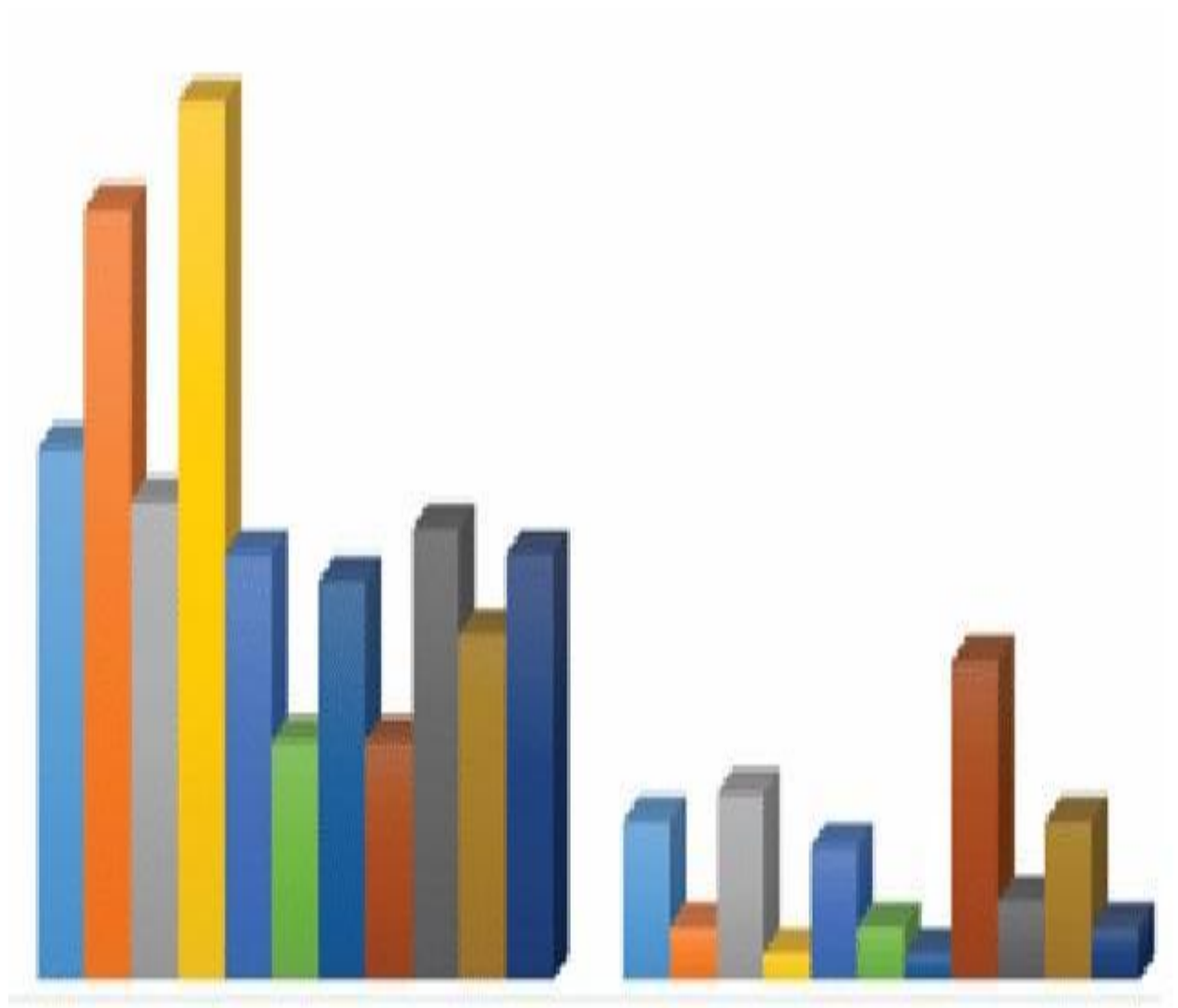


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Research Article

Consumer Perceptions of Prestige Pricing in Luxury Fashion

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ABSTRACT

This study examines consumer perceptions of prestige pricing in the luxury fashion industry through a qualitative analysis of secondary data. Prestige pricing, characterised by intentionally high price points, serves as a strategic tool for signalling exclusivity, superior quality, and social status. Drawing on theoretical perspectives including conspicuous consumption, signalling theory, perceived value theory, and self-congruity theory, the study explores how consumers interpret and respond to premium pricing strategies. The findings reveal that consumer perceptions are shaped by a combination of psychological, social, and cultural factors, including price-quality inference, status signalling, emotional value, and identity alignment. While high prices often enhance perceived value and desirability, they may also generate scepticism and concerns regarding fairness, particularly in the context of increasing digital transparency. Additionally, the growing importance of sustainability and ethical considerations is redefining the meaning of prestige in luxury consumption. The study contributes to the literature by providing a multidimensional understanding of prestige pricing and offers managerial insights for luxury brands seeking to balance exclusivity with evolving consumer expectations in a dynamic global market.

