

**HOW TO OFFER LUXURY PRODUCTS ON THE INTERNET: THE
INFLUENCE OF ONLINE ASSORTMENT DECISIONS AND ONLINE
PURCHASE OPTIONS ON BRAND EQUITY**

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ABSTRACT

Brand equity, “the marketing effects uniquely attributable to the brand” (Keller, 1993, p. 1), is at the heart of competition in the luxury goods market (Keller, 2009). While firms competing in this segment have come up with sophisticated ways to build brand equity, they are currently challenged by the increasing importance of the internet in consumers’ journeys (Kapferer & Bastien, 2012; Okonkwo, 2009). With online sales of luxury goods showing a twelvefold increase over the past 11 years (D’Arpizio et al., 2014), it is evident that luxury brands have to be present somehow in the digital environment today (Heine & Berghaus, 2014). The strategic purposes, business potentials, and consequences for brand equity of this presence, however, are still largely unexplored and remain a paradoxical topic.

As a luxury brand’s website is the brand’s most valuable digital asset (Heine & Berghaus, 2014) and as there appears to be a consensus that luxury brands can use their websites to present their products in the digital environment, at least for purposes of communication, the question arises *which products* are most suitable for reinforcing the brand’s image. The roles a luxury brand’s products can play in relation to brand management can be classified between four poles spanning two dimensions, which this research terms ‘*accessibility*’ and ‘*contemporariness*’, in relation to Kapferer and Bastien’s (2012) luxury brand architecture map. Empirical evidence of these dimensions is, nevertheless, scarce, and yet no prior research has investigated these product roles in an e-commerce setting.

The current study develops a model to test how an online purchase option and the contemporariness as well as the accessibility of the product assortment offered on the websites of luxury brands affect specific brand equity dimensions of luxury brands. Data of a 2x2x2-online scenario experiment were analyzed, showing that prestige and uniqueness value are non-significantly affected by offering an online purchase option, while functional value increases significantly. Regarding the displayed product assortment, the brand equity dimensions of functionality, prestige, and uniqueness are found to be significantly affected by the inaccessibility of the products, while their contemporariness elicits significant changes in uniqueness value. The study also assesses the mediating role of the brand attributes of availability, price premium, aesthetics, and innovativeness, as well as the moderating role of consumers’ prior brand ownership, for these effects.

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Keywords: luxury brands, brand equity, value dimensions, online distribution, product assortment, e-commerce

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