

## Digital Marketing as a Strategic Tool for Luxury Brands

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### Abstract

The aim of this master thesis is to further understand the relationship between social media marketing and consumers' attitude towards luxury brands. Moreover, this study is focused on Millennials because they are the main consumers of luxury brands and social media. In fact, the purpose is to measure the influence of social media marketing on consumer's attitude via consumer-brand relationship, and the role of the nature of the message in this mesh.

The conceptual framework was designed by combining several studies that examined separately the links between the variables. In addition to this, the research realized by Choi, Seo, Wagner, and Yoon (2018) on the nature of the message was added to the model, to understand its' position and influence in the conceptual framework. To achieve these goals, a survey was conducted with 131 participants, as well as a social media research on eight luxury brands.

The results confirmed the relationships between all the variables. However, the chosen items did not fit the benefit-based messages identified by Choi et al. (2018). Therefore, future research may be encouraged to analyse this construct and its' relationship with the other variables more deeply.

Keywords: luxury brands, Millennials, social media marketing, consumer-brand relationship, consumer attitude, benefit-based message, attribute-based messages

## 1. INTRODUCTION

### 1.1 Context of the thesis

The luxury market has grown worldwide, to the extent that the desire for these goods has been democratized (Kapferer, 2014). Luxury brands are used to marketing their products with elegance and distance: the advertisement strategies incite any customer segment to dream about their products and make it seem unique (Yeoman, 2011). Thus, the luxury segment has been struggling with exclusivity for many years now: meeting the demand might increase sales and revenues, but it might damage the company's status (Kapferer, 2014). The sector is changing so deeply that luxury products are transforming into necessity products in some parts of the world (Kapferer, 2014). Hence, marketing a luxury brand is more delicate than a usual brand. Moreover, the brands might be more fragile because they mostly rely on the relationship they installed with their customers (Dion & Borraz, 2017). Moreover, since more than 75% of luxury customers use social media (Choi et al., 2018), there is a real potential for companies to create a brand identity and a community through social media, in order to reinforce their relationship. Thereby, globalization is as much an opportunity as a threat: the company might dilute the brand and lose its chore characteristic that is exclusivity, by selling masses of products (Kapferer, 2014).

Globalization and the new communication media caused two major changes in the market: an increase in competition among luxury brands, and a growth in the number of customers (Brogi et al., 2013). Indeed, luxury customers showed an interest in e-buying and luxury sales experienced an increase of 20 percent in 2013 (Dauriz, Remy, & Sandri, 2014). The particularity of luxury products stands in the fact that beyond product characteristics, the brand personality, symbolic benefits of the product (Díaz-Bustamante, Carcelén, & Puellas, 2016), and the relationship created between the brand and its customers also contribute to the notion of a luxury brand (Dion and Borraz, 2017). Social media are tools that can be used to increase brand loyalty (Godey et al., 2016), improve brand image, build trust and co-create the relationship between a brand and its customers, and therefore, manage purchase intention (Ko, Costello, & Taylor, 2017). Díaz-Bustamante et al. (2016) recall that “*identity represents the company’s reality while image represents the consumer’s perception*” (p. 2); these should coincide if the communication strategy is well conceptualized.

## 1.2 Problem statement

Since luxury brand consumers increasingly use social media, these are the perfect drive to increase brand awareness and engage with consumers (Choi et al., 2018). Thus, many luxury brands shortly decided to explore social media and develop digital marketing strategies, which efficiency was tracked in order to improve their impact (Godey et al., 2016). About the message, Kapferer (2012) identifies three different strategies that luxury brands have adopted: first, some brands trigger the virtual rarity feeling when launching limited editions; second, luxury brands often iconize one particular product and turn it into their reference per excellence; third, most brands create a legendary story for the brand, that might be inspired by the founder(s). All in all, luxury brands should focus on abstract thinking and benefit-based messages to improve the interaction with their customers, rather than using attribute-based messages (Choi et al., 2018). Kim and Ko (2012) add that the communicative efforts should also be directed towards more customization, and increased word of mouth (WOM). The “like” and “share” buttons offer many opportunities to elaborate a two-way communication, although they put brands in a risky situation (Brogi et al., 2013).

The importance of understanding consumers’ attitude is major because it may stand at the basis of the purchase intention. Social media have transferred the power to create brand image from marketeers to users and the increase in eWOM participation has turned users in well-informed consumers that challenging consumers (Brogi et al., 2013).

Regarding millennials as particular consumers, they tend to show more loyalty towards a brand and avoid taking risks, which makes them the perfect luxury consumers (Gil, Kwon, Good, & Johnson, 2012). Among the youngest, social media play a key role as peer influence is extremely high (Gil et al., 2012). Godey et al. (2013) argue that young consumers’ relationship with luxury brands are more rational than emotional, which is paradoxical, considering that the main reason behind luxury consumption is high-status seeking (Dion & Borraz, 2017) and that luxury brands have been using storytelling techniques triggering emotions.

## 1.3 Hypotheses and research model

Thus, this research aims at answering the following question: *What is millennials’ attitude towards social media marketing by luxury brands?* The literature has focused on the marketing strategies that result in increased sales, but not on consumers’ attitude following consumer

empowerment. Chen, Fay, and Wang (2011) suggest that research needs to frame the impact of marketing on consumers' attitude via popular social media. Thus, this research is interested in studying how millennials feel, now that luxury brands are using many marketing strategies on social media. According to Howe & Strauss' (2009) millennials are individuals that were born between 1982 and 2004. Why study only young consumers? Managers are interested in appealing to young consumers because they aim at becoming a reference brand when choosing a product (Gil et al., 2012). Moreover, millennials being heavy social media users, they also represent the most important segment for the luxury market for two reasons: first of all, they are increasing the budget for luxury goods in their mental accounting; and second, because brands are considered as a very important feature for them, when choosing a product (Shin, Eastman, & Mothersbaugh, 2017). An important study for this research is the one conducted by Choi et al. (2018), that confronts the effects of attribute-based and benefit-based messages on the interaction between a luxury brand and its customers. The research aims at testing the link between social media marketing, the consumer-brand relationship, the attitude towards the brand and the nature of the message. To test the hypotheses, two types of analyses were designed. The quantitative method allows to test the hypotheses precisely on a large sample, which is important in this study in order to answer the research question. The decision to elaborate an online survey is based on the idea that it enables to collect the data directly and rapidly from the actors and to reach a larger sample. Godey et al. (2013), found that nationality is a determinant factor for attitude towards luxury consumption and brands so the sample was composed of Swiss Millennials according to Howe & Strauss' (2009) definition, so to say individuals that were born between 1982 and 2004. After analysing the topic quantitatively, the research tested the results using a social media research based on secondary data. This research aims to analyse eight luxury fashion brands on two social media platforms: YouTube and Instagram. These platforms were chosen because they are part of the top three platforms among millennials. The mix of well-known platforms and famous brands allows a better understanding of strategies that are in place in the segment. The research will first classify the content of the posts according to different marketing strategies identified in the literature, but especially according to the nature of the message. Then, the comment section below these posts was also analysed and categorized according to the attitude that the consumer is expressing. The use of the two methods enables either to provide a confirmation of the results, or enlighten a possible misunderstanding; therefore, it strengthens the study. Moreover, it allows a better-quality study by decreasing the researcher's bias on the results.

#### 1.4 Theoretical contributions and managerial implications

Most studies on the same topic analysed the link between the variables with a qualitative study. Therefore, this study allows to quantitatively analyse the influence in a very particular context. Moreover, this study added the variable of nature of the message, inspired by Choi et al.'s (2018) study to the three common variables. Even though Godey et al. (2013) insist on the cultural differences, the results indicate that the link between the variables is the same as in Asia. Therefore, managers can expect the same reaction when manipulating one of the variables. Moreover, the fact that attribute-based messages moderate the link between social media marketing and the consumer attitude implies that managers do not necessarily need to avoid attribute-based messages as induced by Choi et al.'s (2018) research. However, the qualitative study highlighted that managers should rather pay attention to the platform and its' culture when communicating. Ultimately, this study certainly underlines the crucial role of social media marketing in the consumer's attitude, leading to an increase in purchases.

## 2. LITERATURE REVIEW

### 2.1 Luxury brands

#### 2.1.1 The premises of luxury

The word "luxury" comes from the Latin word "luxus", which means "extravagance, indulgence" (Tynan, McKechnie, & Chhuon, 2010). The concept has been present throughout history (Dubois, Czellar, & Laurent, 2005). First, luxury goods were consumed by aristocrats, who needed to manifest their rank to the people by spending a phenomenal amount of money (Kapferer & Bastien, 2009). Then, luxury goods and services such as

cars, flights and new technologies were available only to the wealthier communities, who were considered early adopters (Roper, Caruana, Medway, & Murphy, 2013). Luxury became an economical sector in its own right as the traditional handicraft production was transformed into an industrial processing and small family-owned businesses grew into powerful multinational companies (Roux, 2009). Moreover, the products themselves evolved from creative and aesthetic designs to brand-driven products (Seo & Buchanan-Oliver, 2015).

The importance of the luxury segment stated, it is important to understand how a luxury brand can be defined and to identify its major characteristics and components. Ko et al. (2017) affirm that there is no clear consensus regarding what constitutes a luxury brand, and therefore, many definitions are available.

### *2.1.2 Defining the concept of luxury*

Adam Smith (cited in Berthon, Pitt, Parent, & Berthon, 2009) defines luxury by dividing goods in four categories: necessary, basic, affluence and luxury. Luxury goods are: “goods that are in limited supply, difficult to procure and/or very expensive” (Berthon et al., 2009, p. 46). This definition was relevant at the time but keeping in mind the evolution of luxury brands, it is not applicable to all luxury products anymore. Schade, Hegner, Horstmann, and Brinkmann (2016) consider luxury brands as goods “with a premium quality and/or an aesthetically appealing design (p. 315). However, even though luxury brands are expected to provide better quality (Vigneron & Johnson, 2004), it is not always the case because they often privilege traditional techniques of production. Arrigo (2018b) defined luxury as a superlative, so to say excellent from all points of view. Vigneron and Johnson’s definition (2004) from the consumer’s perspective: “luxury products [are those that] enable consumers to satisfy psychological and functional needs” (p. 486) appears to be the most accepted definition in the literature. Several authors argue that there is no clear demarcation between luxury and normal goods, but there is rather a continuum attributing a degree of luxury (Tynan et al., 2010). Therefore, each luxury brand is considered differently luxurious (Vigneron & Johnson, 2004). According to Cissé- Depardon and Zouari (2016), the continuum encompasses three levels of luxury: accessible, intermediary and inaccessible luxury. Meanwhile, Parguel, Delécolle, & Valette-Florence (2016) differentiate between premium and high-end luxury and Kim, Park, and Dubois (2018) classify luxury brands in submarkets, such as hyper luxe, true luxury or ultra-premium.

Defining the construct “luxury brand” is not an easy task because of its recognized relativity (Ko et al., 2017). Indeed, the term “luxury” seems to encompass a subjective character related to the place and time of consumption (Maman Larraufie & Kourdoughli, 2014). Wiedmann, Hennigs, and Siebels (2009) add that the meaning is also related to past experiences and the mood of the consumer. For example, water can be considered a necessity good in one country and a luxury product in another; the conception is therefore also related to the consumer’s economic means (De Barnier, Falcy, & Valette-Florence, 2012). Ko et al. (2017) identify generation and culture as elements that induce the fluctuation of the concept. In the 19<sup>th</sup> century, what defined luxury was its functional dimension, while the symbolic dimension has taken over now (Berthon et al. 2009). De Barnier et al. (2012) come to the conclusion that it is not worth defining luxury brands because the meaning varies for each individual.

### 2.1.3 Key attributes of luxury

Even though researchers cannot reach a consensus, the experience remains quite homogeneous (Kapferer & Valette-Florence, 2016). Hence, Godey et al. (2013) identified five key attributes of luxury brands: price, quality, beauty, inspiration and rarity. Foremost, luxury brands aim at introducing price insensitivity in the customer's mind since it cannot be rationally translated (Parguel et al., 2016). For that reason, Kapferer and Bastien (2009, p. 315) state that "luxury is qualitative and not quantitative", underlying that the price set also takes into consideration intangible assets, such as the history and the prestige of the brand. Price display was a taboo in the industry, that is now becoming necessary for e-commerce purposes and to entice middle-class customers (Kapferer & Valette-Florence, 2016). Next, quality is a criterion of luxury, but the industry redefines the term, admitting flaws for the sake of authenticity (Kapferer & Bastien, 2009). Then, the aesthetic of the product is very important and the creativity behind differentiates it from other industries (Tong, Su, & Xu, 2018). About the inspiration, "luxury is more than the material" (Berthon et al., 2009, p. 47) and communicates a story (Seo & Buchanan-Oliver, 2015). Okonkwo (2009) probes deeper and classifies luxury as a philosophy and an identity. Díaz-Bustamante et al. (2016) recall that "identity represents the company's reality while image represents the consumer's perception" (p. 2); these should coincide if the communication strategy is well conceptualized. Finally, consumers seem to be driven towards luxury brands because of their perception of uniqueness or rarity, which increases their attractiveness (Shao, Grace, & Ross, 2019). Following these five key dimensions, Kapferer and Bastien (2009) enunciate guidelines in order to establish an adequate luxury brand positioning. They state that the brand should: never compare with competitors since it is unique; resist the high demand and leave some distance; harden the process of acquisition to increase desire; continue raising the prices. These principles seem out of date nowadays, considering the changes that happen in the industry.

### 2.1.4 Luxury brands' evolution

This segment, which represented an unachievable dream for the majority of consumers (Roper et al., 2013), is now accessible, omnipresent, and trendy (Kapferer & Bastien, 2009). The growing demand for luxury products and the following competition between luxury brands have been triggered by numerous macro-environmental factors. According to Seo and Buchanan-Oliver (2015), there are three types of trends impacting the market: cultural, social, and external. Firstly, cultural shifts such as globalization offer new opportunities of development, transforming the customer base into a multi-cultural segment, that increasingly thinks in the same way (Seo & Buchanan-Oliver, 2015). Secondly, cultural and social trends lead to a democratization of luxury, the so-called "masstige" (Roper, et al., 2013). New brands entered the market, distinguishing themselves with extravagant features (Park, 2014) and more affordable prices (Atwal & Williams, 2017). "Modern luxury" brands focus on their desirability rate and will therefore display logos on the products (Kapferer & Valette-Florence, 2016) and use aggressive marketing strategies (Roux, 2009). Examples of typical masstige brands are Swarovski and Coach (Loureiro, de Plaza, & Taghian, 2018). The appearance of new luxury brands, which offer goods at moderated prices and an increase in the average wage allowed more customers to access luxury products (Seo & Buchanan-Oliver, 2015), especially the millennial generation (Loureiro et al., 2018). Thirdly, external factors such as the development of new technologies, among which the Internet and new communication media also introduced this challenging transformation (Turunen & Leipämaa-Leskinen, 2015). The Internet not only opened new markets through e-commerce, but it also created a voice for customers to share information and influence each other (Seo & Buchanan-Oliver, 2015). Furthermore, social media platforms shorten brands' lifecycles and consequently, luxury brands are seeking new innovative strategies of differentiation (Ko, Phau, & Aiello, 2016). Moreover, Seo & Buchanan-Oliver (2015) also identify mass media attention as a source of the evolution.

One of the emerging trends related to globalization and the power of social media is ecology and sustainability, either applied by brands or by customers (Berthon et al., 2009). Precisely, after a few scandals about working conditions emerged on social media and virally spread, consumers grew distrustful and more demanding regarding companies' policies (Mititelu, Fiorani, & Mariani, 2014). Luxury customers are always more interested in buying



second-hand products in order to minimize their impact (Arrigo, 2018b). The rise in second-hand luxury consumption is logical, since most luxury products' attributes endure the belonging of numerous consumers and even bring a new sense of uniqueness and feeling of nostalgia (Turunen & Leipämaa-Leskinen, 2015). Ethical concerns influence the luxury market, compelling the brands to stop using real fur or only natural pearls instead of cultured ones (Berthon et al., 2009). Arrigo (2018b) considers these new practices an opportunity for luxury brands, who can use transparency to enhance their image and increase customers' loyalty.

