

# When the quiet logo speaks volumes

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The logo on your designer handbag or sports car may say far more about your social status and social aspirations than the brand name itself, according to a new study from the USC Marshall School of Business, which finds that luxury brands charge more for "quieter" items with subtle logo placement and discreet appeal.

"Signaling Status with Luxury Goods: The Role of Brand Prominence," a study published in the July issue of the [Journal of Marketing](#) and co-authored by USC Marshall School of Business doctoral student Young Jee Han and Joseph Nunes, associate professor of marketing at USC Marshall; with Xavier Dreze, associate professor of marketing at UCLA's Anderson School of Management, points to consumers who may not realize that shrieking designer logos actually reflect a lower price point than more subtle counterparts. Were our mothers right? Is less actually more?

According to Nunes, "A significant segment of the population does not want to be branded, preferring to be understated ... and is willing to pay a premium to have 'quiet' goods without a brand mark."

For the study, authors examined three categories of luxury goods -- designer handbags, high-end vehicles and men's shoes -- with field experiments to survey consumers in a selection of Southern California shopping malls chosen for their demographics. These surveys were employed alongside an analysis of market data (including counterfeit goods) to reach the authors' conclusions on status signaling.

The study identified four luxury-good consumer species, according to their preference for "loud" goods with prominently placed brand logos versus "quiet" goods, perhaps the little black dress equivalent of subtle status:

- Patricians: "Wealthy consumers low in need for status" who "pay a premium for quiet goods, products that only their fellow patricians can recognize";
- Parvenus: "Wealthy consumers high in need for status" who "use loud luxury goods to signal to the less affluent that they are not one of them";
- Poseurs, who lack the financial means to buy luxury goods, yet are highly motivated to buy counterfeit items to "emulate those who they recognize to be wealthy" (i.e., parvenus); and
- Finally, those with no drive for status consumption? Proletarians.

## **FINDINGS**

The study's key findings include:

- Luxury brands charge more for "quieter" items with subtle [logo](#) placement and size that appeal to patricians. The authors find that a price disparity of several hundred dollars can be based solely on how prominently marketers display the brand on a purse.
- Counterfeiters predominantly copy the lower-priced, louder

luxury goods, which appeal to the non-patrician status-seekers and rarely copy the higher-priced, subtle items.

- Patricians were more apt to accurately rank the value of a luxury handbag. In contrast, non-patricians consistently ranked flamboyant bags as having higher value than the discreet bags that lacked the brand name but were priced higher.
- Patricians were the least likely of the four groups to buy a flashy item, such as a handbag, while the parvenus and the poseurs were more likely to prefer it. Meanwhile, poseurs "expressed a significantly greater intent to purchase a counterfeit bag than parvenus."

For consumers, the study's authors note the following irony: "While many parvenus believe they are saying to the world that they are not have-nots, in reality, they may also be signaling to the patricians, the group they want to associate with, that they are not one of them."

## **IMPLICATIONS FOR MARKETERS**

Based on their research, the authors recommend the following to managers in the luxury-good category:

1. Develop a set of special signatures, or subtle cues, to distinguish the brand. For example, the authors cite Gucci's use of bamboo on its products that says "Gucci" without employing a logo. Patricians recognize the signal, while non-patricians do not.
2. Don't make a brand ubiquitous. A [luxury-goods](#) manufacturer should "resist the urge to popularize its trademark. If too many people sport the brand's logo, the mark loses its value." Bottega

Veneta is an example at one extreme, the authors say, with the logo appearing only on the inside of its products.

3. Consider advertising to all consumers, not just the target market. For brands that appeal to everybody, the message must be aspirational not functional.
4. Reassess the "pyramid" approach to luxury. Appealing to the crême de la crême to also lure less-sophisticated consumers doesn't always work.

**More information:** To download the full study, visit:  
[www.marshall.usc.edu/assets/125/21653.pdf](http://www.marshall.usc.edu/assets/125/21653.pdf)

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