Value Co-Creation in the Luxury Brand Experience

Dr Sebastian Zupok

Abstract

Luxury brands generate value through considerably more than product quality, rarity, and premium pricing. Their attractiveness also depends on the experiences, meanings, relationships, and social interactions that develop around them. This paper explains how customers, firms, employees, communities, and external partners jointly shape value in luxury markets. Building on research concerning customer value, service-dominant logic, experiential marketing, and brand relationships, it presents an integrated framework covering utilitarian, symbolic, experiential, relational, and sacrifice-related value. The discussion is supported by evidence from a multiple-case study of three British luxury brands, drawing on managerial and customer interviews, retail observation, website analysis, and netnography. The analysis indicates that high functional quality is treated as a minimum requirement, whereas symbolic, experiential, and relational benefits provide the strongest basis for differentiation. Value emerges through personalized services, privileged access, dialogue, events, communities, and interactions within wider networks of complementary brands and cultural actors. The paper concludes that luxury companies should manage value as a continuing, interactive process rather than as a benefit embedded solely in the product.

Keywords: value co-creation; luxury brands; customer experience; customer value; brand communities; experiential marketing

1. Introduction

The luxury market expanded strongly during the decades preceding the global financial crisis and continued to grow substantially over the longer term. Earlier estimates valued the global luxury market at approximately USD 263 billion in 2007, with emerging economies expected to become increasingly important sources of growth (Verdict, 2007). More recent estimates indicate that the global personal luxury goods market reached approximately EUR 358 billion in 2025 and is projected to increase by 2–4% to EUR 365–373 billion in 2026. This growth is expected to be supported by renewed momentum in the Americas and a gradual recovery in Chinese demand (D'Arpizio et al., 2026).

These more recent figures refer specifically to personal luxury goods, including designer apparel, footwear, leather goods, jewellery, watches, cosmetics, and fragrances, rather than to the broader luxury market encompassing such categories as luxury hospitality, automobiles, yachts, fine art, and high-end experiences. Comparisons between the 2007 and 2025 estimates should therefore be interpreted cautiously, as differences in market definitions, geographical coverage, currencies, exchange rates, and research methodologies limit their direct comparability. Nevertheless, the available evidence demonstrates the substantial long-term expansion and increasing geographical diversification of global luxury consumption.

Marketing luxury products continues to involve a fundamental tension between commercial expansion and the preservation of exclusivity. Luxury firms increasingly seek international growth, digital visibility, and engagement with younger and more diverse customer groups while simultaneously protecting their prestige, rarity, authenticity, and cultural legitimacy. Recent research describes this challenge as the need to balance inclusivity and exclusivity in the context of market expansion and the progressive massification of luxury consumption (Debenedetti et al., 2025). Excessive distribution, frequent price promotions, poorly matched collaborations, uncontrolled brand extensions, counterfeiting, and uncontrolled secondary-market circulation may reduce perceived scarcity and weaken a brand's symbolic distinctiveness. The expansion of second-hand luxury markets creates an additional strategic dilemma: it can broaden access and extend product life cycles, but it may also raise concerns about authenticity, product condition, control over distribution, and the dilution of brand exclusivity (Varshney et al., 2024).

Consequently, conventional mass-marketing logic remains poorly suited to the luxury sector. Rather than maximising reach through standardisation, intensive distribution, and price-based promotion, luxury marketing must carefully manage access, communication, distribution, customer relationships, and the overall consumption experience. Contemporary consumers evaluate luxury through a multidimensional combination of functional quality, craftsmanship, authenticity, symbolic and social meaning, self-identity, emotional value, ethical considerations, and investment potential (Sun et al., 2024). Digital transformation has not eliminated the importance of privileged treatment. Instead, it has increased expectations that luxury brands will provide personalised, seamless, and coherent experiences across physical and digital touchpoints while continuing to protect their exclusivity and brand equity (Schmitt et al., 2022). A luxury price premium can therefore be sustained only when customers perceive the entire brand experience—not merely the physical product—as distinctive, emotionally engaging, culturally meaningful, personally relevant, and difficult to replicate.

Against this background, the purpose of this paper is to examine the nature of customer value in the luxury market and the processes through which such value is jointly created by luxury brands and their customers. The paper first reviews the concept of the brand and identifies the distinguishing characteristics of luxury brands. It then examines value co-creation from a service-oriented perspective and develops a conceptual framework of customer value in the luxury context. This framework is subsequently considered in relation to findings from three case studies. The final sections discuss the managerial implications of the analysis, acknowledge the study's limitations, and identify directions for further research.