The luxury sector is not only growing attention because it is growing in terms of sales. According to Roux (2009), the luxury market doubled in ten years: from 45 billion euros in 1990 it grew to 90 billion in 2000. During the recession in 2009, sales only decreased of eight per cent globally (De Barnier et al., 2012). More surprisingly, some luxury brands' sales even increased during the crisis because they are considered a safe bet: for example, Louis Vuitton's sales expanded by 11% (Roux, 2009). After the crisis, the flourishing continued to reach 1 trillion euros in 2015 (Quach & Thaichon, 2017). Regarding online consumption, sales hit 9.8 billion euros in 2013 (Parguel et al., 2016) and therefore represented circa 4,5% of global sales. Kapferer & Valette-Florence (2016) note that luxury products are in reality not rare anymore: as a matter of fact, Rolex is presumed to sell more than a million watches per year. The number of consumers also increased, tripling in the past 20 years (Ko et al., 2017) to reach 330 million customers in 2017 (Ramadan, Farah, & Dukenjian, 2018) and potentially attain the 465 million by 2021 (Chandon, Laurent, & Valette-Florence, 2016). Marketers and researchers now focus their attention East with the escalation of BRIC economies (Ko et al., 2016), especially the Middle East, India, and China (Ko et al., 2017). Indeed, India represents a huge opportunity for luxury brands since the average income is undergoing an incredible growth (Gautam & Sharma, 2017). As for China, it is now the major driver of luxury growth sales in the world, especially thanks to younger customers (Phan, Thomas, & Heine 2011). However, the supreme markets still dwell in the USA, Europe and Japan (Kapferer & Valette-Florence, 2016).

Even though the sales numbers are a staggering figure, the industry is actually composed by a reduced number of companies (Ko & Megehee, 2012). Most luxury brands were created in Europe and the country of origin is usually common knowledge because it is deeply anchored in their identity (Kim, Lloyd, & Cervellon, 2016). More importantly, countries are famous for certain luxury product categories: France, Italy and England for fashion, Germany and Italy for cars and Switzerland for watches (Kim et al., 2016). The cradle of luxury brands is definitely France, where 33% of the total market share is nestled (De Barnier et al., 2012). On the one hand, French luxury brands have been ruling the whole world with traditional family-owned brands (Roux, 2009). On the other hand, Italian luxury brands succeeded in establishing an innovative spirit to the sector (Roux, 2009). The most promising sector of luxury brands is the fashion industry (Koivisto & Mattila, 2018). Indeed, ranking luxury brands according to their revenues suggests that Louis Vuitton and Hermès are the luxury brands per excellence (Chandon et al., 2016). These brands are nowadays part of major groups, such as LVMH, Richemont or Gucci and for that reason, Roux (2009) only distinguishes seven actors possessing 65% of the luxury market.

### *2.1.5 Key dilemma and possible solutions*

The fact is that nowadays, luxury products are becoming mainstream following the overmarketing techniques applied (De Barnier et al., 2012). With the new technologies, the biggest challenge that luxury brands are facing consists in balancing the loss of uniqueness and the brand dilution while increasing sales. Kapferer (2012) suggests using preferably the term of "virtual rarity" (p. 453), since most luxury brands have now grown into mass production systems, consumers can only feel the exclusivity. Since luxury brands are an experience, sales on the Internet might not convey the same meaning and message (Dall'Omo Riley & Lacroix, 2003). Research identified several strategies to maintain the symbolic meaning of luxury, first by carefully selecting the distribution channels (Keller, 2009). Thus, brand stores should convey a prestigious and unique atmosphere (Klein, Falk, Esch, & Gloukhovtsev, 2016). Moreover, motivating and educating the personal is fundamental in order to communicate the exclusiveness (Roux, 2009). Since rarity and uniqueness are fundamental dimensions of luxury, brands can use a "limited-edition" strategy, producing products in a limited number and for a limited period of time (Shin et al., 2017). Indeed, limited-editions generate an urgency in the consumers' mind and it increases consumers' interest

(Shin et al., 2017). The symbolic feature is also communicated through a “griffe”, namely a subtle design that becomes part of the identity and therefore, a product that doesn’t need a logo (Han, Nunes, & Drèze 2010). Mixing loud products with more exclusive and unique designs as Louis Vuitton and Gucci proceed, has the advantage of addressing different groups of consumers’ needs (Han et al., 2010). In the same vein, brand extensions have been quite popular in the last years because they enable to extend the targets to middle-class consumers (Keller, 2009). Furthermore, customers can easily identify and relate the product attribute to the initial brand, while at the same time focusing on other values (Keller, 2009). The only prerequisites in order to expand into sub-brands are desirability, renown, and trust (Kapferer & Valette-Florence, 2016). Arora (2011) classifies Giorgio Armani, Roberto Cavalli, Prada and Alexander McQueen as notable examples of brands that succeeded in limiting brand dilution through their trading-down extension. According to Roux (2009) sales promotions are the most common trap because they cause a change in consumers’ expectations and attitudes towards the brand and disfavor brand loyalty. On the contrary, Park (2014) affirms that a key element to succeed this challenge is to keep high prices, but to run few discounts.

## **2.2 Luxury consumers: perceptions, motivations and categorization**

### *2.2.1 Perceptions of luxury consumers*

Some researchers underline the importance of consumers’ perception in the luxury sector, stating that luxury is a concept that can only be defined by customers’ experiences (Quach & Thaichon, 2017). Therefore, many researches focused on underscoring the different facets perceived by the consumers (Shin et al., 2017). Most researchers approved the four perceived dimensions evidenced by Wiedmann et al. (2009): the financial, functional, individual, and social dimensions. The financial dimension is obviously related to the value of the product reflected in money; the functional dimension concerns the advantages of the product in its usability; the individual dimension refers to the personality and preferences of the customer; and the social dimension refers to the added value perceived by the customers. The first drawn conclusion from the four dimensions is that “[money] is a necessary but not a sufficient condition for the purchase of luxury goods (Tynan et al., 2010, p. 1160). The individual and social dimension directly involve the customer in their definition: hence, consumers an essential aspect when researching luxury brands (Wiedmann et al., 2009). Even though these dimensions are approved by the majority, Berthon et al. (2009) simplify the model deleting the financial dimension, by identifying three different dimensions: the functional, experiential and symbolic dimensions. The experiential dimensions consist in the individual dimension and the symbolic dimension refers to the signal sent when possessing luxury goods, so to say a quite similar version of the social dimension. Berthon et al. (2009, p. 48) define a symbol as a “constructed and 12). The framework distinguishes personal from non-personal perceptions and five subcategories: perceived extended self, perceived hedonism, perceived conspicuousness, perceived uniqueness, perceived quality (Atwal & Williams, 2017). Vigneron and Johnson (2004) state that this scale is valuable in benchmarking luxury brands and understanding consumers’ attitude and behaviour.

### *2.2.2 Reasons behind luxury consumption*

Many motivations to consume luxury goods have been identified by the scientific community. First, Shao et al. (2019) differentiate between two types of motivations that lead to luxury consumption: extrinsic and intrinsic. On the one hand, extrinsic motivations are guided by wealth as a means of obtaining rewards such as social approval and social desirability (Shao et al., 2019). On the other hand, intrinsic motivations aim at gaining a personal pleasure, such as well-being or self-acceptance (Shao et al., 2019). The research showed that consumers are primarily following extrinsic motivations when consuming luxury goods, both conspicuously and inconspicuously, rather than intrinsic motivations (Shao et al., 2019). However, consumers with intrinsic motivations were more turned towards inconspicuous luxury goods because they

are interested in the uniqueness of the product (Shao et al., 2019). Thus, the type of motivation has an impact on consumers' preferences for loud versus quiet luxury products (Chu, Kamal, and Kim, 2019). According to Shao et al. (2019), current consumers' motivations are bending towards more subtle cues, so to say towards inconspicuous consumption because they are trying to distinguish themselves from the mass market. Deepening this basic dichotomy, researchers identified five subcategories of reasons to buy luxury brands, deriving from the BLI scale. Naturally, the first reason to buy luxury goods is their quality: the consumer expects a premium quality when spending so much (Berthon et al., 2009). However, it is not a sufficient reason to justify the difference in price with normal goods. Indeed, a major reason to luxury consumption is the need for status (Vigneron & Johnson, 2004, Han et al., 2010, Chu et al., 2019). Indeed, consumers consider that luxury products signal their wealth to the world and it allows them to enter higher social spheres (Hung et al., 2011), in the sense that the prestige of the products can be derived to their own person (Kwon, Ratneshwar, & Thorson, 2017). According to Eastman et al. (1999), it can be defined as "the motivational process by which individuals strive to improve their social standing through conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others" (cited in Yang & Mattila, 2017, p. 6). Seeking for status and maintaining it is a natural human desire according to Kim et al. (2018). Most newly wealthy people are consuming luxury goods for that reason (Berthon et al., 2009). On another note, Mandel, Petrova and Cialdini (2006) state that the middle class also consumes luxury goods in order to be perceived as more affluent, and impress others (Prentice & Loureiro, 2018). Not everyone can afford luxury products so when possessing rare goods, consumers also signal their uniqueness and distinction from the mass (Okonkwo, 2009, Park, Im, & Kim, 2018). This need to exhibit status leads to the well-known *Veblen effect*, whereby consumers demand increases when the price rises (Ko et al., 2017). Moreover, luxury goods also induce a *Snob effect*, for which the number of buyers increases as the demand diminishes, in a quest for uniqueness and paradoxically, the *Bandwagon effect*, whereby the demand for a good increases because a group of influential consumers already bought the luxury good (Tynan et al., 2010). Ko & Megehee (2012) state that the *Bandwagon effect* might be guided by the need to be recognized as chic and in vogue.

Conspicuous consumption, so to say the consumption of luxury goods for status-seeking reasons, also entail the notions of power (Ko et al., 2017), success and group adherence (Kamal, Chu, & Pedram 2013). Therefore, status-seeking consumers appreciate the association of luxury with recognizable artworks, so that the knowledge of the brand is commune to the possessor and the people in the surroundings (Peluso, Pino, Amatulli, & Guido, 2017).

Several researchers argue that another reason to luxury consumption lays in the pursuit of personal goals, in a thoroughly individualistic vision (Grace & Ross, 2019). Indeed, Wiedmann et al. (2009) affirm that external reasons are not sufficient to analyse luxury buying behaviours. According to Ko et al. (2017), the chase after intimate motivations can be explained by the social comparison theory, that consists in the self-judgmental comparison of the consumer's real and the target identity. The fact that the goods consumed are an extension of the owner's personality explains that different personal goals lead to different types of consumption, for example inconspicuous versus conspicuous consumption (Ko et al., 2017). Therefore, luxury goods become symbols of consumers' identity and personality (Stokburger-Sauer & Teichmann, 2013). Thus, luxury goods can be considered as a way of self-expression (Ramadan et al., 2018) and self-presentation (Stokburger-Sauer & Teichmann, 2013) to materialize consumers' values, beliefs and uniqueness (Chu et al., 2019). Ko et al. (2017, p. 4) define the theory of uniqueness as "the need to differentiate [oneself] from others when there is too much similarity in [one's] social environment. Luxury brands gain power by leading the new trends (Berthon et al., 2009), thus, consumers' expectations go beyond, and the brand should also trigger self-esteem and self-realization (Mititelu et al., 2014). Hence, some luxury brands are now working on their ethics and transparency to adhere to their consumers' vision (Mititelu et al., 2014).

Finally, researchers identified the pleasure in itself as a reason to consume luxury (Dall'Olmo Riley & Lacroix, 2003). Luxury goods are considered positive or negative emotional stimuli (Pozharliev, Verbeke, Van Strien, & Bagozzi, 2015) and consumers intrinsically possess emotional needs (Hennigs, Wiedmann, & Klarmann 2012a). Luxury consumption can be broadly defined as an art of living, in which the consumers enjoy the hedonic functions that provide an experiential pleasure (Schade et al., 2016) rather than the functional properties (Vigneron



& Johnson, 2004). Pozharliev et al. (2015) underline that the emotions that luxury goods confer may not always be positive; thus, consumers might not desire luxury products more than normal goods. To sum up, motivations to consume luxury goods can be divided in an individual dimension, composed of the need for uniqueness and for hedonism, and the social dimension referring to the need for status (Wiedmann et al., 2009).

### 2.2.3 *Luxury consumers social segments*

Researchers tried to find the patterns of luxury consumers according to their different characteristics and motivations. Ko et al. (2017) acknowledge the self-concept theory as an easy and efficient method to categorize consumers: independent consumers manifest hedonic and self-expression reasons to purchase luxury goods, while interdependent individuals indicate status-related motivations. Several researchers enunciated classification based on the consumers' monetary situation. Indeed, Roux (2009) divides consumers in two segments: the rich and loyal segment and the less loyal segment consisting in the price sensitive, unstable and demanding middle class. The second category is more difficult to retain but it allowed the expansion of the luxury sector (Roux, 2009). By the same token, Seo and Buchanan-Oliver (2015) acknowledge three categories according to consumers' financial assets: the "luxury gourmands" are millionaires, who only purchase luxury goods; the "luxury regulars" mostly consume luxury products since their fortune exceeds US\$100,000; the "luxury nibblers" carefully choose their luxury purchases, for which they have been saving. Based on their motivations, Berthon et al. (2009) divide consumers into four modes. First, the *Modern* consumes commercialized and democratized luxury. The Modern lacks expertise but wants to improve his status (Berthon et al., 2009). Then, the *Classic* enjoys luxury for the aesthetic and the tradition (Berthon et al., 2009). The *Postmodern* appreciates luxury when it is trendy and fashionable (Berthon et al., 2009). Finally, the *Wabi Sabi* is pleased by the trendy aesthetics, the mindfulness and the uniqueness of each luxury product, and considers it a chef d'oeuvre (Berthon et al., 2009). Anyway, Han et al. (2010) stated the most recognized sorting: the four Ps. This sorting confronts the consumers' financial situation with their need for status. Foremost, Patricians are wealthy individuals that are not seeking for status (Han et al., 2010). The word "patrician" designated the richest and more powerful families in ancient Rome, the elite (Yang & Mattila, 2017). Patricians use subtle cues to communicate their wealth with equals: they don't need to demonstrate their prestige and rather opt for an inconspicuous form of consumption (Han et al., 2010). Hence, Patricians are very well-educated consumers, who are used to recognize brands without loud signals (Han et al., 2010). The other type of wealthy consumers are Parvenus. Contrarily to Patricians, Parvenus have a high need for status (Han et al., 2010). "Parvenu" comes from French and can be compared to the expression "nouveau riche" and refer to underprivileged who became affluent rapidly (Yang & Mattila, 2017). Since Parvenus adopt conspicuous consumption, they prefer luxury goods over services and they are not considered as specialized aesthetes, or "cultural capital" as Bourdieu would define it (cited in Han et al., 2010, p. 17). The third category, Poseurs have a limited budget but have a high need for status; therefore, they tend to purchase loud counterfeited products of luxury goods (Yang & Mattila, 2017). According to Han et al. (2010), Poseurs are exhibiting the fake versions of the products that Parvenus are proud to display in order to be affiliated with that category of consumers. Lastly, Proletarians are part of the lower class and they are not status-seeking consumers (Ko et al., 2017). Proletarians are not interested in luxury goods and therefore neither get involved into inconspicuous nor conspicuous consumption (Yang & Mattila, 2017).

