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Symbolic Value and Functional Value in Brand Advertising Strategies: A Comparative Study of Luxury and Affordable Brands

Chenxi Yang[1*], Qianqian Huang[2]

[1]School of Art and Design, Ningbo University of Finance & Economics, Ningbo, China
[2]Beijing RCF Experimental School, Beijing, China
**Corresponding Author. Email: iiycxoo@outlook.com*

Abstract. In order to study the differences in advertising and marketing strategies between luxury brands and affordable brands, this paper adopts a mixed research method, combining qualitative research (case studies, in-depth interviews) and quantitative research (questionnaires). From the perspective of symbolic value and functional value, this paper analyzes Gucci and COACH as cases and quantitatively analyzes consumers' subjective perception of different brands. The results show that luxury brands mainly focus on symbolic value and emotional experience to convey the symbols of social identity; the affordable brands focus on the cost-performance and functionality of the product to meet the practical consumption of the public. In the new consumption environment, the marketing strategies of the two brands show a trend of mutual integration. Luxury brands began to add functional expressions, while affordable brands introduced emotional narrative. This study reveals the differences in the sales logic of the two types of brands and also provides ideas and references for the optimization of the marketing strategies of the two different brands.

Keywords: luxury brand, affordable brand, symbolic value, functional value, advertising strategy

1. Introduction

1.1. Realistic background

In luxury brand advertising halls in high-end shopping malls such as SKP, it is mainly close-ups of celebrities' faces, and most of them only display the brand logo [1]. Advertising focuses on conveying symbolic value, while advertising of affordable brands focuses on the specific functions of the product itself, emphasizing the cost-effectiveness and functionality of its products, and clarifying the difference between the two marketing brand strategies [2]. It can not only formulate more accurate marketing strategies for brands at different levels but also break through the value bottleneck for affordable brands and achieve high-end transformation, which is of great practical significance.

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1.2. Academic background

In recent years, the academic community generally believes that the value of luxury goods is mainly reflected in their historical and cultural symbolic meaning and emotional experience, so such brands are usually developed with the scarcity attribute of identity in shaping their brand image [3]. In contrast, affordable brands mainly rely on cost-effectiveness, practicality, and other advantages to meet the daily consumption needs of consumers [4]. The existing research mainly discusses the differences between the two types of brands through the consumption motivation of consumers. And at present, most of the literature studies study luxury brands separately from affordable brands. With the changes in the market environment, luxury brands have begun to pay attention to the practicality of their products, and affordable brands are also improving their brand value through emotional marketing. Therefore, this article studies the convergence trend of luxury goods and affordable brands in marketing strategies.

In the field of luxury brand research, Kapferer and Bastien proposed in the book Luxury Strategy that luxury brands are different from other brands [3]. Its core is mainly to establish brand value through non-popular high-quality products and scarce attributes of identity. Based on this point of view, this article believes that luxury brands are mainly characterized by high prices, scarce attributes, and symbolic values, focusing on meeting the needs of consumers' social identity and emotional experience.

For affordable brands, Shukla pointed out in a study published in the Journal of World Business that the key difference between affordable brands and luxury brands in consumer purchasing decisions is that the former pays more attention to the value of the product itself [4]. Function, pay attention to its cost-effectiveness, and its main target group is mass consumers. This article believes that affordable brands mainly take functionality and cost-effectiveness as the core competitive advantage, and highlight the actual use of the product in the process of communication.

1.3. Research motivation

The existing research has accumulated rich results in the symbolic marketing of luxury brands and the functional strategies of affordable brands, but there are at least three problems that have yet to be explored. First, the two research veins extend separately, and few literatures put the two into the same framework for systematic comparison and asks the deep reasons for the differentiation of their value orientation. Second, in the new consumption environment, Gucci has implanted the running function in sneakers, and COACH has changed from "affordable" to "real new luxury". The strategic intersection of the two brands has emerged, but its integration mechanism has not been fully described. Third, local brands have long relied on functional narrative and price competition. When transforming to the middle and high-end, they generally face the dilemma of insufficient symbol accumulation. There is still a lack of specific guidance on how to integrate symbol value and functional value. For this reason, this article tries to systematically explore the differences, causes, and convergence trends of the two.

1.4. Research questions

Based on the above research background, this article focuses on the following research issues:

1: Why do luxury brands favor symbols and sensory experience, while why do affordable brands pay more attention to functionality and practicality?

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2: What is the difference between the psychology of consumers and the mechanism of brand competition behind these two marketing strategies?

