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# Mass prestige value and competition between American versus Asian laptop brands in an emerging market—Theory and evidence

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## ABSTRACT

In recent years, competition between brands have been linked to mass prestige associated with the brands. Mass Prestige (Masstige) is very important to study, and yet it is a relatively less investigated construct in the literature. This study is an attempt to contribute to the literature grounded in masstige theoretical approach by examining the prestige associated with the four best-selling laptop brands: 1) two American brands (HP, Dell); and 2) two Asian brands (Lenovo and Acer). We analyzed the competition between these brands in the second fastest growing emerging market, India. In order to measure Masstige, we used the Masstige Mean scale. The results show that American brands have the potential to be seen as prestige brands while Asian brands are trailing behind in masstige value and competition. Finally, but not less important, this paper discusses the potential reasons for different masstige value of four laptop brands.

## 1. Introduction

Brands are semiotic marketing systems that generate value for participants, society, and broader environment, through co-created meaningful exchange (Conejo & Wooliscroft, 2014). Brands today are touching the lives of consumers across the globe in unprecedented ways. Brand Management as a topic has never been this important as it is today. The ‘brand equity’ as a concept has captured the attention of many researchers (Cobb-Walgreen, Ruble, & Donthu, 1995) with competition intensifying in different industries with the globalization gathering momentum. Several researchers have addressed the conceptualization, measurement and management of brand equity (e.g; Christodoulides & de Chernatony, 2010; Keller, 1993, 2001, 2016; Keller & Lehmann, 2003, 2006; Pappu, Quester, & Cooksey, 2005; Yoo, Donthu, & Lee, 2000; Yoo & Donthu, 2001). Pertaining to the importance of brand equity, specifically consumer based brand equity (CBBE), Yoo and Donthu (2001) developed a multi-dimensional CBBE scale using students sample from America and Korea based on Aaker’s (1996) and Keller’s (1993) conceptualization of brand equity. Subsequently, researchers (Netemeyer et al., 2004; Pappu et al., 2005) introduced a modified CBBE measure. Despite extensive research and significant advances over the last three decades in the area of brand equity conceptualization (e.g. Aaker, 1991; Keller, 1993, 2001), measurement (e.g. Netemeyer et al., 2004; Pappu et al., 2005; Yoo &

Donthu, 2001) and management (e.g. Yoo et al., 2000), our understanding of brand equity is yet to be fully explored. For example, Christodoulides and de Chernatony (2010) in their review paper reported six different conceptual thoughts and sixteen measures of consumer based brand equity (CBBE). The available measures of CBBE across cultures are biased towards its country of origin (Christodoulides & de Chernatony, 2010). There exist gaps in global branding literature and the area offers the potential to advance and enrich the measurement scales and literature (Chabowski, Samiee, & Hult, 2013). Chabowski et al. (2013) examined 120 articles related to the global branding literature (GBL), and evaluated the knowledge structure of this area of research to date. They employed multidimensional scaling, leverage resource and capability-based paradigms, using the five underpinning knowledge groups (international branding strategy, brand positioning, brand/country origin, brand concept-image, and brand performance), to propose an agenda for future research by identifying the existing gaps. According to their findings, there is potential for research that advances and enriches the GBL. We respond to their call to fill the research gap by addressing perhaps the most important topic in branding literature – brand equity.

There are many studies analyzing national brands within the same country in repeated ways; however, the studies comparing the brand equity of foreign versus local brands are not many. It is interesting to report that research in some newly introduced measures of CBBE like

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masstige marketing is still in their infancy stage. Paul (2015) on call of existing literature extended the area of research of CBBE in terms of mass prestige approach and developed a measure – Masstige Mean score scale (MMSS) to measure the popularity of brands. This article attempts to contribute to the brand equity literature by advancing the understanding towards one of the least researched measures of brand equity – masstige marketing and analyses the competition between laptop brands in a developing country context.

“Masstige Marketing” is a strategic marketing term for market penetration of medium and large enterprises based on creating brand equity in terms of brand knowledge, likability, love and prestige. The concepts of brand love and brand attachment have received great attention in branding and consumer behavior research lately (Nguyen, Melewa, & Chen, 2013). The masstige strategy is based on the theory of downward brand extension to the masses. Masstige here is defined as “prestigious but attainable” as was proposed by Silverstein and Fiske (2003) in their Harvard Business Review article. In fact, Silverstein and Fiske (2003) coined the term “masstige,” (short for mass prestige). Prestige, mass prestige and masstige are treated in the same fashion here. Mass prestige is vast in scope and it is even associated with brands targeted at lower income groups (Paul, 2015). It can be understood by the fact that every brand even if it is promoted using mass promotion can have some value of prestige (Truong, McColl, & Kitchen, 2009) associated with it. Masstige products are considered prestigious goods and priced between the middle and premium range. With the growing number of middle class consumers, and many trading up to higher levels of quality and taste, prestigious goods are no longer just for the upper-affluent, but also for mass-market consumers (Silverstein, Fiske, & Butman, 2008). Some scholars have called it Populence (Granot, Russelb, & Brashear-Alejandro, 2013). Hence, masstige is for masses.