2. Understanding the Brand Concept

Despite the extensive literature on branding, no single definition of a brand has achieved universal acceptance. The concept remains multidimensional and has been interpreted from historical, legal, functional, psychological, symbolic, relational, and experiential perspectives (Brodie et al., 2006; Gabbott & Jevons, 2009; Jevons, 2007). This definitional diversity reflects both the complexity of brands and the evolution of branding theory. Earlier approaches generally regarded a brand as an identifiable asset created and managed by the firm, whereas more recent perspectives treat it as a dynamic system whose meanings are continuously shaped through interactions among organisations, customers, employees, communities, business partners, and other stakeholders (Sarasvuo et al., 2022; Siano et al., 2022).

Stern (2006) organises brand meanings according to their nature, function, location, and evaluative direction. Jevons (2007), by contrast, identifies identity, functionality, symbolism, sustainability, differentiation, and value creation as central components of the brand concept. Buchanan-Oliver et al. (2008) suggest that these approaches may be broadly organised into functional, symbolic, and psychological dimensions, while also emphasising that the experiential aspect of branding should not be overlooked. Brand experience includes the sensory, affective, intellectual, and behavioural responses generated by brand-related stimuli, such as product design, visual identity, communication, packaging, retail environments, and consumption encounters (Brakus et al., 2009).

Contemporary branding research further emphasises that organisations do not exercise complete control over brand meaning. Although firms may develop an intended brand identity and communicate a desired market position, customers and other actors interpret, modify, circulate, and sometimes challenge these meanings. Branding may therefore be understood as an interactive and relational process in which brand identity, image, experience, and value emerge through both deliberate organisational activities and wider stakeholder practices. This perspective is particularly relevant in digitally connected markets, where social media, online communities, influencers, user-generated content, and secondary-market platforms accelerate the circulation and reinterpretation of brand meanings.

For the purposes of luxury research, a brand should therefore be treated not merely as a name, logo, trademark, or legal identifier. It constitutes a dynamic system of meanings, signs, experiences, relationships, promises, narratives, and stakeholder expectations that enables customers to distinguish one offering from another and to interpret the value associated with it. In the luxury context, this system is especially important because brand value derives not only from the objective characteristics of the product but also from perceptions of authenticity, heritage, craftsmanship, rarity, prestige, cultural legitimacy, social recognition, and personal identity.

3. Defining the Luxury Brand

Research on luxury has developed across several disciplines, including history, economics, sociology, psychology, consumer research, and marketing. Scholars have examined the definition and evolution of luxury, market structure, democratisation and massification, conspicuous and inconspicuous consumption, digital distribution, counterfeiting, international consumer behaviour, sustainability, circularity, and the growth of secondary and access-based markets. Despite this broad literature, the precise meaning of value in luxury contexts and the processes through which such value is created, interpreted, and shared remain complex. Contemporary research increasingly treats luxury value not as an inherent property of a product but as a contextual and multidimensional outcome emerging from interactions among brands, consumers, communities, platforms, and wider cultural institutions.

Luxury remains difficult to define because its meaning is relative, socially constructed, and sensitive to cultural context, income, historical period, and consumer expectations. A product or experience regarded as luxurious in one setting may be considered ordinary in another. The distinction between ordinary and luxury consumption is therefore better understood as a continuum than as a fixed boundary. Earlier accounts commonly defined luxury in opposition to necessity and emphasised exceptional materials, craftsmanship, price, and restricted availability. More recent approaches broaden the concept beyond product ownership to include extraordinary services, personalised experiences, access, time, wellbeing, self-development, and meaningful forms of consumption. This shift suggests that contemporary luxury may encompass multiple "luxuries" whose meanings depend on the individual consumer and the social and cultural context in which consumption occurs.

Economic definitions generally focus on the relationship between income, price, and demand, but these variables alone cannot adequately explain luxury consumption. Veblen's theory of conspicuous consumption proposes that highly priced goods may be acquired and displayed as signals of wealth, status, and social position. Leibenstein (1950) further distinguishes among the Veblen, snob, and bandwagon effects. Under the Veblen effect, a higher price may itself enhance desirability because it strengthens the product's status-signalling capacity. The snob effect reflects a preference for rarity and differentiation from widespread consumption, whereas the bandwagon effect describes demand stimulated by identification with admired or socially valued reference groups.

