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The effect of a limited-edition offer following brand dilution on consumer attitudes toward a luxury brand

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ABSTRACT

This research examines the impact of a luxury limited-edition offer in the face of core brand image dilution of a luxury brand. Through utilizing two millennial subgroups (college- vs. post-college age) as research participants in two studies, the findings suggest that in a brand dilution condition, the limited-edition product enhances consumers' attitudes toward the luxury brand and that these effects are more pronounced for consumers with a higher self-presentation motive. We also find that college-age millennials are more strongly influenced by social influences than post-college age millennials. The implications for academic researchers and luxury brand retail managers are discussed.

1. Introduction

Luxury brands are often tempted to employ step-down brand extensions or offer affordable luxuries to increase profitability by capturing a broad range of consumers (Kapferer and Bastien, 2009; Mundel et al., 2017). Although these strategies enable luxury brands to leverage their most important asset – the brand name – a reduced consumer evaluation or acceptance of the core brand due to diluted brand image is inevitable (Dubois and Paternault, 1995; Kapferer and Bastien, 2009).

While prior research has examined distancing (Kim et al., 2001) and sub-branding (Milberg et al., 1997; Phau and Cheong, 2009) to avoid brand dilution or releasing new product introductions (Luo et al., 2010) to recover from brand dilution, several researchers have noted research gaps pertaining to recovering a luxury brand image from brand dilution (e.g., Cooper et al., 2015; Hagtvedt and Patrick, 2009; Radon, 2012; Štrach and Everett, 2006). In the meantime, many luxury brands have implemented limited-edition (LE) products because consumers believe that scarce products are of better quality and value (Balachander and Stock, 2009; Stock and Balachander, 2005). Furthermore, possessing an LE product allows luxury consumers to signal their own uniqueness, wealth, and high status (Amaldoss and Jain, 2008; Chan et al., 2015; Gierl and Huettl, 2010; Mittal et al., 2016). The previous literature has viewed scarcity as the main characteristic of LE products (e.g., Jang et al., 2015; Stock and Balachander, 2005). We suggest that luxury LE products are also more expensive than a brand's regular offers (i.e., high price), equipped with unique and rare features, and have a high status within the product line due to exceptional craftsmanship demonstrated in the LE product (i.e., high status). Therefore, the LE product fosters a perception of exclusivity, which is a critical dimension of a luxury brand (Fionda and Moore, 2009; Vigneron and Johnson, 2004). The objective of the current study is to propose the limited-edition offer as an important luxury brand strategy for recovering core brand image dilution. In addition, we empirically examine its role in enhancing consumers' attitudes toward the luxury brand in terms of satisfaction, repurchase intention, and positive word-of-mouth (WOM) intention, which are considered "important customer-oriented outcome variables" (Jang et al., 2015, p. 989). Given the lack of research on the role of the LE strategy in the luxury market (Balachander and Stock, 2009), this paper contributes to the literature by illustrating how the use of the LE offer may overcome brand dilution in the luxury market.

Furthermore, the current study examines the effect of a LE product on brand interest in the case of a luxury brand's core image dilution. Brand interest, associated with the level of curiosity about the brand, is an important outcome variable that has a critical influence on future contact intentions with the brand (Machleit et al., 1993). In doing so, we examine the moderating role of consumer's self-presentation motive (Wilcox et al., 2009) as an individual difference variable in the evaluation of LE products on brand interest. Prior research has indicated that consumers' attitudes toward a luxury brand may serve a self-presentation function (i.e., the brand is a status symbol), self-expression function (i.e., the brand reflects his or her personality), or

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both (Shavitt, 1989). While consumers with a self-presentation motive respond more favorably to extrinsic aspects of products such as image or product form, consumers with a self-expression motive are more responsive to intrinsic aspects of products such as reliability (Snyder and DeBono, 1985). Since LE products emphasize extrinsic aspects rather than intrinsic aspects of the luxury brand offer, we focus on consumers' self-presentation motive (Wilcox et al., 2009) to observe if any difference in the level of brand interest exists among those who have high versus low self-presentation motive at the introduction of a limited-edition offer when there is brand dilution.

To test the hypotheses, this study invites millennial consumers as research participants in a scenario-based experiment utilized in a luxury brand retail context. The millennial market is key for luxury marketers to understand (Mundel et al., 2017; Schade et al., 2016) due to its size and financial worth (Cudmore et al., 2010). The size of this cohort is estimated to be up to 92 million consumers (Stanley, 2013), representing the largest consumer generation in history (U.S. Census, 2015), and they are expected to spend more than $200 billion annually and more than $10 trillion in their lifetimes (Nelson, 2012). Research also illustrates that millennials are more interested in status consumption than other generations, such as baby boomers (Eastman and Liu, 2012). Furthermore, as the literature suggests that there may be differences within a generational cohort between younger and older members of that generational cohort (Reisenwitz and Iyer, 2007), younger college-age and older post-college-age millennials may have different motivations toward luxury brands (Mundel et al., 2017) as well as general differences in consumption behavior and preferences (Noble et al., 2009). While most studies examining consumer behaviors of millennials utilize college-age millennials as a proxy for millennial consumers (e.g., Larson et al., 2016; McCormick, 2016; Mundel et al., 2017), such consideration restricts the comprehensive understanding of the consumer behaviors of millennial consumers in the luxury branding context. Study 1 utilizes college-age millennials as research participants, while Study 2 utilizes post-college-age millennials, with both studies utilizing the same experimental design to provide a richer picture of the millennial generation's response to a LE product. Thus, this research aids luxury retail managers in understanding both college- and post-college-age millennials' responses to a LE product.

The paper is organized as follows. We first review relevant research on millennials and luxury consumption, luxury brand management and brand dilution, and the theoretical underpinning of the role of LE products in luxury branding to develop our hypotheses. Next, we present the research method and analysis of results from two studies. Finally, we discuss the contributions of this research, the managerial implications of our results given the rapid growth of the luxury market in today's marketplace, and the research limitations and directions for future research.

2. Relevant literature and hypothesis development

2.1. Millennials and luxury consumption

The millennial generation has been defined as those born from 1977 to 2000 (Norum, 2003). There are currently 11.8 million millennials with annual incomes greater than $100,000 (Faw, 2012). Millennials are the largest potential luxury market and will replace the baby boomer market starting around 2018 (Baron, 2015; Danzinger, 2015; Faw, 2012). More importantly, millennials are increasing their spending on luxury products more than any other age group (Baron, 2015; Mundel et al., 2017; Schade et al., 2016).

In addition to their enormous group size and purchasing power, millennials are more consumption-oriented and sophisticated shoppers than their predecessors as they are more connected globally through the internet (Jackson et al., 2011). Further, this generation is also seen as the most protected and indulged generation, with an inability to delay gratification (Tucker, 2006). Millennials are more influenced by the symbolic aspects of luxury (O'Cass and Frost, 2002), more motivated to consume for status (Eastman and Liu, 2012), and more prestige-sensitive (Moore and Carpenter, 2008). To keep up with fashion trends and their peers, millennials spend money rather than save it (Morton, 2002). This tendency to spend money to signal status to other people "makes millennials very attractive consumers for the luxury good market" (Mundel et al., 2017, p. 69). The literature also suggests that brand is a key element of purchasing a luxury product, particularly for younger consumers (Chao and Schor, 1998), though there is a need for empirical research in this area (O'Cass and Frost, 2002; Shukla, 2010).

