass production, there has been conflict between imitation and authenticity (Orvell, 1989). It is this struggle between consuming the mass

production while desiring the original that engages and ignites consumers' quest for an authentic consumption or product experience. Over the past century, this tension has increased due to technological advances, facilitating the effective simulation of authenticity (Halliday, 2001). Researchers have demonstrated that authenticity is critical in both product consumption and the role consumers that play within many subcultures and communal consumption experiences (Holt, 1997; Muniz and O'Guinn 2001; Penalosa, 2000). Culture and national identity are explanatory attributes in the consumption of luxury goods (Kapferer and Bastien, 2009; Kapferer, 1998; Dubios et al., 2001; Douglas and Isherwood, 1979) and consumer's purchase intention become higher when no information on country-of-origin (COO) is provided than when an impression of a moderate country exists (Lin, 2012). These attributes such as culture, national identity and COO can be attributed to authenticity (Leigh et al., 2006). Authenticity is central to consumer roles within virtually every subculture and communal consumption, but few consumer researchers have explicitly defined authenticity; this has allowed the term authenticity to be used in several ways and with various meanings (Leigh et al., 2006).

Webster's Dictionary defines authentic as 'not false or copied; genuine; real' and 'having the origin supported by unquestionable evidence'. In reference to objects, the authentic is often considered as the 'original' and is contrasted with the copy (Peterson, 2005). This genuineness can manifest itself in numerous ways, reflecting the key dimensions of brand authenticity. As consumers use genuineness as a broad concept of authenticity, each consumer begins to apply it to the many products or attractions around them, creating an aggregated, socially constructed shared meaning. Consumers begin to realise that they are surrounded by authentic and inauthentic items (Lowenthal 1992). Earlier studies have stressed the concepts of genuineness or reality in definitions of authenticity (Fine, 2003; Costa and Bamossy, 2001; Bruner, 1994; Arnould and Price 2000). Typically, authenticity is used to describe an object that is the real thing and not a fake or an imitation (Bruner, 1994). However, the term can be used in numerous contexts that may stretch this definition, or it can be used to convey a different sentiment by different people or groups. For example, from a socio-psychological perspective, the term authentic is conceptualised as self-fulfilment (Fine, 2003). Authenticity generally centres on a brand or an experience as being original and grounded in tradition and history (Beverland, 2005; Beverland et al, 2008; Ilicic and Webster, 2014). Fritz et al. (2017) found that brand authenticity can be influenced by the identified variables (i.e. brand heritage, nostalgia, commercialisation, clarity, social commitment, legitimacy and actual self-congruence and employee's passion). Moreover, brand authenticity positively influences brand relationship quality, which in turn positively

impacts consumers' behavioural intentions. Meanwhile, brand authenticity can increase brand uniqueness and stimulate consumer's purchase intention (Coary, 2013; Fritz, et al., 2017). Thus, it is critical to understand the drivers and dimensions of authenticity to arrive at a universal definition and understanding of the term. Authenticity is a much more complicated to consumers than simply being genuine or the original. In addition to genuineness and realness, consumers often seek traditional products in their search for authentic experiences. For example, the wine industry commonly advertises traditional methods of wine making, while obscuring the industrial processes that have increased its quality and lowered prices (Beverland 2006). This notion of authenticity highlighting the timeless value demanded by consumers while downplaying commercial motives is key to understanding brand authenticity (Beverland 2006). Furthermore, a few studies also indicate that authentic product is rare and exclusive (Gundlach and Neville, 2011; Catry, 2003). These researches reveal that some contents of authenticity and rarity in a broad definition overlap to some extent (Gundlach and Neville, 2011; Catry, 2003) and these contents distinguish a brand from others, which can be an irreplaceable part of a luxury brand.