The concept of associating prestige with brands is rooted in the ideology that consumers are deeply reflected by their possessions (Belk, 1988) and they tend to achieve their ideal-self using brands. Consumers in emerging countries like India tend to follow upper mobility (Nijman, 2006) as part of reaching their ideal self. Middle class in emerging markets is always in search of comfort in life and continuously aspires for raising living standards, thus giving rise to a new middle class (Kravets & Sandikci, 2014). These new middle class consumers consider the act of attaining status as their fundamental motive (Griskevicius & Kenrick, 2013). These people could be better targeted with reasonable price premium coupled with socially accepted prestige status of brand (Truong et al., 2009). This prestige associated with brands provides them high status in society. Masstige marketing asking reasonable premium and targeting middle class people is a boon strategy to tap the market. The only way to tap this huge market is by making the luxury/prestige products available for masses. Good news for marketers is that it can be attempted with downward stretch. Down stretch even in unrelated categories is possible (Klink, 2001). For those who fear from the negative impact on the parent brand as a result of down stretch of prestige brand, the sub-branding is a good option (Kirmani, Sood, & Bridges, 1999). It has become even easier today as even lower end brands are qualifying themselves as luxury or prestigious brands, which is resulting in the increased use of terms such as masstige (Kapferer & Vincent, 2009). Masstige marketing positively influence consumers’ trust and satisfaction (Hong, Lee, & Yun, 2010), produces synergetic effects for achieving strong brand value in both core and extension brands (Kim & Ko, 2010). Mass prestige associated with brands help in shaping perceived quality and risk, therefore saves the cost of information search, which in turn positively influence purchase decision (Baek, Kim & Yu, 2010). Not a surprise that masstige marketing is considered as one of the three critical strategies for success of brands in foreign markets (Oh & Kim, 2011).

The concept of “masstige marketing” advocating the reach of

prestige goods to masses seems like a unique buzzword. However, the research in this area is limited and still remains in its ‘infancy’ stage. The extant literature depicts that there has been some interest of scholars towards masstige marketing but it is not sufficient enough to take the construct towards maturity. Keller and Lehmann (2006) highlighted this when they showed concern over the lack of academic research on vertical extensions including downward stretch of prestige brands. Therefore, following prior research (Paul, 2015; Truong et al., 2009; Yoo et al., 2000; Yoo & Donthu, 2001), and call of literature, this study is an attempt to advance the understanding of the concept (mass prestige) in the context of a strategically important emerging market. Brand popularity of certain popular Asian and American brands in a foreign market in terms of Masstige Mean Index (“MMI”) has been estimated to analyze the competition between brands in this study.

Brand equity in this study is defined in terms of mass prestige and popularity. This study seeks to provide insights for the brands to re-design their marketing strategies taking into account competition based on their score in terms of MMI. We identified that the foreign brands have captured significant and substantial market share in laptop sales during the last decade in emerging countries. Among the emerging economies, India is selected for this study for two strong reasons. First, India has been land of several kings and through its culture and belongings, consumers in India communicate their lavish belongings to society (Eng & Bogaert, 2010). Not everyone can fulfill this desire of being royal. But rising income among the middle class has made them shift towards products, which are perceived to be prestige products. Second, since India has been the second fastest growing emerging market for several years, this has resulted into huge demand for prestige products.

For the current study, laptop is chosen as product category for the following reasons: a) GDP per capita of India in 2016 was US \$1709.4 as compared to US \$57,466.8 of USA (World-Bank, 2016). A nice Dell laptop would cost at least \$1200 in India. India’s low per capita income along with higher aspirations of Indians make a foreign laptop brand like Dell a masstige item; b) there are evidences in literature which consider laptop as a worldly possession (Batra & Ghoshal, 2017). It is not new to report that having worldly possessions are among the legitimate ways to display status and prestige; c) a laptop is found to be a status product which scores high on scales measuring status signaling (Kassim, Bogari, Salamah, & Zain, 2016; Wang & Wallendorf, 2006). There are studies, which stated that people use brands to maintain their occupational prestige (Geiger-Oneto, Gelb, Walker, & Hess, 2013). Thus, laptops being important occupational products in this digital era fits well in the study of prestige brands; d) Truong et al. (2009) extended the conceptualization of Silverstein and Fiske (2003) and classified Ralph Lauren Polo shirts sold in outlets for \$9.00 or Swarovski crystals with prices as low as \$20.00 as new luxury goods belonging to the category of masstige brands. Even brands promoted using mass targeting have some prestige associated with it (Truong et al., 2009); e) Specifically in India, consumption of prestige brand is not only associated with its expensiveness and elusiveness but part of it is about the brand being a foreign brand especially western (Eng & Bogaert, 2010); A laptop brand is considered as a status symbol in India; and f) Paul (2015) has specifically highlighted that laptop brands (he even named three out of the four brands in present study – Dell, HP and Acer) are appropriate subjects for masstige marketing strategy analysis. In this context, we selected the best-selling laptop brands to study the extent of their success and popularity in India in terms of their mass prestige. This motivated us to critically analyze and measure brand equity of laptop brands for comparison in terms of mass prestige. This paper compares and contrasts the mass prestige associated with American (HP, Dell) and Asian (Lenovo, Acer) laptop brands. Consequently, this study aims to contribute towards the development of masstige

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