2.2. Luxury brand management and brand dilution

Brand management in essence entails maintaining consistency and positive brand associations in brand communication (Keller, 1993; Park et al., 1986). Commitment to a specific brand concept entails providing brand cues consistent with the brand concept (e.g., Shin et al., 2016). Providing cues that are inconsistent with a brand concept decreases brand evaluation (Aaker, 1990; Kim et al., 2001) and results in a dilution of the core brand image (Loken and John, 1993).

Empirical evidence shows that brand dilution has been observed more in luxury brands than non-luxury brands (Hagtvedt and Patrick, 2009; Kim et al., 2001). The management of a luxury brand is unique as marketers must balance competing pressures to satisfy increasing demand while safeguarding the brand's exclusivity (Fionda and Moore, 2009; Kapferer, 2014; Parment, 2008). When the luxury brand is no longer seen as exclusive, unique, or uncommon (Berger and Ward, 2010), its value is decreased. In the same vein, when a luxury brand introduces a step-down vertical extension to capture a broader range of consumers, inconsistent information about the level of price and quality weakens favorable core brand beliefs and ultimately results in a less favorable core brand evaluation (Kim et al., 2001).

While researchers have investigated the role of possible preventive strategies to avoid brand dilution, such as distancing (Kim et al., 2001) and sub-branding (Milberg et al., 1997; Phau and Cheong, 2009), as well as the role of new product introduction to enhance the diluted brand image (Luo et al., 2010), much of the extant research on brand dilution and enhancement has focused on non-luxury brands (Reddy et al., 2009). Furthermore, although the negative consequences of luxury brand dilution have been documented (e.g., Hagtvedt and Patrick, 2009; Reddy and Terblanche, 2005; Štrach and Everett, 2006), there is no luxury brand-specific crisis response strategy that captures the unique aspects of luxury brands (Cooper et al., 2015). Recently, launching a LE product has become a popular strategy for many luxury brands (Jang et al., 2015), and the LE product is regarded as the most notable example of utilizing scarcity by limiting supply (Gierl and Huettl, 2010). Previous research on scarcity has often indicated that such a strategy has a positive impact on the consumer evaluation of and attitudes toward the brand (e.g., Gabler and Reynolds, 2013). However, the role of the LE in brand dilution has yet to be investigated. Thus, our study empirically investigates the efficacy of the LE offer to enhance consumer attitudes, thereby generating useful managerial insights to address luxury brand dilution.

2.3. Theoretical underpinnings for the role of limited-edition (LE) products in luxury branding

The theoretical underpinning for the consideration of the role of LE products in luxury branding first must consider scarcity in terms of commodity theory. The construct of scarcity has primarily utilized commodity theory in that consumers want a product or commodity more when it is unavailable or hard to obtain (Brock, 1968). Commodity theory, however, is not appropriate in terms of LE products because while consumers may find the LE product difficult to purchase, many other options in the same product category are also available. Moreover, commodity theory does not explain why LE products are purchased by consumers who have a psychological need for uniqueness or social status. For luxury products, signaling theory is more relevant in explaining the impact of scarcity (Jang et al., 2015). Luxury brand firms offer an LE product to signal its high quality and value to their consumers (Balachander and Stock, 2009; Stock and Balachander, 2005) and to allow consumers to signal their own uniqueness, wealth, and high status by possessing an LE product (Amaldoss and Jain, 2008; Chan et al., 2015; Gierl and Huettl, 2010; Mittal et al., 2016) due to its scarcity (Van Herpen et al., 2005).

In addressing how consumers process information about the LE product, categorization theory helps predict how consumers will incorporate the LE product into their existing beliefs about a luxury brand with a diluted core brand image. The bookkeeping model suggests that a consumer's beliefs change incrementally as new information is received (Weber and Crocker, 1983). Consistent with this model, we expect that if brand dilution has occurred, inconsistent yet positive attribute information about a luxury LE offer characterized by scarcity, uniqueness, high price, and high status will result in a consumer's positive modification of the corresponding belief about the core luxury brand, resulting in positive outcomes.

Thus, product scarcity is an "important marketing instrument" (Gierl and Huettl, 2010, p. 225) that enhances consumers' preferences for a brand (Gierl and Huettl, 2010; Lynn, 1991) and generates more positive brand evaluation and purchase intention by creating a sense of urgency among consumers (Aggarwal et al., 2011; Jang et al., 2015; Van Herpen et al., 2005). As such, while scarcity has a largely positive effect on preferences, for consumer products it tends to impact preferences only when consumers believe that scarcity is created by either supply or demand, not randomly (Verhallen, 1982). Product scarcity positively impacts product choice through different social components depending on whether the scarcity is due to demand (in which case a bandwagon effect can occur due to value and quality perceptions inferred from others buying the product), or supply (in which case a snob effect can occur due to exclusivity perceptions of quality, rarity, and uniqueness) (Van Herpen et al., 2005).

The essence of an LE product is that "only a predefined number of consumers can purchase the LE product even though they are willing to pay a premium price" (Jang et al., 2015, p. 990). From the brand management perspective, the general consensus in the luxury brand literature is that the LE is purposely created and managed by the luxury brand by limiting product supply (Gierl and Huettl, 2010) in order to maintain exclusivity of the brand while pursuing profit (Amaldoss and Jain, 2008; Catry, 2003; Fionda and Moore, 2009; Nueno and Quelch, 1998). The scarcity of the product increases consumers' preference due to its exclusivity (Van Herpen et al., 2009). For example, luxury marketers try to create a perception of exclusivity with LE when there is not actual scarcity or technological innovation limiting production (Catry, 2003).

As more consumers can afford to buy luxury brands than ever before (Nueno and Quelch, 1998), luxury brand marketers need to recognize that "limited editions need the right combination of production efficiencies and marketing expertise" to be effective (Catry, 2003, p. 17). In the current study, we move beyond the concept of scarcity that has been the main focus of most prior research on LE products (e.g., Jang et al., 2015; Stock and Balachander, 2005) by conceptualizing a luxury LE product as one that possesses scarcity, uniqueness, high price, and high status. In the luxury brand literature, there is strong evidence that the luxury LE product is not only limited in numbers by supply (i.e., scarcity) (e.g., Gierl and Huettl, 2010), but also more expensive than brand's regular offers (i.e., high price), equipped with unique and rare features (i.e., uniqueness), and has a high status within the product line due to exceptional craftsmanship demonstrated in the LE product (i.e., high status) (e.g., Amaldoss and Jain, 2008). This conceptualization reflects existing LE products in a luxury brand market, capturing core characteristics of the luxury LE products that are not limited to the managed scarcity.

