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THE IMPACT OF THE SOCIAL MEDIA ON LUXURY BRAND PERCEPTION

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Master Thesis

presented as partial requirement for obtaining a Master's Degree in Data-Driven Marketing

NOVA Information Management School
Instituto Superior de Estatística e Gestão de Informação

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by

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Master Thesis presented as partial requirement for obtaining the Master's degree in Data-Driven Marketing, with a specialization in Digital Marketing and Analytics.

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STATEMENT OF INTEGRITY

I hereby declare having conducted this academic work with integrity. I confirm that I have not used plagiarism, any form of undue use of information or falsification of results along the process leading to its elaboration. I further declare that I have fully acknowledged the Rules of Conduct and Code of Honor from the NOVA Information Management School.

Lisbon, 15th July 2024

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ABSTRACT

The luxury marketing landscape has undergone a profound transformation driven by digital innovation, the rapid expansion of e-commerce, and evolving consumer behaviors. This study explores the impact of social media engagement and consumer engagement on luxury brand perception across different generations. Through literature review and quantitative research, the distinct values and behaviors of younger generations, particularly Generation Z, were highlighted, showing a strong preference for social media.

To validate the impact of social media engagement and consumer engagement on luxury fashion brands, a survey was conducted using non-probability sampling methods. Data analysis was performed using statistical techniques to test three proposed hypotheses. The findings confirmed a significant relationship between social media engagement and both luxury brand perception and consumer engagement, validating two of the three hypotheses. Despite the lack of a direct significant relationship between consumer engagement and luxury brand perception, a slightly positive correlation was noted for Gen Z.

This research underscores the critical role of social media in enhancing luxury brand perception and fostering consumer engagement, emphasizing the need for luxury brands to consider generational differences in their digital strategies to effectively target diverse consumer segments.

KEYWORDS

Luxury Brands Perception; Social Media Engagement; Consumer Engagement; Luxury Brands; Generational Differences

Sustainable Development Goals (SDG):



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1. INTRODUCTION

The luxury marketing world has transformed significantly due to digital innovation, the growth of e-commerce and the changing of the consumer behaviour (Wilson & Yllka, 2017).

Therefore, with the increased use of social media as a means of marketing communication for luxury brands, it has become necessary to empirically analyse the effect of social media on brand perception (Fetais et al., 2022).

Since luxury brands face the challenge of adapt their strategies to the digital world, while also adapting to evolving customer preferences, especially among younger generations who are most likely to turn to digital channels for luxury purchases (Giachino et al., 2021). They demand personalized interactions and a brand narrative that resonates with their values. This necessitates a paradigm shift in how luxury brands approach customer engagement. Social media platforms, with their immense user base and two-way communication capabilities, have become an indispensable tool (Sulaiman & Sakallah, 2024).

Nevertheless, simply being present online is insufficient. Luxury brands must craft compelling, emotionally engaging content that fosters genuine connections with consumers (Phan et al., 2011). This necessitates striking a delicate balance - leveraging the power of digital tools without sacrificing the brand's core values of exclusivity and craftsmanship (A. Kim & Ko, 2010).

Furthermore, the rise of social media has amplified consumer awareness and placed a spotlight on brand social responsibility and sustainability (Cervellon & Drylie Carey, 2021). According to Statista (2024), the number of internet users worldwide has experienced significant growth in recent years, as well as the number of social media users (*Internet and Social Media Users in the World 2024*).

Moreover, empirical data from Statista (2023) reveals a growth in the Luxury Fashion goods, anticipating an annual growth rate of 3.39%. This evident increase represents that luxury remains important and always changing in the fashion industry (*Luxury Fashion - Worldwide | Statista Market Forecast, 2023.*).

This research investigates the dynamic world of luxury marketing in the digital era, addressing the variety of challenges and opportunities that brands encounter in this multifaceted environment. It specifically focuses on how luxury brands can connect digital tools to foster significant brand-consumer relationships, defend their brand image, and secure long-term success in a highly competitive and continuously evolving market.

1.1. RESEARCH OBJECTIVES

In fact, the luxury industry has witnessed a significant shift towards digitalization, with the rise of social media communication the luxury companies have the need to improve their strategies (Fabrizio, 2016). Moreover, as stated in Boston Consulting Group and Altagamma (2019) report “2019 Luxury First Look”, younger generations will sum up more than 50% of the luxury market in 2025. Therefore, more research is needed to understand how luxury brands use their social media and how they impact the consumers perception among the various generations, mainly the younger ones.

Moreover, according to Anna Cabigiosu (2020), the luxury fashion industry stands out as one of the best-performing and fastest-growing sectors globally. The study underscores the necessity for the redesign of business models to leverage social media and cater to the preferences of younger consumers (Cabigiosu, 2020a).

While significant transformations have been noted in luxury brands' utilization of social media, a comprehensive understanding of how these changes affect consumer perceptions remains elusive. This gap in the existing literature underscores the necessity for a concentrated research effort.

Despite growing research on social media's influence on luxury brand perception, there is a lack of in-depth comparative analysis of how the social media strategies and content of luxury fashion brands differentially impact the perceptions of different generations of consumers (Barger et al., 2016).

This research gap underscores the importance of a more targeted and comparative investigation into the influence of social media on Gen Z and Millennial luxury consumers. Key question that needs exploration include: “How do social media enqaqement and consumer engagement influence luxury brand perception in different generations?”.

The goal of this research is to understand how luxury brands' social media affect perceptions by examining the impact of social media and consumer engagement.

The research has three main objectives: 1) To analyse the relationship between social media engagement and consumer engagement and its effect on perceptions of luxury brands. 2) To understand how luxury fashion brands' social media influence perceptions across different generations. 3) To identify consumer preferences and effective social media strategies for luxury brands.

1.2. STRUCTURE

The study consists of six chapters, with the initial chapter serving as the “Introduction”. In this opening section is provided the context for the study, and the research objectives are also defined. The concluding chapter, as “Conclusion”, offers a comprehensive overview of the

research. In this final part, the study provides a synthesis of key findings, a reflection on the implications of the research as well as adversities encountered during the process.

The “Literature review” corresponds to the second chapter of the project. This section contains relevant themes to the study, such as the young generations (Millennial and Gen Z), and luxury brand in digital.

The third chapter, titled as “Hypotheses & conceptual framework”, is a representation that illustrates the theoretical framework and the relationship between the variables in study, it serves to understand the theoretical underpinning of the study.

The “Methodology” supports this study by elucidating the research framework and portraying the procedures employed in data collection.

This research employs the survey method, the main goal is to gain insights into the perceptions of the luxury brands and their interactions on social media. In fact, surveys provide understandings of different aspects of consumers perceptions.

The “Analysis & results” exposes the results obtained and defined by the methodology approach, represented in the chapter four in “Methodology”, it summarizes the results and analysis.

Finally, the references are also included in the study.

2. LITERATURE REVIEW

This second chapter explores existing literature on the research theme, focusing on theoretical foundations. The "Literature review" is divided into two main sections: 2.1. Luxury and 2.2. Generations: Millennials and Generation Z.

The literature review provides a foundation for understanding the research topics, highlighting generational differences and the dynamics of luxury fashion brands in the digital world.

The first section delves into the understanding of the luxury and the defining characteristics of luxury brands with the context of social media, aiming to understand how the brands navigate the digital landscape.

The second section focuses on Millennials and Generation Z, exploring their values, attitudes, and lifestyle choices, and how these influence their interactions with luxury fashion brands.

2.1. LUXURY

"Luxury is my daily life." – Kimberly Kardashian

Within this essay, it is vital to understand the fundamental question: "What is Luxury?".