These classical mechanisms remain relevant, but current luxury consumption cannot be reduced to conspicuous display. Consumers may also favour subtle, inconspicuous, or culturally coded luxury that is recognisable primarily to knowledgeable insiders. Digital platforms further complicate this distinction by making luxury consumption simultaneously more visible, more accessible, and more open to interpretation by wider audiences. Platformisation, rental, resale, and shared-access models have partially democratised participation in status consumption while preserving differences based on cultural knowledge, authenticity, taste, and the ability to recognise less explicit luxury signals.

Luxury purchases and experiences also contribute to identity construction. Possessions may become part of the extended self and enable consumers to communicate who they are, the groups to which they belong, and the identities to which they aspire (Belk, 1988). Luxury value may therefore extend far beyond practical performance and include authenticity, prestige, aesthetic appreciation, emotional pleasure, uniqueness, self-expression, cultural knowledge, social recognition, affiliation, and distinction. The relative importance of these benefits varies across countries, generations, product categories, and consumption situations. Recent research also indicates that some consumers perceive luxury goods as stores of value or investments, while ethical conduct, environmental impact, durability, and circularity have become increasingly relevant components of luxury evaluation.

Vigneron and Johnson (1999, 2004) identify five major dimensions of perceived prestige value: conspicuousness, uniqueness, social value, emotional value, and quality value. This framework remains influential, but subsequent research has broadened luxury value to include functional, experiential, symbolic, financial, individual, social, ethical, and sustainability-related dimensions. These dimensions should not be regarded as independent or universally weighted. Rather, they interact and may reinforce or contradict one another. For example, greater accessibility may increase social participation and brand visibility but weaken perceived exclusivity, while sustainability may enhance legitimacy and durability yet fail to generate value when it appears inconsistent with craftsmanship, aesthetics, or the desired luxury experience.

Rarity likewise remains central to luxury value, although it does not always result from objectively scarce materials or limited production. Catry (2003) explains that perceived rarity can be created through technological innovation, limited editions, specialist knowledge, selective distribution, restricted access, craftsmanship, waiting time, or the controlled circulation of information. More recent evidence confirms that rarity and exclusivity can enhance functional, emotional, and social value, particularly when they are supported by superior materials, aesthetic distinction, craftsmanship, and a credible brand narrative. Artificial scarcity without substantive quality or authenticity, however, may be perceived as manipulative and may not create sustainable luxury value.

Taken together, the literature suggests that luxury brands and experiences are commonly associated with superior quality, premium prices, non-necessity, rarity, exclusivity, authenticity, craftsmanship, prestige, and strong symbolic and experiential benefits. Nevertheless, none of these characteristics is individually sufficient to define luxury. Luxury should instead be understood as a culturally embedded and context-dependent value configuration in which functional excellence interacts with emotional, symbolic, social, financial, ethical, and experiential meanings. From this perspective, luxury value is not simply delivered by the producer. It is interpreted and potentially co-created through consumption practices, interpersonal recognition, brand communities, digital content, resale platforms, and interactions between brands and their stakeholders.

4. Value Co-Creation

Traditional marketing models commonly assume that the firm creates value by producing goods and services and subsequently delivers this value to customers through market exchange. Customers are positioned primarily as recipients who evaluate, accept, reject, or purchase the firm's offering. Service-dominant logic challenges this producer-centred view by arguing that firms cannot independently create and deliver completed value. Instead, they formulate value propositions and provide resources that may support value creation. Value emerges when beneficiaries integrate these resources with their own knowledge, skills, experiences, relationships, and other available resources in a particular context (Vargo & Lusch, 2004, 2008, 2016).

From this perspective, value does not reside fully in the physical product and is not completed before purchase. It develops through use, interpretation, interaction, learning, and resource integration. Consequently, the emphasis moves beyond value-in-exchange and value-in-use towards value-in-context: value is uniquely determined by the beneficiary in relation to a particular situation, time, social environment, and set of institutional conditions (Vargo & Lusch, 2016; Vargo et al., 2017). The same luxury product or experience may therefore generate different forms and levels of value for different customers or for the same customer at different stages of the consumption process.

Customers should accordingly be understood not as passive recipients but as active resource integrators. They contribute knowledge, preferences, skills, creativity, time, attention, personal data, feedback, narratives, and social connections. Through dialogue and interaction, firms and customers may jointly shape products, services, personalised experiences, brand meanings, and consumption practices (Prahalad & Ramaswamy, 2004). However, value co-creation should not be reduced to customer participation in product design or production. Such participation constitutes co-production and represents only one possible component of the broader process of value co-creation.

