

The Moderating Role of Brand Price Skimming on High-Net-Worth Consumers' Purchase Intentions: A Dual-Path Analysis via Scarcity Perception and Identity Identification

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Abstract:

In the context of a period characterized by the gradual deceleration of market growth and the emergence of dynamic shifts in consumer demand, how luxury brands can employ pricing strategies to maintain their high-end customers has become a significant concern. Focusing on High-Net-Worth (HNW) consumers, this study investigates how brand skimming pricing strategies (i.e. setting high initial prices to attract the first wave of target customers) influence purchase intentions through the dual pathways of perceived scarcity and identity identification. The paper employs a multi-case comparative design, selecting Hermès (luxury), Tesla (high-end technology), and Rimowa (high-end lifestyle) for the purpose of within-case and cross-case analyses. The study posits that scarcity and identity identification interact with each other. Cross-case analysis demonstrates that the strength of the two paths varies according to different contextual factors. This research enriches theories of luxury brand marketing and offers managerial insights for brands to develop differentiated pricing and customer relationship strategies. Moreover, this research also discusses the limitations of a limited focus on high-end brands, external validity of multi-case study, and proposal for future research direction.

Keywords: Skimming pricing; high-net-worth consumers; scarcity perception; identity identification; case study.

1. Introduction

Over the past decade, the luxury goods market has

undergone a period of substantial expansion. However, since 2024, this growth has decelerated considerably. Given macroeconomic uncertainty and the

continued price increases by leading brands, “luxury enthusiasts” have tightened their spending. This has consequently precipitated a decline of approximately 50 million global luxury customers over the span of two years [1]. Conversely, the contribution of HNW individuals to luxury consumption has seen a marked increase, thus rendering them the focal point of competition for luxury brands’ performance [2]. The key challenge for luxury brands to address, especially during a market downturn, is how to attract and serve this segment to sustain growth.

HNW individuals have been shown to place significant value on status symbols and social motivation, often expressing their social status and taste through luxury goods. They are relatively less price-sensitive but highly attuned to brand’s uniqueness, cultural meaning, and exclusivity. This characteristic encourages luxury brands to adopt more aggressive pricing strategies in order to align with their psychological expectations. Among these, “price skimming” has become a prevalent strategy in the luxury and high-end product sectors. This strategy involves brands launching products at extremely high initial prices, frequently combined with limited supply to create exclusivity, to attract core customers who are willing to pay a premium. The combination of elevated prices and constrained supply is intended to communicate signals of exceptional quality and unique value to the target audience. For instance, Hermès’ Birkin bags have long been in constrained supply, and Tesla’s Model 3 was initially priced high and adopted a reservation mechanism to control sales volume [3, 4]. These examples demonstrate that price skimming has the capacity to amplify market buzz and elevated expectations in the high-end market through the combination of “high price + scarcity”.

Despite the relationships among price, scarcity, and consumer behavior having been widely examined, integrated research on how a price skimming strategy influences the purchase intentions of HNW consumers through the dual paths of perceived scarcity and identity identification remains limited. In light of the identified research gap, this paper synthesizes the concepts of scarcity and identity identification theories, focusing on three issues. Firstly, it explores whether pricing strategies that are intended to create a sense of urgency in purchasing can positively influence consumers’ purchase intentions by heightening their perception of product scarcity. Secondly, it investigates whether such strategies can enhance purchasing intent by activating consumers’ identity identification. Thirdly, it examines how consumer characteristics (e.g., wealth level, social needs, and brand loyalty) and consumption contexts (e.g., luxury goods vs. high-end products) can moderate the strength of the aforementioned paths.

To explore these issues in depth, this study will conduct a multiple-case study of the French traditional luxury leath-

er goods brand Hermès, the U.S. high-end electric vehicle brand Tesla, and the German high-end luggage brand Rimowa. The multiple-case study, compared with single-case study, is more effective on facilitating the development of theory grounded in reality and more accurate in capturing the dynamic impact of brand pricing strategies on the behavior of HNW consumers [5]. The three cases under consideration span a range of different industries, thus providing a rich array of dimensions for cross-case synthesis.