Keywords: prestige pricing; luxury fashion; consumer perception; perceived value; conspicuous consumption; status signalling; brand image

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1. Introduction

Luxury fashion represents a unique segment of the global apparel industry characterised by exclusivity, superior craftsmanship, symbolic value, and high price points. Unlike mass-market fashion, luxury brands rely heavily on intangible attributes such as prestige, heritage, and identity construction to create perceived value among consumers (Kapferer & Bastien, 2012). Among these attributes, pricing strategy plays a particularly critical role, as luxury brands often employ prestige pricing, a deliberate strategy of setting high prices to signal quality, exclusivity, and social status (Vigneron & Johnson, 1999). In this context, price is not merely a monetary exchange but a powerful communicative tool that shapes consumer perceptions and reinforces brand positioning.

Prestige pricing operates on the premise that higher prices enhance desirability rather than deter demand. This phenomenon contrasts with traditional economic theory, which assumes that demand decreases as prices increase. In the luxury sector, however, the opposite may occur, as high prices can elevate perceived value and create aspirational appeal (Han et al., 2010). This paradox is often explained through the concept of Veblen goods, where consumption is driven by status signalling and social distinction rather than functional utility (Veblen, 1899/1994). Consequently, consumers of luxury fashion are not only purchasing products but also engaging in symbolic consumption that reflects identity, lifestyle, and social positioning.

In recent decades, the global luxury fashion market has experienced significant expansion, fueled by rising disposable incomes, globalisation, and the proliferation of digital platforms. Emerging markets, particularly in Asia and developing economies, have contributed to the growing demand for luxury goods (Bain & Company, 2023). Simultaneously, the democratisation of fashion through fast fashion and digital media has intensified competition, compelling luxury brands to reinforce their exclusivity and differentiation strategies. Prestige pricing remains central to this effort, as it helps maintain brand aura and prevents dilution of perceived value (Kapferer, 2015).

Consumer perceptions of prestige pricing, however, are complex and multifaceted. While some consumers interpret high prices as indicators of superior quality and authenticity, others may perceive them as excessive or unjustified (Lichtenstein et al., 1993). These perceptions are influenced by various factors, including cultural background, personal values, income level, and prior brand experience. For instance, status-conscious consumers are more likely to associate high prices with prestige and social recognition, whereas value-oriented consumers may focus on functional benefits and price fairness (Wiedmann et al., 2009). Moreover, the rise of digital transparency and social media has increased consumer awareness, enabling them to critically evaluate pricing strategies and question the legitimacy of luxury markups.

Another important dimension is the role of psychological and emotional factors in shaping consumer responses to prestige

pricing. Luxury consumption is often driven by hedonic motivations, such as pleasure, self-reward, and emotional gratification (Dion & Arnould, 2011). In this context, high prices can enhance the experiential value of luxury goods by reinforcing their exclusivity and desirability. At the same time, social influences, including peer pressure and reference groups, play a significant role in shaping perceptions of prestige and appropriateness of pricing (Bearden & Etzel, 1982).

Despite extensive research on luxury consumption, there remains a need to further explore how consumers interpret and respond to prestige pricing in the contemporary fashion landscape. The increasing accessibility of luxury brands through online platforms, outlet stores, and collaborations with mass-market brands has blurred the boundaries between luxury and non-luxury segments. This shift raises important questions about the effectiveness of traditional pricing strategies and their impact on consumer perceptions of authenticity and exclusivity.

This study aims to examine consumer perceptions of prestige pricing in luxury fashion by synthesising existing literature and secondary data. Specifically, it seeks to address the following research objectives:

- To analyse the theoretical foundations of prestige pricing in the context of luxury fashion.
- To explore the psychological, social, and cultural factors influencing consumer perceptions of high prices.
- To evaluate how prestige pricing affects brand image, perceived value, and purchase intentions.
- To identify emerging trends and challenges in the application of prestige pricing strategies.