This interpretation is consistent with Zupok's research on customer value, which emphasises that value is created through a combination of the firm's resources, its relationships with customers, and the customer's subjective assessment of the benefits received. Zupok (2015a) presents customer value creation as a central element of competitive market activity, while Zupok (2015b) identifies customer trust as an important condition for building lasting value in retail relationships. Trust reduces perceived risk, supports customer engagement, and facilitates the exchange of information and other resources required for co-creation. In a subsequent case study, Zupok (2017) demonstrates that innovation can create customer value not only by improving the technical parameters of an offering but also by strengthening service quality, relationships, environmental benefits, and the wider value proposition.

These findings are particularly relevant to luxury markets. Luxury value depends not only on product quality or price but also on confidence in the authenticity of the brand, the credibility of its promises, the quality of interpersonal relationships, and the customer's participation in meaningful experiences. Trust is essential where product provenance, craftsmanship, rarity, and symbolic legitimacy cannot be fully evaluated before purchase. Innovation, in turn, may support value co-creation through personalisation, digital services, new forms of customer interaction, product authentication, sustainable production, circular business models, and carefully designed omnichannel experiences.

Value co-creation may occur throughout the customer journey, including awareness, information search, purchase, delivery, use, service encounters, participation in communities, recommendation, resale, and disposal. It may involve employees, customers, suppliers, designers, retailers, shareholders, brand communities, influencers, cultural institutions, media organisations, technology providers, resale platforms, and complementary brands. The relevant unit of analysis is therefore not necessarily a dyadic relationship between a firm and a customer. Contemporary service-dominant logic conceptualises value creation as an ecosystem-level process involving multiple resource-integrating actors whose interactions are coordinated and constrained by shared norms, rules, symbols, meanings, and institutional arrangements (Vargo & Lusch, 2016; Vargo et al., 2017).

Experience marketing provides a complementary lens for understanding these processes. Brand experiences may generate sensory, emotional, cognitive, behavioural, relational, social, and informational value (Schmitt, 2003; Tynan & McKechnie, 2009). For an experience to be meaningful, it should be personally relevant, engaging, distinctive, memorable, and capable of stimulating emotion, learning, surprise, participation, or social interaction (Poulsson and Kale, 2004). In luxury contexts, such experiences may arise through personalised service, store design, storytelling, craftsmanship demonstrations, exclusive events, digital environments, membership programmes, brand communities, and post-purchase relationships.

Value co-creation should nevertheless not be assumed to produce exclusively positive outcomes. Interactions among actors may also result in value co-destruction when resources are misused, expectations are not met, institutional rules conflict, or participation generates frustration, exploitation, loss of control, privacy concerns, or reputational damage. Value creation and value destruction may therefore coexist within the same customer journey or service ecosystem.

Value co-creation in luxury markets can thus be understood as a contextual and dynamic process through which multiple actors integrate resources and jointly shape functional, emotional, experiential, symbolic, social, cultural, and financial value. The firm remains an important participant, but it cannot fully determine the final meaning or value of the luxury experience. Its role is primarily to develop credible value propositions, build trust, introduce value-enhancing innovations, facilitate productive interactions, and create conditions in which customers and other stakeholders can realise value.

5. Development of the Customer Value Framework

Smith and Colgate (2007) propose a comprehensive customer value framework comprising functional or instrumental value, experiential or hedonic value, symbolic or expressive value, and cost or sacrifice value. They also identify several sources from which value may arise, including information, products, interactions, consumption environments, and the transfer of ownership or possession. Because this framework was designed for broad application across markets, it requires adaptation to reflect the distinctive economic, symbolic, relational, and experiential characteristics of luxury consumption.

This adaptation is also consistent with research by Zupok (2015a, 2015b, 2017), which presents customer value as a multidimensional and subjectively assessed configuration of benefits and sacrifices. From this perspective, value is not determined solely by the material characteristics of an offering. It is influenced by customer relationships, trust, innovation, service quality, and the ability of the organisation to create benefits that customers recognise as relevant in a specific consumption context.

In luxury consumption, functional or utilitarian value derives from superior quality, craftsmanship, durability, reliability, technical performance, usability, provenance, and exceptional execution. Although luxury purchases are frequently motivated by symbolic or experiential considerations, functional excellence remains important because it provides tangible justification for premium prices and supports perceptions of authenticity and long-term value. Rarity and exclusivity may further strengthen functional evaluations when consumers associate scarce materials, specialist knowledge, and limited production with exceptional craftsmanship and quality.