2. Literature Review and Theoretical Framework

2.1 Core Connotations and Effects of the Price-Skimming Strategy

Price skimming is a strategy of entering the market at a high price and then gradually lowering the price over the product life cycle, commonly used in the fields of high-tech products or luxury goods. The principle of skimming pricing is predicated to targeting a select group of high-end customers willing to pay a premium. This is achieved by setting an extremely high price at the initial launch stage, thereby “skimming” the top layer of profits from the market. Luxury brands frequently employ a strategy of skimming pricing, alongside the creation of artificial scarcity and the reinforcement of perceived value, to appeal to high-end customer segments. However, in instances where high-pricing strategies are not adequately supported by sufficient brand value, excessive price increases may result in a discrepancy between consumer value expectations, thereby potentially compromising the brand’s attractiveness [6]. Therefore, brands need to strike a balance between high pricing and perceived value, and maintain perceived brand value through complementary scarcity marketing.

2.2 Characteristics and Consumption Motives of High-Net-Worth Consumers

HNW Consumer typically used to denote the affluent class, defined as individuals with net assets exceeding ten million dollars. To date, over 500,000 ultra-high-net-worth individuals worldwide have contributed nearly one-fifth of total luxury goods consumption [7]. This group has been shown to have distinct self-expression and social needs, tending to demonstrate their status and taste through owning rare and expensive items, thereby achieving psychological satisfaction and social recognition. They exhibit low price sensitivity yet anticipate high-value returns. They are willing to pay a premium for exceptional quality, craftsmanship, and service, whilst also demanding luxurious experiences and treatment commensurate with their

status. Furthermore, HNW individuals show relatively high brand loyalty and social influence; once they identify with a brand, they often continue to purchase it and influence others' preferences within their social circles. Consequently, marketing initiatives directed towards HNW consumers should prioritize the articulation of the brand's distinct value and identity, aligning with their aspirations for self-expression and a sense of psychological belonging.

2.3 Mechanisms of Perceived Scarcity and Identity Identification in Brand Marketing

Perceived scarcity is defined as consumers' subjective perception that a product is limited in quantity or difficult to obtain. It has been demonstrated by prevailing marketing research that consumers are more inclined to experience a sense of urgency and conformity when confronted with information pertaining to scarcity, such as "limited edition", which in turn serves to augment their propensity to procure the product. Within the domain of luxury goods, scarcity further signifies exclusivity and uniqueness, thereby catering to consumers' inclination for differentiation. Psychologically, perceived scarcity would trigger consumers' fear of missing out (FOMO), and influence their perceptions (e.g., believing the product is of higher quality) and leading to significant impulse buying and irrational decision-making [8].

Identity identification originates from Social Identity Theory and refers to the process by which individuals categorize themselves into a particular social group or category, thereby defining the self [9]. In the consumption sector, brands are often regarded as symbols with social meaning that vehicles for consumers' self-expression [10]. Especially among HNW consumers, brand preference is largely driven by the congruence between brand image and the self-concept, and the brand just serves as an extension of their identity and status, fulfilling their need for self-expression and group belonging [11]. For instance, driving a Tesla can convey a sense of being a tech pioneer or an advocate of sustainability. Therefore, when a brand can successfully integrate into a consumer's self-concept and become part of their identity, it can achieve enduring preference and even brand loyalty.

In summary, under a pricing-skimming strategy, high prices and scarcity make the product a symbol of "quality", while the brand shapes the values and cultural circles of high-end customer groups, making consumers willing to pay a premium to express themselves or seek identity identification. Hence, the identity identification path emphasizes consumers' internal psychological satisfaction and sense of belonging, complementing the external stimulation of the scarcity path.

