

The feedback effect of masstige extensions' authenticity on luxury parent brand status signaling

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Abstract

The objective of this study is to examine the effect of perceived authenticity of a luxury downward (masstige) brand extension on parent brand status signaling. In recent years, there has been an emergence of "masstige brands" which has enticed many luxury manufacturers to introduce downward extensions. This strategy involves the risk of diluting the parent brand. Based on a sample of U.S. consumers and utilizing Structural Equation Modeling, we test a model that depicts relationships between a luxury downward (masstige) brand extension's perceived authenticity, parent brand status signaling, parent brand quality extension fit, and both extension and parent brand purchase intentions. Study findings demonstrate that extension authenticity has a positive impact on parent brand status signaling and parent brand purchase intentions. We contribute to the emerging masstige consumption literature by demonstrating the positive reciprocal spillover effects of a luxury downward (masstige) brand extension's perceived authenticity on the parent brand status signaling. Theoretical and managerial implications are discussed.

Keywords: *Masstige feedback effect; extension authenticity; status signaling*

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