### 2.2.4 *Variables influencing the consumers*

Even though researchers tried to generalize luxury consumers behaviour into different categories, there are other variables to take into consideration when analysing this segment. Differences in financial means create different reactions: for example, affluent consumers now have a preference for subtle cues because the middle class is ready to save in order to invest in luxury products (Park, 2014). Other than money, several researchers explored the differences between genders, as they appear to maintain a different kind of relationship (Stokburger-Sauer & Teichmann, 2013). First of all, the price of luxury products seems to be generally higher for women, except for

the watch industry (Stokburger-Sauer & Teichmann, 2013). According to Park (2014), women are more mindful of the customer service that accompanies luxury and of the uniqueness of the product. Therefore, their level of satisfaction is higher, and their attitude is more positive than men's, at least in the clothing, cosmetics and watches segments (Stokburger-Sauer & Teichmann, 2013). For most researchers, even though there are increasing similarities in luxury brands' perceptions, culture is still influencing the construct (Rienetta, Hati, & Gayatri, 2017). Western consumers were motivated by status and trendiness in the 1990s (Atwal & Williams, 2017). Now, the elite is part of the well-educated consumers because they evolved in a luxurious environment (Chandon et al., 2016). The market is called "mature" because consumers are older and their income is higher (Seo & Buchanan-Oliver, 2015). Even though the Western societies used to be the first consumers of luxury goods, they have now been lapped by Asian countries, that represent the 50% of overall luxury sales (Yang & Mattila, 2017). Furthermore, Hennigs et al. (2012b) underline the fact that countries are multicultural and consequently, even countries cannot be considered as single markets per se. A differentiation between the cultural regions would lead the strategy to superior results (Hennigs et al., 2012b). Related to culture, Kim et al. (2018) researched how political conservatism can increase the preference for luxury goods, because they found that this segment had a higher status maintenance need. Regarding differences in generations, researchers tend to focus on a particular category. Young consumers are spontaneous, digital natives (Chandon et al., 2016), sophisticated (Shin et al., 2017) and they have a high need for self-expression (Fischer, Völckner, & Sattler, 2010). On the one hand, adolescents need to define themselves and their goals, and thus, they are always more interested in purchasing luxury products guided by the *Bandwagon effect* (Schade et al., 2016). On the other hand, young adults are more motivated by intrinsic motivations than extrinsic motivations (Schade et al., 2016). According to Gil et al. (2012) Millennials as particular consumers, they tend to show more loyalty towards a brand and avoid taking risks, which makes them the perfect luxury consumers. Millennials need to be considered seriously by marketers, not only because they represent the fastest-growing consumer demographic (Chu, Kamal, and Kim, 2013), but also because their average spending on luxury products is higher than any other segment (Shin et al., 2017). Moreover, even though not all Millennials have the means to purchase luxury goods, since this category is highly connected, they can become brand advocates (Hennigs et al., 2012a). A new recent segmentation between consumers appeared with the Internet: e-buyers. Indeed, luxury customers showed an interest in e-buying and luxury sales experienced an increase of 20 percent in 2013 (Dauriz et al., 2014). Louis Vuitton, Fendi and Chanel were the firsts to launch their e-commerce platform (Quach & Thaichon, 2017). Still, some managers are reticent in launching online sales, because of the brand dilution risk (Heine & Berghaus, 2014). Online shoppers are very well-educated customers since they gather all important information online (Chandon et al., 2016), but usually purchase in offline stores, to experience the luxury service (Jin, 2012).

## 2.3 Social media

### 2.3.1 Social media and web 2.0 technologies

The Internet and social media have clearly been a huge change for the society during the last years (Chu et al., 2019). Users and researchers have been interested in these platforms, which only increased their success (Erkan, 2015). The last numbers indicating the number of Internet users count almost three billion users (Langaro, Rita, & de Fátima Salgueiro, 2018) and around 2 billion social media users (Schivinski & Dabrowski, 2016), so nearly four out of five users interacted on the Internet (Kaplan & Haenlein, 2010). Concerning wealthy users, 78% use social media and 50% use it in order to search their favourite brands (Chu et al., 2013). Moreover, Millennials are the segment using social media the most (Kamal et al., 2013). Kietzmann, Hermkens, McCarthy, and Silvestre (2011, p.241) define social media as "highly interactive platforms via which individuals and communities share, co-create, discuss, and modify user-generated content". The first social media, "Usenet", a worldwide online discussion, was launched by Tom Truscott and Jim Ellis from Duke University (Kaplan & Haenlein, 2010). However, Kaplan & Haenlein (2010) consider that the first social media was created in 1998 by Bruce and Susan Abelson. "Open Diary", that reunited a community of diary

writers (Kaplan & Haenlein, 2010). For most researchers, the first social media platform, “Sixdegrees”, was released in 1997 and allowed users to manage their profiles and communicate with friends (Kietzmann et al., 2011, Langaro et al., 2018). The success of social media started with MySpace in 2003 and the definition of the Web 2.0 (Langaro et al., 2018). The web 2.0 can be defined as “[the] collection of open-source, interactive and user controlled online applications that can help users to share their experiences as participants in business and social processes” (Arrigo, 2018a, p. 658). More specifically, the web 2.0 refers to the new way of utilization of the World Wide Web (Kaplan & Haenlein, 2010), that is the production of User Generated Content (UGC) (Reyneke, Pitt, & Berthon, 2011). The data on social media consists in written or visual contents such as status, comments or photographs and in the form of consumer review such as likes, tags, and rating scores (Romão, Moro, Rita, & Ramos, 2019). Kaplan & Haenlein (2010) divide social media in six types, according to social presence, media richness, and self-presentation: collaborative projects (e.g., Wikipedia) are usually the written result of a collaboration between many users and now represent a very trustful source of information; blogs are special forms of websites, which a person writes usually focusing on a specific topic; content communities (e.g., YouTube) allow users to share different forms of content with others; social networking sites (e.g., Facebook) are content communities that focus on the users’ self-presentation; virtual game worlds (e.g., World of Warcraft) depict a certain world with a certain goal to achieve; virtual social worlds (e.g., Second Life) replicate the real society for individuals to meet virtually. Reyneke et al. (2011) deepen the concepts of blogs, social networking sites, and content communities in six new categories: blogs and social networking websites have the same definition as for Kaplan & Haenlein (2010); micro-blogs (e.g., Twitter) allow users to read and post small written contents; picture sharing websites (e.g., Flickr) are online storage and exhibitions; the video sharing websites (e.g., YouTube) allow users to share and consume videos; and social new websites enable the distribution of links from any digital content.

One of the advantages of social media is that they can reach individuals who do not consume any type of traditional media, or users who have no trust in this system (Langaro et al., 2018). Maman Larraufie and Kourdoughli (2014) compare social media to a mass-media that leaves place to the individuals and to innovation. Social media succeed in reaching everyone, keeping a sense of openness (Jin, 2012) in a fully olfactory involvement (Hennigs et al., 2012a). Therefore, consumers trust social media, to the point that they visit them more than corporate websites (Tsai & Men, 2013): it became the primary source of information (Reyneke et al., 2011). However, with all this information circulating, one of the biggest threats consists in information overload (Daugherty & Hoffman, 2014).

### 2.3.2 Social media platforms

Active since 2004, Facebook is now established as the most famous social media: 50% of Internet users have a profile (Langaro et al., 2018). With more than 1 billion users, Facebook is considered the third largest “nation” in the world, after China and India (Kohli, Suri, & Kapoor, 2015). In 2010, the platform was the second most researched term in Google and users spent six and a half hours daily on the social media (Reyneke et al., 2011). Therefore, the social media is known to be a “sticky” website because the messages can take different forms to entertain the users, they endure, and spark interactions (Romão et al., 2019). Romão et al. (2019) affirm that Facebook is still the number one social media for brands, thanks to its huge community. Instagram, created in 2010, only allows users to post visual content (Erkan, 2015). Compared with Facebook, Instagram is in the appreciation of the instantaneity (Romão et al., 2019). According to Erkan (2015), Instagram has more than 300 million users and 70 million photographs have been published. Instagram is very popular among young consumers, since 71% of the 18-24-year-olds owns an account (Chu et al., 2019). Instagram is also popular among luxury brands, and more specifically the fashion industry because both imply a sense of creativity and aesthetics (Erkan, 2015, Chu et al., 2019, Romão et al., 2019). Available since 2005, YouTube publishes more than 24 hours of video every second (Reyneke et al., 2011). Lee and Watkins (2016) conducted a study acknowledging that YouTube had a positive impact in creating a relationship with luxury brands, especially when partnering with YouTube influencers.

### 2.3.3 Social media marketing and possible strategies

Nowadays, social media are considered the most successful marketing tool (Kwon et al., 2017). Social Media Marketing (SMM) can be defined as “social media as a marketing tools to communicate with customers and let them communicate with the others” (Rienetta et al., 2017, p. 411). Since several years, it is evaluated as one of the most important elements in the marketing mix (Schivinski & Dabrowski, 2016). Indeed, social media allow brands to inform, recall and persuade their consumers (Maman Larraufie & Kourdoughli, 2014) using a consumer-centric approach (Langaro et al., 2018). According to Kietzmann et al. (2011), firms first engaged in social media because discussions about companies happened on those platforms: in order to control the conversation and to have a say, they decided to participate. Actually, Naylor, Lamberton, and West (2012) insist on the limited effects on consumers of mere virtual presence. Therefore, companies are always spending more on digital advertisement (Heine & Berghaus, 2014). Thereby, more than \$8 billion were spent globally on SMM in 2012 (Chu et al., 2013). According to Naylor et al. (2012), 83% of the most successful companies in 2011 were using some sort of SMM to reach consumers. Thus, in order to remain pertinent and appealing need to invest in SMM to increase their visibility, improve their brand image, and connect with consumers (Hennigs et al., 2012a). According to Phan et al. (2011), the main platforms used by brands are Facebook, Twitter and YouTube. However, Kaplan & Haenlein (2010) underline the cruciality of the selection of the social media: the platforms chosen need to fit the brand spirit, or brands can also create their own application. Dealing with the different platforms can be risky: the content needs to be coherent and on the same wavelength (Kaplan & Haenlein, 2010). Monitoring is an important task on social media, in order to be aware of the overall reputation of the brand and to respond rapidly to a crisis (Tynan et al., 2010). Schivinski & Dabrowski (2016) warn the managers about the utilization of social media: they cannot be used as a traditional channel because it involves the idea of a dialogue between two parties. Therefore, Kaplan & Haenlein (2010) posit five key best practices to SMM: activity, interest, humility, unprofessionalism, and honesty. According to Phan et al. (2011), the most interesting benefit of SMM is its power to reach new segments of customers. Meanwhile, Gautam and Sharma (2017) underline the financial advantage of SMM compared to traditional media: its low price. More importantly, SMM proved its efficiency by having a direct correlation with sales’ increases (Naylor et al., 2012). If the intrinsic principals of social media are respected, they do not only provide more brand visibility (Schivinski & Dabrowski, 2016), but also grant access to much data or ideas about consumers, which helps marketeers to improve their service (Maman Larraufie & Kourdoughli, 2014). Social media reward ethical behavior because they imply a constant communication and thus, more transparency (Kohli et al., 2015). Furthermore, social media have the ability to truly engage consumers constantly (Quach & Thaichon, 2017) in direct, deep, and long-term relationships (Arrigo, 2018a), and hence to spark virality (Maman Larraufie & Kourdoughli, 2014). Moreover, social media provide a privileged continuation of the brand experience, which directly influences preferences (Gautam & Sharma, 2017). SMM can be interesting especially for new, niche, or high-quality brand because they can easily reach their target audience (Kohli et al., 2015). Brands were reticent to SMM at first because it entails several risks. First, social media allow stakeholders to express their opinions, so brands have less control over their brand image (Kohli et al., 2015). Moreover, social media cannot be considered as a traditional advertising platform: the approach and therefore the strategies need to be adapted (Phan et al., 2011). Then, social media allow for small competitors to raise their voice and hence, this represents an increase in competition, which leads to a more unstable market (Kohli et al., 2015). Finally, by expanding their functions, social media platforms are merging audiences and it becomes always more difficult to reach a particular audience (Pentina, Guilloux, & Micu, 2018). Even though SMM imply some risks, Schivinski & Dabrowski (2016) state that damaging information can be strategically handled and transformed into positive visibility. According to Kaplan and Haenlein (2010), companies are not totally ready to give consumers the power they deserve thanks to social media. However, a democratization in business communication is notable (Kietzmann et al., 2011): brands should encourage their own employees to use social media and communicate about their company (Kaplan & Haenlein, 2010). Social media are so important that they can be the source of the success or the failure of the company: brands need to put in place strategies to manage their online communication (Kohli et al., 2015). Kietzmann et al. (2011) presented a guideline for the strategy that firms should operate on social



media: first, they should analyse and understand the context of social media to place their company in the a strategic position; then, the company can develop a strategy that is aligned with the previous communication approach and the goals of the chosen social medias; next, the company needs to interact and manage the conversations on its pages and accounts with clear content and communication protocols; finally, companies need to benchmark about their competitor's actions, monitor the general trends and statistically analyse their performance on social media. About the type of strategy, Maman Larraufie and Kourdoughli (2014) affirm that a pull marketing strategy is essential on social media, because consumers are willing to act and to search for information. For Erkan (2015) adapting to the platforms also means a less product-oriented communication and adopt a more spontaneous and informal strategy, and create content that inspires consumers (Kwon et al., 2017). Indeed, by triggering emotions, companies might increase brand loyalty (Thakur & Kaur, 2016).

## 2.4 Marketing luxury brands

### 2.4.1 Marketing mix and strategies

Marketing is a very important part of luxury brands' success: Lauder usually invests more than 25% of its revenue, while LVMH almost spends 50 million euros a year in marketing and communication (Roux, 2009). Since marketing is decisive for luxury brands, the classical principles cannot be applied: luxury companies need to create new rules that fit their objectives (Kapferer & Bastien, 2009). Kapferer (2012) enunciates the rules that have led the luxury brand strategies for years, stating that three of them are not essential to a luxury positioning anymore: the control of distribution has weakened with the appearance of online retailers, the production has been delocalized, and by creating second lines, prices have not been continuously increasing. However, three other rules are of special interest for this research. Indeed, Kapferer (2012) affirms that a luxury strategy implies that brands communicate with a broad public that does not only include its customers. Moreover, the brand advertises to promote its image and not to increase the sales. More specifically, Arora (2011) articulates the luxury brand marketing mix around eight Ps. First of all, *Performance* refers to the experience linked with luxury brands (Arora, 2011). Buying a luxury product automatically means enjoying a certain lifestyle experience (Atwal & Williams, 2017). Luxury brands aim at selling more, a product that cannot be compared to any other, and key goal is to provide a unique and customized experience around the product (Loureiro et al., 2018). Brand experience is a complex construct that encompasses feelings, symbols, atmospheres and even the packaging that increases customers' satisfaction (Shao et al., 2019). Atwal and Williams (2017, p. 341) define experiential marketing as "an approach that in contrast to the rational features-and-benefits view of consumers takes a more postmodern orientation, and views them as emotional beings concerned with achieving pleasurable experiences". Luxury goods are commonly seen more as a set of tangible and intangible assets because they involve all senses (Okonkwo, 2009). The experience may take different forms: entertaining, educative, escapist or aesthetic, according to the customers' involvement (Atwal & Williams, 2017). Turunen and Leipämaa-Leskinen (2015) notice that the experience is transferrable: second-hand items are sometimes still very expensive because they entail the experience. Luxury brands usually open flagship stores in order to provide the experience: these stores allow to effectively get the customers attention, express the brand's identity in an original set up and improve the overall reputation (Arrigo, 2018b). Also, brand meanings can be constructed around events: for example, Chopard is known for being an official partner of the prestigious Cannes Film Festival (Arora, 2011).

