

Is Luxury Brand Image Diluted by Second-Hand Luxury Retailers?

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Abstract

From the perspective of the Construal level theory, this study aims to examine whether purchasing a second-hand luxury product from either an official or an unofficial retailer directly affects luxury brand image. The quantitative data was collected through two online experiments which measured whether the retailer types (official vs. unofficial) play a pivotal role in luxury brand image. It is revealed that when consumers purchased second-hand luxury goods from unofficial retailers, their perception of luxury brand image fell due to activation of a lower level of construal, because they focused on the product's tangible elements. The opposite occurred when consumers purchased from official retailers. This paper extends the theoretical understanding of luxury brand image through integrating construal level theory and comparing unofficial and official retailers. Practitioners are suggested to develop an eco-system framework to redistribute second-hand products in-house with emphases on brand attributes to suit the retail context.

Keywords: Luxury brand image, Construal level theory, Second-hand retail

Track: Retailing & Omni-channel management

1. Introduction

The second-hand luxury market, valued at \$64 billion in 2020, is expected to grow steadily up to 2027 with an annual growth rate of 14.5% (McKinsey, 2025). Meanwhile, it has become an important research field. Typical research interests include second-hand luxury consumers' purchase motives (Kessous and Valette-Florence, 2019), their perceived values of second-hand luxury goods (Lou et al., 2022), and the psychological reactions stemming from contextual elements (Turunen and Pöyry, 2019). Besides authorized official prestigious retailers, unofficial retailers, such as jewelers and private resellers on social media platforms, also continue to expand their market presence (Murtas and Pedeliento, 2025).

The mixture of second-hand retailers has increased the number of selling points in favor of a more diversified clientele, and has impacted on consumer volume, attracting more occasional consumers, boosted by easier accessibility and affordability (Bellezza and Keinan, 2014). These factors activate different psychological construal, which leads consumers to adopt various mindsets and behaviours (Hu et al., 2025). Nevertheless, few prior studies have examined the impact of second-hand retailers on luxury brand image which is vital because of the risks that uncontrolled consumption experiences can lead to negative outcomes for consumers and luxury brand image dilution (Debenedetti et al., 2025).

From a perspective of construal level theory (CLT), this study aims to examine whether purchasing second-hand luxury products, either from an official or an unofficial retailer, has direct effects on luxury brand image due to the activation of construal mindsets that mediate the relationship. Through two online experiments, it is revealed that unofficial retailers decrease luxury brand image since they trigger a more concrete mindset focusing on the product's tangible element. While official retailers increase the image as they trigger an abstract mindset and boosting luxury brand image.

2. Theoretical Framework and Hypotheses Development

Because of mental associations, luxury brand image is characterized by various factors: tangible values such as highest quality goods, intangible values such as status signaling, social recognition, and exclusive retailing (Han et al., 2010; Ko et al., 2019). As an organizational dimension that temporally fluctuates, luxury brand image provokes consumers reactions (Wiedmann et al., 2009), especially their in-store experiences (Sinha and Lu, 2019).

CLT suggests that subjective psychological distance is primarily shaped by egocentric reference points across various dimensions: space, time, social, and hypothetical (Trope and Liberman, 2010). Retail environments represent a spatial condition that influences consumers' psychological distances. The physical setting of a store, whether a prestigious official store or an unofficial marketplace, acts as a spatial cue affecting how consumers construe their experience. The spatial aspects of retail spaces significantly shape consumer mindset by activating different levels of psychological construal. Therefore, luxury brand image is a variable condition that depends on consumers' mental representations of the experience and is influenced by the retail context (Bai et al., 2024).

2.1 Official vs. unofficial retailers

Retailers can be categorized as official or unofficial. Official retailers are approved by manufacturers to sell their products and provide services with established guidelines and standards. Besides official communications, they offer comprehensive guarantees of product (Lunardo and Mouangue, 2019). In contrast, unofficial retailers lack legal agreements with manufacturers to sell their products in secondary markets or unauthorized online platforms (Xu et al. 2024). Despite discounted deals, they do not guarantee the prime consumption experience. Importantly, counterfeits or defective products are possibly distributed via unofficial private vendors (Xu et al. 2024).