Symbolic or expressive value concerns the meanings attached to the ownership, use, display, gifting, and circulation of luxury goods and experiences. Its outward-directed dimension includes status, prestige, social recognition, conspicuous or subtle distinction, group membership, cultural competence, and differentiation from others. Its inward-directed dimension includes personal identity, self-expression, self-reward, aspiration, nostalgia, self-esteem, authenticity, and the confirmation of personal values. The same luxury offering may therefore communicate social position to external observers while simultaneously supporting the consumer's private sense of identity and achievement.

Experiential or hedonic value arises from sensory pleasure, aesthetics, emotional stimulation, intellectual engagement, escapism, discovery, anticipation, and memorable participation. In luxury contexts, this value may be generated through the product itself as well as through store environments, personalised service, storytelling, craftsmanship demonstrations, digital interfaces, private events, travel, hospitality, and post-purchase care. Recent research continues to identify experiential, symbolic, and functional value as central dimensions of consumers' engagement with luxury brands.

Relational value derives from ongoing relationships among customers, brands, employees, service providers, craftspeople, retailers, communities, and other actors participating in the luxury ecosystem. It includes trust, recognition, personalised treatment, continuity of service, privileged access, emotional attachment, social interaction, and a sense of belonging. Relational value may be particularly significant in luxury markets because customers often expect employees and representatives of the brand to recognise their individual preferences, purchase history, status, and service requirements. Trust also reduces perceived risk concerning authenticity, provenance, service quality, product maintenance, and resale.

Financial value should be distinguished from cost or sacrifice value. Financial value concerns the customer's assessment of price fairness, value retention, durability, resale potential, collectability, and possible investment benefits. Certain luxury products, particularly watches, jewellery, handbags, artworks, and limited editions, may be evaluated partly as stores of value or long-term assets. Younger luxury consumers may likewise consider selected luxury fashion goods to have long-term investment potential.

Cost or sacrifice value refers to what customers must give up to obtain, use, and maintain a luxury offering. It includes the purchase price, search effort, waiting time, travel, restricted access, maintenance expenses, perceived risk, and psychological or social costs. In luxury markets, however, some sacrifices can also reinforce positive value. High prices, waiting lists, selective distribution, invitation-only access, and limited availability may signal scarcity, prestige, and authenticity. The relationship is therefore paradoxical: a sacrifice may reduce overall customer value when it is regarded as excessive or unjustified, but it may increase perceived luxury value when it is interpreted as credible evidence of rarity and exclusivity.

Contemporary luxury consumption also raises the question of ethical and sustainability-related value. This dimension includes durability, repairability, responsible sourcing, environmental impact, labour conditions, circularity, transparency, and intergenerational product use. Sustainability should not automatically be treated as a universally positive source of luxury value, because its importance varies among customer groups and cultural contexts. It is most likely to reinforce luxury value when it is credibly connected with authenticity, superior quality, craftsmanship, longevity, and the brand's heritage rather than communicated as a superficial promotional claim.

The adapted framework therefore contains seven analytically distinct but interrelated categories: functional or utilitarian value, outward symbolic value, inward symbolic value, experiential or hedonic value, relational value, financial value, and cost or sacrifice value. Ethical and sustainability-related considerations may operate as a cross-cutting dimension influencing several of these categories. For example, durability may enhance functional and financial value, responsible craftsmanship may strengthen symbolic and ethical value, and repair or resale services may contribute to relational and experiential value.

The framework recognises that a single luxury encounter may produce several forms of value simultaneously. A handcrafted watch, for example, may provide functional value through precision and durability, symbolic value through prestige and identity, experiential value through aesthetic and emotional engagement, relational value through personalised service, financial value through value retention, and sacrifice-related value through its high price and restricted availability. The relative importance of these dimensions depends on the individual customer, product category, cultural context, stage of the customer journey, and interactions with other actors.

Table 1. Adapted customer value framework for luxury brands

Type of value	**Illustrative sources**
Functional/utilitarian	Excellence, quality, craftsmanship, engineering, durability, reliability, usability, provenance
Symbolic/expressive—outward	Status, prestige, social recognition, conspicuous or subtle distinction, rarity, cultural competence, group identity
Symbolic/expressive—inward	Personal identity, self-expression, self-reward, aspiration, nostalgia, authenticity, uniqueness, self-esteem
Experiential/hedonic	Sensory pleasure, aesthetics, emotion, stimulation, escapism, learning, discovery, memorable participation
Relational	Trust, personalised treatment, staff interaction, customer–brand relationships, privileged access, communities, belonging
Financial	Price fairness, durability, value retention, resale potential, collectability, investment potential
Cost/sacrifice	Price, effort, waiting time, maintenance, risk, restricted access, limited availability
Ethical and sustainability-related—cross-cutting	Responsible sourcing, longevity, repairability, transparency, circularity, environmental and social impact

6. Methodology

The empirical study used a multiple-case design to investigate value and co-creation in a real-life luxury setting. Three well-known British heritage brands were selected: an automotive producer, a fashion designer brand, and a department store. The case approach was appropriate because the boundaries between the phenomenon and its context were not clearly separable (Yin, 1984).