Secondly, *Pedigree* designates the story and history that the brand communicates and that creates the fascination for the brand (Arora, 2011). Most often, the stories involve the notions of heritage, status, accomplishment (Keller, 2009). Therefore, the technique of storytelling is much used because it triggers emotions and spreads rapidly (Park, 2014). Interestingly, sometimes the story lays on untruthful facts, as for Ralph Lauren (Kapferer & Bastien, 2009). Thirdly, *Paucity* consists in the illusion of scarcity that increases consumers' desire for the

brand (Arora, 2011). Limited editions are a well-known strategy to create this effect (Peluso et al., 2017). Then, *Persona* refers to the brand values and personality, and the emotions associated with it (Arora, 2011). Since luxury brands communicate on key characteristics such as quality and durability, Turunen and Leipämaa-Leskinen (2015) demonstrated that luxury consumers might also be concerned with sustainability. About the brand personality, Tong et al. (2018) noticed that it usually holds similar features as a human personality because it facilitates the construction of a relationship with consumers and represents the promise of the brand (Keller, 2009). Adapting to the brand scale of Aaker (1997), Tong et al. (2018), state that luxury brand personality holds four dimensions: snobbism, prestige, competence, and romance. This concept is crucial because it influences consumer's brand trust and commitment (Tong et al., 2018). Therefore, it is important for the management to build, assimilate, and communicate a unique and exclusive brand personality (Tong et al., 2018). Furthermore, the perceived brand personality is decisive because consumers will purchase brands that have similar personalities to their own (Teichmann, 2013). A new characteristic of the *Persona* that luxury brands have been exposing is their engagement towards social and environmental causes (Mititelu et al., 2014). Cause-related marketing is defined as "an instrument of Corporate Social Responsibility, bringing incremental benefits into the business, through commitment in associating the marketing function with the ethical dimension of the business (Mititelu et al., 2014, p. 286). Giorgio Armani used this strategy launching the Acqua for Life challenge, an initiative to raise funds to provide drinkable water in schools in several third world countries, in order to differentiate themselves from their competitors; cause-related marketing has proven to increase the turnover by improving the brand reputation (Mititelu et al., 2014). Indeed, the company reported that not only they collected more than 40 million litres of water, but they sold circa 400'000 perfumes and gathered more than two million reactions on Facebook (Mititelu et al., 2014). Since the *Persona* should appeal to luxury consumers, many brands rely on recognizable artworks that are considered as chef d'oeuvres (Peluso et al., 2017). For example, Hermès relied on Courbet and Gauguin in 2011, Dior used Manet in 2013, and Gucci counted on Magritte and Hayez in 2015 (Peluso et al., 2017). This strategy can be justified when consumers' motivations are very status-oriented, but it is not recommended if consumers are in need for uniqueness (Peluso et al., 2017).

Next, *Public Figures* are part of the luxury brands' marketing mix, as they place their products within movies, on red carpets and on YouTube videos now (Arora, 2011). This strategy aims at inducing the consumer into thinking that the celebrity bought the product on her own (Arora, 2011). This association with influencing personalities from various areas globally improves the brand visibility and if the celebrity matches the brand, the image of the brand is boosted (Tynan et al., 2010). With the explosion of blogs, brands are now relying on bloggers, the new tastemakers, to promote their brands because they have a high credibility among their readers (Cissé-Depardon & Zouari, 2016). The brand and the choice of the influencer need to be coherent: the partnership will seem more real if the blogger already expressed her love for the brand and if the message is independently handled by the blogger (Cissé-Depardon & Zouari, 2016). Following the influencers recommendations, consumers create a relationship with the brand and increase purchases (Lee & Watkins, 2016).

Related to *Public Figures*, *Placement* is a crucial element in the marketing mix: the place and environment in which the brand evolves involve the senses of the consumers (Arora, 2011). Indeed, the product can be placed in a specific context and become really famous for this association: for example, when Jimmy Choo decided to place its products in *Sex and the City* clearly impacting the desire for the brand (Park, 2014). *Placement* stands for the efforts and care in the choice of points of sales that need to reflect the brand personality (Kapferer & Valette-Florence, 2016). Thus, pop-up brand stores are trendy because they involve a true immersion in the brand spirit and therefore increase WOM (Klein et al., 2016). However, *Placement* is also about creating an experience for customers to enjoy the brand: Pozharliev et al. (2015) suggest that dressing the collaborators with branded products increases sales because consumers can appreciate the products in action. There are eight touchpoints to care for when it comes to luxury brands: the corporate website, search engine optimization, mailing, digital advertising, brand communities, social campaigns, web apps, and e-commerce platforms (Heine and Berghaus, 2014).

*Public relations* are important to diffuse the brand message in the adapted circles: companies need to carefully choose the media they appear on in order to create the buzz (Kapferer & Valette-Florence, 2016). Networking is the key to gain access to privileged niche customers and improve brand reputation by increasing WOM (Tynan et

al., 2010).

Lastly, *Pricing* has an important impact in the consumers' mind (Arora, 2011). Indeed, Parguel et al. (2016) explored the effects of price displaying and discovered that openly disclosing it had a positive influence on consumers' attitude and desirability. Moreover, brands need to explain their pricing through the other seven pillars of the marketing mix (Arora, 2011). A key strategy according to Kapferer & Valette-Florence (2016) to appeal to more customers is to generally remain expensive, but to create a more accessible line an unreachable line.

#### 2.4.2 Social media marketing, strategies and nature of the message

As explained earlier, luxury brands were reluctant to developing social media marketing strategies (Lee & Watkins, 2016). According to Arrigo (2018a), the hesitation was driven by three aspects: first, the digital world is complex and versatile. Indeed, the Internet offers illimited opportunities that companies need to understand, instead of focusing on the website only (Okonkwo, 2009). However, Heine and Berghaus (2014) underline that the website is the first step to the digital presence and consumers still largely rely on it when searching for information. The second challenge for luxury brands is the abundance of platforms and their features, which metrics are not well established yet (Keller, 2009). Thirdly, the idea behind the Internet seemed conflicting with the construct of luxury (Arrigo, 2018a). In fact, Keller (2009) identified three paradoxes impeding luxury brands to develop social media profiles: exclusivity- accessibility, acquisition-retention, and classic-contemporary. These trade-offs challenged marketing managers, who aimed at accessing more customers while staying exclusive (Klein et al., 2016). Despite this vacillation, many luxury brands engaged with social media, such as Burberry, Louis Vuitton, Dior, Prada, etc. (Lee & Watkins, 2016). Social media are above all an opportunity to reach and interact with Millennials (Quach & Thaichon, 2017). Yet, social media allow managers to spread a large amount of information rapidly and instantly, which in an opportunity to educate consumers or in times of crisis (Chu et al., 2013). Prentice and Loureiro (2018) affirm that a traditional approach would not affect Millennials' attitude towards luxury brands. Luxury consumers are always younger and more connected (Cissé-Depardon & Zouari, 2016), and thus, there expectations and needs are changing (Okonkwo, 2009); companies need to invest in social media marketing to stay relevant to these new segments (Arrigo, 2018a) and keep a constant contact (Quach & Thaichon, 2017). According to Choi et al., (2018), more than 75% of luxury consumers use social media. Therefore, these are now established as a powerful strategic tool (Phan & Park, 2014). Several studies identified the advantages of social media marketing for luxury brands: it increases customer equity (Rienetta et al., 2017), it positively impacts the intention to purchase (Kim and Ko, 2012), the preference towards the brand (Godey et al., 2016) and consumers' inclination to trust (Ko et al., 2017). Social media marketing also enables the creation and maintenance of a strong relationship with the customers (Dall'Olmo Riley & Lacroix, 2003), the sharing of brand knowledge, and triggers the UGC content creation and eWOM (Koivisto & Mattila, 2018). Indeed, some of the consumers might be sensitive to social media marketing because they feel uncomfortable in physical luxury stores (Rienetta et al., 2017). Despite the positive influence, Park et al., (2018) warn the managers about the negative effects that need to be identified in order to be limited.

Maman Larraufie and Kourdoughli (2014) generally assess luxury brands' application of social media marketing and notice that some traditional codes are excluded from the strategy, such as rarity, customization, emotion, and experience. Moreover, luxury brands tend to use it as a classical communication channel, pushing the information towards the customers (Heine & Berghaus, 2014). Hence, only 15% of consumers are routinely engaged on social media (Phan et al., 2011).

Okonkwo (2009) perceived a low commitment towards new technologies from luxury brands: Versace and Prada launched their corporate websites only from 2005. Nowadays, luxury brands seem to acknowledge all the benefits they provide, and thus invest in new technologies (Ramadan et al., 2018). Regarding corporate websites, Van Cleef & Arpels are considered innovators because they succeed in reproducing the brand ambience online (Okonkwo, 2009). Furthermore, Viktor & Rolf reproduced digitally their concept stores, in order to involve the users in the exact experience (Hennigs et al., 2012a). As for e-commerce, Gucci is acknowledged as a pioneer because they realized a video to present every product (Hennigs et al., 2012). Concerning social media, the first online brand community was created on MySpace in 2005 by Cartier (Kim & Lee, 2017). However, according to

Kim and Ko (2012), the most popular social media among luxury brands are Twitter, Facebook and YouTube. Traditional luxury brands try to innovatively communicate their brand image on social media (Chu et al., 2019). For example, Louis Vuitton broadcasts live their fashion shows on the different platforms that enable this function (Kim & Ko, 2012) and Giorgio Armani recreated a store in the virtual game Second Life (Okonkwo, 2009). Luxury brands such as Coach try to engage with consumers in a dialogical conversation, challenging them to share content with the company (Park et al., 2018). Currently, Chanel is recognized as the most influential and innovative brand on social media (Chu et al., 2019). Though, Burberry was the leader for a couple of years, thanks to its online community called “The Art of the Trench” that shared consumers best looks wearing the iconic trench coat (Hennigs et al., 2012a). This brand community place Burberry as the first luxury brand implementing crowdsourcing as a strategy (Phan et al., 2011). Not only, it allowed the brand to regain a young and avant-gardist image, which caused an increase in sales of 40% (Lee & Watkins, 2016). Burberry is not the only brand that decided to create its own platform, Fendi launched “F is for Fendi” to engage Millennials particularly in sharing branded content (Hennigs et al., 2012a).

In order to take advantage of social media, managers need to define an overall digital strategy that is coherent with the strategic management (Heine & Berghaus, 2014). The objectives of this strategy might, for example, involve an increase of the number of followers or an increase in the number of interactions (Heine & Berghaus, 2014). Presently, luxury brands seem to follow “the more, the better” objectives, trying to gain followers and to post as often as possible (Heine & Berghaus, 2014). Researchers generally agree that a major objective for luxury brands should consist in the maximization of dialogic communication (Heine & Berghaus, 2014). Yang and Mattila (2017) affirm that managers satisfaction is driven by audience’s reactions only. Dauriz et al. (2014) suggest that marketers should adapt the messages to their audience and benchmark the chosen strategy with the closest competitors in order to identify key KPIs. Several researchers analyzed the potential strategies that luxury brands should develop in order to entertain their audience (Heine & Berghaus, 2014). Okonkwo (2009) underlines that managers may succeed in overpassing the trade-offs, using the right approach. First of all, social media play on immediacy: the communicated information needs to be true to keep a high credibility (Chu et al., 2013) and avoid the destruction of the brand (Quach & Thaichon, 2017). Moreover, since luxury brands aim to market the best products, the content they diffuse should also have a superior quality (Phan et al., 2011). Kohli et al. (2015) emphasize this argument, stating that bad content would also give an opportunity to detractors to criticize the brand. For this reason, Chu et al. (2019) encourage luxury brand managers to focus their efforts on a specific platform that is coherent with the brand image. Therefore, Pentina et al. (2018) recommend posting less, but more qualitative content. Regarding the different formats, Romão et al. (2019) suggest that visual messages are more adapted to luxury brands because aesthetics are part of the construct. At the same time, Pentina et al. (2018) highlight the importance of textual content, which motivates interactions in the comments section. About the type of messages, Kapferer (2012) identifies three different strategies that luxury brands have adopted: first, some brands trigger the virtual rarity feeling when launching limited editions; second, luxury brands often iconize one particular product and turn it into their reference per excellence; third, most brands create a legendary story for the brand, that might be inspired by the founder(s). Furthermore, Kim and Ko (2012) affirm that luxury brands’ social media marketing is driven by five constructs: entertainment, interaction, customization, trendiness and word of mouth. Indeed, since luxury brands aim at attracting more customers, they need to generate emotions and feelings to the consumer (Kim & Lee, 2017). Arrigo (2018a) explains that Louis Vuitton executes Kim and Ko’s model well: they share entertaining content, opinions, trends, and they communicate individually to their followers. Comparing luxury brands’ activities to normal brands, Arora (2011) states that luxury brands communicate more emotional, sensual, recognizable, and branded messages. In fact, luxury brands master the traditional AIDA (Attention, Interest, Desire and Action) technique when communicating (Prentice & Loureiro,



2018). Moreover, luxury brands are adepts of the storytelling technique that they now apply through short videos that attract consumer's attention (Arora, 2011). Choi et al., (2018) conducted a study about the efficiency of benefit-based versus attribute-based messages. Since luxury brands establish a certain distance with consumers, the processing of the information requires a high level, so to say an abstract way of thinking (Choi et al., 2018). All in all, luxury brands should focus on benefit-based messages to improve the interaction with their customers, rather than using attribute-based messages (Choi et al., 2018). Even though, in individualistic cultures, such as Germany, consumers tend to be more receptive to explicit and clear communication, so attribute-based messages (Choi et al., 2018). Therefore, managers need to pay close attention to the cultural context and its influence on consumers (Choi et al., 2018). Furthermore, a customized message might increase the efficiency of the message (Choi et al., 2018). More than the difference between attribute-based versus benefit-based, messages constructed to stimulate extrinsic motivations are appreciated by consumers (Shao et al. 2019). Then, implicitly narrating the message instead of explicitly stating it also contributes to the consumers' assimilation and persuasion because they feel involved in the story (Kim et al., 2016). The nature of the message is very important in the social media context because consumers are more committed, and therefore mind the form (Choi et al., 2018).

## **2.5 Co-constructing a luxury brand**

### *2.5.1 Luxury consumers' online behavior*

For luxury brands, knowing who the message is reaching, so to say who are the followers of the brand, is essential (Ramadan et al., 2018). Yet, the immenseness of the web has turned the segmentation and profiling of consumers more complex than before, because they entertain more relationships with more correspondents (Okonkwo, 2009). According to Wiedmann et al., (2009), the typical luxury lover used to be cosmopolitan, multilingual, and an opinion leader. Nowadays, with social media, Ramadan et al. (2018) retrace the different categories of luxury brands followers: pragmatists are not interested in purchasing; bystanders only explicit a passive concern towards luxury brands that they esteem because of their high price; trend hunters are active followers because they want to exhibit the new fashion trends; image seekers appreciate luxury brands for their prestigious image, the experience that they convey, and value their intangible benefits; passionate owners hold a strong affection towards selected brands and enter the consumer-brand relationship before the purchase. According to Ramadan et al., (2018), communication is generally simpler with image seekers, who already believe that luxury brands are outstanding. Moreover, passionate owners may seem the easiest public to attract, but their intentions of purchase may be limited to one product (Ramadan et al., 2018). These categories were created not taking into account the cultural differences of each country. Indeed, consumers seem to build similar narratives, equivalent to myths or dreams from the brand communication (Kim et al., 2016). However, their ways of expressing these ideas completely diverge (Kim et al., 2016). If most luxury brands now use social media platforms to share information with their stakeholders, it's because luxury consumers pressured companies by shopping, sharing and searching information online (Okonkwo, 2009). Web 2.0 technologies not only changed corporate practices, but they also transformed consumer behaviours, value systems and attitudes (Okonkwo, 2009).

### *2.5.2 Attitude towards a brand*

Fishbein and Ajzen (1975) define attitude as "a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object" (cited in Schade et al., 2016, p. 316). Attitudes regard a particular object or concept while values are more general and durable (Schade et al., 2016). Langaro et al. (2018, p. 149) define brand attitude as "the evaluative dimension of brand image, which results from consumer's beliefs and feelings towards the brand's attributes and benefits". According to Schivinski and Dabrowski (2016), the concept of brand attitude is commonly associated with an overall evaluation of the brand. Attitudes psychologically help consumers in categorizing concepts (Schade et al., 2016), by expanding rewards, diminishing

punishments, and improving self-esteem (Choi et al., 2018). However, brand attitudes also supply two social functions: on the one hand, the value- expressive attitude is related to consumption for self-expression; on the other hand, the social- adjustive attitude concerns consumers' social status image (Annie Jin, 2012). When consumers are driven by the need for uniqueness, brand attitude serves a value-expressive function; when consumers have a need for social status, brand attitude handles a social-adjustive function (Shao et al., 2019).