Retailers' official or unofficial nature influences consumers' overall experience and perceived brand image (Shahid et al., 2022). A key contextual condition for this study is consumers' in-store experience. Official retailers' store designs and visual merchandising meet luxury brands' requirements, which are set to demonstrate their values and maintain their luxury brand image (Joy et al., 2014). While unofficial retailers operate multi-brand stores with imprecise layouts and multiple marketing messages. In them, selling is more important than maintaining a positive luxury brand image. The brand image can suffer because perceived product value falls when associated with less reputable retailers. Thus:

H1: Second-hand luxury products sold by an unofficial retailer (vs. an official retailer) decrease (vs. increase) luxury brand image.

2.2 Consumers' mental representations

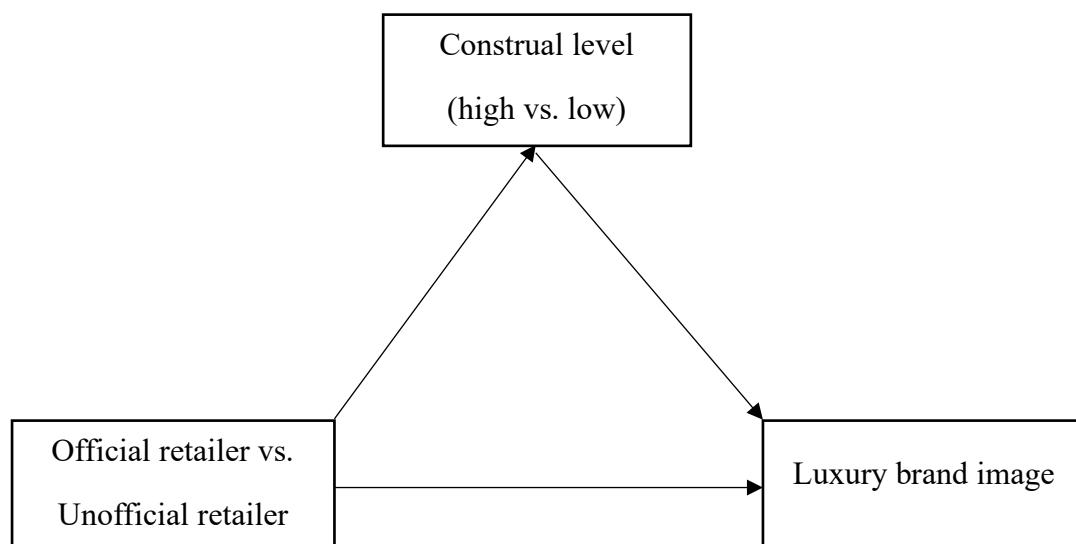
Consumers' mental representations of objects and consumption events are influenced by their interpretations of the surrounding reality at either high- or low-level construal, evidenced by CLT (Liberman et al., 2007). High-level construal occurs when consumers think abstractly by focusing on the bigger picture rather than details. They thus concentrate on the central features that capture the overall essence of the object or event (Hernandez et al., 2015). Low-level construal is more detail-oriented and subordinate to mental processes. It occurs when consumers think more concretely and imagine actions in very close psychological proximity.

Official second-hand luxury retailers promote a high level of construal, where consumers focus on abstract attributes and prestige associated with ownership. In contrast, unofficial retailers emphasize materialism and functional utility, thus weakening the intangible value of luxury brands. It produces a lower level of construal, where attention shifts to concrete features over time. We suggest that when consumers are in official (vs. unofficial) retail contexts, they are likely to activate higher (lower) construal and focus on detailed elements of the luxury product such as intangible (tangible) and abstract (concrete) features, consequently increasing (decreasing) their mental representation of the luxury brand image. Therefore:

H2: Second-hand luxury products distributed by an unofficial retailer (vs. an official retailer) decrease (vs. increase) luxury brand image due to the activation of lower (vs. higher) mental construal.