By adopting a qualitative research approach based on secondary data, this study contributes to the growing body of knowledge on luxury marketing and consumer behaviour. It provides insights into how luxury brands can effectively leverage pricing strategies to maintain their competitive advantage while adapting to evolving consumer expectations. Furthermore, the findings have practical implications for marketers, brand managers, and policymakers seeking to understand the dynamics of value creation in the luxury fashion industry.

2. Literature Review

Prestige pricing, also referred to as premium or image pricing, is a strategy whereby firms set high prices to convey superior quality, exclusivity, and status (Kotler & Keller, 2016). In the context of luxury fashion, pricing serves not only as a revenue-generating mechanism but also as a symbolic signal that communicates brand identity and positioning. According to Vigneron and Johnson (1999), prestige pricing is closely linked to the concept of conspicuous consumption, where consumers derive utility from the visibility of their purchases and the social recognition they receive.

The theoretical foundation of prestige pricing can be traced back to Veblen's (1899/1994)

theory of the leisure class, which posits that individuals consume high-priced goods to display wealth and social status. This perspective challenges the traditional law of demand by suggesting that higher prices can increase desirability for certain goods. In luxury fashion, this effect is amplified by brand heritage, craftsmanship, and limited availability, which further enhance perceived value (Kapferer & Bastien, 2012).

2.1 Consumer Perceived Value in Luxury Fashion

Perceived value is a central construct in understanding consumer responses to prestige pricing. Zeithaml (1988) defines perceived value as the consumer's overall assessment of a product's utility based on perceptions of what is received and what is given. In luxury fashion, perceived value extends beyond functional attributes to include emotional, social, and symbolic dimensions (Wiedmann et al., 2009).

Wiedmann et al. (2009) propose a multidimensional model of luxury value comprising four key dimensions: financial, functional, individual, and social value. Financial value relates to price perceptions and affordability, while functional value reflects quality and performance. Individual value encompasses personal satisfaction and self-identity, whereas social value pertains to status signalling and social approval. Prestige pricing influences all these dimensions by reinforcing the perception of exclusivity and desirability.

2.2 Psychological Drivers of Prestige Pricing Perception

Consumer perceptions of prestige pricing are strongly influenced by psychological factors, including motivation, perception, and attitudes. One key concept is price-quality inference, where consumers use price as an indicator of product quality (Lichtenstein et al., 1993). In luxury fashion, this inference is particularly pronounced, as high prices are often associated with superior materials, craftsmanship, and brand reputation.

Another important psychological driver is self-congruity theory, which suggests that consumers prefer brands that align with their self-concept (Sirgy, 1982). Luxury brands often position themselves as symbols of success, sophistication, and exclusivity, attracting consumers who aspire to these identities. Prestige pricing reinforces this alignment by signalling that the brand is not accessible to everyone, thereby enhancing its aspirational appeal.

Hedonic consumption also plays a significant role in shaping perceptions of luxury pricing. According to Hirschman and Holbrook (1982), consumers derive pleasure and emotional satisfaction from experiential aspects of consumption. In this context, high prices can enhance the perceived enjoyment of luxury goods by creating a sense of indulgence and exclusivity.

2.3 Social and Cultural Influences

Social factors, including reference groups, social norms, and cultural values, significantly impact consumer perceptions of prestige pricing. Bearden and Etzel (1982) highlight the role of reference groups in

influencing consumption decisions, particularly for publicly consumed goods such as fashion items. Consumers may be willing to pay premium prices to gain social approval or to differentiate themselves from others.

Cultural differences also play a crucial role in shaping attitudes toward luxury pricing. In collectivist societies, where social harmony and group identity are emphasised, luxury consumption may be driven by the desire for social recognition and conformity (Hofstede, 2001). In contrast, individualist cultures may emphasise personal achievement and self-expression, leading to different interpretations of prestige pricing.

The concept of status consumption further explains how individuals use luxury goods to signal social position (Eastman et al., 1999). Prestige pricing enhances this signalling function by creating a barrier to entry, ensuring that only a select group of consumers can access the brand.

2.4 Brand Image and Prestige Pricing

Brand image is closely intertwined with pricing strategy in the luxury sector. A strong brand image enhances the effectiveness of prestige pricing by reinforcing perceptions of quality, authenticity, and exclusivity (Keller, 2013). Conversely, inconsistent pricing strategies, such as excessive discounting, can erode brand equity and diminish perceived value.

Han et al. (2010) distinguish between different types of luxury consumers based on their sensitivity to brand signals, including patricians, parvenus, poseurs, and

proletarians. These segments differ in their reliance on price and brand cues to infer status, highlighting the complexity of consumer responses to prestige pricing.