Brand attitude is created from product attributes, but many other factors influence this concept (Schivinski & Dabrowski, 2016). Brand attitude is biased by consumers' brand awareness and brand image (Schivinski & Dabrowski, 2016). Another factor that influences attitude is brand consciousness (Chu et al., 2013). Individuals are considered brand conscious if they "have a high regard for brands and take an active interest in learning about brands through commercial media sources" (Chu et al., 2013, p. 162). Indeed, if consumers have a high level of brand consciousness, the interest for the brand is already strong (Chu et al., 2013). Moreover, brand attitude can be altered by brand communication strategies and past experiences (Langaro et al., 2018). Therefore, companies should diffuse credible and qualitative messages in order to positively influence consumers' attitude (Schivinski & Dabrowski, 2016). Indeed, in their study, Schivinski and Dabrowski (2016) investigate the effects of social media on consumer attitude, and therefore on purchase intention. Social media offer a new perspective to engage consumers with the brand: once they are committed, the attitude towards the brand is improved (Phan et al., 2011). Not only do social media influence brand attitude, but they induce consumers to spread the word through eWOM (Schivinski & Dabrowski, 2016). Hence, consumers' satisfaction of the platform also influences the attitude towards the brand (Quach & Thaichon, 2017). Finally, culture also participates in shaping brand attitude: consumers in individualistic cultures choose brands according to more intricate principles than collectivist individuals (Choi et al., 2018). Furthermore, Kamal et al. (2013) state that customers from developing countries generally hold more positive attitudes. Dubois et al. (2005) identify three types of attitude towards luxury brand consumption: elitists believe that only some part of consumers should be able to have access to luxury products; democrats think that a major part of consumers should gain access to those products; distant are not interested in purchasing luxury products and believe that they will never be able to do so. Dubois et al. (2005) also explored the influence of religion on brand attitude: most Protestants are part of the democrats, while almost no Catholic is part of that group.

Consumer attitude is an important concept because it influences several crucial variables. First of all, consumer attitude has an impact on value equity and brand equity (Ko & Megehee, 2012). Value equity can be defined as "the customer's objective assessment of the utility of a brand, based on perceptions of what is given up for what is received", while brand equity is "a customer's subjective and intangible assessment of the brand over and above its value" (Kim & Ko, 2012, p. 1481). According to the Theory of Planned Behavior, consumer attitude also influences consumers' behavior (Schade et al., 2016). Indeed, their interest in the brand is stronger and the brand choice can be anticipated (Schivinski & Dabrowski, 2016). Moreover, if consumers have a positive attitude towards a brand, their intention to purchase increases, in particular for luxury brands (Kim & Lee, 2017).

### 2.5.3 *Creating the consumer-brand relationship through engagement*

For consumers, building a relationship with a brand that corresponds to one's own personality is natural (Tong et al., 2018). A preliminary influence on consumer-brand relationship is a strong brand attachment and trust (Thakur & Kaur, 2016). Brand attachment is composed of seven aspects: memories, pleasure, life idea, places, occasions, support, utility, and self-identity (Thakur & Kaur, 2016). The solution to strengthen the relationship is proximity: it represents the opportunity to trigger consumers' emotions directly (Thakur & Kaur, 2016). Once a customer purchases a product of the brand, the relationship is automatically improved (Thakur & Kaur, 2016). In order to create and maintain a positive relationship, luxury brands can improve after sales services and regularly rewarding the loyal customers (Thakur & Kaur, 2016). Furthermore, Koronaki, Kyrousi, and Panigyrakis (2018) affirm that Arts-Based Initiatives potentially build and shape the consumer-brand relationship, by including an emotional aspect to the brand. Creating a two-way communication flow offers many opportunities to luxury brands (Quach & Thaichon, 2017). Effective customer relationship management is the key to regularly pointing

out the brand to customers (Loureiro et al., 2018). Above all, creating a relationship with customers becomes a technique of differentiation from the competition (Ramadan et al., 2018). Moreover, the consumer-brand relationship influences customer loyalty, which helps the brand gain an improved position in the market (Thakur & Kaur, 2016).

On the one hand, brand-consumer engagement is defined as “a brand’s motivational state to connect and build social relationships with all consumers” (Park et al., 2018, p. 2). On the other hand, customer engagement is defined as “a participant’s emotionally motivating experience of interaction with a brand and with its advertising” (Kim et al., 2016, p. 305). According to Ramadan et al. (2018), customer engagement can be divided in three types: affective engagement involves an emotional response; cognitive engagement implies brand knowledge; and behavioral engagement relates to actions taken by the customer. Moreover, Kim et al. (2016) consider that there are two type of engagement: personal and social-interactive. Generally, there are six reasons to engage with a brand: informational, social status, financial, hedonic, relational, and emotional (Pentina et al., 2018). Companies value customer engagement because it offers an opportunity of co-creation (Prentice & Loureiro, 2018). Moreover, according to Godey et al. (2013) young consumers’ relationship with luxury brands are more rational than emotional, which is paradoxical, considering that the main reason behind luxury consumption is high-status seeking (Dion & Borraz, 2017) and that luxury brands have been using storytelling techniques triggering emotions. Furthermore, the most engaged audiences come from emerging markets. The relationship strongly depends on the interactions between the two parties (Gautam & Sharma, 2017), which represents an added value for customers (Phan et al., 2011). Kim et al. (2016) identified seven dominant topics in consumers’ interactions with luxury brands: status, romance, dream, self-esteem, beauty, activation, and other-directedness. Since luxury brand consumers increasingly use social media, they are the perfect drive to increase brand awareness and engage with consumers (Choi et al., 2018). Consumers are always spending more time on these platforms (Kamal et al., 2013). Indeed, online interactions influenced 75% of luxury purchases in 2015, according to Ramadan et al. (2018). By engaging with consumers, brands create the brand-consumer relationship and reduce psychological distance between the two (Park et al., 2018). Therefore, social media facilitate the creation of relationship by providing a sustainable, trustworthy (Maman Larraufie & Kourdoughli, 2014) and friendly communication system (Kim & Ko, 2012). The reasons to engage in a social media context are primarily remuneration and empowerment (Tsai & Men, 2013). On the one hand, Tsai and Men, (2013) state that even if social media engage, most users are more passive than active. On the other hand, Kwon et al. (2017) emphasize the possibility of co-creation enabled by consumer’s engagement. Pentina et al. (2018) advise to closely manage the low-effort engagements online because their impact is significant. The process of co-creation requires a lot of efforts from the management (Quach & Thaichon, 2017). Indeed, the implication of brands online is very often criticized (Cissé-Depardon & Zouari, 2016) and consumers may express their discontent on social media, influencing other users and damaging the relationship (Kaplan & Haenlein, 2010). Moreover, the online brand presence may diminish the psychological distance: brands need to engage with key stakeholders according to Park et al. (2018). On the contrary, according to Kim & Lee (2017), brands should increase their interactivity as much as possible because it positively impacts brand attitude and it implements a strong long-term consumer-brand relationship.

#### *2.5.4 Electronic Word of Mouth and User-Generated Content*

Although managers aim to create a unique message that should be understood in the same way by all users, in reality, all individuals perceive, interpret, and share messages differently (Roper et al., 2013). This way, conceptualizations of the messages depend on consumers culture, experience, mood, etc. (Roper et al., 2013). The brand co-creation happens when consumers share their opinion and feelings about the brand, contributing to the content and the identity (Pentina et al., 2018). Therefore, even the image of the brand is influenced by consumers added value (Phan et al., 2011). Co-creation implies a change in the nature of the brand identity from stable to dynamic (Pentina et al., 2018). The definition of the brand becomes a collaboration, similar to a crowdsourcing system that create when interacting because each party adds knowledge (Tynan et al., 2010). Indeed, users’ personality interacts with others’ and the brand’s

identity (Pentina et al., 2018). Therefore, users become allies and stop being merely an audience (Phan et al., 2011). However, misunderstandings or infobesity can lead to a co-destruction of the brand (Quach & Thaichon, 2017). Social media involve three types of behaviors: consuming content, contributing to existing content and creating content (Langaro et al., 2018). The medium-to-high-effort engagements that consumers achieve on social media are either eWOM, so to say the passing on of the brand's message or UGC, users' own message creation (Schivinski & Dabrowski, 2016).

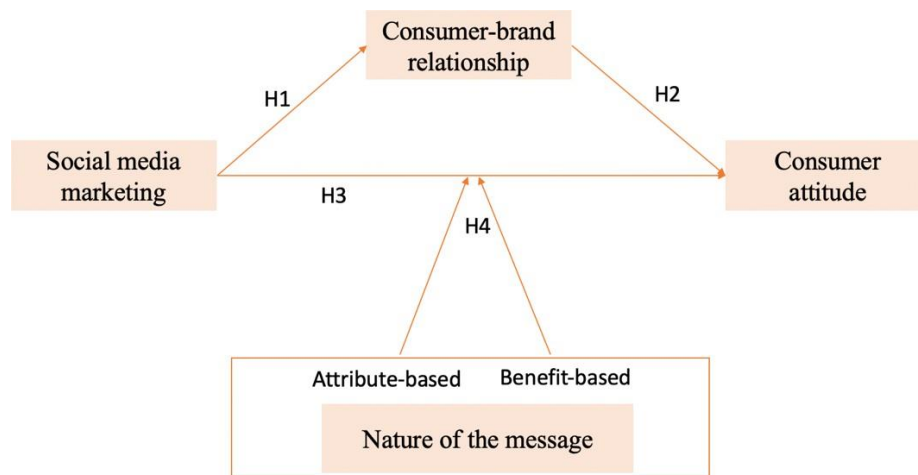
Luxury brands bridge consumers' need for status and hence, are displayed with pride: luxury products are per se driving forces of eWOM (Kohli et al., 2015). Indeed, consumers are expected to brag about their luxury purchases on social media, which constitutes a strong customer engagement (Kwon et al., 2017). Daugherty and Hoffman (2014, p. 83) define eWOM as "any positive or negative statements made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet". eWOM can either be positive or negative: when negative, its impact is higher and consumer attention is increased (Daugherty & Hoffman, 2014). eWOM is able to spread across various social media typologies, may it be photographs, long texts, links, or videos (Erkan, 2015). According to Godey et al. (2016), eWOM can be divided in three categories: opinion seeking, giving or passing. Chen et al. (2011) report that 71% of U.S. adults use eWOM for opinion seeking and consumers tend to believe that eWOM is more credible and relevant than brand communication (Godey et al., 2016). Users have the ambition to share their passion through social media and deploy much effort in their spare time to engage in the community (Brogi et al., 2013). Opinion giving eWOM might be triggered by the aspiration of presenting a certain status, or mostly because of a very satisfying or dissatisfying experience (Chen, et al., 2011). According to Kim and Ko (2012), 60% of social media users claimed that they were likely to pass on information online. Marketers can benefit from eWOM because they can interrupt a negative dialogue and they can establish a positive conversation in presenting authentic information. According to Daugherty and Hoffman (2014), consumers spend more time evaluating luxury eWOM because of the importance of the message. Status-seeking consumers are more likely to spread eWOM because it is a form of signalling (Yang & Mattila, 2017). Also, Millennials enjoy more involving into eWOM than adults (Shin et al., 2017). Brogi et al. (2013), underline that the increase in eWOM participation has turned users in well-informed consumers. Indeed, social media are now the primary source of information for unknown brands (Naylor et al., 2012). Users are now considered as kings since they have a total control: they decide which message is important, if it is positive or negative, and they generate the discussions around the brands (Okonkwo, 2009). The only power remaining to marketers is the shape of the initial dialogue (Kohli et al., 2015). Consumers have the opportunity to become brand advocates, sharing their knowledge and opinions with other users (Prentice & Loureiro, 2018). In order to understand and impact the conversation, brands need to implement an interactive consumer-brand relationship (Kohli et al., 2015). According to Ramadan et al. (2018) more than 60% of consumers trust eWOM, while only 14% trust brand advertisements. UGC is encouraged by luxury brands in the process of co-creation, so that they can diffuse their experiences with the brand and give a constructive feedback (Koivisto & Mattila, 2018). UGC can be triggered by branded events because consumers feel fully involved (Koivisto & Mattila, 2018) and feel the brand (Keller, 2009). Afterwards, consumers who expressed a lot of interest can be selected as brand ambassadors to continue disseminating eWOM and creating new content about the brand (Koivisto & Mattila, 2018). Positive and negative UGC operate as pro-brand and anti-brand online communities that are always growing (Annie Jin, 2012). Quach and Thaichon (2017) affirm that users discuss a lot about brands in dedicated virtual communities. Online brand communities are generally global, specialized and members hold a feeling of belonging (Kim & Lee, 2017). Members of the community show a stronger degree of relationship with the brands (Kim & Lee, 2017). If the identification with the group is high, the level of engagement rises and the members generate more UGCs (Tsai & Men, 2013). Most social media communities are unregulated: therefore, the engagement and discussion are sincere (Schivinski & Dabrowski, 2016).



### 3. RESEARCH MODEL AND HYPOTHESES

The context of the research being restricted to millennials, the following hypotheses and research model aim at being applicable only to this specific segment of the population.

Figure 2: The conceptual framework diagram



Luxury brands previously installed a certain distance with consumers in order to position their products as inaccessible. However, social media can be used to co-create a brand community and a relationship between a brand and its customers. Therefore, the first set of hypotheses tests whether the traditional luxury brands vision resists social media or whether this distance is broken.

*H1: Social media marketing has a direct effect on the consumer-brand relationship.*

The statement that a change in the consumer-brand relationship will consequently induce a change in the consumer's feelings and beliefs about a brand seems quite intuitive. Still, it deserves to be tested empirically, also because of its impact on the other hypotheses.

*H2: Consumer-brand relationship influences consumer attitude towards a luxury brand.*

To summarize, H1 and H2 aim to test the influence that social media marketing has on consumer attitude towards a luxury brand mediated by the created consumer-brand relationship. The following hypothesis aims to tests the direct effect of social media marketing on consumer attitude, to which many researchers alluded (Godey et al., 2016, Ko et al., 2017).

*H3: Social media marketing has a direct effect on consumer attitude.*

The literature has enlightened how social media now request to create a relationship and use a two-way communication. In doing so, the messages that a brand send to the customers can be either attribute-based or benefit-based. According to Choi et al. (2018), the latter is preferred when marketing luxury brands because they increase the interaction between the brand and the customers. However, the research does not explain whether the messages affect consumer attitude. This hypothesis aims to test the influence of the nature of the message on the effect that social media marketing has on consumer attitude.

*H4: On the one hand, a benefit-based message reinforces the effect of social media marketing on consumer attitude. On the other hand, an attribute-based message damages the effect of social media marketing on consumer attitude.*

## 4. METHODOLOGY

### 4.1 Research design

The chosen research design for this study is descripto-explanatory. Descriptive designs aim at pointing at a state of the reality at a certain time. The focus of descriptive designs stands in the “how” and therefore, the sample of participants needs to be quite specific, but randomized. A descriptive design enables to define how social media influence the relationship and the attitude towards the brand, which is the main goal of this study. As Jann and Hinz (2016) affirm, descriptive design does not challenge causality and necessitates a common source of data. The descriptive part is mostly already present in the literature review.

In contrast, explanatory designs answer the causality between variables. However, the established survey should reliably measure the concerned items, to ensure that the calculated relationship indeed relates to the identified constructs. The mix of both designs allows the explanations to be derived from the previous existing descriptions. The second method chosen for this study is social media research. The online research enters the category of netnography in the sense that the aim is to understand the activities in the different social media communities through observation. One of the advantages of this method is that it allows the researchers to avoid intruding the community. The entrance to the communities was not a problem since anyone can follow these brands. The interest of this research was based on the messages sent by the brands and the reaction from the community. The observational research was based on an adapted version of the “PERCEIVE” framework, focusing on the expressions and existence of adaptors, because it explicitly emphasizes the interactions, routines, motivations and rituals (Arnould & Epp, 2006).

#### 4.1.1 Types of data

The primary data collected for this study were obtained through an online survey and an online research. The decision to use quantitative primary data is motivated by the analysis methods chosen, in accordance with the conceptual framework. Quantitative data is important for this research, in order to test the causal effects between social media marketing consumer-brand relationships and attitudes and the role of the nature of the message in this framework. The netnography will either provide a confirmation of the results, or enlighten a possible misunderstanding; therefore, it will strengthen the study. Moreover, the mix of two methods allows a better-quality study by decreasing the researcher’s bias on the results.