In summary, our conceptual construct is illustrated by Figure 1 below.

Figure 1_ The conceptual mapping of the mediation model



3. Methodology

Two online experiments were designed to test our theory, because controlled, well-defined scenarios enable the systematic manipulation of the key variable (official vs. unofficial retailer), allowing precise comparisons of respondents' perceptions and behaviors. In Study 1, we examined the main effect of whether nature of retailers of second-hand luxury goods influences different mental representations of brand image through designed and manipulated scenario. The respondents were asked to consider purchasing a second-hand Rolex watch at either official or unofficial retailer. To manipulate the experimental conditions, participants were randomly assigned to one of two scenarios, each with tailored descriptions of the (official vs. unofficial) retail environment. These contrasting descriptions were designed to observe the respondents' perceptions in line with their assigned condition, enabling the examination of differences in attitudes towards brand image based on the purchase retail context. The respondents were exposed to manipulation checks and measure for brand image via 7-point Likert scales, followed by attention checks and demographics information. In Study 2, we delved deeper into the nuanced aspects of consumer psychology as predicted by our model through investigating the mediating role of mental construal activation (high vs. low) on brand image, triggered by the contextual conditions in which consumers act (official vs. unofficial retailers) through the 10-item Behavioral Identification Form (BIF; adapted from Vallacher and Wegner, 1989).

4. Findings

In study 1, 226 respondents (63% Female, $M_{\text{age}} = 32.6$ $SD = 9.8$) voluntarily took part. They were distributed to the conditions as follows: official retail $n = 119$; unofficial retail $n = 107$. Initially, we checked for manipulation and their correct functionality in the study ($M_{\text{unofficial retail}} = 2.45$, $SD = 1.7$; $M_{\text{official retail}} = 5.2$, $SD = 1.7$; $F(1, 224) = .56$, $t = -11.8$; $p = .001$), the results suggesting statistical significance. Then, we averaged the items for brand image (Cronbach's Alpha = .8) and employed brand image as a dependent variable. To test H1, we employed a one-way ANOVA to scrutinize the differences between the manipulated conditions, observing significant statistical differences in the perception of brand image ($M_{\text{unofficial retail}} = 3.7$, $SD = 1.3$; $M_{\text{official retail}} = 4.5$, $SD = 1.3$; $F(1, 224) = 18.4$; $p = .000$; see Figure 1). We also checked for contrasts, and confirmed a statistical difference between the conditions ($t(1, 224) = -4.9$; $p = .001$ C.I. 95% = [-1.1, -.4]). No effects for gender and age were observed.

The results provide initial evidence in support of our proposed H1, suggesting that when consumers are in a position to purchase a second-hand luxury product, those buying the same product from an unofficial retailer state have a lower brand image of that product than those who buy it from an official retailer. The latter develop a stronger and more positive brand image of the product. This also suggests that a psychological component in consumers plays a pivotal role, as investigated in Study 2.

In study 2, 451 respondents participated (59% Female, $M_{\text{age}} = 32.3$ $SD = 9.5$), and were distributed on conditions as follows: unofficial retailer $n = 199$; official retailer $n = 252$. A manipulation check assessed the statistical validity of our designed scenario in line with Study 1 ($M_{\text{unofficial retail}} = 2.2$, $SD = 1.7$; $M_{\text{official retail}} = 6.1$, $SD = 1.5$; $F(1, 449) = 5.3$, $t(25) = .001$). Subsequently, we averaged the two items measuring brand image ($\alpha = .9$) and employed brand image as the dependent variable. We aggregated measurements for the BIF (construal level) by summing the values selected for each item to create a general index, which we used as a mediator. We conducted a one-way ANOVA to assess the primary differences between the manipulated conditions which yielded statistically significant results. We then examined the differences between the conditions and found a statistically significant difference for both brand image ($t(1, 449) = -2.6$; $p = .001$; 95% confidence interval = $[-1.6, -0.2]$) and BIF ($t(1, 449) = -18.4$; $p = .001$; 95% confidence interval = $[-3.1, -2.5]$). No effects related to gender or age were observed.