Luxury, as a concept, is complex to define, due to its abstract nature. The term "Luxury" originates from the Latin words "luxus" and "luxuria," denoting excess and abundance. It is also associated with "lux," meaning light and elegance (Chantal, 2014).

The evolution of the term "Luxury" is evident throughout history. For instance, when Marie Antoinette reputedly remarked, "*let them eat cake*," she was labelled a "*luxury junkie*" by the people, representing a lack of concern for the well-being of the less fortunate. However, contemporary perspectives no longer consider cake a luxury good (Yeoman & McMahon-Beattie, 2011).

Luxury changes over time as society progress. What people considered luxurious in the past might not be seen the same way today, and is likely to evolve further, given the constant changes in our world (Kapferer & Bastien, 2009). Many define luxury as something that is not a first necessity or non-essential or superficial (De Barnier et al., 2012).

According to the Cambridge Dictionary (Cambridge University, s.d.), luxury is characterized by "great comfort, especially as provided by expensive and beautiful things" or "something expensive that is pleasant to have but is not necessary" and/or "something that gives you a lot of pleasure but cannot be done often." Remarkably, the definition of luxury goods and

services retains a degree of subjectivity based on factors such as gender, age, and geographical considerations (Cabigiosu, 2020b).

2.1.1. FASHION LUXURY

As outlined by Vicent Quan and Bin Shen (2017) in their work "Luxury Fashion Retail Management", the evolution and dynamics of luxury fashion brands transcends runway imagery. The true luxury is defined by consumer perceptions of exclusivity and accessibility. Using Burberry as an example, strategies like international growth and brand heritage showcase this shift. In essence, the evolution involves historical changes, brand establishment, market segmentation, academic scrutiny, and strategic adaptation. A key element in this ongoing evolution is the continuous introduction of new products and global expansion. These factors collectively contribute to shaping the ever-evolving landscape of luxury in the fashion industry (Quan & Shen, 2017).

The fashion luxury sector presents unique challenges and intense competition compared to other industries, primarily because the fashion world undergoes rapid and constant changes (Fionda & Moore, 2009). The defining features of the luxury fashion landscape include exclusivity, high-quality products, authenticity, trendy designs, and the use of premium materials (Fionda & Moore, 2009).

According to Miller & Mills (2012), the success of a luxury fashion brand hinges more on being trendy and visionary rather than solely on being original, unique, or expensive. An example that can prove that point of view is the "Le Petit Chiquito" from Jacquemus, the two-inch rubberized trendy leather bag, which retails for \$258, that in 2019 quickly sold out, after the American Music Awards (*Infographic*, 2019).

2.1.2. LUXURY FASHION IN THE DIGITAL

In the luxury fashion world, Andrea Escobar Ríos (2016) discusses in "The Impact of the Digital Revolution in the Development of Market and Communication Strategies for the Luxury Sector" how the digital revolution has profoundly influenced the luxury fashion sector. This impact is evident in increased market growth, shifts in consumption habits, and consequential adjustments in marketing and communication strategies. Luxury brands encounter challenges in adapting to digital technologies and the internet, particularly as online participation is shaped by new consumer behaviours. The sector has transitioned from traditional marketing approaches to fostering unique experiences and personal connections with consumers. Additionally, digital platforms play a significant role in influencing luxury purchases, with a substantial portion of in-store sales influenced by online interactions. While some brands may be slow in adopting digital capabilities, exemplars like Burberry are actively embracing the digital future (Ríos, 2016).

As a matter of fact, the entry of the luxury fashion brands into the digital and social media world was always delayed due to conservative ideas regarding online consumption and technology limitations (Okonkwo, 2009).

In the contemporary era, the rise of the internet and social media usage has revolutionized communication dynamics (J.-H. Kim, 2019). Consequently, the method through which brands pass their messages has experienced a significant transformation. In response to this digital shift, luxury brands are required to embrace the online landscape, as digital strategies are important in securing a position for the brands. Moreover, the digital marketing world and a social media presence offer brands the opportunity to capture the attention of billions of individuals, as demonstrated earlier (Hennigs et al., 2012).

Furthermore, social media marketing strategies, including entertainment, customization, trendiness, interaction, and word of mouth, play a crucial role in improving community engagement and cultivating a "lovemark" – a term encompassing brand love and respect among consumers. Although social media marketing activities may not directly impact brand perception, they have a positive influence on community engagement and lovemark, both of which share robust positive connections with brand loyalty. Essentially, social media contributes to brand loyalty indirectly by fostering a sense of community and establishing emotional connections with the brand (Fetais et al., 2022).

The development of social media has empowered the luxury industry to extend its presence beyond the physical world, facilitating more effective message conveyance and expansive audience reach. Brands started to utilize fictional models, influencers, and celebrities to showcase their products and connect with their target audience (Gurzki, 2022). A notable example is Gucci's recent campaign featuring the model and entrepreneur Kendall Jenner alongside singer Bad Bunny.

Luxury fashion brands are now actively building a strong presence on social media, employing diverse strategies to shape their social identity. Collaborations, campaigns, and posts serve as tools for conveying messages that authentically represent the brand and its values (Wilson & Yllka, 2017).

2.2. THE GENERATIONS: MILLENNIALS & GENERATION Z

“a typical Gen Zer is a self-driver who deeply cares about others, strives for a diverse community, is highly collaborative and social, values flexibility, relevance, authenticity”.

– Roberta Katz

In fact, while there is no consensus on the specific birth years marking the beginning and end of the generations, this study adopts a defined scope for the purpose of the study and subsequent statistical analysis.

Therefore, it is crucial to elucidate the definitions of Millennials and Generation Z before diving further in the study.

2.2.1. MILLENNIALS & GENERATION Z

Millennials, also referred as Generation Y and Generation Next, are defined as individuals born between 1980 and 1994 (Bencsik et al., 2016).

This generation is characterized by detail-oriented thinking, introspective nature, and a deep integration of technology into their lives (Myers & Sadaghiani, 2010). They value family, financial security, social responsibility, and travel (Myers & Sadaghiani, 2010). Their consumption choices often reflect a desire for self-expression, authenticity, and experiences. They're willing to pay a premium for brands that align with their values and offer unique experiences (Dobre et al., 2021).

On the other hand, there is Generation Z (Gen Z), also identifies as Post Millennials, iGeneration, Centennials, and Digital Natives (Bencsik et al., 2016). In fact, for this study, Generation Z is defined as individuals born between the years: 1995 and 2010 (Bencsik et al., 2016) positioning them as the new emerging wave of employees, in this moment.

This generation is known for being practical, present-focused, and possessing an entrepreneurial spirit (Bencsik et al., 2016). As digital natives, they're exceptionally comfortable with technology and heavily involved with social media platforms (Yadav & Rai, 2017). Their approach to consumption prioritizes quality over quantity, with a growing interest in luxury fashion items (Muralidhar & Raja M, 2019). When it comes to luxury goods, Gen Z prioritizes social responsibility, sustainability, and personalization, seeking brands with ethical practices and the ability to customize products (Cho et al., 2022).

Despite these differences, both Millennials and Gen Z share a common desire for a world that embraces diversity and strives for equity (Loveland, 2017). Additionally, both generations are highly educated and have greater access to information compared to previous generations.

2.2.2. MILLENNIALS & GENERATION Z: CONSUMER & SOCIAL MEDIA ENGAGEMENT

For the present study is vital to understand the consumer engagement and social media engagement of Millennials and Generation Z.