3: Under the background of the upgrading of the consumption environment, there has been a mutual transformation of practicality and emotionality between the two types of brands. What is the integration logic?

2. Research method

2.1. Research and design

This study adopts qualitative and quantitative research. The qualitative research part is mainly based on the case study method and the in-depth interview method to understand the differences in consumers' perception of the two types of brands. The quantitative research part uses the questionnaire survey method to analyze the impact of symbolic value perception and functional value perception on consumers' willingness to buy.

2.2. Case study method

This study takes Gucci and COACH as typical cases. Gucci represents the functional transformation of luxury brands; COACH represents the emotional upgrading transformation of affordable brands. Both cases are representatives of the first strategic integration in the subdivision field, which is convenient for comparison and observation.

2.3. Interview and research

The interviewees have recruited about 10 consumers, covering different age groups between the ages of 20 and 45, including luxury consumers, loyal users of affordable brands, and mixed users who buy two types of products at the same time. The interview revolves around the following questions: (1) What is the difference between your overall impression of luxury brand advertising and affordable brand advertising? (2) What are the factors you value most when buying two types of products? (3) What do you think of the transformation of luxury goods beginning to emphasize functionality and affordable brands starting to tell emotional stories? The interview results are used to supplement the details of the case analysis and provide a reference basis for the design of questionnaire questions.

2.4. Questionnaire design

This questionnaire adopts a structured design and is divided into three parts: the first part collects the information of respondents and the experience of purchasing products as control variables; the second and third parts measure the advertising attitude and purchase intention of luxury brands and affordable brands (including light luxury brands), respectively. All attitude questions use the Likert scale to quantify the subjective perception of the respondents.

Variable design:

Independent variables: symbol value perception, functional value perception

Dependent variable: willingness to buy

Control variables: gender, age, purchase experience in the past year, city

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3. Case analysis and empirical research

3.1. Gucci Ultrapace R - the practical turn of luxury brands

Case background: Gucci launched Ultrapace R series sneakers in 2020. The product draws inspiration from running shoes. The letter R represents the clear running meaning of running, which makes its products more practical. The color matching and material of shoes adjusted by the rope wave plate are highly scientific and technological. The price is $ 850, which is lower than other products of the same brand.

Application method interpretation: According to Hultén's multi-sensory brand experience theory, luxury goods build new products through visual, tactile, and other multi-sensory collaboration [5]. According to the theory of information asymmetry, consumers will be more eager to buy luxury brands because of functionality while seeing the value of luxury brands [6].

Quantitative indicators: According to the Luxury Institute industry report, Gucci Ultrapace R's search for sports and leisure shoes increased by 34 % in the two quarters before and after the listing, while other series decreased by 12 % [7]. This phenomenon shows that the increase in functionality has a positive effect on its brand.

3.2. COACH-emotional marketing turn of affordable brands

Case background: COACH was once known as ' mother 's bag ' and ' Outlet '. In 2022, the brand was upgraded to ' Expressive Luxury ', giving up the old model of ' affordability '. The product level focuses on the Tabby series and has designed more than 50 derivative products. The price has also increased from 2000 to ¥ 3000 to 3000 to ¥ 5000, reducing the discount frequency of its brand.

Application method interpretation: According to Kapferer & Bastien's luxury strategy framework, COACH's transformation is to ensure the cost performance of its products while superimposing parts of emotional narratives, such as ' Generation Z 's attitude ', to increase brand premium [3]. According to the self-concept theory of Kastanakis & Balabanis, COACH aims at young consumers with ' independent self-concept ', which is in line with consumers ' personal expression needs [8].

Quantitative indicators: According to the COACH parent company Tapestry's financial statements (2023-2025), COACH's North American market same-store sales increased by 6 % in fiscal year 2023, by 8 % in 2024, and by 5 % in 2025; the average growth rate in the three years before the transformation (2019-2021) was only 1.2 %. In the brand search index, the proportion of ' COACH discount ' keywords decreased from 42 % in 2021 to 23 % in 2025, and the proportion of ' COACH new ' keywords increased from 18 % to 37 %. As shown in Table 1.

Table 1. COACH brand search keyword change trend (2021-2025)

year	The proportion of ' COACH discount ' search	The proportion of ' COACH new ' search
2021	42%	18%
2023	33%	27%
2025	23%	37%

Case analysis: COACH enhances the value of the brand through emotional narrative, but its functional value is still the bottom line for consumers to buy products. This shows that the transformation of COACH is not to give up the original functional value basis, but to add emotional value to the functional value of the product, forming a mixed strategy of ' function + emotion '. This

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is consistent with Shukla's research on cross-cultural consumer motivation - functional value and emotional value can coexist in different consumption scenarios [4].