2.4 Moderating Effects of Brand Type and Mar-

ket Cultural Background

Different contextual factors may influence the relative strength of the two paths described above. Brand type is one such factor. Customers of traditional top-tier luxury brands (such as Hermès and Chanel) are accustomed to highly exclusive brand positioning, so the scarcity path is more critical in driving consumption. In contrast, customers of emerging high-end or tech-luxury brands (such as Tesla) place greater emphasis on brand culture and philosophy, so the identity-identification path plays a more prominent role [3]. Market cultural background is another important factor. Consumers in Asian markets (e.g., China) prioritize conspicuous consumption and social status and are more sensitive to scarce products. In contrast, consumers in Western markets prioritize individual expression and congruence with brand value, with identity identification driving purchases more strongly. Therefore, it is necessary to incorporate considerations of brand type and market cultural background when constructing the theoretical framework.

3. Case Analyses

3.1 Comparison via the Scarcity Path: How Price Skimming Creates "Excess Demand"

As a top-tier luxury brand, Hermès has long practiced an extreme scarcity strategy to sustain mystique and desirability. The company sets an annual growth target of no more than 7% for leather goods production, deliberately controlling supply to ensure that market demand consistently exceeds supply. Even during the industry downturn of 2024, Hermès achieved an 11% year-on-year increase in sales revenue during the first three quarters of the year, with nearly all categories growing [3]. This demonstrates the effectiveness of its price-skimming strategy is highly effective along the scarcity path, and equips the brand with the ability to withstand economic-cycle fluctuations.

As an emerging high-end electric-vehicle brand, Tesla's scarcity path differs from that of traditional luxury brands. Its early products (e.g., Roadster, Model S), were priced high and produced in low volumes while entering the market, which in line with the skimming pricing logic. In 2016, the Model 3, positioned as an "affordable" vehicle, debuted at \$35,000 (higher than its competitors) with limited production capacity. With the social buzz generated by Elon Musk, the Model 3 received approximately 325,000 pre-orders within a week of its launch. Tesla successfully validated market demand through pre-sales. While some customers churned during the waiting period, most loyal fans chose to wait patiently, indicating strong brand aspiration led them to accept the inconvenience caused by scarcity [4]. After expanding production

capacity, Tesla reduced prices multiple times to increase market scale, suggesting that Tesla's use of scarcity is more phase-specific, employing the high initial price characteristic of price skimming as an early-stage strategy [12]. Overall, this case study shows that Tesla's scarcity strategy has a short cycle and moderate intensity, primarily used for generating buzz and expectations during the new product launch phase.

The German luxury luggage brand Rimowa was initially renowned for exceptional quality. After joining the LVMH Group, its price-skimming practice shifted toward high price combined with frequent co-branded limited editions as scarcity marketing. In 2018, Rimowa collaborated with the streetwear brand Supreme to launch limited-edition carry-on luggage priced at \$1,600, which sold out in just 16 seconds. Since then, Rimowa has continued to release limited-edition collaborations with luxury or fashion brands, often accompanied by social media "product drops" (releases with minimal advance notice and limited availability at specific times), which further enhances the products' scarcity and generates buzz [13]. These strategies have successfully transformed Rimowa from a traditional luggage brand into a highly much-coveted fashion item. The brand's latest data shows a 32% year-on-year increase in sales, with the main purchasers being buyers under 25 years old, some of whom are even willing to pay triple the retail price on resale platforms [14]. Rimowa has clearly elevated functional products to the status of fashion symbols by combining premium pricing with limited-edition collaborations together with social media momentum, and this has achieved significant success among young HNW individuals.

3.2 Comparison via the Identity-Identification Path: How High-End Brands Integrate into Consumers' Self-Concepts

Over the years, Hermès has cultivated a brand tone of "craftsmanship heritage and aristocratic taste", making it synonymous with the upper class and successful individuals. Hermès' loyal followers often recognize one another, forming an intangible brand community that fosters a strong sense of belonging. Research indicates that ultra-high-net-worth clients place great value on the sense of superiority derived from VIP status [2]. Hermès places significant emphasis on cultivating relationships with VIP clients, further reinforcing their sense of belonging to the Hermès family through customized services and exclusive experiences. This identity-identification-driven consumption is both spontaneous and enduring; even during unfavorable market conditions, Hermès's top-tier clientele continues to contribute stable sales [3]. In summary, in the context of traditional luxury brands, the identity-identification path manifests itself in consumers viewing the

brand as a symbol of class and taste, with their self-worth closely tied to the brand's value. Under these circumstances, price-skimming here is not regarded as "high-price exploitation" but is instead understood by loyal customers as a necessary measure to safeguard brand reputation and in-group identity.