Although a high price positioning is not a necessary condition for luxury positioning, consensus in the literature is that a high price is a common and highly diagnostic cue that marketers use to signal luxury (Fionda and Moore, 2009). Furthermore, unique features and a heritage of craftsmanship are commonly referred to as important components of a luxury brand (Nueno and Quelch, 1998). Thus, the luxury LE product exemplifies Kapferer's (1997), p. 82) point that luxury brands should be "desired by all but consumed only by the happy few."

While past research indicates that luxury brands with a superior and high-end image can benefit by launching a LE product to strengthen the brand's status and uniqueness perception (Jang et al., 2015) and to increase a firm's sales and profits (Amaldoss and Jain, 2008; Radon, 2012), understanding of whether these benefits will apply to luxury brands with dilution problems is limited. Therefore, this study empirically investigates whether a launch of a LE product would enhance consumers' brand attitude in terms of satisfaction with, repurchase intention, and positive WOM intention toward a brand more for a luxury brand with a dilution problem than for a luxury brand with no dilution problem.

Consistent with the theoretical underpinnings described previously, we expect that if brand dilution has occurred, inconsistent yet positive attribute information about a luxury LE offer characterized by scarcity, uniqueness, high price, and high status will result in a consumer's positive modification of the corresponding belief about the core luxury brand, leading to higher satisfaction, repurchase intention, and positive WOM intention, considered "important customer-oriented outcome variables" (Jang et al., 2015, p. 989). Satisfaction is a consumer's cognitive and affective response to the consumption experience (Yi, 1990). Repurchase intention refers to the degree to which customers continue to purchase a brand's products/services (Jones et al., 2007) and positive WOM indicates the likelihood that a customer would favorably recommend a brand's products or services (Maxham and Netemeyer, 2002). However, if no dilution has occurred, consumers will not perceive the LE product as distinctively different enough from other regular offers to change their attitude toward the luxury brand. These positive evaluations of a luxury LE product in overcoming brand dilution issues will be due to the supply scarcity of a conspicuously consumed product (Gierl and Huettl, 2010; Van Herpen et al., 2005). With this theoretical backdrop, we propose the following hypotheses:

H1a. The effect of the LE on satisfaction with a brand is stronger when brand dilution occurs than when no dilution occurs.

H1b. The effect of the LE on repurchase intention toward a brand is stronger when brand dilution occurs than when no dilution occurs.

H1c. The effect of the LE on positive WOM intention toward a brand is stronger when brand dilution occurs than when no dilution occurs.

In managing a luxury brand, marketers need to recognize that luxury brand consumption is a multi-faceted behavior that is driven by various factors (Nwankwo et al., 2014; Hamelin and Thaichon, 2016; Kastanakis and Balabanis, 2014). Among these, "the role of consumer goals for luxury goods is an important and little understood area for marketers and academics alike" (Hagtvedt and Patrick, 2009, p. 617), especially as luxury consumers are not a "homogeneous, status-driven group" (Kastanakis and Balabanis, 2014, p. 2153). In looking at consumers' goals for luxury brand consumption, it is evident that consumers who have a high degree of self-presentation motive consume them as a status symbol (Wilcox et al., 2009). Luxury products are often purchased in pursuit of social recognition and position (Vigneron and Johnson, 2004). Before the beginning of the twentieth century, Veblen (1899) noted that wealthy individuals gain or maintain a certain social status through conspicuous consumption. Still today, the concept of conspicuous consumption explains both consumers' preferences for luxury products and marketers' practices in selling them (Truong and McColl, 2011).

In examining the strategic implications of reference group effects for luxury brands, Amaldoss and Jain (2008) implicate that a luxury LE product with unique and costly features that offer few or no functional benefits interests leaders who desire to distinguish themselves from followers. The reference group effects are stronger when the product is a publicly consumed luxury (Bearden and Etzel, 1982). The theoretical basis of reference group effects comes from social comparison theory, which posits that people make social comparisons and that such comparisons affect self-evaluation and behavior (Festinger, 1954). In particular, members of high-status social group have been found to enact "aesthetic distancing" and "symbolic exclusion" to differentiate themselves from the masses (Bourdieu, 1984).

Applying social comparison theory, we expect that a luxury LE perceived to be scarce, expensive, unique, and high status will generate a higher level of brand interest, defined as "the base level of approachability, inquisitiveness, openness, or curiosity an individual has about a brand" (Machleit et al., 1993, p. 73), for consumers with a higher self-presentation motive than for consumers with a lower self-presentation motive in the face of brand dilution. Brand interest, associated with the level of curiosity about the brand, is an important outcome variable that has a critical influence on future contact intentions with the brand (Machleit et al., 1993). As social networks and word of mouth are particularly vital to millennial consumers (Hewlett et al., 2009; Valentine and Powers, 2013), and millennials who are more influenced by reference groups are more motivated to consume for status and have a stronger desire to purchase status products (Kim and Jang, 2014), a self-presentation motive can influence brand interest. Thus, for those millennials who have a higher self-presentation motive, as they are more motivated to consume to gain approval in social settings than those millennials with a lower self-presentation motive, the impact of a LE to address brand dilution may have a stronger influence on them. Formally:

H2. For those higher in self-presentation motive, the effect of the LE on brand interest will be more pronounced when brand dilution occurs than when no dilution occurs versus those lower in self-presentation motive.

3. Study 1 methodology

3.1. Design and participants

A total of 197 upper-level business undergraduates in a large public university in the Southeastern U.S. participated for class credit. The use of college students for Study 1 was appropriate given that Study 1 was designed to test the hypotheses using a college-age millennial group as research participants. Study 2, in turn, examined post-college-age millennials to provide a broader view of the millennial market. Most of the sample (97.5%) was 18–25 years of age (mode = 18–25 years), 60.4% male (mode = male), and 83.8% Caucasian (mode = Caucasian). A 2 (brand dilution: no dilution vs. dilution) × 2 (LE offer: no LE vs. LE) between-subjects experimental design was utilized. Participants were randomly assigned to one of four experimental conditions. A non-manipulated variable, self-presentation motive (Wilcox et al., 2009), was divided into low ($n = 113$) and high ($n = 84$) groups via a median split (5.25).

3.2. Scenarios and manipulations

We chose watches as the product category because they are a popular (Amaldoss and Jain, 2005) and fast growing (D'Arpizio et al., 2015) segment in the luxury brand sector. In addition, watches are a visible, publicly consumed luxury product category and "visibility is an important aspect in determining conspicuous consumption" (Jang et al., 2015, p. 993). We also chose Switzerland as the country of origin because Switzerland is well known for luxury brand watches (Sharma, 2011).

We created a fictitious luxury watch brand called "Suisse Precíon" to control prior knowledge and brand strength (e.g., Jang et al., 2015; Shin et al., 2016). The brand was described as the pre-eminent symbol of performance and prestige for over a century whose regular product is usually priced around $10,000 each. To enhance relevance in the scenario involving the luxury brand, in all conditions, participants were instructed to imagine that they were financially well-off enough to afford luxury brand items (Mandel et al., 2006) and that they owned the top-end Suisse Precíon watch.