Consumer engagement, encompassing cognitive, emotional, and behavioural aspects, is a crucial outcome of effective brand positioning (Hollebeek et al., 2014). Social media engagement, which includes likes, shares, comments, and direct messages, reflects active participation and interest from users on these platforms (Brodie et al., 2011). Previously, luxury brands distanced themselves from social media to maintain exclusivity. However, Millennials and Gen Z view social media as a valuable tool for brand interaction. When used strategically, social media can build positive relationships and brand loyalty for these generations (Dobre et al., 2021).

Millennials, known for their brand interaction preferences, actively seek authenticity and meaningful connections on social media platforms (Samala & Katkam, 2019). Their high engagement levels, including participation in brand discussions and activities, strengthen the link between consumer-brand engagement and brand loyalty (Aleem et al., 2022).

Gen Z, with their digital expertise and focus on authenticity, sustainability, and inclusivity, utilizes social media not only to follow brands but also to share experiences and opinions. This generation is more sceptical and demands genuine brand values, particularly regarding social and environmental issues, which directly affects their consumer engagement (Shin et al., 2021a).

Understanding these distinct values is crucial for cultivating brand affinity with Millennials and Gen Z. Aligning marketing strategies with these values fosters trust and loyalty, and consequently consumer-brand engagement, within this influential demographic, (Mc Keever et al., 2021).

Several strategies can enhance brand loyalty among Millennials and Gen Z in the luxury fashion space through consumer-brand engagement. These include personalized experiences, digital and social media engagement, brand transparency, community impact, and omnichannel experiences (Fetais et al., 2022) (Harrigan et al., 2017) (Djafarova & Bowes, 2021). While Millennials rely more on reviews and influencer endorsements, Gen Z gravitates towards highly visual content like videos and images on platforms like TikTok, seeking interactive and immersive experiences (Fetais et al., 2022).

In essence, social media engagement and consumer engagement have a reciprocal relationship. High social media engagement can raise brand awareness, build communities, and strengthen customer relationships, ultimately leading to increased consumer engagement (van Doorn et al., 2010). Satisfied consumers are more likely to engage with a brand's social media, providing positive feedback and sharing content (Hollebeek, 2011).

2.2.3. MILLENNIALS & GENERATION Z: LUXURY FASHION PERCEPTION

The perception of luxury fashion and the respective brands is influenced by consumer engagement, social media engagement and also generational differences (Kapferer & Valette-Florence, 2016).

Social media has emerged as a powerful tool for luxury brands to cultivate desired brand perceptions. Platforms like Instagram and TikTok allow for curated storytelling and product presentations, fostering a sense of exclusivity and prestige (Fetais et al., 2022).

Furthermore, social media fosters direct interaction with consumers, enhancing brand transparency and authenticity, both key components of luxury perception. User-generated content on these platforms can further amplify the brand's message and build trust among potential customers. Luxury brands must carefully navigate this online landscape, ensuring

their social media presence aligns with the values associated with luxury fashion (Hasbullah et al., 2020).

Generational differences also play a significant role. Millennials and Gen Z, heavily influenced by digital interactions, value authenticity and social responsibility in luxury brands (Djafarova & Bowes, 2021). Luxury fashion brands must understand these evolving preferences to effectively shape the perception of their brand among younger consumers.

The perception of luxury fashion is significantly influenced by consumer engagement, social media interactions, and generational differences. Luxury brands must navigate these factors carefully to maintain their prestige and appeal. By understanding the unique preferences and behaviours of different generational cohorts and leveraging social media effectively, luxury fashion brands can enhance consumer engagement and solidify their market position (Kapferer & Valette-Florence, 2016).

3. HYPOTHESES & CONCEPTUAL FRAMEWORK

In the contemporary landscape dominated by digital connectivity, as highlighted in the "Literature review," the impact of social media on consumer perceptions, particularly within the younger demographic of Gen Z and Millennials, has emerged as a central focus for investigation.

In fact, in 2022, Husain et al. finds that social media is a crucial element to building a brand and brand awareness, as well as, enhancing brand perception. Furthermore, as elucidated in this research, luxury brands must tailor their social media marketing strategies to resonate with specific generational characteristics, given that each generation possesses unique traits, influencing how they consume information and engage with content (Colella et al., 2019).

Consequently, it is possible to understand that there exists a correlation between generational disparities and the perception of luxury.

The notion of luxury and its associated worth have undergone substantial evolution owing to generational transitions. A perceptible shift in attitudes is evident among younger demographics, who prioritize experiential and emotional bonds with luxury brands. This shift encompasses an appreciation for the craftsmanship behind products, the narrative of the brand, or the overall purchasing and usage experience (Biondo, 2021).

Indeed, younger generations exhibit a greater inclination towards utilizing platforms like Instagram for discovering and engaging with luxury brands, whereas older generations, namely Gen X and Baby Boomers, tend to favour platforms like Facebook and Pinterest for their luxury brand inquiries (Mahmoud et al., 2021).

Hence, it is imperative to acknowledge the relation between these two variables—generational differences and luxury brand perception. These disparities in generations wield influence over social media engagement and consumer engagement (Zhou et al., 2022).

In the conceptual model, is delineated a neutral variable, generational differences, along with two independent variables—social media engagement and consumer engagement—and one dependent variable, luxury brand perception.

Generational differences have an influence on social media engagement, particularly when different age groups utilize social media platforms for distinct purposes. Various generations, shaped by their unique historical and technological environments, approach and interact with social media with distinct objectives and predilections (Fietkiewicz et al., 2016).

As referred, generational differences not only influence social media engagement but also the consumer engagement. Given that individuals from different generations may prioritize divergent values, this can significantly affect their shopping behaviour, particularly in the realm of clothing (Ladhari et al., 2019).

Consumer engagement is the “psychological state of involvement with a brand”, in other words, it is the overarching concept, encompassing all interactions a consumer has with a brand, both online and offline. Social media engagement is a subset of consumer engagement that occurs within social media platform (Ng et al., 2020).

This led to the following hypothesis:

- Hypothesis 1 (H1): There will be a positive relationship between social media engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.

The objective is to unveil the intricate dynamics between the use of social media in luxury fashion brands and the resulting generational luxury perception. Social media platforms have evolved into powerful conduits for brand communication, offering unique opportunities for luxury fashion brands to engage with their target audience (Kapferer & Michaut, 2019).

In fact, consumer engagement involves deeper, ongoing relationships that include both public and private interactions. Brands can leverage social media as a starting point to build these deeper connections, ultimately leading to greater customer loyalty and advocacy (Qin, 2020).

- Hypothesis 2 (H2): There will be a positive relationship between consumer engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.

There is a need for luxury brands to adopt a balanced approach to social media engagement, carefully crafting tailored strategies that strike a balance between fostering connection and maintaining the aura of exclusivity that defines luxury. (Liu et al., 2021). Engaging content that resonates with consumers serves as a powerful tool for influencing brand image and perception (Romão et al., 2019).

Acknowledging these generational distinctions is paramount for luxury brands to adeptly cater to the evolving inclinations of these influential consumer cohorts (Sertori et al., 2023).

- Hypothesis 3 (H3): There will be a positive correlation between the type of content consumers see and engage with on social media (social media engagement) and their consumer engagement with the luxury brands.

It is vital to consider different types of social media engagement within the broader customer journey. In fact, understanding different types of engagement within the customer journey framework can empower brands to leverage social media to build more consumer engagement (Demmers et al., 2020).

Social media content, particularly from influencers, holds influence over consumers' purchasing decisions (Verplancke & Gelati, 2022). Users who consistently engage with a particular type of content might hold a stronger underlying preference for related products or

services. The preferred content type on a given platform can serve as a reflection of users' broader interests, indicative of their underlying preferences for related products or services (Voorveld et al., 2018).