Data were gathered over fifteen months through several methods. These included four in-depth interviews with senior managers, eight face-to-face interviews with customers of two brands, retail observations, analysis of official websites, examination of blogs and unofficial websites, and a small postal survey sent to members of an enthusiast club for the automotive brand.

Netnography was used to observe naturally occurring online discussions, information exchange, and word-of-mouth activity within brand-related communities (Kozinets, 2002). The material was analyzed through data reduction, display, comparison, and conclusion verification, first within each case and then across cases. Triangulation across interviews, observations, websites, and community content was used to strengthen interpretive validity.

7. Findings and Discussion

7.1. Types of Value Sought and Delivered

The evidence shows that luxury customers expect a broad combination of benefits. For affluent consumers, high quality and craftsmanship are essential, but they are frequently treated as basic requirements rather than decisive differentiators. Price is important as a condition of access, yet it does not by itself explain why one luxury brand is preferred over another.

Customers placed particular emphasis on products and services tailored to their interests. Standard hospitality or generic invitations were not always attractive because wealthy consumers could easily obtain such benefits elsewhere. What they valued more was something rare, personalized, culturally meaningful, or difficult to purchase independently.

Symbolic, experiential, and relational benefits appeared repeatedly in managerial and customer accounts. Design, heritage, authenticity, provenance, certification, limited production, and recognizable signatures helped create emotional and symbolic meaning. Customers described the sensory qualities of luxury products in vivid terms, referring to touch, appearance, materials, atmosphere, and the pleasure of use.

Value was often created after purchase and during consumption. Wearing a designer product, driving a highly crafted vehicle, visiting an iconic store, or interacting with knowledgeable staff enabled customers to experience prestige, uniqueness, enjoyment, and identity reinforcement. These findings support the view that luxury value is not exhausted at the moment of exchange.

7.2. Processes of Co-Creating Value

Co-creation was strongly networked. The relevant actors included brand managers, employees, customers, official and unofficial communities, designers, artists, journalists, cultural institutions, opinion leaders, and other luxury companies. Collaboration across art, fashion, music, design, and popular culture helped brands remain relevant and refresh their symbolic resources.

Interactions were multilayered rather than limited to direct contact between a firm and an individual customer. Luxury customers valued access to experts, designers, influential people, and peers. Such access could provide privileged information, enhance social capital, and strengthen the sense of belonging to an exclusive circle.

Events were an important mechanism of value creation. Exhibitions, previews, launches, dinners, limited-edition releases, factory visits, and members' gatherings allowed participants to share experiences and contribute to the atmosphere around the brand. In some cases, enthusiast communities organized their own national and international activities, showing that customers could also become active producers of brand-related experiences.

The automotive case displayed the clearest two-way dialogue. Customers could participate in product specification and observe the manufacturing process, while the firm used ongoing interaction to tailor the experience. The other cases relied more heavily on media, opinion leaders, and staged communication, suggesting less developed co-creation practices.

Personal relationships at store level also contributed to value. Managers and sales advisers maintained customer databases, invited selected customers to private events, and developed one-to-one contacts. Customers appreciated knowledgeable employees who advised rather than pressured them. The physical environment of flagship stores and manufacturing locations further strengthened the experience by functioning as prestigious destinations in their own right.

These practices created benefits that were difficult for competitors to imitate. Personalized encounters, exclusive access, trusted relationships, and participation in a distinctive network could not be reproduced simply by copying product features or advertising messages.

8. Conclusions and Managerial Implications

The study shows that luxury value is multidimensional and jointly produced. Functional excellence remains indispensable, but it is usually assumed. Stronger differentiation arises from symbolic, experiential, and relational benefits. Customers seek recognition, identity expression, emotional pleasure, exclusivity, privileged knowledge, and meaningful relationships.

Luxury firms should therefore avoid treating value as something fully manufactured inside the organization and transferred to the buyer. Instead, they should create conditions in which customers and other actors can participate in shaping the experience. Dialogue, personalization, communities, events, expert access, and collaboration with complementary brands are central tools in this process.