**Hypothesis-2:** Authenticity has a positive influence on luxury brand rarity.

From consumer research perspective, Grayson and Martinec (2004) refine the concept of authenticity as indexical and iconic authenticity. In their research, indexical authenticity distinguishes 'the real thing' from its copies (Benjamin, 1969; Goodman 1976; Kingston 1999) and perceivers must have some confidence that it in fact has the factual and spatio-temporal link that it has claimed. Iconic authenticity refers to something whose physical manifestation resembles something that is indexically authentic. These two dimensions of authenticity are not mutually exclusive. Although perception can sometimes stress iconicity more than indexicality and vice versa, every perceived cue has iconic and indexical authenticity (Grayson and Martinec, 2004). Most scholars who study authenticity concur that authenticity is not an attribute inherent in an object and is better understood as an assessment by an evaluator in a particular context (Bruner, 1994; Cohen, 1988; Delyser, 1999; Haslam, 1985). Indexical authenticity of brand stresses on the original, not an imitation (Huntington, 1988, p. 157; Bruner, 1994, p. 400) and verifies an object being 'the real thing', both legitimate and genuine (Benjamin, 1969; Kingston, 1999; Ilicic and Webster, 2014). In addition, one brand with high iconic authenticity will be assumed to be an object that 'resembles something that is with indexical authenticity' (Grayson and Martinec, 2004, p. 298; Ilicic and Webster, 2014), where an object is an 'authentic reproduction' or an 'authentic recreation' of the original (Bruner, 1994, p.

399; Peterson, 1997, p. 208). For example, when an individual sees a BMW 5 series, he can recognise this car by both indexical authenticity (BMW logo) and iconic authenticity (typical design style of BMW). In marketing, brand indicates the spatio-temporal link between branded goods and its origin and verifies its indexical authenticity.

**Hypothese 3** Luxury brand authenticity is composed of brand-related authenticity and product-related authenticity.

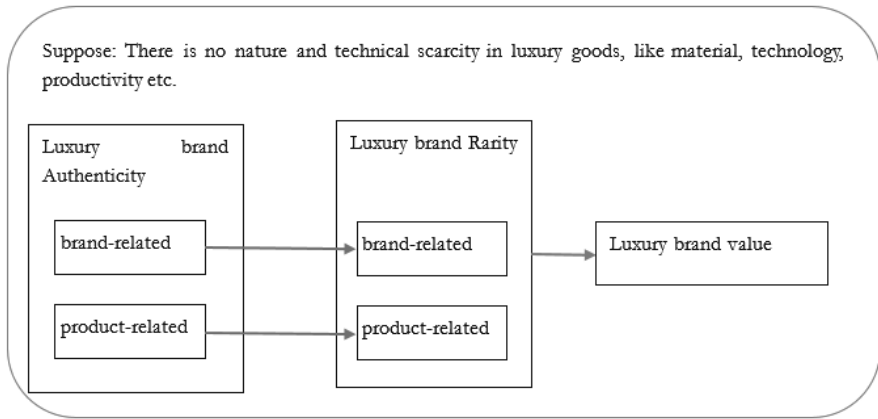
**Hypothese 3-1** Luxury brand-related authenticity refers to brand indexical authenticity that can be directly associated with this brand (history, origin, promise, service, etc.).

**Hypothese 3-2** Luxury product-related authenticity refers to brand iconic authenticity that can be directly associated with this brand (brand name, logo, design style, prints, etc.)

**Table-4. Content categories for analysis of authenticity**

Content category	Source
Heritage and pedigree Relationship to place Unique method of production Commitments to consistency and quality Genuineness	Beverland (2006)
Ingredients and materials Company/ craftsperson Aesthetics Uniqueness and originality Experience/prioritising craft motives	Littrell et al's (1993)
Exclusivity	Gundlach and Neville (2011)
brand heritage, brand nostalgia, brand commercialisation, brand clarity, brand's social commitment, brand legitimacy, actual self-congruence, employee's passion	Fritz, et al. (2017)
Being the Category Pioneer Maintaining the Original Product Adhering to Principles	Coary (2013)
Celebrity authenticity, Heritage and essence	Ilicic and Webster, (2014)