The conceptual model proposed is the next:

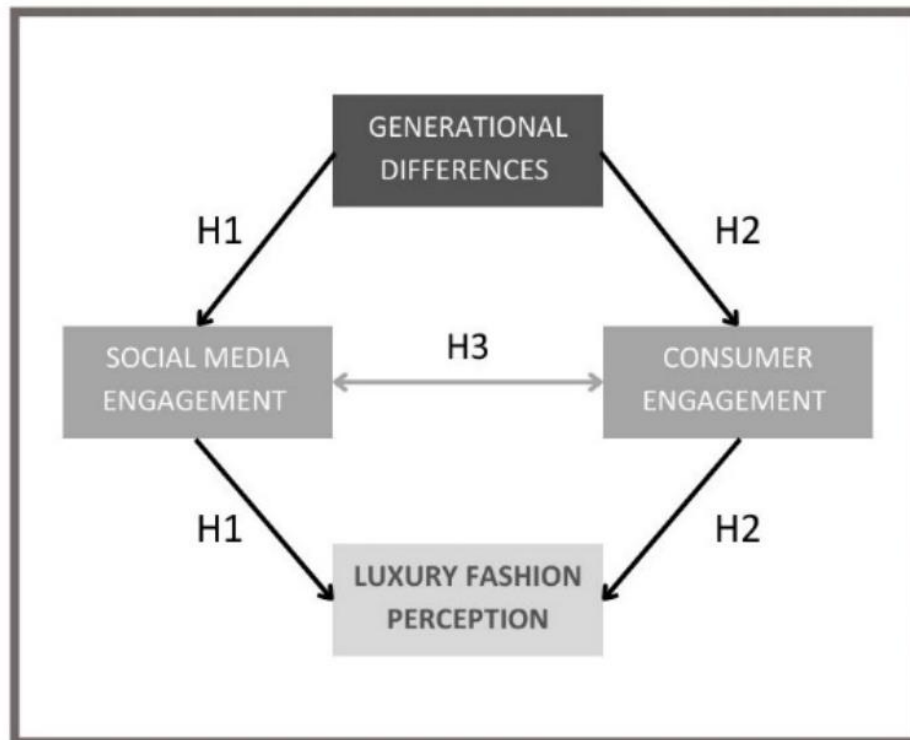


Figure 1 - Conceptual model proposal

The conceptual model proposed is a representation of the hypotheses referred above, regarding the generational preferences, social media engagement and the consumer's preferences which are correlated to the consumer's perception of the luxury brands. The resultant hypotheses are:

- **H1: There will be a positive relationship between social media engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.**
- **H2: There will be a positive relationship between consumer engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.**
- **H3: There will be a positive correlation between the type of content consumers see and engage with on social media (social media engagement) and their consumer engagement with the luxury brands.**

These hypotheses capture the dynamic interplay between the two independent variables and the dependent one, considering the neutral variable, also critical to understand the dynamic and relation between each other's. They provide a clear framework for exploring the factors that influence how these influential consumers perceive and interact with luxury fashion brands.

4. METHODOLOGY

4.1. RESEARCH APPROACH AND OBJECTIVES

This chapter is vital to understand the interplay between variables and the perception of luxury brands. To validate the hypotheses resulting from the literature review, a quantitative research approach was adopted, employing a survey methodology for data collection.

The primary goal of this research is to address the main research question of this study: "How do social media engagement and consumer engagement influence luxury brand perception in different generations?"

Through this study, is expected to uncover fresh perspectives on effective digital strategies tailored for luxury fashion brands. These insights will cover areas such as identifying target markets, refining digital strategies, and optimizing product campaigns.

4.2. RESEARCH METHOD AND DESIGN

For this study, employing a quantitative research approach, specifically through the utilization of surveys, emerged as the optimal method for data collection. Surveys offer the advantage of reaching a varied audience within a relatively short timeframe (Rea & Parker, 2014).

The main goal is to analyse the relation between social media and consumer engagement and luxury fashion perception, as well as, to identify the perception towards the brands, therefore, surveys allow efficient data to be collected and ensure the consistency of data collected across different demographics. Is the best choice for uncovering the complex relationships between the variables (Rea & Parker, 2014).

Through the answers provided, the goal is to explore and understand how luxury brands' social media affect perceptions by examining the impact of social media and consumer engagement.

Specifically, the relationships seek to comprehend:

- The impact of social media engagement and consumer engagement towards luxury brands, considering the generational differences (including Gen Z, Millennials, and others).
- How luxury fashion brands' social media influence the perceptions across different generations.
- The consumer preferences and the effective social media strategies for luxury brands.

Therefore, the software utilized for this study was Qualtrics, an online survey-building platform, ideal to develop and conducting surveys.

The survey was structured as follows:

BLOCK	TITLE	THEME
Block 1	Introduction	Introduces the theme of the study and requests respondents' consent to participate.
Block 2	Generational Differences	Respondents are asked questions related to their engagement with luxury fashion brands on social media, including which brands they follow and their preferences for content types.
Block 3	Social Media Engagement	Consists of a Likert scale questionnaire (rated from 1 to 5) aimed at defining respondents' preferences for and perceptions of luxury fashion brands on social media.
Block 4	Consumer Engagement	A Likelihood scale questionnaire (rated from 1 to 5) is used to assess respondents' engagement and their inclination to purchase from luxury brands.
Block 5	Luxury Brand Perception	It involves assessing the Agreement level (rated from 1 to 5) to determine how well the parties perceive the brand.
Block 5	Demographic Characterization	Collects demographic information to identify respondents' generational groups and other relevant demographics.

Table 1 - Survey Structure

When respondents access the survey, they are “Welcome” with a message providing a brief overview of the study's context. Additionally, they are asked to indicate their willingness to participate, as outlined in Table 1. If respondents agree to proceed, they are directed through the remaining main blocks, as detailed in Table 1.

Prior to the distribution of the questionnaire, a pre-test is conducted with a restricted group of individuals to ensure the clarity of the questions and validate the survey's structure.

4.2.1. RESEARCH METHOD – MEASUREMENTS

The Table 1 (“Survey Structure”) outlines the four variables included in the study. Generational differences serve as a neutral variable, as is not the primary focus of the research question

(Becton et al., 2014). The study has a neutral variable since including one allows to isolate the effects of the key independent variables (social media and consumer engagement) on luxury fashion perception, leading to more accurate findings about these relationships (Costanza et al., 2017). For this variable the construct and questions were adapted from the paper “*Generational differences in workplace behavior*” by J. Becton (2014).

For the first independent variable - social media engagement - the questions were adapted from “*A Model of Social Media Engagement: User Profiles, Gratifications, and Experiences*” by McCay-Peet et al. (2016). This article identifies various dimensions of social media engagement and explores users' emotional responses to content.

For the other independent variable - consumer engagement - the questions were adapted from “*Shopping and Word-of-Mouth Intentions on Social Media*” by P. Mikalef (2013) and “*How External and Mediating Factors Affect Consumer Purchasing Behaviour in Online Luxury Shopping*” by H. Alamoudi (2016). These articles are helpful as it delves into how consumers value different aspects of digital content on various company websites.

The two last variables mentioned above are presented in Blocks 3 and 4 of the survey. Questions in these blocks utilize a likert scale ranging from 1 to 5, where 1 represents the lowest value and 5 represents the highest positive value. This scale was chosen to determine respondents' level of agreement with the statements presented.

In the appendix, is it possible to encounter the Survey Design (Appendix A), which contains a table detailing the scale items, including information on the variables under study, the respective authors, and the remaining questions. The data collection process involved the use of both open-ended questions and multiple-choice questions.