In the no brand dilution condition, Suisse Precíon was described as continuously maintaining its prestigious status among luxury watch brands, while in the brand dilution condition, Suisse Precíon introduced two consecutively lower-priced watch lines in the $1000–$5000 price range, with some products priced as low as $400 to appeal to price-sensitive consumers. No additional information was included for the no LE offer scenario, but for the LE offer scenario, the brand was celebrating its 100th anniversary with an LE watch named "Geneva," which was described to reflect the four aspects of the luxury brand LE: scarce, unique, high price, and high status. First, Geneva was embellished with a rare stone (transparent sapphire found in only a few places in Tanzania) and released in a limited quantity (100 watches worldwide). Geneva also was equipped with unique features (floating dial and hands display supported by transparent sapphire disks), and the craftsmanship demonstrated in the elaborate details was described as the epitome of pure elegance, prestige, and sophistication. Lastly, Geneva was priced at $25,000, far higher than the regular product priced around $10,000. See Appendix A for the scenarios and manipulations used for the experiment.

3.3. Measures

After reading one of the four scenarios, respondents answered various questions to capture satisfaction with a brand, repurchase intention, positive WOM intention toward a brand, brand interest, and self-presentation motive. All constructs used in this study were drawn or adapted from existing measures and all the items were measured using 7-point Likert and semantic differential scales. Appendix B outlined the scales for the focal constructs used in this study, along with their sources and measurement properties including standardized loadings, Cronbach's alpha, and fit statistics for CFA. As indicated in Appendix B, all standardized factor loadings were significant (Anderson, 1987), and CFA fit statistics indicated adequate model fit (Hu and Bentler, 1999). Further, Cronbach's alphas for all the multi-item scales were acceptable at greater than 0.75 (Nunnally and Bernstein, 1994).

Next, realism and manipulation checks were included, followed by demographic information. For realism, participants clearly evaluated the scenario as believable ($M = 5.51$ vs. 4.50 [the midpoint]: $t(196) = 11.89$, $p < 0.001$) and realistic ($M = 5.34$ vs. 4.50 [the midpoint]: $t(196) = 8.97$, $p = 0.00$). The results for the manipulation check revealed a significant effect of brand dilution on perceived brand dilution ($F(1, 195) = 158.85$, $p < 0.001$). Perceived brand dilution was more for the brand dilution condition ($M = 5.10$) than the no brand dilution condition ($M = 2.66$). Furthermore, those who were subjected to the LE condition viewed the LE as scarce ($M = 6.02$ vs. 4.50 [the midpoint]: $t(97) = 12.21$, $p < 0.001$), unique ($M = 6.28$ vs. 4.50 [the midpoint]: $t(97) = 15.70$, $p = 0.00$), high price ($M = 6.35$ vs. 4.50 [the midpoint]: $t(97) = 17.47$, $p < 0.001$), and high status ($M = 6.21$ vs. 4.50 [the midpoint]: $t(97) = 15.60$, $p < 0.001$). Thus, the manipulations worked as intended.

3.4. Hypotheses tests

H1a–c tested the interactions between brand dilution and LE offer on satisfaction with a brand (H1a), repurchase intention (H1b), and positive WOM intention toward a brand (H1c). To test H1a–c, we

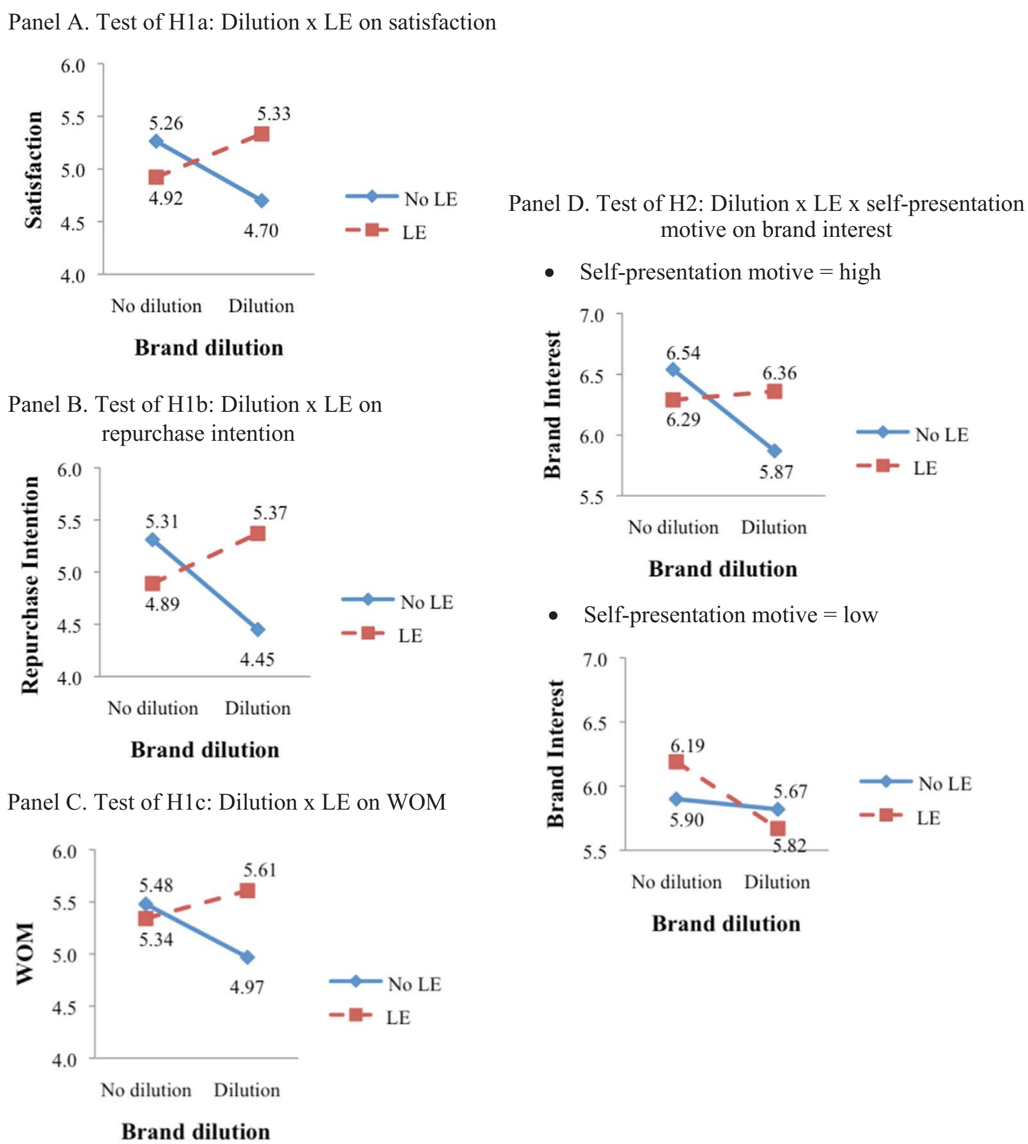

Fig. 1. Interaction effects from study 1.

conducted a two-way ANOVA (Brand dilution × LE offer) with satisfaction, repurchase intention, and WOM.