2.5 Contemporary Challenges and Trends

The luxury fashion industry is undergoing a significant transformation due to digitalisation, globalisation, and changing consumer preferences. The rise of e-commerce and social media has increased transparency and accessibility, enabling consumers to compare prices and evaluate value more critically (Dauriz et al., 2014). This shift poses challenges for prestige pricing, as consumers may question the justification for high prices.

Moreover, the growing emphasis on sustainability and ethical consumption is influencing perceptions of luxury value. Consumers are increasingly concerned about environmental and social impacts, which may affect their willingness to pay premium prices (Joy et al., 2012). Luxury brands must therefore balance exclusivity with transparency and responsibility.

Another emerging trend is the collaboration between luxury and mass-market brands, which can blur the boundaries of exclusivity and affect consumer perceptions of pricing (Kapferer, 2015). While such collaborations can expand market reach, they may also dilute brand prestige if not managed carefully.

2.6 Research Gap

Although existing literature provides valuable insights into prestige pricing and

luxury consumption, there is limited research on how contemporary consumers interpret these strategies in a rapidly evolving market environment. In particular, the impact of digitalisation, sustainability concerns, and changing cultural dynamics on perceptions of prestige pricing remains underexplored. This study addresses this gap by synthesising secondary data to provide a comprehensive understanding of consumer perceptions in the modern luxury fashion context.

3. Theoretical Framework

Understanding consumer perceptions of prestige pricing in luxury fashion requires a robust theoretical foundation that integrates insights from economics, psychology, sociology, and marketing. This study adopts a multi-theoretical approach, drawing on Veblen's Theory of Conspicuous Consumption, Signalling Theory, Perceived Value Theory, and Self-Congruity Theory to explain how and why consumers interpret high prices as indicators of prestige and desirability.

3.1 Veblen's Theory of Conspicuous Consumption

The foundation of prestige pricing can be traced to Veblen's (1899/1994) theory of conspicuous consumption, which posits that individuals purchase high-priced goods to display wealth and social status. In this framework, luxury goods function as status symbols, and their value is derived not only from their intrinsic qualities but also from their ability to signal social distinction. Prestige pricing reinforces this signalling

function by maintaining high price levels that restrict accessibility and enhance exclusivity.

In the context of luxury fashion, conspicuous consumption manifests through visible branding, distinctive design elements, and premium pricing strategies. Consumers who engage in such behaviour often seek social recognition and validation, using luxury products as a means of communicating their identity and status to others (Han et al., 2010). Thus, the higher the price, the stronger the perceived association with prestige and exclusivity.

3.2 Signalling Theory

Signalling Theory provides further insight into how prestige pricing influences consumer perceptions. According to Spence (1973), signals are observable attributes that convey information about unobservable qualities. In markets characterised by information asymmetry, such as luxury fashion, consumers rely on signals like price, brand reputation, and retail environment to infer product quality and authenticity.

Price, in particular, serves as a powerful extrinsic cue. High prices signal superior quality, craftsmanship, and brand heritage, even when consumers lack detailed knowledge of the product (Kirmani & Rao, 2000). In luxury fashion, this signalling effect is amplified by brand narratives and marketing communications that emphasise exclusivity and prestige.

However, the effectiveness of price as a signal depends on its credibility. If consumers perceive pricing as inconsistent or unjustified, the signal may lose its impact and undermine brand trust. Therefore, luxury

brands must carefully manage their pricing strategies to ensure alignment with perceived quality and brand image.

3.3 Perceived Value Theory

Perceived Value Theory offers a comprehensive framework for understanding how consumers evaluate prestige pricing. According to Zeithaml (1988), perceived value is the trade-off between perceived benefits and perceived costs. In luxury fashion, benefits extend beyond functional attributes to include emotional, social, and symbolic dimensions.

Building on this concept, Wiedmann et al. (2009) propose a multidimensional model of luxury value consisting of financial, functional, individual, and social components. Prestige pricing influences each of these dimensions in distinct ways. Financially, high prices may enhance perceptions of exclusivity and rarity. Functionally, they may signal superior quality and craftsmanship. Individually, they contribute to self-esteem and personal satisfaction. Socially, they enable status signalling and social differentiation.

This study adopts the multidimensional perspective of perceived value to examine how consumers interpret prestige pricing and how these interpretations influence their attitudes and behaviours toward luxury fashion brands.