**Figure-1. Conceptual framework of luxury brand authenticity and rarity**



### Characteristics of luxury brand authenticity

Key, high-level dimensions that highlight the term authenticity depend on everyone’s perspective and quest for authenticity. Schallehn et al. (2014) offer a scientific analysis of the concept of authenticity from a socio-psychological perspective. Their research discusses the characteristics of brand authenticity instead of actual contents or dimension. Schallehn et al. (2014) claim that brand authenticity includes consistency, continuity and individuality. Individuality is defined as the unique way in which the brand fulfils its promise. Consistency measures those attributes which are expressed by its reiterative current brand behaviour. Hence, high consistency is perceived if the brand promise is fulfilled at each brand touch-point. Continuity refers to the core brand attributes remaining stable over a longer period. Hence, the consumer judges continuity to be high if the present brand promise reflects past brand behaviour. Identity-based brand management model comprises two main components: brand identity and brand image (De Chernatony et al., 2011; Kapferer, 1996). An authentic brand has a clear understanding of its position and gels with its identity, and its behaviour reflects its invisible brand identity. Schallehn et al. (2014) argues that a low degree of brand authenticity implies a brand image which does not coordinate with its identity. Therefore, the origin of the brand promise is attributed to external forces rather than to brand identity. Thus, brand attributes should be reflected in its individual, consistent and continuous brand behaviour. However, this work has only discussed the association between brand authenticity (keeping brand promise) and brand trust based on a beer brand and a restaurant.

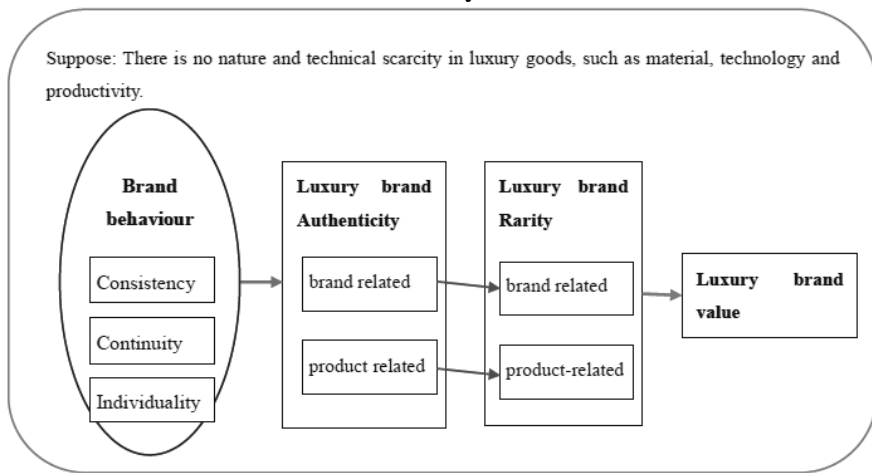
**Hypotheses 4** Luxury brand authenticity is perceived to be individual, consistent and continuous.

**Hypotheses 4-1** Perceived brand individuality of brand behaviour has an influence on perceived luxury brand authenticity.

**Hypotheses 4-2** Perceived brand consistency of brand behaviour has an influence on perceived luxury brand authenticity.

**Hypotheses 4-3** Perceived brand continuity of brand behaviour has an influence on perceived luxury brand authenticity.

**Figure-2. Conceptual framework of luxury brand authenticity and rarity**



## DISCUSSION

This conceptual framework stresses that when it is transforming into post-scarcity world, nature or technical scarcity will tend to no scarcity. It means that the gap of quality and functional value between each brand will become lesser or may even disappear. Intangible value generated by brand authenticity becomes the kernel of a brand placing a price tag and attracting consumers, especially for a luxury brand. Authenticity becomes the dominate factor distinguishing a luxury brand from others and whether brand behaviour reflects its authenticity consistently, continuously and individually determines how consumers judge this brand. Different from commodity, luxury has more cultural, social and aesthetic contents and its universe is full of diversity which contributes to a high intangible value rooted in its authenticity. Although the functional value is the same, luxury brand goods can be charged a higher price than



