Self-referencing narratives to predict consumers' preferences in the luxury industry: A longitudinal study ☆

Caroline Ardelet [a,*], Barbara Slavich [b], Gwarlann de Kerviler [b]

[a] *University of Paris Ouest Nanterre, 200 av République, 92000 Nanterre, France*
[b] *IESEG School of Management (LEM-CNRS), 1 Parvis de la Défense, 92044 Paris-La Défense, France*

ABSTRACT

Accurate predictions of consumers' spontaneous in-store preferences for new products remain limited, especially for luxury products, for which purchase choices involve subjective and symbolic elements. This paper shows that narratives that are spontaneously associated to products in the store are good predictors of consumers' actual both in-store and after-usage preferences. A longitudinal study of the haut de gamme perfume industry demonstrates that consumers who spontaneously narrate personal stories when testing products in the store are more likely to prefer products in the store and after usage at home. In addition, the present research shows that this effect is stronger for perfume brands that convey a strong heritage. This paper demonstrates that marketers should analyze consumers' narratives at points of purchase to anticipate their long-term behaviors towards luxury products.

1. Introduction

Researchers seek a better understanding of consumers' preferences for new products, both in the store and after their usage at home. This issue becomes particularly relevant for luxury products (e.g., prestige cars, jewelry, watches, haut de gamme perfumes), because they embed subjective experiential, hedonic, and symbolic components and values (Kapferer & Bastien, 2009; Tynan, McKechnie, & Chhuon, 2010; Vigneron & Johnson, 1999), which make the in-store and after-usage preferences difficult to predict. Predicting preferences for luxury products is particularly critical because consumers make decisions without proceeding through a systematic, rational analysis of product characteristics (Bargh, 2002; Fazio, Sanbonmatsu, Powell, & Kardes, 1986; Levy, 1981; Megehee & Spake, 2012; Woodside, Megehee, & Sood, 2012) and without being fully aware of the reasons of their preferences (Bargh & Chartrand, 1999; Chartrand, 2005; Winkielmann, Berridge, & Wilbarger, 2005; Zaltman, 2003).

By analyzing the few immediate sentences spontaneously pronounced by consumers when they test the product in the store, this research explores a new approach for predicting in-store and long-term consumers' preferences. This study highlights that in-store free associations in the form of narratives, that automatically come to consumers' mind and that are spontaneously expressed when a product is tested, represent good predictors of in-store and long-term consumer preferences (Escalas, 2004). It demonstrates that consumers build their preferences on luxury products through in-store narratives (i.e. building products' and brands' meanings on stories, accounts, tales, or descriptions rather than on logical arguments), since they reflect their subjective and personal past experiences (Adaval & Wyer, 1998; Bruner, 1986; Escalas, 2004; Fisher, 1984; Hsu, Dehuang, & Woodside, 2009; Polkinghorne, 1991; Shank, 1990). On the basis of a longitudinal empirical investigation undertaken in the haut de gamme perfume industry, this study demonstrates that consumers who spontaneously associate personal stories when they smell the new perfume in the store are more likely to prefer, and thus choose, that product in the store rather than consumers who spontaneously associate general narratives or no narratives to the product.

The type of narratives automatically generated by the product in the store also predicts consumers' preferences after the repeated usage of the product at home. Consumers who automatically associate self-referencing narratives to a new product in the store are also more likely to prefer the product after repeated usage at home (rather than consumers who associate generic narratives or no narratives in the store). Spontaneous links to personal stories in the store reflect a product preference that will remain consistent over time. Indeed, repeated usage of the product at home should not modify the preferences of consumers engaging in self-referencing narratives because this preference relies more on symbolic dimensions and benefits rather than on rational

evaluations of a product's characteristics. Thus, this work shows that in-store preferences do not change after the product's usage at home for consumers engaged in self-referencing narratives.

In addition, the present manuscript proposes that luxury products generally possess powerful brands that might evoke different stories, depending on their perceived heritage. Brand heritage refers to a series of accumulated brand-related narratives (e.g., legends), transmitted among consumers (Merchant & Rose, 2013). Brands with a stronger heritage elicit more emotional stories in consumers' memories than brands with a weaker heritage (LaTour, LaTour, & Zinkhan, 2010; Mattila, 2000), thereby fostering positive attitudes toward the brand (e.g., Deighton, Romer, & McQueen, 1989; Escalas, 2007). Brand heritage helps the consumer achieve coherence across distinct product characteristics (Chronis, 2012) and functions by acting as the linking glue (Chronis, 2005) in the construction of narratives about products. For example, if the first impression gained by inhaling Chanel N°5 perfume is of a powdery, floral bouquet, the presence of the name Chanel on the bottle should convey a strong heritage of timeless elegance and seduction, driving consumers to link the olfactory stimulation to a legendary fragrance that mixes traditional material, seduction, and modernity. Because brands with strong heritage elicit more stories and connections, the impact of self-referencing narratives on product preferences, both in the store and after the usage, should be higher for strong than for weak heritage brands.