4.3. SAMPLE STRATEGY

For this study, the goal is to gather insights from individuals who are passionate about luxury fashion and may consider purchasing it. To reach this audience, a targeted approach was adopted. Non-probability sampling methods were chosen for their suitability in accessing this specific demographic, despite the acknowledged risk of sampling biases inherent in such methods.

The first non-probability sampling method employed was convenience sampling, distributing the survey within the researcher's network, including fellow students, family members, and friends who are likely to be within the Gen Z and Millennial age groups and interested in luxury fashion. This method facilitated swift access to a sample population with relevant consumer perspectives.

The second method used is the snowball sampling since the respondents who participated were encouraged to share the survey with their own networks. By combining the two

methods, this strategy aimed to capture a diverse range of perspectives from the respondents. Despite the inherent limitations of non-probability sampling, the academic nature of this study prioritized access to a targeted demographic for in-depth exploration of the research question.

4.4. DATA ANALYSIS

The data analysis considered on this study was made judging only from the answers to the surveys, therefore, all surveys with missing data were excluded to not compromised the research. In other to treat the data the Excel tool was used.

On a second phase, data was imported to SPSS Statistics, a software used in several different areas to process statistical analysis, data management and documentation.

Applied to this academic study, the software was used to run statistical tests as Cronbach's Alpha Test, correlation and regression analysis.

5. ANALYSIS & RESULTS

5.1. DATA CLEANING

During the designated period for data collection, a total of 153 responses were recorded. However, upon review, 51 responses were deemed incomplete and were subsequently eliminated from the dataset. This culling process resulted in a refined dataset comprising 102 complete responses.

5.2. SAMPLE CHARACTERIZATION

To provide an accurate representation of the sample, various demographic characteristics of the respondents were collected and analysed.

The gender distribution revealed that most respondents identified as female, constituting 73 out of the total responses. Regarding the age demographics, it indicated a diverse representation across generational cohorts: 69 respondents belonged to Generation Z, 15 to Millennials, 16 to Generation X, and 2 to the Baby Boomer generation.

Education levels among participants predominantly leaned towards possessing a bachelor’s degree or equivalent qualification. Nationality distribution showed that a significant majority, approximately 92% of respondents, were of Portuguese origin. The remaining 8% represented a diverse mix of nationalities, with 3% identifying as Indian, and 5% as Italian, Turkish, German, and French respectively.

Moreover, all the demographics of the sample can be accompanied on the table below.

Gender	Frequency	%
Female	72	71%
Male	27	26%
Prefer not to say	3	3%
Non-binary/Third Gender	0	0%

Table 2 - Gender Demographic Sample (n=102)

Age	Frequency	%
18 - 29 years old;	69	68%
30 - 44 years old;	15	15%
45 - 59 years old;	16	16%
60 - 79 years old;	2	2%

Table 3 - Age Demographic Sample (n=102)

Level of education	Frequency	%
Bachelor's Degree	35	34%
High school graduate or equivalent	27	26%
Master's Degree	30	29%
Post-Graduation	10	10%

Table 4 - Level of education Demographic Sample (n=102)

Nationality	Frequency	%
Portugal	94	92%
France	1	1%
Germany	1	1%
India	3	3%
Italy	2	2%
Turkey	1	1%

Table 5 - Nationality Demographic Sample (n=102)

5.3. GENERATIONAL DIFFERENCES

To explore the variable under consideration, generational differences, the initial inquiry delved into the respondents' ages, as outlined in chapter 5.2. Given the study's focus on identifying the predominant generation within the sample, it is noteworthy that Generation Z emerged prominently, comprising 68% of the total respondents.

Within the survey, a specific question was posed concerning brand awareness and recognition among participants. This question search for whether respondents followed on social media any of the most popular luxury brands online in 2023, as documented by Forbes (Holmes F., 2023). The objective was to determine the influence wielded by these brands. Notably, certain brands gathered significant mentions, as Prada, Louis Vuitton, Christian Dior, and Chanel, with respective percentages of 19%, 21%, 18%, and 18%.

Brands	Frequency	%
Louis Vuitton	21	21%
Prada	19	19%
Christian Dior	18	18%
Chanel	18	18%
Gucci	16	16%
Rolux	9	9%

Table 6 - Most followed brands Sample (n=102)

Furthermore, this study examined generational disparities in social media usage. Among the 102 participants, it was found that 71% followed luxury brands on Instagram, and 26% did so on TikTok.

Social Media Platform	Frequency	%
Instagram	72	71%
Tiktok	26	26%
Other	25	25%
Youtube	17	17%
Facebook	12	12%
Twitter	5	5%

Table 7 - Most used social media to follow luxury brands (n=102)

Moreover, another question was made regarding each type of contents the respondents preferred. 58% and 49% of the respondents prefer photos and videos showcasing products.

Type of content	%
Photos	58%
Videos showcasing products	49%
Campaigns with influential people	40%
Stories with behind-the-scenes glimpses	22%
Educational content about material or craftsmanship	28%
Other	15%

Table 8 - Type of content preferred sample (n=102)

5.4. SOCIAL MEDIA ENGAGEMENT

The social media engagement variable examines the preferences of respondents who rated social media on a scale from 1 to 5, with 1 being "strongly disagree" and 5 being "strongly agree."

Respondents generally agree that a brand's presence on social media positively influences their perception of the brand. It also helps consumers feel closer to the brand and fosters a relationship between the two parties.

Additionally, people agree that well-executed campaigns, whether involving celebrities, influencers, athletes, or other figures, positively shape their perspective of the brand. Moreover, partnerships between brands and these influential individuals enhance this positive perception.

However, participants either disagree or remain neutral on the notion that social media significantly influences their decision to purchase luxury goods.

5.5. CONSUMER ENGAGEMENT

The consumer engagement variable was also analyzed using a likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree), through four specific questions.

The respondents generally displayed neutrality towards purchasing luxury goods from online stores and following brand-related ambassadors and content creators. However, it is evident that most respondents agree they intend to visit the websites of luxury brands and follow these brands' content on social media.

5.6. SCALE VALIDITY AND RELIABILITY

The scales and items used to assess the constructs presented in the conceptual model were adapted from previous studies, as previously mentioned, to ensure their validity and accuracy. Nevertheless, the Cronbach's Alpha test was conducted for the variables, social media engagement and consumer engagement, which serve as the independent variables and for the dependent variable, luxury fashion perception. This test aimed to evaluate the reliability and effectiveness of the scales.

The Cronbach's Alpha reliability coefficient typically ranges between 0 and 1, with values closer to 1 indicating greater internal consistency among the items in the scale. Values above 0.7 are considered acceptable, while those below 0.7 are considered questionable.(Gliem & Gliem, 2003).

Scale	Number of Items	Cronbach's Alpha
Social Media Engagement	5	0,701
Consumer Engagement	4	0,672
Luxury Brand Perception	5	0,804

Table 9 - Reliability Analysis - Cronbach's Alpha Test

As shown in the table, the consumer engagement variable had the lowest value at 0.672. Despite being the lower value, it is still within the acceptable range according to the established parameters.

5.7. MAIN RESULTS

As each of the three variables—social media engagement, consumer engagement, and luxury brand perception—were measured using multi-item scales, the scales were computed based on the mean for further analysis.

5.7.1. PEARSON CORRELATION

The Pearson Correlation coefficient test was conducted to understand the direction and strength of the linear relationships between the variables. The results are presented in Table 10. According to most researchers, a coefficient less than 0.1 (< 0.1) indicates a negligible correlation, while a coefficient greater than 0.9 (> 0.9) indicates a very strong correlation. For this study, the correlation coefficients were interpreted as follows (Schober et al., 2018):

- Negligible correlation: 0.00 – 0.10.
- Weak correlation: 0.10 – 0.39.
- Moderate correlation: 0.40 – 0.69.
- Strong correlation: 0.70 – 0.89.
- Very strong correlation: 0.90 – 1.00.