H1 proposes that the effect of the LE on satisfaction is stronger when brand dilution occurs than when no dilution occurs. A significant two-way interaction is found between brand dilution and LE offer on satisfaction ($F(1, 193) = 6.25$, $p = 0.013$, see Fig. 1, Panel A). Follow-up analyses reveal that, consistent with H1a, the effect of the LE on satisfaction is pronounced when brand dilution occurs ($M_{\text{no LE, dilution}} = 4.70$ vs. $M_{\text{LE,dilution}} = 5.33$, $F(1, 100) = 5.64$, $p = 0.019$), but not when no dilution occurs ($M_{\text{no LE, no dilution}} = 5.26$ vs. $M_{\text{LE, no dilution}} = 4.92$, $p = 0.234$). Therefore, H1a is supported.

H1b predicts that the effect of the LE on repurchase intention is stronger when brand dilution occurs than when no dilution occurs. The result shows a significant interaction between brand dilution and LE offer on repurchase intention ($F(1, 193) = 9.37$, $p = 0.003$, See Fig. 1, Panel B). Follow-up analyses show that, consistent with H1b, the effect of LE on repurchase intention is pronounced when brand dilution occurs ($M_{\text{no LE, dilution}} = 4.45$ vs. $M_{\text{LE, dilution}} = 5.37$, $F(1, 100) = 9.39$, $p = 0.003$), but not when no dilution occurs ($M_{\text{no LE, no dilution}} = 5.31$ vs. $M_{\text{LE, no dilution}} = 4.89$, $p = 0.192$). Thus, H1b is supported.

Lastly, H1c hypothesizes that an LE offer in the brand dilution condition (rather than no dilution) has a stronger influence on positive WOM intention. The result confirms a significant interaction between brand dilution and LE offer on WOM ($F(1, 193) = 4.06$, $p = 0.045$, see Fig. 1, Panel C). Follow-up analyses demonstrate that, consistent with H1c, the effect of LE on WOM is pronounced when brand dilution occurs ($M_{\text{no LE, dilution}} = 4.97$ vs. $M_{\text{LE,dilution}} = 5.61$, $F(1, 100) = 5.95$, $p = 0.016$), but not when no dilution occurs ($M_{\text{no LE, no dilution}} = 5.48$ vs. $M_{\text{LE, no dilution}} = 5.34$, $p = 0.627$). Therefore, H1c is also supported.

H2 predicts that for those with a higher self-presentation motive, the effect of the LE on brand interest will be more pronounced when brand dilution occurs than when no dilution occurs. Brand interest yields the predicted brand dilution × LE offer × self-presentation motive interaction ($F(1, 189) = 8.22$, $p = 0.005$). As expected, in the low self-presentation motive condition, the interaction between LE offer and brand dilution is not significant ($F(1, 109) = 2.43$, $p = 0.122$). By contrast, the interaction between brand dilution and LE offer is significant in the high condition (F(1, 80) = 6.63, p = 0.012, see Fig. 1, Panel D) such that the LE offer has a positive effect when core brand image has been diluted (F (1, 42) = 4.68, p = 0.036) and no effect when it has not been diluted (F (1, 38) = 2.21, p = 0.145). Thus, H2 is supported.

3.5. Discussion

The significant brand dilution × LE offer interaction found in Study 1 suggests that the LE offer drives higher levels of consumer satisfaction with a brand, repurchase intention, and positive WOM intention toward a brand when encountered with brand dilution than no brand dilution. Furthermore, the brand interest enhancement effect is strongest for consumers with a high self-presentation motive. This indicates that there is a difference between high and low self-presentation motive groups in their perception of the luxury brand when presented with an LE at the occurrence of brand dilution as opposed to no occurrence. Only the high self-presentation motive groups, not the low group, become more drawn to the luxury brand by showing a higher level of brand interest.

While Study 1 provides initial support for the role of LE in the brand dilution context, it is not confirmed whether the effects we found in Study 1 with college-age millennials will hold when tested with post-college-age millennials. Mundel et al. (2017) note the need for future researchers to look at a broader millennial sample to determine if there are differences in luxury perceptions. Research has illustrated that there can be significant differences between younger and older members of a generational cohort (Reisenwitz and Iyer, 2007). For example, while college-age millennials' personal incomes on average are quite low (Shullman, 2016), post-college age millennials are working and have sizable buying capabilities to afford luxury brands.

More importantly, it is unclear whether the effect of LE is driven by the individual differences such as gender (Stokburger-Sauer and Teichmann, 2013), need for uniqueness (Barone and Roy, 2010; Tian et al., 2001; Zhan and He, 2012), and status consumption (Eastman et al., 1999) that are known to influence consumers' evaluation of luxury brand, rather than the defined characteristics of the luxury LE product itself. For example, as product scarcity research has demonstrated the impact of need for uniqueness on consumers' attitudes (Roy and Sharma, 2015) and choice (Van Herpen et al., 2005), research is needed to determine if a LE in the brand dilution context has an impact separate from that of individual difference variables. Thus, Study 2 is conducted using post-college-age millennials as study participants to validate the findings of Study 1 while controlling for the individual difference variables to replicate, extend, and enhance the generalizability of the research.

4. Study 2 methodology

4.1. Design and participants

The objective of Study 2 is two-fold. First, it further validates the findings of Study 1 by involving post-college age millennials as research participants. Second, it controls individual differences relating to the evaluation of the luxury brand to confirm that the luxury brand enhancement effect found in Study 1 is solely attributed to the effect of the LE.

A sample of 260 respondents born between 1977 and 1994 22–39 years old in 2016) was obtained as a post-college-age millennial group from a national online web panel administered by Qualtrics for Study 2.

Table 1
Characteristics of respondents for study 2.

Demographic characteristics (N = 260)			
Age (Year born in)	%	Education	%
1994	1.2	Less than High School	0.8
1993	3.5	High School / GED	24.2
1992	3.1	Some College	26.2
1991	4.2	2-year College Degree	15.8
1990	3.8	4-year College Degree	23.5
1989	6.5	Masters Degree	9.2
1988	6.9	Doctoral Degree	0.4
1987	8.5		
1986	7.7	Income	
1985	5.4	Less than $10,000	3.8
1984	8.1	$10,000 to $19,999	4.2
1983	5.4	$20,000 to $29,999	11.9
1982	4.2	$30,000 to $39,999	16.2
1981	8.1	$40,000 to $49,999	10.4
1980	5.4	$50,000 to $59,999	11.9
1979	5.0	$60,000 to $69,999	12.7
1978	4.6	$70,000 to $79,999	8.5
1977	8.5	$80,000 to $89,999	6.2
		$90,000 to $99,999	3.1
Gender		$100,000 to $149,999	6.2
Male	26.2	$150,000 or more	2.3
Female	73.8	Prefer not to answer	2.7
Ethnicity			
African-American	10.4		
Asian	4.6		
Caucasian/White	73.1		
Hispanic	9.2		
Multi-racial	1.2		
Other	1.5		

The sample was a median age of 31 years (mode = 29 years), 73.8% female (mode = female), 73.1% Caucasian (mode = Caucasian), 75.1% more than some college experience (mode = some college), and 53.5% more than income of $50,000 a year (mode = $30,000–$39,999) as outlined in Table 1. The predictions were tested using the same scenarios and the research design utilized in Study 1. The self-presentation motive variable was divided via median split at 5.50 on a 7-point scale, creating low (n = 142) and high (n = 118) groups.