The haut de gamme perfume industry is an effective empirical setting for this study for several reasons. First, fragrances are luxury products with strong symbolic and subjective dimensions, for which preference over time is difficult to predict. Second, consumers often use perfumes on a daily basis, so this setting provides a good context for studying preference over time. Third, perfume brands convey different brand heritages, some of which are particularly rich (e.g., Chanel) and evocative of personal stories in consumers' memories. Moreover, perfumes share with all luxury products the capacity to be an extension of the self (Ahuvia, 2005; Lambert-Pandraud & Laurent, 2010) and thus to trigger personal memories (Holbrook & Hirschman, 1982).

The next section reviews the theory underlying the main hypotheses. After detailing the empirical setting, the subsequent section explains the research design, sample, variables, and empirical specifications of the models. This report concludes with the results followed by a discussion of the study's implications and limitations.

2. Theoretical background

2.1. Self-referencing narratives, generic narratives, and consumers' preferences

Narratives are stories, accounts, tales, or descriptions, "a series of events in a specific order—with a beginning, a middle and an end" (Bennett & Royle, 1999, p. 55). Narratives provide a natural way of thinking about luxury products (Adaval & Wyer, 1998; Bruner, 1986; Escalas, 2004; Hsu et al., 2009; Polkinghorne, 1991; Shank, 1990). According to Woodside (2010), information is indexed, stored and retrieved in the form of stories. People match incoming narrative information with episodes stored in memory to comprehend new information (Shank & Abelson, 1995). Narratives help people interpret the world around them, including brands' meanings (Escalas, 2004). The narrative way of thinking contrasts with a rational world paradigm (Bruner, 1987), which relies on the assumption that humans are rational beings who make decisions on the basis of logical arguments (Fisher, 1984). When consumers evaluate products with symbolic value in the store, they often use narrative processing, rather than proceeding through a systematic, rational analysis of the product characteristics (Bargh, 2002; Fazio et al., 1986). Thus, consumers might spontaneously engage in narrative (rather than analytic) processing in the store when encountering luxury products because of their

subjective and emotional dimensions (Escalas, 2004; Gerrig, 1994; Green & Brock, 2000).

Narratives can be self-referencing or not (i.e., generic). A self-referencing narrative involves the recollection of previous events from a person's life (Escalas, 2004) and thus contains "specific, personal memories, long-lasting, and (usually) of significance to the self-system or to one's self-referencing life history" (Nelson, 1993, p. 8). Generic narratives instead exclude most personal details. Some verbatim examples from the respondents included in this current study illustrate the difference: "It reminds me of my summer evenings with my friends" and "It makes me think of my friend in a winter night" are self-referencing narratives, whereas "It's something like the sea, the sand" and "It's like a smooth music" are generic stories. When a product elicits self-referencing narratives, consumers use these personal stories to relate the product to their own experiences, which creates a self-product connection (Burnkrant & Unnava, 1995; Escalas, 2007; Woodside & Megehee, 2010). By contrast, when a product elicits a generic narrative, this type of narrative does not support a personal link with the product. With the activation of this type of narrative, the consumer makes an association between the product and a generic event, which is not related to anything personal.

Several studies demonstrate that self-referencing narratives play an important role for luxury products (e.g., Chang, 2005; Martin, 2010). Luxury products differ from goods and services that primarily fulfill utilitarian functions by embedding symbolic, social, and hedonic value and contributing to consumers' positive self-perception. In general, the preferences for these products relate intimately to self-referencing (Ahuvia, 2005) and strongly rely on identity reinforcing mechanisms and on symbolic benefits (Belk, 1988).

Therefore, when the product activates self-referencing narratives, consumers should spontaneously perceive the product in the store as more desirable and attractive, because that product instinctively becomes part of their personal stories. For instance, when the taste of a wine or the smell of a perfume evokes personal moments in a consumer's life, the person is more likely to prefer that wine or perfume, as it fosters a stronger connection between the self and the product or the brand (e.g., Ball & Tasaki, 1992; Belk, 1988; Kleine, Kleine, & Allen, 1995; Wallendorf & Arnould, 1988). Conversely, if the new product elicits only generic narratives (no references to personal stories, but general evocations), the consumer cannot establish a personal link, and the connection with the brand or the product will be weaker. Therefore, the probability that consumers would prefer the product decreases if it prompts a generic narrative association, rather than self-referencing narratives. Similarly, when the product elicits no narratives, consumers only use rational assessments of attributes for preferences and, thus, the connection with the product is weaker than in the case of a product activating self-referencing narratives. Thus, the probability to prefer a product that elicits no narratives should be lower than the probability to prefer a product that elicits self-referencing narratives. Thus:

H1. The probability that consumers prefer a product in the store is higher if those consumers associate self-referencing narratives with the product, rather than (a) generic narratives or (b) no narratives.

When products foster self-referencing narratives in the store, consumers could become distracted and they may not undertake an analytical evaluation of the objective characteristics of the product, focusing instead on the symbolic benefits associated with using the product (Escalas, 2004). Previous research shows that consumers engaged in self-referencing narratives interpret products through episodes from their past. With greater transport into autobiographical stories, people become less critical toward the product, which lowers their probability of disconfirming their evaluation (Escalas, 2004, 2007). Thus, following Escalas (2004, 2007), the authors suggest that repeated usage of a