## Grand Seiko

'Grand Seiko' is a luxury line provided by Seiko Group, one of the reputed Japanese conglomerates. Although the line of Grand Seiko was released in early 1960s when the manufacturing industry in Japan was rising to be a centre of precision manufacturing, Grand Seiko was not a separate brand but had remained a high-end product line of Seiko since 2017. The Grand Seiko line was retired in 1976 as quartz movements dominated. However, the company revived the brand a decade later, introducing a quartz Grand Seiko for the first time in 1986. As mechanical watches regained market share, Seiko responded, then re-launching the Grand Seiko mechanical line in 1998. It turned a halo for the company, with the return of GMT in 2002, the introduction of a Grand Seiko Spring Drive model in 2004 and the return of a Hi-Beat model in 2009. In 2017, Seiko officially split Grand Seiko from the mother company, launching it as a brand and removing 'Seiko' from the dial. It has two ateliers in Shiojiri and Shizukuishi, which has the top Japanese watch craftsmen and technology. Spring drive is Seiko's original hybrid power movement which adopts the quartz and IC chips mechanism to create a quiet, smooth and consistent rotation of the second hand. It achieves highest precision in the existing mechanical movements and is monopolised by Seiko Group. In case of monopoly, a scarcity is created (Lionel, 1932). Typically, Grand Seiko has an extremely high product-related rarity due to its strength in technical development of watch movement. However, in a semi-structured interview with the brand manager and design director, they stated that Grand Seiko is finding it difficult to establish itself as a luxury watch brand, although it is considered as a brand with high technology that can provide refined watches as other giants, such as Rolex, or even has a higher quality than mastige watch brand, such as Omega. However, the brand is perceived to be a high-end manufactured brand instead of a luxury brand. They also stressed that Grand Seiko has enough technique and know-how to manufacture top-level timepieces, but there must be something wrong in branding when adding intangible value into brand.

Based on a conceptual framework of luxury brand behaviour, authenticity and rarity, a summary of brand authenticity and behaviour is listed in Table 5. It shows that Grand Seiko makes great efforts to create product-related authenticity, but few special or unique actions and policies are taken to increase its brand-related authenticity; accordingly, the major value lies in product-related brand authenticity, brand-related authenticity is quite limited. As a comparison, a summary of that of Omega is listed in Table 6. We can clearly find that Grand Seiko and Omega are in the two directions of creating and presenting its brand authenticity. As mentioned earlier, Grand Seiko strives to increase product-related authenticity to create product-related rarity; conversely, Omega endeavours to maintain

and elevate its brand-related authenticity in a series of brand actions such as sponsorship.

**Table-5. A summary of brand authenticity and brand behaviour of Grand Seiko**

Brand authenticity	Brand behaviour
<ul style="list-style-type: none"> <li>● Product-related Spring drive, movement/ calibre, precise, durable iconic design style</li> </ul>	<ul style="list-style-type: none"> <li>● Consistency Keep its brand promise: high precision and durability Research and develop high precise mechanical movement</li> </ul>
	<ul style="list-style-type: none"> <li>● Continuity Keep its brand promise: high precision and durability Research and develop highly precise mechanical movement</li> </ul>
<ul style="list-style-type: none"> <li>● Brand-related Origin in Japan Traditional watch maker</li> </ul>	<ul style="list-style-type: none"> <li>● Individuality N/A</li> </ul>

**Table-6. A summary of brand authenticity and brand behaviour of Omega**

Brand authenticity	Brand behaviour
<ul style="list-style-type: none"> <li>● Product-related Movement/ calibre, precise, durable iconic design style</li> </ul>	<ul style="list-style-type: none"> <li>● Consistency Keep its brand promise: provide durable refined watches Have a clear design policy</li> </ul>
	<ul style="list-style-type: none"> <li>● Continuity Keep its brand promise: provide durable refined watches Have a clear design policy</li> </ul>
<ul style="list-style-type: none"> <li>● Brand-related Origin in Switzerland; First watch on the moon Space exploration Traditional watch maker</li> </ul>	<ul style="list-style-type: none"> <li>● Individuality Sponsorship Celebrities PR events</li> </ul>

## CONCLUSION AND FUTURE DIRECTION

Based on extant literature, this exploratory study discusses the definitions of luxury, luxury brand, brand rarity, brand authenticity and the association among them. This study proposes a comprehensive conceptual framework that illustrates the internal relations of luxury brand authenticity, rarity and brand behaviour. This conceptual framework emphasises that when it is transforming into post-scarcity world, nature or technical scarcity will tend to zero. The gap of quality and functional value between each brand will become less or even disappear. Intangible value generated by brand authenticity becomes the kernel of a brand placing a price tag and attracting consumers, especially for a luxury brand. Authenticity becomes the dominant factor distinguishing a luxury brand from others and whether brand behaviour reflects its authenticity consistently, continuously and individually determines how consumers judge this brand.

However, this research is qualitative and descriptive and mainly based on literature review. Thus, the structure of the conceptual framework should be modified on large brands and consumer database through a quantitative approach. Furthermore, the detailed items on each dimension have not been studied yet. In a future study, it should be done to complete this conceptual model and describe each attribute more accurately.

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