4.2. Measures

As in Study 1, the scales used in Study 2 were adapted from existing literature and were measured on 7-point scales. In addition to the measures previously used in Study 1, control variables (gender, need for uniqueness, and status consumption) were also included. All the scales used in Study 2, along with full information on standardized loadings, Cronbach's alpha, and fit statistics for CFA, appear in Appendix B.

For realism, participants rated the scenarios to be realistic (M = 5.56) and believable (M = 5.46). These perceptions are above the scale midpoint (p's < 0.001). The results for the manipulation check revealed a significant effect of brand dilution on perceived brand dilution (F(1, 258) = 33.90, p < 0.001), with a higher mean for brand dilution (M = 5.11) than for no brand dilution (M = 4.53). Furthermore, those who were subjected to the LE condition viewed the LE as scarce (M = 6.00), unique (M = 6.22), high status (M = 6.27), and high price (M = 6.19). These perceptions were above the scale midpoint (p's < 0.001). Thus, the manipulations worked as predicted.

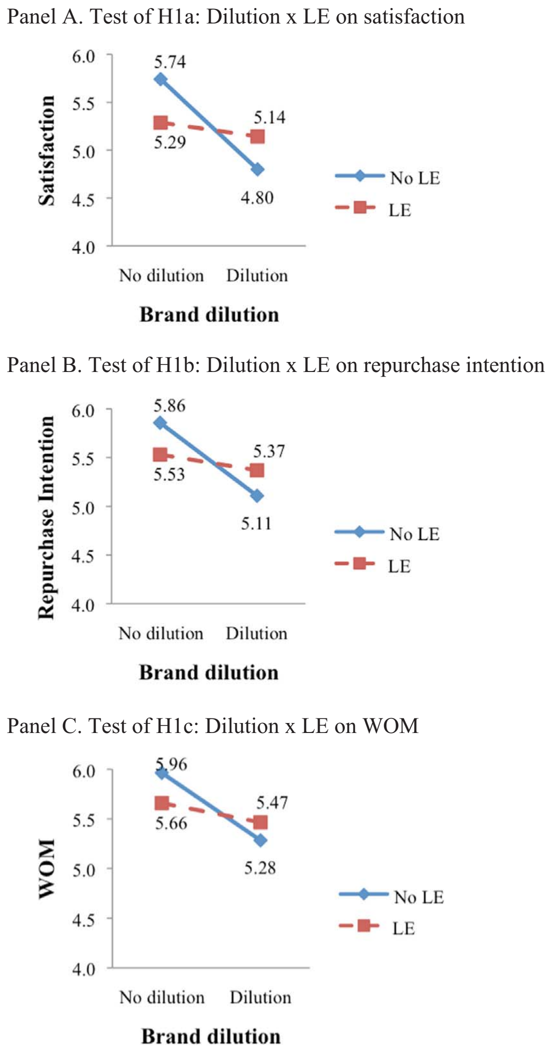

Fig. 2. Interaction effects from study 2.

4.3. Hypotheses tests

H1a–c propose that an LE offer drives higher satisfaction (H1a), repurchase intention (H1b), and positive WOM (H1c) when brand dilution occurs than when no dilution occurs. We analyze H1a–c using ANCOVA, with brand dilution and LE offer as between-subject factors and gender, need for uniqueness, and status consumption as covariates.

For satisfaction (H1a), results show a significant two-way interaction between brand dilution and LE offer ($F(1, 253) = 8.31$, $p = 0.004$, see Fig. 2, Panel A). Follow-up analyses reveal that, consistent with H1a, the effect of LE on satisfaction is pronounced when brand dilution occurs ($M_{\text{no LE, dilution}} = 4.80$ vs. $M_{\text{LE,dilution}} = 5.14$, $p = 0.025$), but not when no dilution occurs ($M_{\text{no LE, no dilution}} = 5.74$ vs. $M_{\text{LE, no dilution}} = 5.29$, $p = 0.074$). Therefore, H1a is supported. Although not formally hypothesized, among the three covariates, gender ($F = 5.70$, $p = 0.018$) and status consumption ($F = 71.04$, $p < 0.001$) have significant effects on satisfaction.

For repurchase intention (H1b), the two-way interaction between brand dilution and LE offer is significant ($F(1, 253) = 4.34$, $p = 0.038$, see Fig. 2, Panel B). Follow-up analyses confirm that, consistent with H1b, the effect of LE on repurchase intention is pronounced when brand dilution occurs ($M_{\text{no LE, dilution}} = 5.11$ vs. $M_{\text{LE, dilution}} = 5.37$, $p = 0.084$[1]), but not when no dilution occurs ($M_{\text{no LE, no dilution}} = 5.86$ vs. $M_{\text{LE, no dilution}} = 5.53$, $p = 0.247$). Therefore, H1b is supported. Additional analysis shows that among covariates, only status consumption ($F = 49.02$, $p < 0.001$) has a significant effect on repurchase intention.

For positive WOM intention (H1c), results confirm a significant interaction between brand dilution and a LE offer on WOM ($F(1, 253) = 4.63$, $p = 0.032$, see Fig. 2, Panel C). Follow-up analyses, however, do not confirm the direction of interaction as hypothesized. In other words, there is no significant statistical difference in the influence of the LE offer on WOM across the brand dilution ($M_{\text{no LE, dilution}} = 5.28$ vs. $M_{\text{LE, dilution}} = 5.47$, $p = 0.46$) and no brand dilution conditions ($M_{\text{no LE, no dilution}} = 5.96$ vs. $M_{\text{LE, no dilution}} = 5.66$, $p = 0.115$). Therefore, H1c is not fully supported. Nevertheless, as seen in Fig. 2, Panel C, the pattern of interaction resembles those for satisfaction and repurchase intention. Aside from the hypothesis testing, the examination of the effect of the covariates shows that gender ($F = 7.14$, $p = 0.008$) and status consumption ($F = 54.53$, $p < 0.001$) have significant main effects on WOM.

Lastly, H2 proposes self-presentation motive as a moderator on the relationship between brand dilution and LE offer. A 2 (brand dilution: no dilution vs. dilution) × 2 (LE offer: no LE vs. LE) × 2 (self-presentation motive: low vs. high) ANCOVA with gender, need for uniqueness, and status consumption as covariates shows an insignificant interaction for brand interest ($F(1, 249) = 0.79$, $p = 0.780$). Thus, H2 is not supported.