Tesla's consumer identity identification is centered on the brand image of being a "pioneer in future technology and sustainable development". People purchase Tesla not only because of the vehicles' superior performance, but also because they identify with Elon Musk's vision of transforming the world. Model 3 owners, for example, are often tech entrepreneurs or environmentalists who see driving a Tesla as a way of expressing their personal beliefs [15]. Rather than relying on traditional advertising, Tesla uses word-of-mouth marketing, and satisfied customers who identify with the brand spontaneously become brand ambassadors. This too is an embodiment of identity identification, and it carries greater persuasive power. Regarding skimming pricing, Tesla's loyal customers often do not mind the higher price of early Tesla models compared to peers because purchasing a Tesla is about more than just acquiring a product, it's also about supporting a technological revolution. In summary, when a brand's values closely align with consumers' concept, high prices no longer act as a barrier.

Following its acquisition by LVMH, Rimowa successfully attracted identity identification among younger HNW consumers through a turn toward fashion. For instance, in 2025, it launched the "Engineered for Life" campaign, which encouraged users to record the marks on their luggage as personalized travel stories and share them on social media. Nearly 80% of customers said that they valued this function of recording travel story more than traditional warranties. This indicates that consumers have begun to treat Rimowa as a means of personal emotion. Meanwhile, Rimowa has carefully cultivated its online community and influencer marketing on platforms such as Rednote and Instagram. Trends such as "showcasing colorful Rimowa suitcases" and "showing packing skills" have emerged here, indirectly helping to make "owning a Rimowa" a symbol of taste. Social media interactions further reinforce the identity identification of the "Rimowa tribe". Surveys show that almost half of Gen Z travelers admit that social media trends directly influence their travel-related consumption decisions, indicating that some consumers are willing to pay for gaining identity identification and community recognition. Rimowa's high-price strategy is accepted because it has imbued its luggage, which was originally functional, with emotional and social meanings. This transforms the product into social currency and makes consumers believe that owning a Rimowa means owning a "trendy luxury lifestyle" [14]. Therefore, even in categories that were originally functional, a com-

bination of a strong identity-identification path and scarcity path can support price skimming.

In conclusion, perceived scarcity can cultivate identity identification, and customers with strong identity identification are more tolerant of product scarcity. When formulating strategies, luxury brands should consider both how to use scarcity to stimulate identification and how to leverage brand culture to consolidate long-term demand for scarce products.

4. Cross-Case Synthesis and Contextual Discussion

4.1 Common Regularities: Dual-Path Drivers of High-End Consumption Decisions

Regardless of whether the brand is a traditional luxury house or an emergent high-end brand, the success of price skimming requires the simultaneous activation of two psychological mechanisms: perceived scarcity and identity identification. Perceived scarcity can be achieved by enhancing product uniqueness and purchase urgency, leading consumers to believe that it is worth the high price and thereby increasing their purchase intention [8]. Identity identification, on the other hand, is achieved by imbuing the product with emotional and social meanings. This leads consumers to believe that the product's value transcends its material form, thereby strengthening their acceptance of the high prices. In summary, the scarcity path triggers short-term purchase impulses (prompting consumers to place orders quickly), whereas the identity path tends to cultivate long-term loyalty (continued purchasing due to value/ideological congruence) [16]. This pattern is observed across all three cases, supporting the generality of the theoretical model proposed in this paper.