From the outputs in Table 10, it can be observed that the correlations between generational differences and the other three variables are all negative. Specifically, the correlation with social media engagement ($r = -0.177$, $p = 0.075$) and with consumer engagement ($r = -0.030$, $p = 0.775$) are both weak and negative, indicating no statistically significant relationship since p-value is superior to 0.05 ($p > 0.05$).

However, a significant negative correlation was observed with the luxury brand perception variable ($r = -0.279$, $p = 0.004$), suggesting that older generations possess a lower or more negative perception of luxury brands.

Regarding social media engagement, there is a positive and moderate correlation with both consumer engagement ($r = 0.495$, $p\text{-value} = 0.000$) and luxury brand perception ($r = 0.658$, $p\text{-value} = 0.000$). These results indicate that higher levels of social media engagement are associated with a more favorable perception of luxury brands.

Additionally, the relationship between consumer engagement and luxury brand perception is also moderate and positive ($r = 0.467$, $p\text{-value} = 0.000$), indicating that increased consumer engagement is linked to a more favourable perception of luxury brands.

	Generational Differences	Social Media Engagement	Consumer Engagement	Luxury Brand Perception
Generational Differences	1			
Social Media Engagement	-,177	1		
Consumer Engagement	-,030	0,495**	1	
Luxury Brand Perception	-,279	0,658**	0,467**	1

** Correlation is significant at the 0.01 level (2-tailed)

Table 10 - Pearson Correlation Coefficient

5.7.2. MULTIPLE LINEAR REGRESSION

Firstly, to conduct a multiple linear regression analysis, it is crucial to confirm several assumptions. These include ensuring that the sample size is appropriate (Green, 1991), which in this case, has. A sample should have a minimum size of N superior or equal to 50, which in this case it is factual, since the sample has 102 answers.

Additionally, it's important to ensure that the relationships between variables are linear, there is low or no multicollinearity, the residuals exhibit homoscedasticity, independence of errors is maintained, and the residuals are normally distributed (Tranmer et al., 2020).

On the appendix C, scatter plots are provided to visually confirm that the variables exhibit linear relationships, which is a prerequisite for linear analysis. Examination of Table 11 indicates no multicollinearity issues, as tolerance values are above 0.1 and the Variation Inflation Factor (VIF) is below 10.

	Tolerance	VFI
Social Media Engagement	0,755	1,325
Consumer Engagement	0,755	1,325

Table 11 - Collinearity Statistics

The scatter plot displayed in appendix D shows a random noise pattern where values are primarily concentrated around 0, indicating moderate homoscedastic residuals. Furthermore,

the Durbin-Watson test result of 2.138, as shown in Table 12, suggests no significant problems with the correlation of residuals. This implies that the residuals are approximately independent, validating the regression model.

Durbin – Watson
2,138

Table 12 - Durbin-Watson Test

These confirmations assure that the assumptions for multiple linear regression are met, ensuring the reliability of the subsequent analysis.

The next phase focused on the SPSS outputs—ANOVA, Coefficients, and Model Summary—to analyse the impact of each independent variable (social media engagement and consumer engagement) on luxury brand perception, as well as the contribution of the variables to the overall model. These outputs are presented in Appendix G.

Hypothesis 1: There will be a positive relationship between social media engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.

The β coefficient is 0.427, indicating a direct relationship between social media engagement and luxury brand perception. This means that as social media engagement increases, the perception of luxury brands also increases positively.

Since the p-value is lower than the significance level ($0.000 < 0.05$), we can reject the null hypothesis, confirming that social media engagement has a significant impact on luxury brand perception.

In other words, the first part of the hypothesis is confirmed.

However, it is still necessary to test the second part. Therefore, using SPSS, a stratified analysis was conducted to analyse the impact within each generation separately.

	β Coefficient	p-value
Social Media Engagement	0,427	0,000
Generation Z	0,345	0,008
Millennials	0,216	0,560
Other older generations	0,352	0,068

Table 13 - Coefficients for Social Media Engagement

As observed in Table 13, the relationship between social media engagement and luxury brand perception is significant and relatively strong for Generation Z. However, for Millennials and older generations, the relationship is not as significant.

In conclusion, the hypothesis is supported: social media engagement positively relates to luxury brand perception, and this relationship is stronger for Generation Z than for Millennials. This means that increased social media engagement with luxury brands leads to improved perceptions of these brands.

Hypothesis 2: There will be a positive relationship between consumer engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.

As observed in Appendix G, the β coefficient between consumer engagement and luxury brand perception is 0.255, indicating a positive relationship. However, since the p-value is 0.11, which is greater than 0.05 ($0.11 > 0.05$), this relationship is not statistically significant.

Despite the positive relationship between the two variables, it is not significant. Therefore, the hypothesis is not supported. Nonetheless, we will still analyse the second proposition of the hypothesis, which suggests that the relationship will be stronger for Generation Z than for Millennials.

In the table 14, for Generation Z, the relationship is positive but not significant ($0.146 > 0.05$). The same is true for Millennials ($0.450 > 0.05$). However, for older generations, the relationship is not only positive but also significant ($0.004 < 0.05$).

In conclusion, Hypothesis 2 is not supported by the data. The relationship between consumer engagement and luxury brand perception is not significant and is not stronger for Generation Z compared to Millennials. In fact, the relationship is stronger and significant for older generations.

	β Coefficient	p-value
Consumer Engagement	0,255	0,11
Generation Z	0,187	0,146
Millennials	0,282	0,450
Other older generations	0,608	0,004

Table 14 - Coefficients for Consumer Engagement

Hypothesis 3: There will be a positive correlation between the type of content consumers see and engage with on social media (social media engagement) and their consumer engagement with the luxury brands.

In Appendix H, the Pearson correlation coefficient is 0.495, indicating a moderate positive correlation between social media engagement and consumer engagement. In other words, as social media engagement increases, consumer engagement with the brand also tends to increase.

Moreover, the *p*-value is 0.000, which means it is significant ($0.000 < 0.05$), indicating a statistically significant positive relationship between the variables.

Thus, Hypothesis 3 is supported by the data. There is a positive and significant relationship between social media engagement and consumer engagement.

To conclude, social media engagement and consumer engagement are fundamental to improving the perception of luxury brands. Even though Hypothesis 2 is not supported, is not possible to deny that consumer engagement is directly related to social media engagement, and therefore, also impacts how the public perceives the brand. Social media, transparent communication, and diverse partnerships with influential individuals play a crucial role in building a truthful and positive image for luxury brands.

Hypotheses	Result
H1: There will be a positive relationship between social media engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.	Supported
H2: There will be a positive relationship between consumer engagement and luxury brand perception, and this relationship will be stronger for Gen Z compared to Millennials.	Not supported
H3: There will be a positive correlation between the type of content consumers see and engage with on social media (social media engagement) and their consumer engagement with the luxury brands.	Supported

Table 15 - Hypotheses results

5.8. DISCUSSION OF RESULTS

The primary goal of this study is to understand the influence of social media engagement and consumer engagement on luxury brand perception across different generations. Specifically, it aims to answer the question: “How do social media engagement and consumer engagement

influence luxury brand perception in different generations?" The literature review identified factors that could affect how consumers from various generations perceive luxury brands. Based on this, three hypotheses were tested, with the outcomes presented in Table 15.