Managers should actively develop and refresh their networks. Connections with cultural institutions, designers, artists, media, experts, and non-competing luxury brands can introduce new ideas and reinforce prestige. At the same time, firms should monitor both official and unofficial communication channels and respond flexibly to brand-related conversations.

Not all customers desire the same level of involvement. Some prefer minimal contact, while others seek extensive participation. Effective co-creation therefore requires differentiated engagement strategies and well-trained employees capable of recognizing individual expectations across multiple channels.

Physical places remain important. Flagship stores, studios, workshops, and manufacturing sites can function as symbolic destinations that provide atmosphere, authenticity, and access. Digital channels can support relationships and communities, but they should complement rather than automatically replace carefully designed personal experiences.

9. Limitations and Directions for Future Research

The findings are based on three cases from one national context and should not be generalized to the entire luxury sector without caution. Future studies should examine a wider range of brands, industries, and countries, especially markets in which luxury consumption is shaped by collectivist cultural values.

Further research should also investigate changes in digital luxury, social media participation, virtual communities, artificial intelligence, data-driven personalization, resale markets, sustainability, circularity, and the disposal or continued circulation of luxury goods. These issues have become substantially more important since the original study was conducted.

Finally, value co-creation remains conceptually fluid. Its terminology and theoretical boundaries continue to evolve, making comparative and longitudinal research especially valuable.

Source and Academic Integrity Note

This document is a paraphrased working adaptation of: Tynan, C., McKechnie, S., and Chhuon, C. (2010), "Co-creating value for luxury brands," Journal of Business Research, 63(11), 1156–1163. It should not be submitted or presented as an original empirical study by another author. Any publication based on this version requires explicit citation of the source, substantial updating of the literature, and a clearly stated original research contribution.

References

Belk, R. W. (1988). Possessions and the extended self. *Journal of Consumer Research, 15*(2), 139–168. https://doi.org/10.1086/209154

Beverland, M. B. (2006). The 'real thing': Branding authenticity in the luxury wine trade. *Journal of Business Research, 59*(2), 251–258. https://doi.org/10.1016/j.jbusres.2005.04.007

Brakus, J. J., Schmitt, B. H., & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing, 73*(3), 52–68. https://doi.org/10.1509/jmkg.73.3.052

Brodie, R. J., Glynn, M. S., & Little, V. (2006). The service brand and the service-dominant logic: Missing fundamental premise or the need for stronger theory? *Marketing Theory, 6*(3), 363–379. https://doi.org/10.1177/1470593106066797

Buchanan-Oliver, M., Brodie, R. J., & Huang, D. (2008). Refining the dimensions of the brand in the service economy [Conference paper]. Thought Leaders International Conference on Brand Management, Birmingham Business School, Birmingham, United Kingdom.

Catry, B. (2003). The great pretenders: The magic of luxury goods. *Business Strategy Review, 14*(3), 10–17. https://doi.org/10.1111/1467-8616.00267

D'Arpizio, C., Levato, F., Steiner, A., Babbini, G., de Montgolfier, J., & Glaser, H. (2026). *Global luxury stabilizes amid compounding disruptions as brands race to amplify meaning and rebuild relevance*. Bain & Company and Fondazione Altagamma.

Debenedetti, A., Philippe, D., & Dion, D. (2025). Balancing exclusivity and inclusivity through the strategic domestication of the luxury retail experience. *International Journal of Research in Marketing, 42*(1), 32–54. https://doi.org/10.1016/j.ijresmar.2024.05.001

Gabbott, M., & Jevons, C. (2009). Brand community in search of theory: An endless spiral of ambiguity. *Marketing Theory, 9*(1), 119–122. https://doi.org/10.1177/1470593108100064

Islam, M., Azizzadeh, F., & Zupok, S. (2022). Business research process: An easy guide for beginners. *Journal of Contemporary Research in Business Administration and Economic Sciences, 4*(1), 67–80.

Jevons, C. (2007). Towards an integrated definition of brand [Conference paper]. Thought Leaders International Conference on Brand Management, Birmingham Business School, Birmingham, United Kingdom.