3.4 Self-Congruity Theory

Self-Congruity Theory (Sirgy, 1982) posits that consumers prefer brands that align with their self-concept, including their actual self, ideal self, and social self. Luxury fashion

brands often position themselves as symbols of success, sophistication, and exclusivity, appealing to consumers who aspire to these identities.

Prestige pricing plays a critical role in reinforcing this alignment. By setting high prices, luxury brands create a sense of exclusivity that enhances their appeal to consumers seeking to project a particular image. For example, consumers may associate high-priced luxury items with success and achievement, thereby strengthening their emotional connection to the brand.

Moreover, self-congruity influences how consumers interpret pricing fairness. When a brand aligns with a consumer's self-concept, high prices may be perceived as justified and even desirable. Conversely, a lack of congruity may lead to negative perceptions of pricing and reduced purchase intentions.

3.5 Integrated Conceptual Model

Drawing on the above theories, this study proposes an integrated conceptual framework in which prestige pricing acts as a central stimulus influencing consumer perceptions through multiple pathways:

- **Economic and symbolic signalling** (Veblen, 1899/1994; Spence, 1973)
- **Perceived value formation** (Zeithaml, 1988; Wiedmann et al., 2009)
- **Psychological alignment with self-identity** (Sirgy, 1982)

These factors collectively shape key outcomes, including brand image, perceived quality, emotional attachment, and purchase

intention. Social and cultural influences further moderate these relationships, highlighting the complexity of consumer responses to prestige pricing in luxury fashion.

This theoretical framework provides a comprehensive lens through which to analyse secondary data and interpret findings, ensuring that the study captures the multidimensional nature of luxury consumption.

4. Methodology

This study adopts a qualitative research design based on the analysis of secondary data to explore consumer perceptions of prestige pricing in luxury fashion. A qualitative approach is particularly appropriate for this research, as it enables an in-depth understanding of complex phenomena, including attitudes, perceptions, and symbolic meanings associated with luxury consumption (Creswell & Poth, 2018).

Unlike quantitative methods, which focus on measurement and statistical analysis, qualitative research emphasises interpretation and contextualization. Given the exploratory nature of this study and the focus on theoretical and conceptual insights, the use of qualitative secondary data provides a rich and comprehensive perspective on the research problem.

4.1 Data Sources

The study relies on a wide range of secondary data sources, including:

- Peer-reviewed journal articles

- Academic books and theoretical frameworks
- Industry reports (e.g., Bain & Company, McKinsey & Company)
- Market research publications
- Reputable online databases and institutional reports

These sources were selected based on their relevance, credibility, and contribution to the understanding of prestige pricing and luxury consumer behaviour. The use of diverse data sources enhances the robustness and validity of the analysis by providing multiple perspectives on the topic (Johnston, 2017).

4.2 Data Collection Procedure

Data collection involved a systematic review of existing literature and documents related to prestige pricing and luxury fashion. The process included the following steps:

- **Identification of Keywords:** Keywords such as “prestige pricing,” “luxury fashion,” “consumer perception,” “conspicuous consumption,” and “perceived value” were used to search academic databases.
- **Screening and Selection:** Relevant studies were selected based on inclusion criteria, including publication in reputable journals, relevance to the research objectives, and methodological rigour.
- **Data Extraction:** Key themes, concepts, and findings were extracted from selected sources and organised for analysis.

This systematic approach ensures transparency and replicability in the data collection process.

4.3 Data Analysis Method

The study employs thematic analysis to interpret the collected data. Thematic analysis is a widely used qualitative method that involves identifying, analysing, and reporting patterns (themes) within data (Braun & Clarke, 2006). This method is particularly suitable for synthesising findings from diverse sources and developing a coherent understanding of complex phenomena.

The analysis followed these stages:

- **Familiarisation:** Reviewing and reading the collected data to gain an overall understanding.
- **Coding:** Identifying and labelling relevant concepts and patterns related to prestige pricing and consumer perceptions.
- **Theme Development:** Grouping codes into broader themes, such as perceived value, social influence, and psychological drivers.
- **Interpretation:** Analysing the relationships between themes and linking them to the theoretical framework.

This approach allows for a nuanced interpretation of secondary data, highlighting key insights and trends in consumer perceptions of prestige pricing.

4.4 Reliability and Validity

Ensuring the reliability and validity of qualitative research is essential for

maintaining academic rigour. This study adopts several strategies to enhance trustworthiness:

- **Triangulation:** Using multiple data sources to cross-verify findings and reduce bias (Denzin, 1978).
- **Source Credibility:** Selecting peer-reviewed and reputable sources to ensure the accuracy and reliability of information.
- **Transparency:** Clearly documenting the data collection and analysis procedures to enable replication.