The sample for this study consisted predominantly of female participants, which was expected as women generally have more positive attitudes towards luxury brands than men (Stokburger-Sauer & Teichmann, 2013). Most respondents belonged to Generation Z, aligning with the findings of Yuri Siregar et al. (2023), which highlight Gen Z's active role in the fashion industry.

Data analysis revealed crucial insights into the influence of social media engagement, consumer engagement, and generational differences on luxury brand perception.

Social Media Engagement, typically involving immediate and public interactions like likes, comments, shares, and mentions, is driven by content consumption (Aydin et al., 2021). This variable was measured through various questions (Appendix A) to assess how social media presence and activity influence consumer perception. The Pearson correlation showed a strong positive relationship between Social Media Engagement and Luxury Brand Perception ($r = 0.658$, $p = 0.001$), indicating that increased social media engagement enhances luxury brand perception. This result suggests that transparent communication and well-executed online campaigns, both with and without influential individuals, are crucial for building a positive image for luxury brands.

On the other hand, consumer engagement, characterized by long-term relationships and loyalty beyond individual transactions (Aydin et al., 2021) was measured through questions evaluating consumers' intention and behaviours in interacting with brands, including online purchases, visiting websites, and following content. The Pearson correlation between consumer engagement and luxury brand perception was positive and significant. However, stratified regression analyses by generation revealed that this relationship is stronger for older generations. This suggests that while consumer engagement generally improves brand perception, older generations may place greater value on direct and traditional interactions with brands.

Furthermore, the analysis revealed a significant positive correlation between social media engagement and consumer engagement ($r = 0.495$, $p < 0.001$). This indicates that higher social media engagement is associated with increased consumer engagement in other ways, such as purchasing products and following brand content. This correlation suggests a virtuous cycle where social media engagement reinforces consumer engagement, strengthening the relationship between brand and consumer.

Examining generational differences, it is evident that Gen Z shows a significant impact of social media engagement on luxury brand perception ($\beta = 0.345$, $p = 0.008$), while the impact for Millennials is not significant. For older generations, social media engagement shows a slight positive tendency. This indicates that for Gen Z, social media engagement is particularly

influential in forming a positive perception of luxury brands, likely due to their greater familiarity and integration with digital platforms. This aligns with the literature review, which identified that social media plays an important role in the daily lives of younger generations.

In summary, the results confirm that social media engagement and consumer engagement are important factors in forming a positive perception of luxury brands. Gen Z is mainly more influenced by social media engagement, while older generations respond more to direct engagement with brands. These insights are valuable for developing marketing strategies for luxury brands, suggesting the need for segmented approaches that consider the specific preferences and behaviours of each generation.

6. CONCLUSIONS

The luxury marketing landscape has experienced a deep transformation driven by digital innovation, the rapid growth of e-commerce, and evolving consumer behaviors. Luxury brands now face the double challenge of adapting their strategies to the digital scope while providing to the irregular preferences of younger generations.

As already referred, the main goal of this study is to understand how luxury brands' social media affect perceptions by examining the impact of social media and consumer engagement.

The literature review provided insights into these dynamics, highlighting the distinct values and behaviors of different generations and their perceptions of luxury, fashion, and social media. It was observed that younger generations show a stronger inclination towards utilizing social media platforms. Consequently, it was possible to consider that generational differences correlate with social media and consumer engagement, thereby influencing luxury brand perception.

Three hypotheses were proposed, and quantitative research was conducted to collect data to test these hypotheses and assess brand awareness, familiarity with luxury brands, and social media usage.

The analysis confirmed a significant relationship between social media engagement and luxury brand perception, as well as between social media engagement and consumer engagement, validating two of the three hypotheses. Despite the rejection of the hypothesis regarding the direct relationship between consumer engagement and luxury brand perception due to lack of statistical significance, it was noted that for some generations, particularly Gen Z, this relationship is slightly positive. Consumer engagement still influences social media engagement, which in turn affects luxury brand perception.

Thus, the study achieved its main objective by demonstrating that the independent variables—social media engagement and consumer engagement—along with the moderating variable of generational differences, impact luxury brand perception. This research bridged the initial gap identified in the literature.

In conclusion, the findings underscore the critical role of social media in shaping and enhancing the perception of luxury brands. Social media engagement not only improves brand perception but also fosters greater consumer engagement, creating stronger bonds and deeper relationships with luxury brands. However, it is crucial to consider generational differences in these strategies to effectively target and engage diverse consumer segments.

6.1. THEORETICAL IMPLICATIONS

This study contributes significantly to the existing knowledge on luxury brands and social media by addressing several key gaps and providing original insights.

Firstly, the research lies in its targeted and comparative analysis of how social media influences luxury brand perceptions among different generations, specifically Gen Z and Millennials. Previous research has often treated these generational groups homogeneously or focused broadly on digital marketing strategies without delving deeply into the nuances of generational differences. By addressing this gap, the study provides a more refined understanding of how luxury brands can tailor their social media strategies to effectively engage with different demographic segments.

Furthermore, the research highlights the interplay between social media engagement and consumer engagement. While existing literature has explored the general effects of social media on brand perception, this study examines how these two forms of engagement interact to shape perceptions of luxury brands. This understanding is critical as it highlights the multifaceted nature of consumer interactions with luxury brands in the digital age.

The study's focus on generational differences adds another layer of depth to the discourse. It acknowledges that younger generations, particularly Gen Z and Millennials, have distinct values and behaviors compared to older generations, allowing a more granular understanding of how luxury brands can optimize their social media strategies to resonate with these younger parties.

By conducting quantitative research, through a survey, and testing specific hypotheses using the SPSS program, the study provides empirical evidence on the relationships between social media engagement, consumer engagement, and luxury brand perception. This empirical grounding not only validates theoretical claims but also offers a foundation for future research in this area.

Moreover, the methodological approach and findings of this study provide a model for future research. Subsequent studies can build on this work by exploring other moderating variables or extending the research to different cultural contexts, thereby broadening the applicability and relevance of the findings.

In conclusion, this thesis not only addresses an important gap in the literature by providing a detailed analysis of social media's impact on luxury brand perceptions across generations offers valuable insights for academic research. The findings underscore the critical role of social media in shaping luxury brand perception and the necessity of tailoring strategies to the distinct preferences of different generational cohorts.

6.2. MANAGERIAL IMPLICATIONS

In terms of managerial implications, this study translates its outcomes into actionable insights for practitioners.

The findings of this study offer several practical insights that can significantly improve the marketing strategies of luxury brand managers. These insights are particularly relevant in the context of social media engagement and consumer behaviour across different generations.

Firstly, the high engagement rates on platforms like Instagram (71% of participants) and TikTok (26%) highlight the critical importance of these social media channels for luxury brands. Managers should prioritize and optimize their presence on these platforms to effectively reach and engage with their target audiences. Given that a significant majority of respondents prefer photos and videos showcasing products (58% and 49% respectively), luxury brands should focus on creating high-quality visual content that highlights their products' exclusivity and craftsmanship.

Moreover, campaigns involving influential individuals such as celebrities, influencers, and athletes are shown to positively impact brand perception. With 40% of respondents favouring campaigns with influential people, luxury brand managers should consider strategic partnerships with well-aligned personalities who can enhance the brand's image and reach. These partnerships not only attract attention but also lend credibility and aspirational value to the brand, making it more relatable and desirable to consumers, creating and improving not only consumer engagement but also brand loyalty.

The study also emphasizes the role of social media engagement in fostering closer relationships between consumers and luxury brands. Respondents indicated that a brand's presence on social media positively influences their perception of the brand and helps them feel more connected to it. Therefore, managers should invest in building a robust and interactive social media presence. This can be achieved through regular updates, engaging content, and direct interactions with followers, which collectively enhance consumer loyalty and brand affinity.