3.3. Analysis of questionnaire research

This study uses the Likert five-point scale to design the questionnaire. The items refer to the existing research on brand value perception, consumer purchase intention, and symbol consumption, and are appropriately adjusted in combination with the research topic of this paper. The questionnaire mainly focuses on the three dimensions of symbolic value perception, functional value perception, and purchase intention to examine consumers' perception of the differences in advertising strategies between luxury brands and affordable brands.

3.3.1. Data analysis

The questionnaire analysis is as follows. Among them, women accounted for 56.88 %, men accounted for 43.12 %; the age was mainly 18-35 years old (83.49 %); in the past year, 55.05 % had purchased luxury goods, and 71.56 % had purchased affordable brands. The samples cover first-tier, new first-tier, and other cities.

Table 2. Descriptive statistics: the mean value of core value perception

title number	item	mean value (M)
	Symbol Value Perception (Luxury Brand)	
S1	Using the brand can reflect my social status.	3.69
S2	Purchase of the brand can be recognized by others	3.74
S3	Brand image is consistent with my ideal self.	3.83
S4	Brand Logo and visual style make me feel good.	3.65
	Functional Value Perception (Affordable Brand)	
F1	The brand 's products have strong functionality	3.87
F2	The performance of the brand 's products is reliable	3.99
F3	The functional information in the advertisement is persuasive.	3.98
F4	I prefer to choose a functional and cost-effective brand.	3.88

Results Description: Summary according to Table 2. Respondents ' symbolic value identification of luxury brands is at the upper-middle level. Among them, the mean value of ' brand image and self-congruence ' is the highest (M = 3.83), while the lowest is ' the goodwill directly brought by Logo ' (M = 3.65), which indicates that consumers pay more attention to the deep identity symbol than the surface logo display.

In terms of affordable brands, the scores of ' reliable performance (M = 3.99) ' and ' persuasiveness of functional information (M = 3.98) ' are more prominent, indicating that consumers ' core purchasing power for affordable brands still depends on the practicality of their products.

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3.3.2. Scenario analysis

Table 3. Luxury brand functionalization(S5-S6)

title number	item	mean value (M)
S5	Luxury brand-added functional description will not reduce its high-end sense.	3.90
S6	'Aesthetic + functional ' advertising will increase my interest in buying	3.77

Results Description: Summary according to Table 3. The vast majority of respondents do not think that functional expression will reduce the high-end sense of luxury goods (M = 3.90 > 3.50), while the integration function will make consumers have a desire to buy (M = 3.77), which responds to research question 3: consumers have begun to accept the mixed strategy of symbol plus function, and luxury goods can be moderately added with practical attributes, which will not damage the brand premium.

Table 4. Affordable brand emotionalization(F5-F6)

title number	item	mean value (M)
F5	Affordable brands telling emotional stories can enhance brand image	4.01
F6	When the functions are similar, they are willing to pay higher prices for products with emotional connections.	3.85

Results Description: Summary according to Table 4. Respondents generally recognized emotional narratives and added them to product sales (M = 4.01), but consumers ' acceptance of their products ' bargaining power was relatively limited (M = 3.85). This shows that affordable brands still need to pay attention to their product functionality and cannot rely too much on emotional narratives.

4. Research findings and strategy analysis

4.1. Luxury brands rely more on symbolic value

The core of luxury brands is that they have scarce attributes and symbolic value, so the main motivation for consumers to buy luxury goods is to show their social status and self-image. Baudria's symbolic consumption theory profoundly points out that in a materially rich society, the symbolic value of its products may far exceed their use value, and people will show their social status by consuming luxury goods [9].

4.2. Affordable brands rely more on functional value

The core of affordable brands is that their products are cost-effective and practical. The classic theory of Akerlof shows that when consumers cannot accurately judge the quality of the product, they tend to make choices according to the price [6]. Therefore, they pay attention to the practical meaning of the product, so that consumers' rational choice. As a result, it is also a favorable competition for affordable brands to build differentiated [10].

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4.3. Integration trend between the two types of brands

In the new consumption environment, there is a significant convergence trend in the marketing logic of luxury brands and affordable brands. On the one hand, luxury brands have begun to add functional expressions to their products, and on the other hand, affordable brands have introduced emotional strategies to improve brand premiums. Therefore, luxury brands and affordable brands jointly point to a new Brand value integration model.