These measures contribute to the credibility and dependability of the research findings.

4.5 Ethical Considerations

As this study is based solely on secondary data, it does not involve direct interaction with human participants. However, ethical considerations remain important. All sources are properly cited using APA (7th ed.) guidelines to acknowledge original authors and avoid plagiarism. Additionally, the study ensures that all data used are publicly available and ethically sourced (Mannan & Farhana, 2026).

4.6 Limitations of the Methodology

While qualitative secondary research offers several advantages, it also has limitations. First, the study relies on existing data, which may not fully capture current consumer perceptions in rapidly evolving markets. Second, the interpretation of secondary data may be influenced by researcher bias. Third, the lack of primary data limits the ability to test hypotheses empirically.

Despite these limitations, the chosen methodology is appropriate for the exploratory nature of the study and provides valuable insights into the theoretical and conceptual dimensions of prestige pricing in luxury fashion.

5. Findings & Analysis

The thematic analysis of secondary data reveals that consumer perceptions of prestige pricing in luxury fashion are shaped by a complex interaction of psychological, social, cultural, and market-driven factors. The findings are organised into six major themes: price-quality inference, status signalling and social visibility, emotional and hedonic value, perceived fairness and scepticism, digital transparency and consumer awareness, and sustainability and ethical considerations. These themes align closely with the theoretical framework and provide a nuanced understanding of how consumers interpret high prices in the luxury fashion context.

5.1 Price-Quality Inference and Perceived Superiority

A dominant finding across the literature is the strong association between high prices and perceived quality. Consumers frequently rely on price-quality inference as a heuristic when evaluating luxury fashion products, particularly in situations characterised by limited product knowledge (Lichtenstein et al., 1993). High prices are interpreted as signals of superior craftsmanship, premium materials, and meticulous design, reinforcing the perception that luxury goods offer exceptional value despite their cost.

This inference is particularly pronounced in categories where objective quality assessment is difficult, such as apparel and accessories. For example, consumers may lack the technical expertise to evaluate fabric quality or construction techniques, leading them to rely on price as a proxy for excellence (Kirmani & Rao, 2000). As a result, prestige pricing not only reflects perceived quality but actively constructs it in the minds of consumers.

However, the analysis also indicates that price-quality inference is not uniform across all consumer segments. Experienced luxury consumers, who possess greater product knowledge and brand familiarity, are more likely to evaluate quality based on intrinsic attributes rather than price alone. In contrast, less experienced consumers rely more heavily on extrinsic cues such as price and brand reputation (Han et al., 2010). This suggests that the effectiveness of prestige pricing as a quality signal varies depending on consumer expertise.

5.2 Status Signalling and Social Differentiation

Another critical theme is the role of prestige pricing in facilitating status signalling and social differentiation. Luxury fashion products serve as visible markers of wealth, taste, and social position, enabling consumers to communicate their identity to others (Veblen, 1899/1994). High prices enhance this signalling function by creating a barrier to entry, ensuring that ownership remains exclusive to a select group.

The analysis reveals that consumers who are highly motivated by social recognition are

more likely to perceive high prices as desirable and justified. These individuals engage in conspicuous consumption, where the visibility of luxury goods amplifies their social value (Eastman et al., 1999). In this context, the utility derived from luxury fashion is not solely based on personal satisfaction but also on the social responses it elicits.

Moreover, the findings highlight the importance of brand prominence in status signalling. Highly recognisable logos and distinctive design elements increase the visibility of luxury goods, enhancing their effectiveness as status symbols (Han et al., 2010). Prestige pricing reinforces this dynamic by aligning high cost with high visibility, creating a coherent narrative of exclusivity and prestige.

5.3 Emotional and Hedonic Value

Beyond functional and social dimensions, the findings emphasise the significance of emotional and hedonic value in shaping consumer perceptions of prestige pricing. Luxury fashion consumption is often associated with feelings of pleasure, excitement, and self-reward, which contribute to its overall appeal (Hirschman & Holbrook, 1982).

High prices can enhance these emotional experiences by reinforcing the perception of indulgence and exclusivity. For many consumers, purchasing a luxury item represents a personal milestone or a form of self-expression, making the price itself an integral part of the experience (Dion & Arnould, 2011). In this sense, prestige pricing contributes to the symbolic and experiential

value of luxury goods, transforming them into meaningful artefacts rather than mere commodities.