Kozinets, R. V. (2002). The field behind the screen: Using netnography for marketing research in online communities. *Journal of Marketing Research, 39*(1), 61–72. https://doi.org/10.1509/jmkr.39.1.61.18935

Leibenstein, H. (1950). Bandwagon, snob, and Veblen effects in the theory of consumers' demand. *The Quarterly Journal of Economics, 64*(2), 183–207. https://doi.org/10.2307/1882692

Poulsson, S. H. G., & Kale, S. H. (2004). The experience economy and commercial experiences. *The Marketing Review, 4*(3), 267–277. https://doi.org/10.1362/1469347042223445

Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing, 18*(3), 5–14. https://doi.org/10.1002/dir.20015

Rahaman, M., Haque, R., Alam, S., Zupok, S., Salahshour, S., Azizzadeh, F., & Mondal, S. P. (2023). Solvability criteria for uncertain differential equations and their applicability in an economic lot-size model with a type-2 interval phenomenon. *Symmetry, 15*(10), Article 1883. https://doi.org/10.3390/sym15101883

Sarasvuo, S., Rindell, A., & Kovalchuk, M. (2022). Toward a conceptual understanding of co-creation in branding. *Journal of Business Research, 139*, 543–563. https://doi.org/10.1016/j.jbusres.2021.09.051

Schmitt, B. H. (2003). *Customer experience management: A revolutionary approach to connecting with your customers*. John Wiley & Sons.

Schmitt, R., Rossi, A., & Bensoussan, A. (2022). *Omni-personal luxury: How to transform your luxury business for the digital age*. Palgrave Macmillan. https://doi.org/10.1007/978-3-030-85769-1

Siano, A., Vollero, A., & Bertolini, A. (2022). From brand control to brand co-creation: An integrated framework of brand paradigms and emerging brand perspectives. *Journal of Business Research, 152*, 372–386. https://doi.org/10.1016/j.jbusres.2022.08.001

Smith, J. B., & Colgate, M. (2007). Customer value creation: A practical framework. *Journal of Marketing Theory and Practice, 15*(1), 7–23. https://doi.org/10.2753/MTP1069-6679150101

Stern, B. B. (2006). What does brand mean? Historical-analysis method and construct definition. *Journal of the Academy of Marketing Science, 34*(2), 216–223. https://doi.org/10.1177/0092070305284991

Sun, Y., Wang, R., Bai, H., Whyatt, G., & Ohandi, T. T. (2024). Perceived values of luxury fashion brands—Evidence from Indonesian millennials. *SN Business & Economics, 4*, Article 169. https://doi.org/10.1007/s43546-024-00755-x

Tynan, C., & McKechnie, S. (2009). Experience marketing: A review and reassessment. *Journal of Marketing Management, 25*(5–6), 501–517. https://doi.org/10.1362/026725709X461821

Tynan, C., McKechnie, S., & Chhuon, C. (2010). Co-creating value for luxury brands. *Journal of Business Research, 63*(11), 1156–1163. https://doi.org/10.1016/j.jbusres.2009.10.012

Vargo, S. L., Akaka, M. A., & Vaughan, C. M. (2017). Conceptualizing value: A service-ecosystem view. *Journal of Creating Value, 3*(2), 117–124. https://doi.org/10.1177/2394964317732861

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, *68*(1), 1–17. https://doi.org/10.1509/jmkg.68.1.1.24036

Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science, 36*(1), 1–10. https://doi.org/10.1007/s11747-007-0069-6

Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: An extension and update of service-dominant logic. *Journal of the Academy of Marketing Science, 44*(1), 5–23. https://doi.org/10.1007/s11747-015-0456-3

Varshney, U., Karamchandani, A., Kundu, T., & Kapoor, R. (2024). Profit or prestige? Strategies for luxury brands to navigate the second-hand market using blockchain technology. *Transportation Research Part E: Logistics and Transportation Review, 191*, Article 103726. https://doi.org/10.1016/j.tre.2024.103726

Verdict Research. (2007). *Global luxury retailing* [Sector report].

Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review*, *1999*(1), 1–15.

Vigneron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of Brand Management*, *11*(6), 484–506. https://doi.org/10.1057/palgrave.bm.2540194

Yin, R. K. (1984). *Case study research: Design and methods*. Sage.

Zupok, S. (2015a). Kreowanie wartości dla klienta. *Marketing i Rynek*, (3), 841–849.

Zupok, S. (2015b). Zaufanie klienta jako kluczowy czynnik budowy wartości przedsiębiorstw handlu detalicznego typu DIY. *Acta Universitatis Nicolai Copernici. Zarządzanie, 42*(3), 151–162. https://doi.org/10.12775/AUNC_ZARZ.2015.039

Zupok, S. (2017). Innowacje jako element budowy wartości dla klienta—Studium przypadku RCGW S.A. w Tychach. *Zarządzanie i Finanse*, *15*(2/2), 375–388.