4.4. Discussion

In line with the hypotheses predicting a two-way interaction between brand dilution and a LE offer on consumer's attitudes toward luxury brand, the results from Study 2 provide additional support, such that when participants encounter brand dilution, they evaluate the LE offer more favorably by showing higher satisfaction and repurchase intention for the luxury brand than when no brand dilution is described. However, unlike college-age millennials, post-college-age millennials do not show significantly higher WOM intention across the dilution and no dilution conditions at the launch of a LE. Furthermore, among post-college-age millennials, contrasting levels of self-presentation motive had little influence on brand interest even if a LE product is offered at the occurrence of brand dilution. One potential reason for the different results is that college-age millennials and post-college-age millennials may have different motivations for luxury brand consumption (e.g., Mundel et al., 2017). Schade et al. (2016) find that the self-presentation motive strongly enhances luxury brand purchase intention for younger adults (16–25 years old) seeking to fit in with their peers, while the self-expressive motive serving to communicate one's identity impacts luxury brand purchase intentions for older adults (26–39 years old). Moreover, the level of self-image versus social image impacted by the uniqueness of the LE luxury brand (Ruvio et al., 2008) may vary for college-age versus post-college-age millennials.

To rule out the influence of the potential confounding variables, the hypotheses in Study 2 were analyzed while controlling for gender, need for uniqueness, and status consumption, which are known to influence a consumer's evaluation of the luxury brand. The general support for the hypotheses found in Study 2 despite the effects of control variables demonstrates the robust brand-enhancing effect of LE in the brand dilution context. This suggests that the positive impact of LE in the face of brand dilution works regardless of consumer's gender, need for uniqueness, or motivation for status consumption.

5. General discussion

The results of our research provide significant theoretical implications for researchers interested in the luxury market and/or studying millennials as well as important managerial implications for luxury brand managers addressing brand dilution issues. Finally, we hope to

[1] Marginally significant.

spur future research discussion and opportunities in luxury brand management.

5.1. Theoretical implications

In general, this study addresses the calls for research to examine "the possible implications of extending a luxury brand" (Hagtvedt and Patrick, 2009, p. 617) and ways to restore damaged luxury brand image (e.g., Cooper et al., 2015; Radon, 2012; Štrach and Everett, 2006). The findings of this research provide support for signaling theory as a way to explain the impact of LE in overcoming brand dilution issues. To date, most previous studies on LE focus on scarcity as a focal dimension of the LE product. This study conceptualizes luxury LE as having four dimensions: scarcity, uniqueness, high price, and high quality. The efficacy of a luxury LE in enhancing damaged luxury brand image is tested in light of these dimensions. More specifically, by demonstrating that a launch of a LE product enhances consumers' brand attitude in terms of satisfaction with, repurchase intention, and positive WOM intention toward a brand more for a luxury brand with a dilution problem than for a luxury brand with no dilution problem, the current study contributes to the LE literature by addressing a research gap in examining the role of LE in the luxury brand market (Balachander and Stock, 2009).

Furthermore, this study contributes to the stream of research that identifies individual differences in luxury brand consumption (e.g., Eastman et al., 1999; Stokburger-Sauer and Teichmann, 2013; Tian et al., 2001). By establishing a self-presentation motive (Wilcox et al., 2009) as an important variable that determines the level of brand interest toward a luxury brand with a LE offer in a brand dilution situation, this study responds to the research call for understanding how "the role of consumer goals for luxury goods" (Hagtvedt and Patrick, 2009, p. 617) plays into the evaluation of the luxury LE offer.

In addition, our findings provide support for the use of a college student sample in an experimental setting (Thomas, 2011) to better understand the millennial market. This research, however, provides a boundary condition of studies with possible social implications to illustrate when a college sample may provide somewhat different results than a post-college-age millennial sample. This makes sense given the importance of social networks (Hewlett et al., 2009), word of mouth and the opinion of others (Valentine and Powers, 2013), and social ties for the college millennial market (Noble et al., 2009). As Noble et al. (2009) observe, college-age millennials particularly are driven by a desire to conform to peer pressure and societal trends (Noble et al., 2009), and younger adults are motivated to consume luxury brands to fit in, while older millennial adults are motivated to consume them as a means of value-expression (Schade et al., 2016). Our results illustrate that younger, college-age millennials like to spread positive WOM about the luxury brand they own with the offer of LE, especially when the brand has been diluted, while we do not see the same effect with adult millennials. Moreover, for those college-aged millennials who retain a high self-presentation motive, the LE shows a stronger brand enhancement effect as exemplified in the increased brand interest in the brand dilution condition compared to the no dilution condition. Perhaps the luxury LE aids college-age millennials in signaling conformity and membership to key social groups and surrounding others by owning a product that is highly valued by those members (Jang et al., 2015).

5.2. Managerial implications

In managing luxury brands, "the goal is to increase perceived value and to make the brand non-comparable with any other" (Kapferer, 2014, p. 719). This research illustrates the benefits of an LE product to reach this goal. The use of a luxury LE, through its characteristics of scarcity, uniqueness, high price, and high status, increases the value and makes the brand more non-comparable. While past research suggests that luxury brands with superior and high-end image can utilize a LE to strengthen the brand's status and uniqueness perception (Jang et al., 2015) and to increase a firm's sales and profits (Amaldoss and Jain, 2008; Radon, 2012), the current findings illustrate that these benefits can also apply to luxury brands with dilution problems. In other words, for brands for which dilution has become a problem, the use of LE can overcome this issue and redevelop a positive brand perception, as the LE product sets one apart from others in establishing status.

Tiffany, for instance, tripled its sales, doubled the earnings and increased stock prices six-fold in the early 1990s (Byron, 2007) by tripling the number of its stores in the US and offering lower-priced items such as sterling-silver key rings, pendants, and charm bracelets, many priced under $100 (Gallagher, 2002). However, the firm sacrificed its luxury brand image, making it difficult to recoup its cachet. Our findings suggest that Tiffany may opt to use a luxury LE as an opportunity to enhance its diluted luxury brand image. For a brand like Tiffany, more than the actual sales performance of the LE product and even if there are short-term losses due to large research and development costs, the image enhancement potential itself could be more valuable (e.g., Kort et al., 2006). When a brand faces negative consumer sentiment, a firm is expected to take an active role as a moderator of the situation and a protector of the brand from further harm instead of a passive role as an observer (Shin et al., 2016). Therefore, luxury brands need to leverage the luxury LE to reinforce the exclusive perception of its brand.

Furthermore, the efficacy of the luxury LE is not attributed solely to its limited availability but also its unique and rare features, exceptionally expensive pricing, and high status within the product line due to exceptional craftsmanship that are not found in the brand's regular offers. Catry (2003), p. 10) emphasizes that luxury brands "are not selling rare and exclusive products" but "like magicians, they are adept at pretending to do so by offering an illusion of scarcity." Wilson et al. (2015) also stress the difficulty in managing the subtlety needed for a high-end inconspicuous luxury brand. In terms of product development, luxury marketers need to focus on creating a perception of qualitative rarity such as through equipping it with unprecedented product features and demonstrating exceptional craftsmanship instead of merely managing the quantities and the price of the LE product (e.g., Kapferer, 2012). Furthermore, we recommend that the superiority of the luxury product be explicitly communicated in the message. In doing so, a luxury brand may as well leverage diverse touch points to reach out to its customer base who are exposed to the negative brand story exhaustively, including print advertising, point-of-sale materials, websites, social media, and experiential offerings such as store events (Dauriz and Tochtermann, 2013).