The analysis also indicates that emotional responses to prestige pricing are influenced by individual differences, such as personality traits and lifestyle. Consumers with a strong desire for uniqueness or self-expression are more likely to appreciate the exclusivity associated with high prices, whereas others may prioritise practicality and value for money (Wiedmann et al., 2009).

5.4 Perceived Fairness and Consumer Scepticism

While prestige pricing can enhance perceived value, it can also give rise to perceived unfairness and scepticism. Some consumers question the legitimacy of high prices, particularly when they perceive a disconnect between cost and intrinsic value. This scepticism is often exacerbated by increased access to information, which enables consumers to compare prices and evaluate production costs (Dauriz et al., 2014).

The findings suggest that perceptions of fairness are influenced by several factors, including brand reputation, transparency, and consistency in pricing strategies. Well-established luxury brands with strong heritage and craftsmanship narratives are more likely to justify high prices in the eyes of consumers (Kapferer & Bastien, 2012). In contrast, newer or less established brands may face greater scrutiny and resistance.

Additionally, excessive discounting or inconsistent pricing can undermine the credibility of prestige pricing. When consumers encounter luxury products at

significantly reduced prices, they may question the authenticity and exclusivity of the brand, leading to diminished perceived value (Kapferer, 2015).

5.5 Digital Transparency and Changing Consumer Behaviour

The rise of digital technologies has significantly altered consumer perceptions of prestige pricing. Online platforms and social media have increased price transparency, enabling consumers to access detailed information about products, compare prices across markets, and share opinions with others (Dauriz et al., 2014).

This increased transparency has both positive and negative implications for prestige pricing. On one hand, it allows brands to communicate their value propositions more effectively and reach a global audience. On the other hand, it exposes pricing disparities and challenges the notion of exclusivity, as consumers become more aware of markups and production practices.

The analysis also highlights the role of digital influencers and online communities in shaping perceptions of luxury pricing. Influencers can reinforce the desirability of high-priced items by associating them with aspirational lifestyles, while consumer reviews and discussions can either validate or challenge pricing strategies.

5.6 Sustainability and Ethical Considerations

An emerging theme in the literature is the growing importance of sustainability and ethical considerations in luxury consumption. Consumers are increasingly concerned about

environmental impact, labour practices, and corporate responsibility, which influence their perceptions of value and willingness to pay premium prices (Joy et al., 2012).

The findings suggest that prestige pricing can be justified when it aligns with sustainable and ethical practices. For example, consumers may be more willing to pay high prices for products that are perceived as environmentally friendly or ethically produced. Conversely, a lack of transparency or unethical practices can undermine the perceived legitimacy of high prices.

This shift reflects a broader transformation in consumer values, where prestige is no longer defined solely by exclusivity and status but also by responsibility and authenticity.

6. Discussion

The findings of this study provide strong support for the theoretical framework, demonstrating how consumer perceptions of prestige pricing are shaped by multiple interconnected factors. Veblen's (1899/1994) theory of conspicuous consumption is clearly reflected in the importance of status signalling and social differentiation. Consumers use high-priced luxury goods as symbols of wealth and identity, reinforcing the idea that price itself can enhance desirability.

Similarly, Signalling Theory (Spence, 1973) is evident in the role of price as an extrinsic cue for quality and authenticity. The findings confirm that consumers rely on high prices to infer superior craftsmanship and brand heritage, particularly in situations characterised by information asymmetry.

However, the effectiveness of this signal depends on its credibility, highlighting the importance of consistency and transparency in pricing strategies.

Perceived Value Theory (Zeithaml, 1988; Wiedmann et al., 2009) is also strongly supported, as the findings reveal that consumer evaluations of prestige pricing are multidimensional. Financial, functional, emotional, and social values all contribute to the overall perception of luxury goods, emphasising the complexity of consumer decision-making.

Finally, Self-Congruity Theory (Sirgy, 1982) is reflected in the importance of identity alignment. Consumers are more likely to accept and appreciate high prices when they perceive a strong connection between the brand and their self-concept, reinforcing the role of psychological factors in shaping pricing perceptions.

6.1 The Dual Nature of Prestige Pricing

One of the most significant insights from the findings is the dual nature of prestige pricing. On one hand, high prices enhance perceived value by signalling quality, exclusivity, and status. On the other hand, they can generate scepticism and perceptions of unfairness, particularly in an era of increased transparency.

This duality highlights the delicate balance that luxury brands must maintain. While high prices are essential for preserving brand prestige, they must be carefully justified through consistent quality, strong brand narratives, and transparent practices. Failure to achieve this balance can result in negative

consumer perceptions and reduced brand equity.