#### 4.1.2 Data collection method

This first research is deductive since it starts with hypotheses, which is a concise affirmation about the aim of the study, given the present knowledge about the variables. The quantitative method allows to test the research

question precisely and on a large sample. The common mean to collect quantitative primary data is the questionnaire. The survey was developed using the platform [www.qualtrics.com](http://www.qualtrics.com). The survey was self-administered on the Internet through popular social media, but mostly on Facebook for convenience reasons. This way, the participants were able to decide the place and moment to fulfil the survey.

The decision to elaborate an online survey is based on the idea that it enables to collect the data directly and rapidly from the actors and to reach a larger sample. A questionnaire conditions the quantitative data in a standardized method that leads to more consistence and more coherence (Malhotra, 2006). Moreover, the survey limits the interaction between the participants and the researcher, so that the possible biases are restricted. Furthermore, an online survey distributed through social media allows to target the selected sample, so to say online users who are subject to social media marketing. The online survey also holds the advantage of facilitating the transmission and time-consumption for the participant, which might have an impact on the participants' will to first engage in the survey. The questionnaire allows to collect three types of information: basic information is related to the research question; classification information is related to the socio-demographic characteristics of the participant; identification information refers to the more personal information needed for the research. In this research, most questions aim to gather either the first or the second category of information. Even though online surveys also allow the collection of paradata, these were not taken into consideration for this research, also for anonymity purposes. For the social media research, in order to obtain the best data, a systematic data collection was put in place on two social media: Instagram and YouTube. These platforms were chosen because they are part of the top three platforms among millennials. The mix of well-known platforms and famous brands allows a better understanding of strategies that are in place in the segment. Snapchat is also one of the most popular platforms, especially among the youngest millennials. However, its structure does not enable a systematic and methodical analysis of the content created either by the brands nor by the consumers.

#### *4.1.3 Sampling method*

The participants of the survey will constitute a voluntary sample, that will be interested by the topic of the study. The advantage of this method is that the participants have some knowledge on the topic and will therefore understand the language that will be used. Furthermore, by limiting the participants error, this sampling method will increase the reliability of the collected data. The sample of this study will only be composed of millennials living in Switzerland. This decision was taken for two main reasons: first, because recent studies have mainly focused on Asian consumers, but European also consume luxury goods; and second, because cultural differences might affect the participants' answers, only one nationality was chosen. Indeed, Godey et al. (2013), found that nationality is a determinant factor for attitude towards luxury consumption and brands. Swiss consumers appear a good sample for this study, knowing that the average salary is quite high compared to other Western European countries, which implies that luxury brands are a relevant good category. The sample will be composed of millennials according to Howe & Strauss' (2009) definition, so to say individuals that were born between 1982 and 2004. The questionnaire was published on Facebook, LinkedIn and Instagram. In the end, a total of 220 surveys were filled in over a period of three weeks. However, only 131 were valid for this research.

For the social media research, eight brands were selected mixing the individuation of the most successful fashion luxury brands by Kapferer (2012) and the selected brands for the survey. Hence, data was collected from the following brands: Balenciaga, Bulgari, Chanel, Dior, Gucci, Louis Vuitton, Michael Kors, Prada. Regarding Instagram, the ten last posts and five comments per post were analyzed and categorized. On YouTube, the last five videos posted and the five first comments below these were analyzed.

## **4.2 Credibility of research**

The research is credible if it is as reliable and valid as possible. Reliability is a measure that explains to what

extent the survey instrument's data are reproducible (Litwin, 1995). The questionnaire was designed to minimize the random and measurement error using specific sampling techniques. Reliability assessments are not sufficient to affirm credibility of the research: validity needs to be established.

Validity tests the acknowledgment that the items really measure what they are meant to. Jann and Hinz (2016, p. 111) distinguish internal validity which "is given if it is possible to interpret results" and external validity which "is achieved if results can be generalized from the sample". In this research, both validities are important since we strictly defined the population of the sample and the goal is to generalize, but an interpretation of the analysis is also needed. The questionnaire was designed to avoid any bias that could alter the participants' answers. Especially, a particular attention was directed to limit the interviewer bias, in using generic formulation of the questions and simple wording to avoid leading questions. Moreover, a special attention was driven towards the structure of the questionnaire, to facilitate comprehension. The chosen 7 scale points maximizes reliability and validity because it offers a wide range of alternatives for the participants (Smyth, 2016).

### 4.3 Operationalization of the research

The introduction of the survey specified that the data would be analysed anonymously, and the duration of fulfilment. The survey also asked about other socio-demographic variables such as age, gender, education level and wage to eventually effectuate some comparisons. Moreover, a social desirability scale was added in order to test the propensity of each participant to appear socially estimated. Even though it is preferred, the participants fulfilling the survey needn't have any knowledge on luxury brands, but their presence on social media was required.

#### 4.3.1 Measures and scales

The survey was composed of closed-ended questions in order to obtain standardized and clear answers. The questions, based on the literature review, were developed around current popular brands mixing the traditional French and Italian brands Chanel and Gucci, the new trendy leader Balenciaga and the lower-priced Michael Kors. In order to avoid errors in recording the answers, most questions were designed with a 1-to-7-point Likert-scale. The items used to measure the constructs were measured using the following balanced scale: [1] strongly disagree, [2] disagree, [3] somewhat disagree, [4] neither disagree nor agree, [5] somewhat agree, [6] agree, [7] strongly agree. The respondents were asked to indicate their degree of agreement between the end points of the Likert-scale, which were "strongly disagree" and "strongly agree". This scale was chosen because it is easy for the participants to understand it and it is therefore suitable for self-administration.

Two versions of each translation were made by the researcher and a native speaker, then the two versions were compared and discussed to choose the most adapted version. When using multiple choices questions, the answers covered every possible alternative, being mutually exclusive.

Table 1 presents the measures used in the survey. Each construct was developed into a number of items given by the literature. In the research, the four variables were broken down into 24 items.

*Table 3: Construct measurements and sources*

Construct	Items	Label	Source
Social Media Marketing	6	SMM1-SMM3	Rienetta et al. (2017)
		SMM4-SMM6	R1-Atwal & Williams (2017) Lee & R3 Watkins (2016)
Consumer-brand relationship	6		



		R4-R6	Park et al. (2018)
<b>User's attitude</b>	6	A1-A6	Vigneron and Johnson (2004)
<b>Nature of the message</b>	6	MA1-MB3	Choi et al. (2018)

The social media research first classified the content of the posts according to different marketing strategies identified in the literature, but especially according to the nature of the message and link it with the comments that it received. Eight categories were identified in the content, following Arora's (2011) classification: performance, pedigree, paucity, persona, public figures, placement and public relations. Moreover, each description was catalogued either as attribute-based or benefit-based, following Choi et al.'s (2018) categorization. The posts were chosen from the date of analysis: the five last videos and ten last posts dating from the 28<sup>th</sup> of July were analysed. The comment section below these posts was also analysed and categorized according to the attitude that the consumer is feeling and what message is sent. A total of 400 comments were analysed on Instagram only, so to say five comments per post per brand. The goal for YouTube was to collect five comments per video as well but not all accounts had that many comments. Therefore, a little bit more than 200 comments were analysed on this platform. All comments were classified according to the categories identified by Godey et al. (2016): opinion seeking, giving or passing. Moreover, in order judge whether the relationship is strong or weak, the messages were also divided into positive, negative or neutral groups. Moreover, in order to test the rate of engagement, the comments were split between only emojis, text, or a mix of both. This part of the study took a good amount of work and was therefore executed at the same time as the creation, launch and analysis of the survey.

#### 4.3.2 Constructs and items measurement

The survey was divided into two main sections: the first part was questioning the variables of the conceptual framework, while the second part included the socio-demographic questions and social desirability scale, hidden under the name "State of mind". Table 2 presents the constructs, the different items division and the measurement items.

Table 4: Indicators/Measurement Items

Latent construct	Label	Indicators/Measurement Items
<b>Social Media</b>	SMM1	This brand is active on social media.
<b>Marketing</b>	SMM2	This brand uses social media to promote its identity. This brand uses
	SMM3	social media to share its values.
	SMM4	This brand uses social media to entertain the customers. This brand
	SMM5	uses social media to educate the customers. This brand uses paid
	SMM6	advertising on social media.
<b>Consumer-brand</b>	R1	I feel invested towards this brand.

**Relationship**

R2 R3 R4I feel involved with this brand. I feel that I can trust this brand.

R5 R6 A1 I feel engaged towards this brand.

A2

I think that this brand is engaged towards me.

I think that this brand communicates openly with me. I have positive feelings towards this brand.

I would say that this brand is renowned.

**User's Attitude**

A3 A4 I think that this brand is appealing.

A5

I think that this brand has a good reputation.

I'm planning on (keeping) following this brand on social media.

	A6	I would like to buy from this brand.
<b>Nature of the Message</b>	MA1	This brand communicates on the functions of the product.
	MA2 MA3	This brand uses arguments regarding the attributes of the product. This brand underlines the qualities of the product when communicating.
	MB1	This brand communicates on the symbolic value of the products.
	MB2 MB3	This brand uses arguments regarding the benefits of the product. This brand underlines the personality of the brand when communicating.

### 4.3.3 Pretesting

Pretesting a survey is very important in order to detect problems and immediately remediate it before the participants fulfil it (Willis, 2016). Based on the feedback received from the pre- testers, the survey can be modified and corrected. The method used for this research is the interviewer debriefing in person, to discuss the problems with the pre-testers. The process allowed the participants to make notes while fulfilling the survey in order to be more accurate in the definition of the problem. This method allows a clear understanding of the problems experienced by the participant. The pre-test will ensure that questions are understandable and that every possibility is available in the answers. The pre-test was completed on six persons, until no more mistake was detected. In the correction, the word “Millennial” was defined, so that every participant knew to which category he was associated. Furthermore, the selection of the brands was modified to reach different types of consumers. The other general comments referred to grammatical mistakes and repetitions in the survey. Another comment was made on the difficulty of the task: luxury brands’ social media presence appeared to be a complex topic for many Millennials, which could explain the rate of unfinished surveys.

## 4.4 Analysis methods

The method used to analyze the research model was first a descriptive analysis, then factorial analysis tested the validity of the research and Cronbach’s Alpha tested the reliability of the model. Finally, regressions were used to test the hypotheses. All these analyses were made with the software R. This method was chosen because it allows to explain the proportionality between the variables and the sense of the relation. No negative statements were used in the questionnaire, so the scoring of each item was not problematic. This research applying a deductive approach, the most commonly used statistical technique to analyse the data appeared to be linear regressions.

## 5. RESULTS

### 5.1 Descriptive analysis

A minimum of 100 people was needed in order to complete this research (Willis, 2016). In total, 220 people filled in the questionnaire but only 131 completed it. On these 131 people, no participant left any blank space, which facilitated the analysis. The respondents are composed of 32 (24,2%) men and 99 (75,6%) women. The different locations were not taken into consideration for the rest of the analysis since 95,4% of the sample was raised in the French speaking part of Switzerland and only 3,8% and 0,8% grew up respectively in the German part and in the

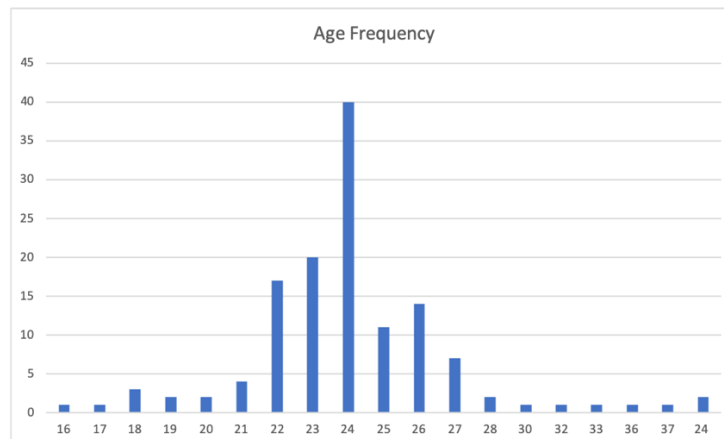
Italian part. Concerning the level of education, the three categories that appeared the most are bachelor (45%), maturity (26,7), and CFC (14,5), which constitute 86,2% of the total sample. Since the sample was composed of Millennials only, it is not surprising to find that 72,5% of the sample earns between 0-3'999 CHF per month, and that 25,2% earn between 4'000-6'999 CHF per month. About the age, more than 77% of the sample are between 22 and 26 years old.

*Table 3: Description of the participants*

	n	%
Gender		
Woman	99	75.6
Man	32	24.4
Location		
French	125	95.4
German	5	3.8
Italian	1	0.8
Diploma		
Mandatory school	4	3.1
CFC	19	14.5
Patent	2	1.5
Maturity	35	26.7
Bachelor	59	45.0
Master	12	9.2
PhD	0	0.0
Wage		
0-3'999	95	72.5
4'000-6'999	33	25.2
7'000 and more	3	2.3



Figure 2: Age Frequency



## 5.2 Factor analysis

Factor analysis is method used to test the validity of a research (Carlsberg, Cazauvieilh, Broc, Faury, & Loyal, 2016). Executing a factor analysis provides a range of factors that are linear combination of variables. These factors sum up the information that is found in the database. In order to make a factor analysis, the variables need to be correlated, so that the correlation matrix is different than 0. Therefore, two types of measures need to be calculated to check that the data is compatible with the factor analysis: the KMO and the Bartlett's test. The KMO measures the variance part of the variables that come from a common variable. The KMO varies between 0 and 1. A value close to 1 is a sign that the factor analysis can be done. Bartlett's test compares the correlation matrix from the data to the identity matrix (matrix with ones in diagonals and zeros elsewhere). The more the correlation matrix is similar to the identity matrix, the least the data are correlated. In this case, the factor analysis is not necessary. A factor analysis is feasible if the statistical value is lower than 0,5.

On table 4, the indicated KMO of 0,68 is not the best, but it is acceptable as it is higher than 0,5. Therefore, it is possible to execute a factor analysis. Since the Bartlett's test follows a chi- square distribution, it is important to check whether the p-value is significant. In this case, the p-value is almost equal to 0 so it is possible to make a factor analysis.

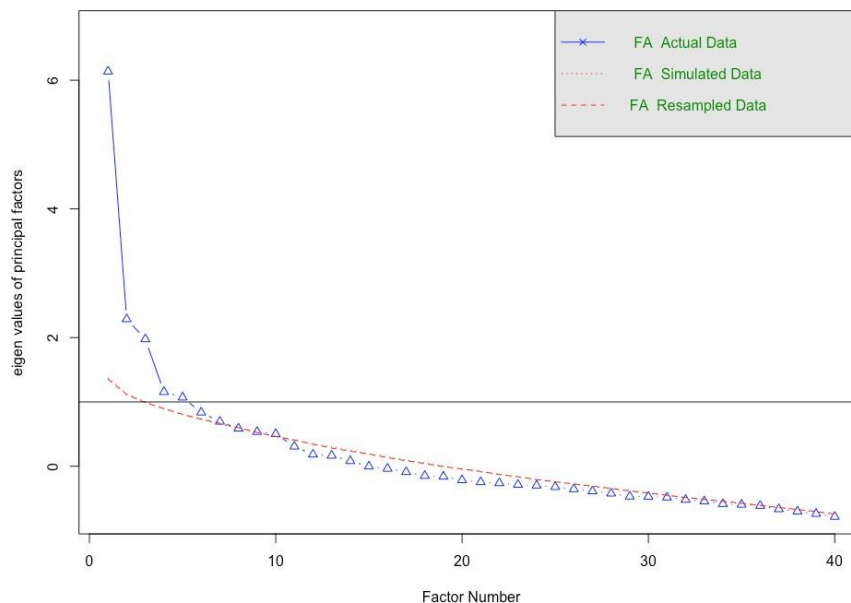
Table 4: KMO and Bartlett's test

Measures			Values
<b>Kaiser-Meyer-Olkin</b>	<b>Measure</b>	<b>of</b>	<b>Sampling Adequacy</b>
0.68			
<b>Bartlett's Test of Sphericity</b>		Approx. Chi-square	2170.476
df			780
Sig.			0.00

There are several methods to take into consideration in order to determine the optimal number of factors to keep when completing a factor analysis. The first method tests the eigenvalues visually by analyzing the “elbow” of the curve on the scree plot. Figure 3 presents the scree plot, which plots the variance against the factors. The idea is that when the factors allow to diminish the variance, the slope will be steep, but it will get flatter when the factors explain less the variance. Hence, the number of factors before the “elbow” correspond to the number of factors that are necessary to make a correct analysis.