Luxury brand retail managers who are eager to reach the promising millennial market by establishing a LE need to recognize that this segment is interested in the "richness of the story behind the brand" (Baron, 2015), illustrating the importance of building on the brand experience and establishing the history and origins of the founder and brand (Catry, 2003). This suggests that luxury brand marketers need to not only limit quantity and control price, but also demonstrate culture and lifestyle and provide an experience beyond mere ownership (Beuckels and Hudders, 2016; Dauriz and Tochtermann, 2013; Kapferer, 2012, 2014; de Lassus and Freire, 2014). Nevertheless, there are some differences between college-age millennials and post-college-age millennials regarding the important role self-presentation motive plays within the college-age millennial market given their stronger social emphasis and need to fit in (Kim and Jang, 2014) compared to the post-college-age millennial market (Hewlett et al., 2009; Noble et al., 2009; Schade et al., 2016; Valentine and Powers, 2013). Thus, luxury brand managers targeting the potentially lucrative millennial market need to recognize that a one-size-fits-all approach to millennials will not be effective.

5.3. Limitations and future research

A limitation of this study is that it only examined one generational cohort (millennials) in one country (the United States). This is a reasonable focus considering that the United States is the largest market for luxury accessories (D'Arpizio et al., 2015) and the millennial generational cohort is of importance to luxury marketers (Danzinger, 2015; Faw, 2012), but further research is needed to examine culture along with other product effects, such as country of origin (Sharma, 2011), in order to further examine the impact of LE on brand dilution and to explore this effect with other luxury market segments. Additional research is also needed to determine if our findings hold in other countries, particularly emerging markets like China (Kapferer, 2014). China is of interest as a large emerging market for luxury brands, especially given that face consciousness and the social value of luxury brands play a key role in explaining Chinese consumers' status consumption (Zhang and Kim, 2013).

Future research is needed to further explore how luxury LE strategy aids in overcoming brand dilution issues: is it through signaling the high quality of the brand as noted by Balachander and Stock (2009) and Stock and Balachander (2005), or through individual differences beyond the variables we examine in this study? In addition, replicating our findings using other popular luxury product categories beyond watches, such as clothing, perfume, and electronics, will increase the generalizability of our findings. Although this research only focused on the luxury LE, it will be interesting to see if a non-luxury LE (e.g., Jang et al., 2015) also has image enhancement potential in a brand crisis. Finally, the findings of this research demonstrate that millennials hold positive attitudes and intentions about LE luxury products. More study is needed to better understand what represents luxury to millennials and how to most effectively reach them given their use of technology (Faw, 2012). This will help determine how to develop a luxury experience online given the difficulties in balancing the need for information and access with maintaining exclusivity and rareness (Beuckels and Hudders, 2016; Kapferer, 2014).

Appendix A. Core scenarios and manipulations

Base scenario

The brand of your watch, Suisse Preción, is a leading luxury watch brand established in Switzerland in 1911 by watch artisan Hans Einhart. Suisse Preción produces and assembles what experts agree to be the finest timepieces in the world. They are rare, exceptional, and utterly timeless. Suisse Preción has been the pre-eminent symbol of performance and prestige for over a century. The outcome is timeless appeal as exemplified by the sustained success of Suisse Preción watches at prestigious auctions. A Suisse Preción watch represents prestige, with items usually priced around $10,000 each.

Brand dilution manipulation

Condition	Manipulation
No dilution	Over the years, Suisse Preción has never stopped making an effort to maintain its prestigious status among luxury watch brands. Suisse Preción continually strives to build its legendary history in the watchmaking industry.
Dilution	Over the years, Suisse Preción recognized the growing number of consumers demanding luxury at mid-level prices and decided to use this trend to its advantage by appealing to these potential customers, adding less expensive lines of watches in the $1000–$5000 price range. Recently, Suisse Preción introduced a new line of watches with prices starting as low as $400 in order to appeal to even more price-sensitive customers.

Limited-edition (LE) offer manipulation

Condition	Manipulation
No LE	(No further information was given.)
LE	However, Suisse Preción announced the launch of the limited-edition watch Geneva to celebrate the 100th anniversary of its founding in April. Geneva has several unique features that will pop some springs in the watch-collecting community. The most notable breakthrough is the floating dial and hands display. The design team created delicately hand-crafted transparent sapphire disks that support the dial and the hour and minute hands. Not only is transparent sapphire very rare and found in only a few places in Tanzania, but the craftsmanship demonstrated in the elaborate details of the Geneva is the epitome of pure elegance, prestige, and sophistication. Geneva is available in a limited worldwide quantity of only 100 engraved and numbered watches at a price of $25,000 each.

Appendix B

See Table B1.

Table B1
Scale items and reliabilities.

Scale/items	Study 1		Study 2	
	Standardized loadings[a]	Cronbach's alpha	Standardized loadings[a]	Cronbach's alpha
Satisfaction[b] (Maxham and Netemeyer, 2003)		0.96		0.92
1. I feel like buying a Suisse Precíon watch was a good decision.	0.94		0.90	
2. I am satisfied that I made a good choice to buy the Suisse Precíon watch.	0.98		0.94	
Repurchase intention[b] (Jones et al., 2007)	N/A		N/A	
1. If I had to buy a luxury watch again, I would buy a Suisse Precíon watch.				
Positive WOM[b] (Maxham and Netemeyer, 2002)		0.92		0.91
1. I would recommend Suisse Precíon watches to a friend.	0.93		0.93	
2. I would speak favorably about Suisse Precíon to people I know.	0.94		0.89	
Brand interest (Machleit et al., 1993)		0.75		0.86
Suisse Precíon is				
1. not likable (1)/very likable (7)	0.79		0.83	
2. unappealing (1)/very appealing (7)	0.80		0.87	
3. ordinary (1)/very unique (7)	0.45[c]		0.58	
4. unexciting (1)/very exciting (7)	0.57		0.81	
Self-presentation motive[b] (Wilcox et al., 2009)		0.86		0.88
1. Luxury brands are a symbol of social status.	0.55		0.52	
2. Luxury brands help me fit into important social situations.	0.71		0.83	
3. I like to be seen wearing luxury brands.	0.94		0.93	
4. I enjoy it when people know I am wearing a luxury brand.	0.87		0.92	
Need for uniqueness[b] (Zhan and He, 2012)	N/A			0.94
1. When a product I own becomes popular among the general population, I begin to use it less.			0.84	
2. I often try to avoid products or brands that I know are brought by the general population.			0.86	
3. As a rule, I dislike products or brands that are customarily bought by everyone.			0.92	
4. The more commonplace a product or brand is among the general population, the less interested I am in buying it.			0.92	
Status consumption[b] (Eastman et al., 1999)	N/A			0.94
1. I would buy a product just because it has status.			0.89	
2. I am interested in new products with status.			0.92	
3. I would pay more for a product if it had status.			0.92	

[a] All paths were significant.
[b] Anchored by 1 = Strongly disagree to 7 = Strongly agree.
[c] Ideally, standardized loading estimates should be 0.50 or higher (Hair et al., 2010).

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