4.4. Strategic implications for brand transformation

Based on the findings from the case analysis and questionnaire survey, Table 5 summarizes the key strategic dilemmas faced by luxury and affordable brands in the process of brand value transformation, and discusses possible optimization paths under the dual dimensions of symbolic value and functional value.

Table 5. Problem and strategy

Key problem	How to Luxury	How to Affordable Brands
1 : Over-reliance on a single value dimension Luxury brands mainly rely on symbolic value, and their products lack functionality ; affordable brands mainly rely on cost performance, brand premium ability is low, and easy to be replaced.	Add functionality to product design while retaining its symbolic value. Learn from the practice of Gucci Ultrapace R.	Ensure the functionality of the product, while adding emotional narrative. Learn from COACH 's brand reshaping path.
2:In the process of brand transformation, there is a risk of core trait loss or ambiguous positioning. Excessive increase in functionality in luxury products may lead to a weakening of their high-end sense ; affordable brands increase emotional marketing, which may increase the price of their products and thus no longer cost-effective.	Combining function with aesthetic design, adding functionality while ensuring brand tonality, such as Gucci Ultrapace R.	It combines practical value with emotional elements to increase brand competitiveness, such as COACH, while ensuring its cost performance.
3:Consumers ' cognitive lag of brand value shift Luxury consumers may have doubts about their functional products, while consumers of affordable brands will take a wait-and-see attitude towards products that add emotional narratives.	Through practical naming and ensuring brand tonality, enhance offline sensory experience, and convey brand functional upgrades in many ways [5]. Take Louis Vuitton Express as an example.	Based on cost performance, supplemented by emotional narrative, under the premise of ensuring the price stability of products, emotional resonance can be enhanced. For example, COACH.

5. Limitations and prospects

5.1. Limitations

First, the limitation of time and sample area. According to the results of the questionnaire, the proportion of first-tier and new first-tier cities in the sample is 67 %, while that of other cities is only 33 %. This questionnaire fails to cover townships and rural areas, mainly concentrated in cities, which has obvious geographical limitations. Secondly, the time of data collection is relatively concentrated. Consumers may change their attitudes towards affordable brands and luxury brands

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with the subsequent consumption experience. The questionnaire coverage area should be increased, and the time should be longer.

Second, the case selection is more subjective. This study uses qualitative case studies and lacks the support of large-scale quantitative data. For example, most of the sales data in the study are only derived from public financial reports and industry reports, and it is impossible to determine whether their reports include other brand marketing activities.

Thirdly, this study does not establish a formal econometric model or structural equation model. The definition of ' feeling ' and ' practical significance ' in the text mainly comes from the theoretical concepts of previous literature, and there is no accurate and clear definition.

5.2. Future prospects

First, data sources can be more diversified, such as collecting consumers ' real comments on luxury functional products and the emotional marketing of affordable brands on social media. At the same time, the research objects can also be extended to other industries to test the external validity of the conclusions of this study.

Second, in the future, the mixed method or field observation method can be used to test the causal relationship between variables by using a structural equation model (SEM) on the basis of qualitative interviews and sample questionnaires. The field observation method can also be used to set different advertising versions in the shopping mall environment to observe consumers ' residence time and purchase behavior.

6. Conclusion

6.1. Research conclusion

This study found that the advertising strategy of luxury brands mainly focuses on symbolic value and emotional expression, while affordable brands focus on the dissemination of product functional value and practicality. In the case of the upgrading of the consumption environment, the marketing strategies of the two types of brands are integrated with each other, which shows that symbolic value and functional value are not an opposition, but can make up for each other's shortcomings. The study provides both theoretical insights and practical references for future brand strategy optimization.

6.2. Research enlightenment

6.2.1. Symbol value level

While retaining the symbolic value, luxury brands appropriately add functional value, and the functional value serves the symbolic value. Although it is difficult for affordable brands to copy their sense of history and scarcity, they can add emotional elements of self-expression, like COACH, so as to improve brand competitiveness.

6.2.2. Functional value level

The addition of functional narratives to luxury brands in their products can make consumers more willing to pay for them. For example, LV Express uses the word "speed" to continue the travel tradition, adding a pragmatic reason for purchase. Affordable brands need to rely on functionality.

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According to the theory of information asymmetry, straightforward functionality is the biggest commitment to reducing consumer decision-making concerns.

Author contribution

All the authors contributed equally and their names were listed in alphabetical order.

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