The second method is the Kaiser criterion, which takes only the factors with an eigenvalue equal or higher to 1. The third method is the parallel analysis, which consists in comparing the factor matrix of the analysis to the random matrix of the same size as ours. The function `fa.parallel` in the “psych” package implements the parallel method while at the same time plotting the scree plot and extracting the eigenvalues: it basically allows to compare the three methods. In the output, the function suggests taking into consideration seven factors. On the scree plot, the eigenvalues are on the y axis.

Figure 3: Parallel analysis scree plots



According to the Kaiser criterion, the optimal number of factors would be five. This hypothesis is confirmed when analysing the eigenvalues in the output. The Kaiser criterion has been judged as too subjective, so the decision was to take into consideration six factors. First of all, it represents a compromise between the two methods in contradiction. Secondly, the sixth eigenvalue is very close to 1 and even touches the separating line on the scree plot.

The number of factors being determined, an exploratory factor analysis was conducted. This analysis decomposes the correlation matrix into eigenvalues and estimates the correspondences between each variable according to the number of factors chosen. The factor analysis was executed the oblique factors' method, specifying "oblimin" as the rotation method. This method doesn't impose the orthogonality criterion between the factors, which allows a simpler analysis. The first part of the outputs is the matrix with the loadings. The factors are not in order, due to the rotation. Indeed, the factors are always classified by the proportion of explained variance, which changes with the rotation. Table 5 explains the total variance: 36% of the total variance is explained by the six chosen factors. The first factor accounts for 9.7%, factor 2 for 8.1%, factor 3 for 6.9%, factor 4 for 5.3%, factor 5 for 3.4% and factor 6 for 2.7%.

Table 5: Total explained variance

Compo.	Initial Eigenvalues			Extraction Sum of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.14	9.7	9.7	6.14	9.7	9.7
2	2.29	8.1	17.7	2.29	8.1	17.7
3	1.98	6.9	24.6	1.98	6.9	24.6
4	1.16	5.3	29.9	1.16	5.3	29.9
5	1.07	3.4	33.3	1.07	3.4	33.3
6	0.84	2.7	36.0	0.84	2.7	36.0
7	0.69					
...						
40	-0.78	0.09	100.0			

On table 6 are represented the rotated components generated with the “Oblimin” method. The table shows how items are loaded in the different factors. The goal is to understand if the items are part of a common theme in the reality. The method was first executed with all items and repeated without the items that did not correspond to the right factors. The items R3, MB1, MB2, MB3 were therefore canceled out of the table. In conclusion, no factor described the benefit-based messages with a 0.5 cutoff.

*Table 6: Rotated component matrix using "Oblimin"*

	1	2	3	4
R4	.872			
R1	.808			
R2	.763			
R5	.633			
R6	.546			
SMM2		.934		
SMM1		.775		
SMM4		.574		
SMM3		.545		
SMM6		.545		
A3			.846	
A1			.689	
A4			.684	
A6			.596	
A2			.574	
M.A2				.800
M.A3				.677
M.A1				.677

### 5.3 Reliability analysis using Cronbach's Alpha

Reliability is a statistical measure of consistency. Consistency is defined as a desirable property when testing hypotheses, because it ensures that the results have a minimal error if the sample size grows. The results are consistent if they do not vary or very little when the same tests are executed on a bigger database. We speak of internal consistency or reliability when the interest stands on several items. The reliability can be calculated with the Cronbach's alpha when the questions are established on a Likert-scale. The Cronbach's alpha, which varies between  $[-1;1]$  is based on the items' pairwise correlations. When creating the items, the goal is to find the optimal number of items in order to capture the variable. Therefore, a Cronbach's alpha of 1 is not desirable because it would indicate that the items measure exactly the same concept. The rule set is that a Cronbach's alpha between 0.6 and 0.7 is acceptable and a Cronbach's alpha higher than 0.7 is desirable.

In this research, four Cronbach's alphas were executed in order to test the variables identified in the factor analysis, so to say social media marketing, consumer-brand relationship, user's attitude and attribute-based messages. The analyses are satisfactory for all variables, since the Cronbach's alphas exceed 0.7.



Table 7: Cronbach's alphas of the constructs

Constructs	Nbr. of item	Items	Cronbach's
Social Media Marketing	5	SMM1, 2, 3, 4, 6	0.787
Consumer-brand relationship	6	R1, 2, 4, 5, 6	0.843
User's attitude	6	A1, 2, 3, 4, 6	0.807
Attribute-based messages	3	MA1-MA3	0.732

## 5.4 Testing the hypotheses using regressions

The regressions were made after a data aggregation using the means of the factors. The regressions were executed first with the control variables, so to say with the gender, age, diploma, wage, and social desirability variables, but none of them were significant in any of the regressions. Therefore, the regressions were performed again only between the construct variables, removing the control variables. Table 8 summarizes the results of the regression between social media marketing and the consumer-brand relationship. The p-value for SMM (0.00375) is smaller than 0.01. The relationship between the two variables is then very significant.

Table 8: Social Media Marketing and Consumer-brand Relationship

H1	Estimate	Standard error	t value	Pr(> t )
SMM	0.26467	0.08966	2.952	<b>0.00375 **</b>

Table 9 relates the tested regression between the consumer-brand relationship and the attitude. The p-value for the consumer-brand relationship (3.57e-08) is smaller than 0.001, and therefore, the relationship is extremely significant.

Table 9: Consumer-brand Relationship and Attitude

H2	Estimate	Standard error	t value	Pr(> t )
Relationship	0.42661	0.07274	5.864	<b>3.57e-08 ***</b>

Regarding the relationship between social media marketing and attitude, the p-value (0.0303) is smaller than the common level of 0.05, so the relationship is significant.

Table 10: Social Media Marketing and Attitude

H3	Estimate	Standard error	t value	Pr(> t )
SMM	0.18520	0.08458	2.19	0.0303 *

Finally, table 11 outlines the results of the regression between the attribute-based messages and the consumers'

attitude towards the brand. The p-value (0.0914) is larger than the level of 0.05 and the relationship is therefore not significant.

*Table 11: Attribute-based messages and Attitude*

H4	Estimate	Standard error	t value	Pr(> t )
Attribute-based messages	0.14129	0.08309	1.70	0.0914 .

Finally, table 12 summarizes the multiple and adjusted R-squared, and the residual standard error of each relationship that was tested. The multiple R-squared between the consumer-brand relationship and the consumers' attitude (0.2105) is quite large, which is a good sign since the multiple R-squared represents the percentage of the response variable variation. The difference between the multiple R-squared and adjusted R-squared being generally minimal indicates that the sample size was not too restricted but rather a good fit.

*Table 12: Summary of the relationships tested*

Relationship	Multiple R-squared	Adjusted R-squared	Residual standard error
SMM □ Relationship	0.06328	0.05601	1.049
Relationship □ Attitude	0.2105	0.2044	0.8958
SMM □ Attitude	0.03584	0.02836	0.9899
Message Attribute □ Attitude	0.02192	0.01434	0.997

The analysis showed that all relationships were significant except the link between attribute- based messages influencing consumer's attitude. Introducing the nature of the message as a moderating variable was an inference from Choi et al. (2018)'s experiment. The other relationships show a strong significance, especially when measuring the impact of the consumer-brand relationship over the consumers' attitude towards the brand.

In order to test that the consumer-brand relationship has a mediating effect on the relationship between social media marketing and the consumer's attitude, Baron and Kenny's (1986) method was applied. The regressions above prove that the relationship between social media marketing and attitude is significant, and that social media marketing has an influence on the relationship. In order to prove the mediation, the link between social media marketing and attitude needs to be cancelled when controlling the mediator (Carlsberg et al., 2016). This analysis requested the installation of the package "mediation" in R. Table 13 presents the third step of the method testing the effects of the variable relationship on the link between social media marketing and the consumers' attitude. The third step is verified since the mediator predicts the criteria ( $p = 1.679e-07$ ).

*Table 13: Mediator predicting the criteria*

Mediation	Estimate	Standard error	t value	Pr(> t )
SMM	7.718e-02	7.910e-02	0.976	0.331
Relationship	4.082e-01	7.517e-02	5.429	2.74e-07 ***

When summarizing the function `mediate` in R, the outcome consists in four figures. Figure 4 shows that residuals have a linear pattern between the predictor and the outcome. The model is a good fit and meets the regression assumptions very well.

Figure 4: Residuals vs Fitted

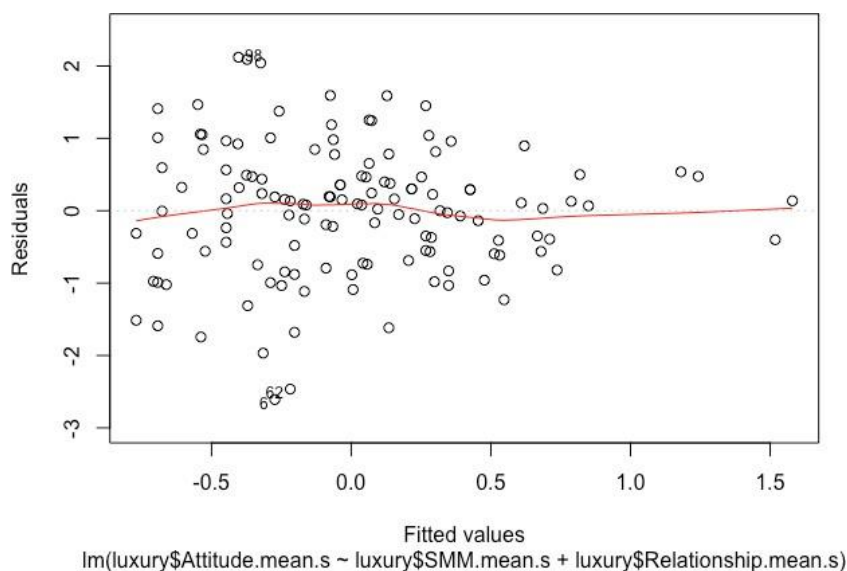
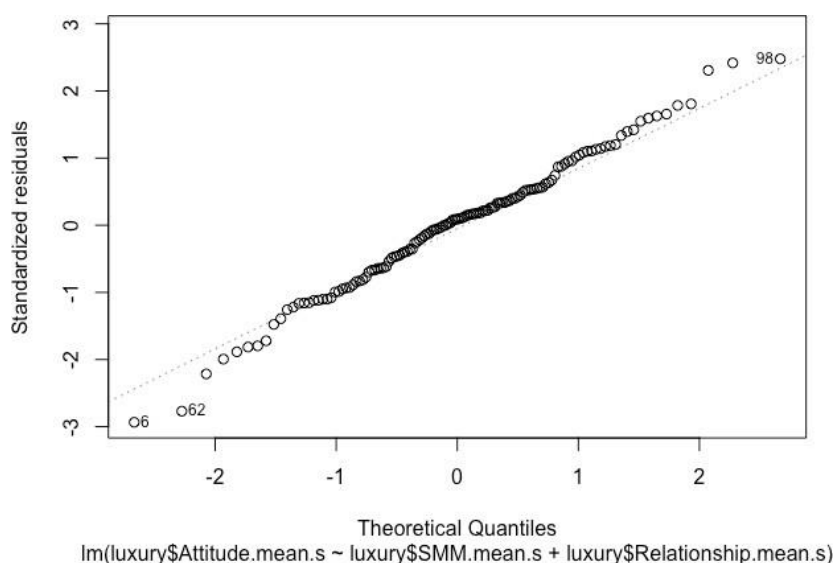


Figure 5 is the Q-Q plot, or quantile-quantile plot, shows that the residuals follow a close-to-normal distribution. The points construct a line in the middle of the graph but curve off in the extremities. This means that the data have more extreme values than expected from a normal distribution.

Figure 5: Normal Q-Q



On figure 6, the plot shows a quite horizontal line with residuals that spread equally along the ranges of predictors. Therefore, this figure checks the assumption of homoscedasticity.

Figure 6: Scale Location

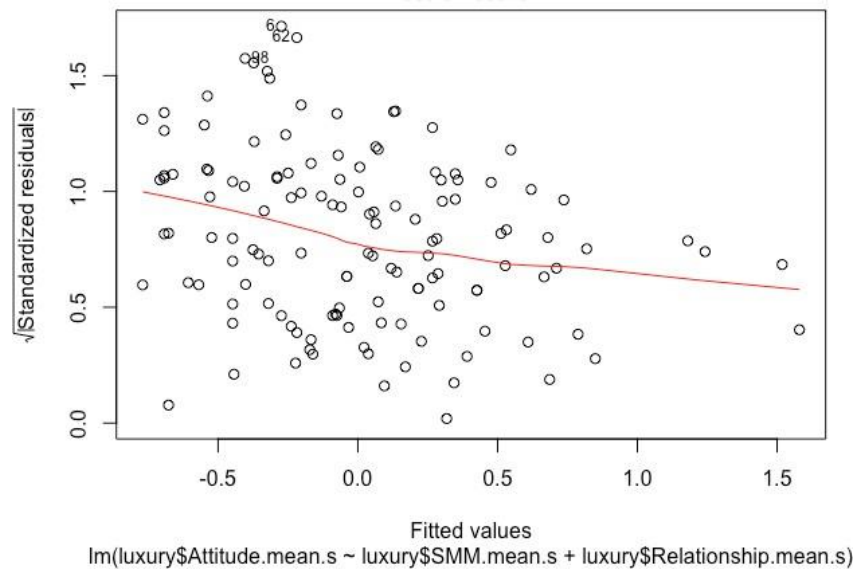
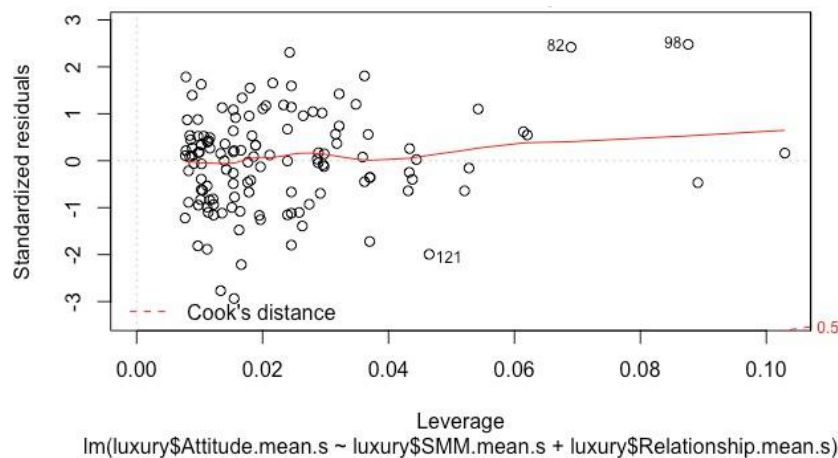


Figure 7 illustrates that there are no extreme values that are influential on the regression, since Cook's distance lines are barely visible on the figure. Even though there are extreme cases, they do not impact the regression and could therefore be cancelled. To conclude with the mediation, the four plots have not highlighted any potential problematic case, so the results of the mediation can be accepted.

Figure 7: Residuals vs Leverage





In order to verify whether Attribute-Message is a moderator of the function relationship between social media marketing and attitude, concurrent models were created (one with no interaction term and one with). To test the variation between the two models, it is necessary to compare the R-squared. Table 14 shows the results of the test of the principal effect of social media marketing and attribute-based messages on the dependent variable attitude.

