

Statement on Research and Scholarship

Luxury goods satisfy unique consumer needs. Whether status, identity signaling, aesthetic pleasure, or simply pursuing happiness, luxury goods spark an emotional reaction in consumers. Oftentimes though, consumers who aspire to participate in the world of luxury do not possess the financial means to do so, and they thus turn to counterfeits as a viable alternative. Research has shown that even authentic luxury good owners sometimes turn to counterfeits to satisfy their broad emotional and situational needs. I am interested in luxury goods marketing and consumption, as well as in understanding when and why consumers purchase authentic - versus counterfeit - luxury goods. I am researching the psychological processes that influence consumer behavior toward authentic and counterfeit luxury products, as well as the integral role emotions play in consumer decision-making and marketing related outcomes.

I am currently working on two research streams. The first focuses on luxury to study the evolving consumer behavior in this industry, by looking at consumer responses to trends in fashion styles (i.e., distinctively ugly luxury), as well as the degree to which luxury brands should incorporate sustainability in order to still be a signal of status. The second builds upon my prior knowledge and work in luxury counterfeiting to understand the antecedents and consequences (both cognitive and emotional) for luxury brands of consumers' decisions to purchase luxury counterfeit goods. Collectively, my work studies consumers' signaling behaviors in a variety of fields, and has important implications for marketers.

Luxury

My first research stream explores the psychology of luxury consumption.

In the paper, "Hideous but Worth It: Distinctive Ugliness as a Signal of Luxury" (Cesareo, Townsend, and Pavlov), we investigate why distinctively ugly luxury – with its unflattering shapes, odd color combinations, and outrageous patterns – is currently in fashion and selling. Long-standing wisdom and academic research consistently agree that consumers choose attractive products and avoid ugly ones. And yet, multiple luxury brands successfully sell distinctively ugly products. This research provides an explanation, identifying distinctive ugliness as a signal of luxury and examining its impact on consumer choice. We explore this in seven studies, including a field study, a market pricing analysis, and five controlled laboratory experiments, three with consequential behavioral measures, incorporating a variety of fashion products, brands, aesthetic manipulations, and audiences. When products are from a non-luxury brand, consumers choose the attractive option and avoid the ugly. However, when from a luxury brand, consumers choose distinctively ugly products as often as attractive ones, not despite their ugliness but due to their ugliness and resulting ability to signal luxury. As such, brand prominence offers a boundary condition, as both a loud logo and distinctive ugliness serve to signal. Implications for both luxury and non-luxury brands are discussed.

In the working paper, "From Conspicuous to Conscientious: Embedded Sustainability in Luxury Brands Signals Status" (Cesareo and Patrick), we investigate how and to what extent luxury brands should go about incorporating sustainability into their business

practices. While decades of research on luxury (based on logics of excess, extravagance, and conspicuousness) and sustainability (based on logics of paucity, conservation, and self-restraint) suggest that sustainable luxury is an oxymoron. Yet, luxury brand managers are increasingly making the effortful and expensive commitments to sustainability initiatives. To date, little systematic research articulates when, and why, an individual luxury consumer will prefer and choose sustainable luxury. We identify a key factor that drives the success of sustainable luxury brands: the *perceived embeddedness of sustainability* within the luxury brand. Across five studies, including a scrape of luxury brands' Facebook posts, a field study on Facebook, and four laboratory studies (one of which preregistered), we find that luxury consumers evaluate luxury brands positively when they perceive sustainability initiatives to be "highbrow" and commensurate with the luxury brand stature (embedded sustainability), but disprefer "lowbrow" or incommensurate sustainability initiatives (peripheral sustainability). We propose that embedded sustainability maintains the hedonic potential (or promise of pleasure) of luxury brands while peripheral sustainability compromises it. We also demonstrate that this insight is unique to luxury brands, since consumers positively evaluate both peripheral and embedded sustainability for non-luxury brands, but only embedded sustainability for luxury brands. We discuss the theoretical and managerial implications of our findings, and, outline directions for future research.