4.2 Contextual Differences: The Situational Roles of Brand Type and Market Environment

Although the importance of dual paths is widely recognized, how they manifest and their relative strengths vary significantly across different contexts. Differences in brand positioning are one such factor. Ultra-luxury brands (e.g., Hermès) tend to prioritize scarcity, as their customers regard the acquisition of scarce products as a status symbol, while identity identification is reflected more in the consolidation of loyalty. Conversely, emerging high-end brands (e.g., Tesla) prioritize identity path. Their customers are driven more by ideological resonance and are willing to tolerate inconvenience caused by temporary scarcity. This indicates that identity identification is the main driver of their persistence, while scarcity plays a supplementary role in generating market momentum in the case of Tesla. Fashion-oriented luxury brands (e.g.,

Rimowa) give an equal weight to scarcity and identity. Rimowa uses scarcity to establish its trendy brand identity, while also leveraging community culture to enhance its identification; these two paths complement each other. In summary, companies should determine their priorities based on their own brand attributes.

Another factor is market environment. During an industry upswing, ample purchasing power and optimistic sentiment lead consumers to make FOMO purchases of high-priced, limited-edition items. During an industry downturn, however, consumers become more cautious and rational, and brands need to rely on identity identification to retain their core customers [6, 8]. Take the 2024 slowdown in luxury goods growth as an example, while sales declined for most brands, top-tier brands such as Hermès and Chanel remained relatively resilient because they have a large base of loyal customers willing to “weather the storm” with the brand. This demonstrates that identity identification can provide resilience in adverse conditions [3]. Beyond the macro environment, the competitive landscape also plays a role. When competitors are offering discounts and promotions, a brand that maintains scarcity and high prices can better preserve a high-end image. Conversely, if competitors emphasize brand values, the brand must also strengthen its own culture to avoid being perceived as “soulless”. In short, macro- and micro-market conditions should influence how firms allocate investments between scarcity and identity strategies.

Through cross-case comparisons, the applicability of the model that price skimming influences HNW consumers through both scarcity and identity paths has been validated. However, the primacy of the two paths varies in different contexts. Brands should combine their own positioning with external environments, to dynamically balance the strategic input into the two paths, to achieve the dual goal of maintaining a high-end image and winning loyal customers.

5. Conclusion

This study proposes and substantiates a dual-path theoretical model concerning the mechanisms by which luxury brands' price-skimming strategies operate, contributing to the existing literature in multiple ways. First, by integrating the perspectives of perceived scarcity and identity identification into research on the outcomes of pricing decisions, it enriches the theoretical framework of luxury consumer behavior. Previous studies on luxury pricing have primarily focused on the impact of price on perceived value or brand image and have seldom examined social psychological factors simultaneously. This study demonstrates that the purchasing decisions of high-end consumers are jointly driven by material scarcity incentives and social identity incentives, thereby expanding

the academic understanding of the motivations underlying luxury consumption. Second, through multiple case analyses, the study supports the interactive relationship between perceived scarcity and identity identification. After incorporating contextual variables, the study finds that brand type (luxury vs. premium) and market environment (economic upswing vs. downturn) significantly affect the relative strength of the scarcity and identity paths.

This study nonetheless has several limitations that need to be addressed in future research. Firstly, the research objects were limited to three representative brand cases, which were primarily focused on the luxury and high-end consumer goods sector. Although the multi-case design enhances external validity, the generalizability of the conclusions requires testing across more industries and brands. Future studies could consider incorporating cases from the high-end services (e.g. luxury hotels) and the novel high-end consumer goods (e.g. digital collectibles) to enrich sample diversity. Secondly, the absence of primary consumer data directly validating the psychological mechanisms limits the precision with which the dual-path effects can be confirmed. Future studies could employ survey questionnaires or experimental designs (e.g. simulating limited-released scenarios) to supplement case-based findings. Thirdly, this study focuses on a specific group of high-net-worth consumers and does not delve into differences across different levels of wealth. Whether general consumers are also driven by dual paths warrants further investigation. Finally, the ethical and long-term impacts are areas that future research should also address. Price skimming and artificially created scarcity may trigger consumer dissatisfaction or lead to waste, and rely heavily on identity-binding should be aware of the risks of stereotyping. Further research could explore how to balance public opinion and social responsibility while pursuing high premiums and loyalty. In summary, this study aims to stimulate ongoing academic and industry attention to the relationship between luxury brand pricing strategies and consumer psychology, thereby expanding the depth and breadth of this topic across more dimensions.

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