*Table 14: Principal effect of social media marketing and attribute-based messages*

	Estimate	Standard error	t value	Pr(> t )	Adjusted R-squared
SMM	1.954e-01	8.394e-02	2.328	0.0215 *	0.047
Attribute-based	1.537e-01	8.187e-02	1.877	0.0628 .	

Table 15 exposes the results of the test of the same model as table 14 but adding the interaction effect between social media marketing and attribute-based messages. In the second model, the interaction effect is significant (0.01036 \*) at  $p < 0.5$ . Moreover, the second model 4.11 variance points of the attitude than the first model, which did not include the moderation effect.

*Table 15: Interaction effect of attribute-based messages*

	Estimate	Standard error	t value	Pr(> t )	Adjusted R-squared
SMM	0.26239	0.08605	3.049	0.00279 **	0.08812
Attribute-based	0.25119	0.08842	2.841	0.00524 **	
SMM :Attribute-based	-0.17731	0.06814	-2.602	0.01036 *	

Table 16 summarizes the analysis of the variance. The Fisher test specifies that this addition is significant since  $F(1) = 6.7719$ ;  $p < 0.05$ . The probability  $Pr(>F)$  is even very close to 0.01. Therefore, there is a moderation of the link between social media marketing and the consumers' attitude by the attribute-based messages.

*Table 16: Analysis of variance*

	Residual sum-of-squares	Sum of Squares	F	Pr(>F)
Principal effect	123.03			
Interaction effect	116.80	6.2279	6.7719	0.01036 *

## 5.5 Social Media Research

Table 17 presents an overview of the eight accounts that were analysed. Two rankings were made according to the number of followers on Instagram and on YouTube. For Instagram, the accounts are ranked in the following order: Chanel is at the top with over 35 million followers, closely followed by Gucci and Louis Vuitton; Dior and Prada are still over 20 million followers and the last three are Michael Kors, Balenciaga, and Bulgari. The differences with the ranking of YouTube are only that Prada follows Michael Kors, and Bulgari outreaches Balenciaga.

The first analysis of these accounts emphasized two interesting points: first of all, Balenciaga never adds a description to its posts on Instagram. Secondly, Balenciaga closed the likes and comments options on its YouTube channel. Therefore, this study could neither classify Balenciaga's texts on Instagram, nor the comments on Bulgari's channel.

*Table 17: Ranking according to the followers*

	Nbr. followers Instagram	Ranking	Nbr. followers YouTube	Ranking
1	35'900'000	Chanel	1'424'804	Chanel
2	35'500'000	Gucci	400'837	Gucci
3	33'300'000	Louis Vuitton	322'340	Louis Vuitton
4	26'600'000	Dior	576'051	Dior
5	20'200'000	Prada	164'930	Michael Kors
6	14'900'000	Michael Kors	126'400	Prada
7	10'100'000	Balenciaga	91'854	Bulgari
8	7'700'000	Bulgari	20'338	Balenciaga

The analysis started with the messages sent by the brands. Table 18 explains how many elements of the marketing mix the brands used in the 15 social media actions analysed. Most brands use a little less than 20 marketing techniques, except Balenciaga, that stands out with using only three techniques overall. Indeed, this brand has a very different strategy on social media: the intention to seem unprepared and spontaneous was very present in the posts and comments of the brand. The most used is the association with Public Figures: the brands were associated with public personalities coming from various fields, such as rappers, actors, models, musicians, photographs, designers, etc. The least used is Paucity with only three brands playing with the pressure to buy in a short period of time, in order to make sure not to miss an opportunity.

Table 18: Marketing mix

	Chanel	Gucci	Louis Vuitton	Dior	Prada	Michael Kors	Balenciaga	Total
Performance	3	3	4	4		7		31
Pedigree	8			1	2	5		18
Persona		1	2		10	1	2	16
Public Figures	4	13	8	9	4	8	1	49
Placement	3	1	3	2	3	1		15
Paucity		1		1		1		3
Public Relations					8			8
Total	18	19	17	17	19	23	3	

Table 19 summarizes the important data that have been analysed during this social media research. First of all, the percentage of attribute-based versus benefit-based messages from the brands is depicted. The results show that some brands have a strong imbalance, such as Louis Vuitton that almost only uses attribute-based message or on the contrary, Prada that almost only uses benefit-based messages. Overall, the tendency leans towards more benefit-based messages, as suggested by Choi et al. (2018). Then the different engagement rates (ER) were calculated for each platform. On Instagram, Michael Kors and Balenciaga show the highest “Like” engagement rate per post, respectively with rates of 1.08 and 0.78. Then Chanel and Bulgari also show higher ERs standing around 0.5, while the last four brands have similar ERs situated between 0.24 and 0.29. Concerning eWOM on Instagram, users clearly use more emojis than real words in reaction to posts. For all brands, most comments are positive and only very few are negative. An interesting point that appeared when analysing the comments are the users that use an accounts’ recognition to make its own publicity. These kinds of comments were classified in the “Neutral” category. Furthermore, most users use eWOM for opinion- giving purposes on Instagram on these luxury brands accounts. Passing on to YouTube, Louis Vuitton and Balenciaga have extremely high “View” ERs, but most probably because the brands conducted paid advertising campaigns. Indeed, this fact was explained in the comment section, by a user who saw the video through an advertising. However, Balenciaga also has the highest “Like” ER of 3.67, while Dior only obtains 0.03. Regarding the eWOM, users tend to write full sentences on this platform with positive reflections. Another difference with

Instagram is the mix between opinion giving and opinion passing messages, that are the most used eWOM categories on YouTube.

Table 19: Instagram and YouTube analyses

	Chanel	Gucci	Louis Vuitton	Dior	Prada	Michael Kors	Balenciaga	Bulgari
INSTAGRAM								
% Attribute	26.67	33.33	93.33	33.33	6.67	26.67	25.00	66.67
% Benefit	73.33	66.67	6.67	66.67	93.33	73.33	75.00	33.33
Like ER	0.47	0.26	0.29	0.27	0.24	1.08	0.78	0.54
eWOM								
% Emoji	68.00	70.00	60.00	62.00	64.00	44.00	38.00	66.00
% Text	20.00	12.00	20.00	24.00	18.00	38.00	38.00	12.00
% Both	12.00	18.00	20.00	14.00	18.00	18.00	24.00	22.00
% Positive	90.00	86.00	88.00	88.00	84.00	78.00	70.00	94.00
% Neutral	8.00	8.00	6.00	12.00	16.00	18.00	22.00	6.00
% Negative	2.00	6.00	6.00	0.00	0.00	4.00	8.00	0.00
% Giving	88.00	88.00	84.00	80.00	78.00	66.00	60.00	96.00
% Passing	10.00	12.00	12.00	20.00	22.00	18.00	32.00	4.00
% Seeking	2.00	0.00	4.00	0.00	0.00	16.00	8.00	0.00
YOUTUBE								
View ER	8.25	7.65	398.15	0.68	15.19	23.17	341.35	4.95
Like ER	0.20	0.30	0.09	0.03	0.13	0.18	3.67	
eWOM								
% Emoji	4.00	0.00	4.00	0.00	0.00	4.17	0.00	
% Text	88.00	76.00	72.00	42.86	86.96	62.5	92.00	
% Both	8.00	24.00	24.00	57.14	13.04	33.33	8.00	
% Positive	76.00	76.00	52.00	100.00	65.22	45.83	44.00	
% Neutral	20.00	16.00	44.00	0.00	34.78	16.67	40.00	
% Negative	4.00	8.00	4.00	0.00	0.00	37.50	16.00	
% Giving	28.00	20.00	28.00	85.71	39.13	58.33	16.00	
% Passing	72.00	80.00	56.00	14.29	39.13	37.50	84.00	
% Seeking	0.00	0.00	16.00	0.00	21.74	4.17	0.00	



## 6. DISCUSSION OF THE RESULTS

This thesis aimed at analysing the effects of social media marketing over the consumer-brand relationship and the consumer's attitude towards a brand. Not only, it also aimed at analysing the effects of the consumer-brand relationship over the consumer's attitude, as well as analysing the effects of the nature of the message, being benefit-based or attribute-based mediating the influence of social media marketing over consumer's attitude. This relationship was tested among Millennials particularly in the context of fashion luxury brands.

An empirical quantitative study was conducted in order to test the relationship between these variables: social media marketing, consumer-brand relationship, consumer's attitude, and nature of the message. The results started with a descriptive analysis of the sample, then a factor analysis, and finally a reliability test with the Cronbach's alpha. The nature of the message was reduced only to attribute-based messages after the factor analysis since no factor corresponded to the benefit-based messages.

After these steps, the hypotheses were tested with regressions. The regressions tested the direct relationships between the variables. All relationships were proven significant except the direct relationship between attribute-based messages and consumer's attitude, which was a positive result for the enunciated hypotheses. Then, the mediation was tested and approved with Baron and Kenny's (1986) method. Finally, the interaction between social media marketing and attribute-based messages was also approved after the analysis of the variance. Table 20 presents the hypotheses and whether they were accepted or rejected.

Table 20: Summary of the tested hypotheses

<b>Hypothesis</b>	
<i>H1: Social media marketing has a direct effect on the consumer-brand relationship.</i>	<b>Supported</b>
<i>H2: Consumer-brand relationship influences the consumers' attitude towards a luxury brand.</i>	<b>Supported</b>
<i>H3: Social media marketing has a direct effect on consumer attitude.</i>	<b>Supported</b>
<i>H4: On the one hand, a benefit-based message reinforces the effect of social media marketing on consumer attitude. On the other hand, an attribute-based message damages the effect of social media marketing on consumer attitude.</i>	<b>Not tested</b>

First of all, the relationship between social media marketing and the consumer-brand relationship was reported positive and statistically significant. Therefore, the hypotheses H1, testing the link between the consumer-brand relationship and social media marketing was supported. Then the consumer-brand relationship and the consumer's attitude were found to have a positive and significant relationship. Therefore, the hypotheses H2 testing the influence of the consumer-brand relationship over the consumer's attitude was also supported. Then the relationship between social media marketing and the consumer's attitude resulting positive and significant, H3, stating that social media marketing has a direct impact on consumer's attitude was accepted. Moreover, the mediation test supported the consumer-brand relationship mediates the link between the attitude and social media marketing, in accordance with Thakur & Kaur's (2016) theory.

Regarding the attribute-based messages, the results demonstrate that they moderate the relationship between social media marketing and the consumer's attitude. However, H4 could not be supported because the variable was split after the factor analysis, and the relationship was rather positive and not negative as enunciated by Choi et al. (2018).

In addition to the quantitative study, a netnography was conducted on the two most used social media platforms, YouTube and Instagram. The empiric data evidence that social media are platforms that allow the co-construction of the consumer-brand relationship. Moreover, it allowed to practically assess the user's attitudes towards the brands and their messages.

The netnography aimed at digging the model deeper by either confirming the results of the survey or by evidencing new elements. The netnography was very interesting because several elements from the literature were tested empirically, not on the believes of the consumers but on their real actions. First of all, the difference of engagement between Instagram and YouTube is interesting, but not surprising. Instagram having the "instantaneous" dimension engages the users to spread eWOM less than YouTube. This result is not surprising since the videos on this platform take more time to watch, and therefore require more engagement at the basis.

## 6.1 Comparison with previous studies

The previous studies on this topic were principally qualitative designs. Indeed, most studies were based on interviews or focus groups conducted with luxury specialists or luxury consumers. The particularity of this research was not only in the mix of methods, but also in the idea that all Millennials could answer the questionnaire, because luxury online communities are open spaces where any Millennial could participate. As the previous studies that were used to create the conceptual models, the relationship between social media marketing, the consumer-brand relationship and the consumer's attitude was established. The variable nature of the message was based on a recent study by Choi et al. (2018), that related the impact of this variable over the attitude. It was then inferred that this variable was mediating the relationship between social media marketing and the consumer's attitude.

## 6.2 Managerial implications

Since this study focuses on a particular segment of the market, in a specific region, the managerial contributions can only apply to this region. However, since most recent studies focused on Asia, it was important to test whether the results of the previous studies could be applied in Switzerland. Even though managers are encouraged to take into consideration cultural factors when communicating, the link between the three main variables has been established. Regarding the nature of the message, the results could also induce managers not to take too seriously the type of contents, but rather the coherence with the brand image and the brand identity. Indeed, Choi et al. (2018) favour benefit-based messages, but this study demonstrates the positive interaction of attribute-based messages on the link between social media marketing and consumer's attitude. Moreover, the social media research also proves that communicating almost only with attribute-messages can be successful. Furthermore, it showed the important difference between the two platforms of Instagram and YouTube that cannot be treated in the same way. Indeed, the levels of engagement are very different, which implies that the consumer-brand relationships are also

very different.

Regarding the conservative managers who still do not believe that social media are important, this study clearly proves the link between social media marketing and the consumer-brand relationship and the consumer's attitude, which eventually lead to an increase in purchases.

### 6.3 Limits of the study

Regarding the quantitative study, the first limit to consider is the failure in finding a factor that fits the benefit-based messages. Moreover, the similarities regarding the socio-demographic variables could be questioned. Indeed, most participants coming from the French-speaking part of Switzerland, the applicability to the rest of the country is not ensured.

Concerning the netnography, several limits are linked to a lack of knowledge from the researcher and others are connected to the platforms themselves. Indeed, for reasons of timing, the comments in other languages than the ones spoken by the researcher were not taken into consideration. Therefore, a lot of comments mostly in Russian, Chinese and Arabic had to be excluded. Regarding the platforms themselves, the period of time chosen to analyse the social media activities of luxury brands was probably not the best. Indeed, brands are not launching new products or making promotional campaigns in the summer, nor are followers actively responding to brands. Therefore, the data collected might not be representative of the routinely reality. Hence, the numbers collected on the platforms are sometimes automatically rounded up and can be very approximative in some cases. Finally, the biggest threat to the validity of the netnography is the possibility of boosting posts and videos, which augments the number of views and likes, but also the possibility of buying followers and likes. Hence, the possibility to delete (bad) comments is also a limit to the authenticity of the numbers collected for the study. However, since all brands have the same possibilities, these limits are not considered that important.

### 6.4 Recommendations for future studies

Future studies should definitely focus on the influence of the nature of the message not only on the attitude of consumers, but also on the consumer-brand relationship, either with a quantitative study or qualitative design. In succeeding to find a factor for the benefit-based messages, attribute-based messages might result in less strong in moderating the consumer's attitude, which would fit Choi et al.'s (2018) results.

Regarding the netnography, a longitudinal study might be the appropriate solution to avoid the limit of time conditions. Moreover, the visual content was never analysed in this study, but it could add more significance to the nature of the message. Hence, the reactions to the comments have not been studied in this research but they could also constitute an interesting source of eWOM, as well as a behavioural study of the reaction of brands to certain comments.

## 7. CONCLUSION

The principal goal of this master thesis was to quantitatively measure the different relationships between social media marketing, the consumer-brand relationship and the consumer's attitude. The design allowed this research to summarize the different findings of previous studies in the industry of luxury products. Even though many authors already conducted studies about the relationship between social media marketing and consumer's attitude or the link between the consumer-brand relationship and consumer's attitude, non was quantitatively combining these relationships. Moreover, there was also a lack of research on the European market.

The quantitative analysis demonstrated that the link between the variables above could be supported. Regarding the variable nature of the message, this research started by inducing its position in the conceptual model as a

moderator. The analysis partially analysed this variable, but the results suggest that this position was right on the diagram. Therefore, other studies should take into consideration the nature of the message when studying consumer's attitude towards luxury brands. However, since no factor was identified for the benefit-based messages, I recommend changing the items that compose it.

Further studies should be conducted to understand the role of social media marketing on the consumer believes and behaviour. Indeed, all companies are now investing in these technologies without even knowing the exact effects, but only not to fall behind. Understanding the influence of social media marketing is therefore fundamental, especially because this research confirms that consumer's attitude is impacted. Therefore, the purchase decision is also influenced by social media marketing. Moreover, the behaviour of other brands is to take into consideration since social media marketing is way different from marketing using other communication channels. Also, the relationship that is created in the social media communities is important because it is part of the dynamics inside a brand's community. Companies should therefore invest in understanding the various dynamics in the community, as well as the impact of their communication on social media.

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