To test H2, we employed a mediation model using the bias corrected method. The model shows a general fit relation among the variables included in the model ($R^2 = 0.4$, $p = .000$). BIF has a significant effect on the whole model, in both manipulated conditions (unofficial retail vs. official retail; $b = -1.5$; $SE = .34$, $t(452) = -4.4$ $p = .000$; 95% confidence interval (CI) = $[-2.1, -.83]$). Further, the direct effect of the manipulated condition shows a significant tendency on the brand image ($b = -2.8$; $SE = .15$, $t(448) = -17$, $p = .000$, 95% CI = $[-3, -2.4]$). The indirect effect of BIF (e.g., construal level) on brand image was also statistically significant ($b = .1$; $SE = .5$, 95% CI = $[-.11, -.10]$), confirming our H2.

5. Discussion

This research has examined the effects of purchasing second-hand luxury products through official vs. unofficial retailer. We hypothesized that different retail contexts activate different psychological perceptions as explained by CLT. Through two online experiments, by

examining the activation of CLT (high vs. low construal levels), we demonstrated how official vs. unofficial retailer impact consumers' perceptions of luxury brand image differently. Our findings indicate that CLT mediates the relationship between retailers and luxury brand image. Specifically, purchasing through official retailers tends to activate a high-level construal, leading consumers to evaluate the luxury brand image more highly. In contrast, unofficial retailers invoke lower-level construal, prompting a focus on the product's tangible elements and diminishing the perceived luxury brand image.

5.1 Theoretical and managerial implications

The theoretical contributions of this paper are twofold. Firstly, it confirms that luxury brand image is dynamic in nature, as it varies over time and can be perceived differently in different conditions. We identify retailers as a contextual condition that leverages brand efforts. This study contributes to the literature on luxury retailing by differentiating between official and unofficial second-hand luxury goods retailers. Rapid technological development, especially e- and m-commerce, has lowered market entry barriers for unofficial retailers unable to offer the official brand experiences of luxury brands. Unofficial retailers' profit maximization emphasizes the physical elements of products such as affordability rather than the intangible values intrinsically offered by luxury brands. Secondly, this research combines luxury brand image, second-hand luxury retailing, and the CLT. Its findings suggest that the CLT is a context-dependent psychological condition. Physical immersion in one retail contexts leverages specific mental construal and inclines consumers to focus on certain attributes of the luxury products, producing different consumption expectations.

As demonstrated, the activation of different mindsets generates valuable insights for practitioners. Managers can tailor their language during communications, being mindful that psychological mindsets are associated with specific semantic structures. In unofficial retail contexts, conversations may emphasize action verbs, whereas in official retail, language may use more adjectives. Such strategic language use can influence consumer perceptions by aligning communication with the relevant mindset. Moreover, our findings suggest that the consumers' decision-making varies depending on retailer's type. In unofficial retail settings, consumers' decisions depend on the utility perceived by the action, while in official retail, it depends on the desirability of the product.

5.2 Limitations and future research direction

Despite its original contributions, this paper's limitations are fourfold. Firstly, luxury brand image was employed as the theoretical framework. The CLT and retailer's types (unofficial vs. official) were evaluated. Other dimensions should also be considered by future studies, such as visual merchandising and communication. Secondly, the research data was collected from China, Japan and the UK, possibly raising different levels of sensitivity to the official vs. unofficial retailers' cultural influences. Therefore, future studies could explore the key cultural factors influencing consumers' perceptions of second-hand luxury retailers. Thirdly, a new perspective on brand and marketing management could be taken. For instance, scholars could explore whether/how luxury brands should engage in, or avoid, the second-hand luxury retail market. Studies may investigate what are the effects of controlling the second-hand market directly or indirectly (or not) and the alternative reasons encouraging consumers to buy second-hand luxury products. Finally, scholars could investigate whether second-hand luxury retailers should invest in, and focus on, different store layouts and visual merchandising to enhance consumers' experiences (high construal level) and/or sale-oriented display (low construal level).

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