In the working paper, "Asymmetric Preference for Traditional versus Sustainable Luxury Services when Gifting: Do Millennials and Gen Zs always "Go Green"?" (Cesareo, Patrick, and Holmqvist), we ask: When gifting services, will Millennial/Gen Z consumers choose traditional or sustainable luxury? We find that these younger consumers are significantly more likely to choose sustainable luxury services for in-cohort gift recipients, but traditional luxury services for out-cohort gift recipients. We theorize that this asymmetry in choosing sustainable vs. traditional luxury services stems from a pervasive "Millennials/Gen Zs go green" lay belief that only younger generational cohorts prefer sustainability and share a concern for the environment. In a series of five studies, we implicate this belief as underpinning the preference for sustainable vs. traditional luxury services when choosing a gift for an in-cohort vs. out-cohort recipient. Further, we situate this effect within the realm of luxury services, by demonstrating that these findings do not apply to luxury products (vs. services; study 3a) nor to mainstream services (vs. luxury; study 3b). Our findings suggest that Millennial/Gen Z consumers' concern for the environment is sometimes overridden by their relational concerns to meet perceived preferences of the gift recipient; we thus conclude with a call to action for luxury service providers and outline directions for future research.

Luxury Counterfeiting

My second research stream explores antecedents and consequences of consumer's decisions to purchase counterfeit luxury goods.

The paper, "When is Imitation Flattering? Knowledge and Consumers' Reactions to Counterfeits" (Cesareo and Bellezza) investigates the role of knowledge and the impact of counterfeits on original luxury brands. Counterfeiting is usually a negative phenomenon, bearing undesirable consequences for both companies and consumers of the original brands.

Yet imitation has its upsides, with some mimicked people feeling flattered by those who copy them. Can counterfeiting, as the quintessential form of imitation in products, induce flattery, and thus mitigate negative reactions to fakes? In this research, we investigate consumers' reactions to counterfeits and consequences for the original brands as a function of consumers' knowledge in specific product domains (e.g., fashion and luxury goods, wine and spirits). Across five studies measuring and manipulating domain-specific knowledge, we demonstrate that consumers with low levels of knowledge react more positively to counterfeits than consumers with high levels of knowledge because they feel flattered by these imitations of their belongings. Our findings offer actionable implications for managers on how and where to concentrate their anti-counterfeiting efforts.

In the working paper, "Can You Spot the Fake? Visual Cues and Suspicion in Luxury Counterfeiting" (**Cesareo, Williams, and Meyer**), we investigate consumer schemas regarding authentic vs. counterfeit luxury goods. This project examines the attention, visual and physical inspection patterns consumers bring to bear on goods that are presented as authentic versus counterfeit. Specifically, this research examines the product-based factors that lead consumers to believe an item may or may not be authentic versus counterfeit. Importantly, we employ novel "heat map" techniques to do so: we have consumers inspect, either physically in field/laboratory experiments or digitally in online studies, pairs of handbags framed as either both authentic, counterfeit or one authentic and one counterfeit. After providing their evaluations of the handbags, consumers click on the images of the handbag to illustrate which elements of the bags informed their decision. Based on their click patterns and a region coding scheme created *a priori*, we create heat maps of "hot" regions (e.g., logos, handles, stitching) which drive consumer perceptions of authenticity. In the real world, typical, iconic luxury items are actually the most likely to be counterfeited. However, we find that when consumers are given pairs of products, wherein one is more typical and the other is more atypical (and gaudy), consumers believe the atypical product is more likely to be the counterfeit (and is less appreciated and less liked). Thus, we find that consumers' lay beliefs of what constitutes a likely counterfeit is very different from what is being counterfeited in reality. Again, this highlights the importance of consumers' fashion knowledge, suggesting once again that the lack of an in-depth understanding of luxury and luxury products fosters favorable attitudes towards luxury counterfeits.

In the paper, "Luxury Consumption and Counterfeiting: An Investigation on Motivations and Behaviors of Concurrent Owners" (**Cesareo, Gistri, Amatulli, and Romani**), we investigate the motivations that lead concurrent owners, i.e., consumers who simultaneously own both original and counterfeit products of the same brand, to purchase both original and counterfeit luxury products, and then see which segment would be more susceptible to the effective enforcement of anti-counterfeiting strategies. Across three studies, we first qualitatively investigate and then quantitatively validate consumers' motivations for concurrent ownership (i.e., mimic status, familiarize with luxury, protect originals, complete collections); then, in an experiment in which we manipulate the success (vs. non-success) of anti-counterfeiting measures, thus reducing (vs. not reducing) the widespread availability of counterfeits, we demonstrate that only consumers whose main motivation is to complete collections respond positively to a reduction of counterfeits, thus

increasing their purchase intention of the original. We conclude by discussing the theoretical and managerial implications, for both companies and policy makers.

Altogether, my work aims to provide a better understanding of luxury and consumer signaling behaviors. In helping to uncover the emotional and cognitive motives underlying consumer behavior, especially with luxury and luxury counterfeit goods, I hope to contribute to a world in which both practitioners and policymakers can better understand, and thus serve, the full variety of consumers' needs.