6.2 The Role of Consumer Heterogeneity

The findings underscore the importance of consumer heterogeneity in shaping perceptions of prestige pricing. Different consumer segments interpret high prices in different ways, depending on their values, motivations, and level of expertise. For example, status-oriented consumers are more likely to view high prices as desirable, whereas value-oriented consumers may focus on cost-benefit considerations.

This heterogeneity has important implications for luxury brand management. Rather than adopting a one-size-fits-all approach, brands must tailor their pricing and communication strategies to different consumer segments. This may involve emphasising exclusivity and status for some consumers while highlighting quality and craftsmanship for others.

6.3 Impact of Digitalisation

The discussion also highlights the transformative impact of digitalisation on prestige pricing. Increased access to information has empowered consumers, enabling them to critically evaluate pricing strategies and challenge traditional notions of luxury. This shift requires brands to adopt more transparent and authentic approaches to value creation.

At the same time, digital platforms offer new opportunities for enhancing brand storytelling and reinforcing prestige. By leveraging social media and digital content,

luxury brands can create immersive experiences that justify high prices and strengthen emotional connections with consumers.

6.4 Sustainability as a New Dimension of Prestige

Another important implication is the emergence of sustainability as a key dimension of prestige. The findings suggest that modern consumers increasingly associate luxury with ethical responsibility and environmental sustainability. This shift challenges traditional notions of prestige based solely on exclusivity and status, requiring brands to redefine their value propositions.

Luxury brands that successfully integrate sustainability into their pricing strategies can enhance perceived value and build long-term consumer trust. However, this requires genuine commitment and transparency, as superficial or misleading claims can lead to scepticism and reputational damage.

6.5 Managerial Implications

From a managerial perspective, the findings suggest several key strategies for effectively implementing prestige pricing:

- **Maintain Consistency:** Ensure alignment between price, quality, and brand image to reinforce credibility.
- **Enhance Transparency:** Communicate the value proposition clearly, including craftsmanship, materials, and ethical practices.
- **Leverage Storytelling:** Use brand narratives to justify high prices and create emotional connections.

- **Segment the Market:** Tailor pricing and marketing strategies to different consumer segments.
- **Embrace Sustainability:** Incorporate ethical and environmental considerations into value creation.

6.6 Limitations and Future Research

While this study provides valuable insights, it is limited by its reliance on secondary data. Future research could incorporate primary data collection, such as surveys or interviews, to validate and extend the findings. Additionally, cross-cultural studies could provide deeper insights into how cultural differences influence perceptions of prestige pricing.

7. Conclusion

This study provides a comprehensive analysis of consumer perceptions of prestige pricing in the luxury fashion industry by integrating theoretical perspectives and qualitative insights derived from secondary data. The findings demonstrate that prestige pricing is not merely a financial strategy but a multidimensional mechanism that shapes consumer perceptions of value, quality, and social status. High prices function as powerful signals that reinforce brand image, enhance perceived exclusivity, and contribute to identity construction among consumers.

The study confirms that consumer responses to prestige pricing are influenced by a complex interplay of psychological, social, and cultural factors. Price-quality inference, status signalling, and emotional gratification

play central roles in shaping positive perceptions of luxury pricing. At the same time, the analysis highlights the dual nature of prestige pricing, as it can also generate scepticism and concerns about fairness, particularly in an era characterised by increased transparency and information accessibility. This underscores the importance of maintaining consistency between price, quality, and brand narrative to sustain consumer trust and brand equity.

Furthermore, the research identifies significant shifts in consumer expectations, particularly with regard to sustainability and ethical responsibility. Modern consumers increasingly associate luxury with authenticity, transparency, and social responsibility, challenging traditional notions of prestige based solely on exclusivity and high prices. As a result, luxury brands must adapt their strategies to align with these evolving values while preserving their core identity.

From a managerial perspective, the study suggests that successful implementation of prestige pricing requires a careful balance between maintaining exclusivity and delivering tangible and intangible value. Brands must invest in storytelling, craftsmanship, and ethical practices to justify high prices and strengthen emotional connections with consumers. Additionally, segmentation strategies should be employed to address the diverse motivations and perceptions of different consumer groups.

In conclusion, prestige pricing remains a critical component of luxury fashion branding; however, its effectiveness depends on the ability of brands to adapt to changing

market dynamics and consumer expectations. Future research incorporating primary data and cross-cultural analysis would further enrich the understanding of this complex phenomenon.

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