Furthermore, the research underscores the importance of well-executed campaigns. Luxury brand managers should ensure that their social media campaigns are not only visually appealing but also strategically planned and executed. This includes leveraging data analytics to understand consumer preferences and tailoring content to meet these preferences effectively. For instance, using insights from the study, managers can focus on creating product-centric visual content and partnering with influencers who resonate with their target demographic.

In terms of consumer engagement, the study reveals that most respondents intend to visit luxury brands' websites and follow their social media content. This intention indicates a strong potential for converting social media engagement into actual consumer actions. Managers

should facilitate this transition by ensuring seamless integration between social media platforms and their e-commerce sites. Providing direct links to product pages, exclusive online offers, and engaging website content can drive traffic and increase online sales.

Additionally, understanding generational differences is crucial for targeting strategies. The study found that younger generations, particularly Gen Z, are more inclined to use social media and engage with brands online. Luxury brand managers should tailor their digital marketing strategies to provide to these younger consumers, focusing on the platforms they frequent and the content formats they prefer, and mainly their values. For instance, TikTok, known for its younger user base, can be utilized for innovative, short-form video content that appeals to Gen Z's preferences.

To conclude, the managerial implications of this study are multifaceted. Luxury brand managers can enhance their marketing strategies by prioritizing key social media platforms based on their target audience. They can also improve branding by creating high-quality visual content and strategically partnering with influential personalities, not only through campaigns but also by sending them products to share and showcase. Ensuring seamless integration between social media and e-commerce platforms is necessary, as is tailoring digital strategies to different generational preferences. Leveraging data analytics can facilitate this customization, enabling brands to effectively meet the distinct needs and behaviors of their diverse consumer segments.

6.3. LIMITATIONS & RECOMMENDATIONS

During the development of this study, there are some limitations that were identified that are important to address. Although the sample was adequate for testing the hypotheses and conceptual model, future research could benefit from a larger sample to enhance representativity and legitimacy. Even though the study included a diverse range of nationalities, incorporating more nationalities and a greater number of participants from each nationality would be beneficial. Additionally, the sample was predominantly female, so a more balanced gender representation would further strengthen the study's validity.

A more comprehensive study incorporating a broader range of hypotheses across different cultural contexts could provide deeper insights. This future research could involve a larger sample size and additional variables to better predict the influence of social media engagement and consumer engagement on luxury brand perception.

Additionally, this is particularly relevant given the use of non-probabilistic sampling methods to collect data. These types of approaches, specifically convenience sampling and snowball sampling, were employed to gather data. Due to the academic nature of this study and the necessity to collect responses within a limited timeframe, the survey was initially distributed within the network of contacts (convenience sampling) and subsequently shared by initial

respondents with their own networks (snowball sampling). These methods, while effective for the study's purposes, suggest that future research should consider more randomized sampling techniques to improve the generalizability of the findings.

Regarding the recommendations, this study confirms that the future of luxury marketing lies in the integration of digital strategies, social responsibility, and an acute understanding of consumer behavior, particularly among the digitally-savvy younger generations. Therefore, to optimize their presence and impact on social media, luxury brands must strengthen their presence on the platforms most used by consumers, such as Instagram and TikTok, as highlighted by the study. These platforms are highly visual and offer creative tools to interact with and dynamize content and brand messaging.

Creating visually attractive content that aligns with the brand's specific aesthetic is fundamental, as 58% of the study's respondents prefer photos. However, it is crucial that these photos are high-quality and professional, showcasing the products in detail and highlighting their quality.

Since 82% of respondents agree that campaigns with quality photos and videos improve their perception of the brand and increase their likelihood of engagement, it is imperative to prioritize this aspect. Furthermore, 49% of respondents indicated a preference for videos showing the products, particularly campaigns featuring new products. Creating short videos that emphasize the exclusive characteristics of these products can significantly boost engagement and enhance brand perception.

Partnerships with influential people and models also play a significant role. According to the study, 71% of respondents have a better perception of a brand when campaigns feature influencers, from models to celebrities to athletes.

However, the choice of these influencers is crucial. It is important to consider what they value, who they are, and whether the brands' choices for campaigns are diverse in terms of gender, nationality, race, culture, age, and other factors. This diversity not only resonates with the values of the new generations but also helps reach a wider audience and convey the brand's culture, purpose, and values.

Which make segmenting marketing strategies by generation essential. For Gen Z, dynamic and interactive campaigns are needed and even wanted, featuring not only photos or videos of products but also influential people using them or talking about the brand. For Millennials, it is important to continue engaging with relevant content and showcasing the brand's purpose and values. This can be effectively aligned with campaigns targeted at Gen Z, as both demographics respond positively to messages about sustainability and social responsibility. For example, a model or influential person could discuss the brand and its values, or highlight environmental initiatives, such as wearing a piece of clothing made from recycled materials. This approach not only appeals to Gen Z's demand for authenticity and dynamism and purpose but also resonates with Millennials' appreciation for meaningful brand engagement.

For older generations, who still prefer traditional shopping methods, it is important to provide comfortable, personalized in-store service. Online, 24/7 customer service is crucial to address their questions and concerns, and email marketing remains highly effective for this demographic.

In conclusion, innovation and adaptation are crucial in these rapidly changing digital times. Staying updated with trends and the evolving digital landscape is a necessity. Moreover, continuously improving and experimenting with new content formats and creative approaches will ensure that luxury brands remain relevant and impactful.

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APPENDIX

APPENDIX A – SURVEY DESIGN

VARIABLES	SOURCE	ADAPTED QUESTIONS	LIKERT SCALE
Generational differences	Adapted from J. Bret Becton, et al. (2014)	<ol style="list-style-type: none"> 1. What is your age? <ol style="list-style-type: none"> a) < 14 years old. b) 14 – 29 years old. c) 30 – 44 years old. d) 45 – 59 years old. e) 60 – 79 years old. f) > 80 years old. 2. Do you follow luxury fashion brands on social media? <ol style="list-style-type: none"> a) Yes b) No 3. Do you follow any of the following brands on social media or other online platforms? <ol style="list-style-type: none"> a) Burberry b) Versace c) Tiffany d) Prada e) Rolex f) Hermès g) Louis Vuitton h) Chanel i) Gucci j) Christian Dior k) Other l) None of the above 4. Social media used to follow luxury brand’s accounts: <ol style="list-style-type: none"> a) Instagram b) TikTok c) Facebook d) Twitter e) YouTube 	

		<p>f) Other</p> <p>5. Which types of content do you find most appealing from luxury brands on social media? (Select all that apply)</p> <p>a) Photos</p> <p>b) Videos showcasing products or campaigns</p> <p>c) Stories with behind-the-scenes glimpses</p> <p>d) Influencer collaborations</p> <p>e) Educational content about materials or craftsmanship</p> <p>f) Other</p>	
Social media engagement	Adapted from L. McCay – Peet et al., (2016)	<p>1. A luxury brand that is not present on social media seems less prestigious.</p> <p>2. The luxury fashion brand's communication on social media is transparent and trustworthy.</p> <p>3. Social media allows the brand to get closer to consumers and build a relationship of trust.</p> <p>4. Social media influences my decision to purchase luxury products.</p> <p>5. The opinions of partnered digital influencers impact my perception of luxury brands.</p> <p>6. I have purchased a luxury product because of the influence of a digital</p>	Please indicate your level of agreement regarding the following affirmations, on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree).
Consumer engagement	<p>Adapted from:</p> <ul style="list-style-type: none"> • Alamoudi; • Mikalef et al. 	<p>1. I plan to buy items from luxury brands via online stores in the future.</p> <p>2. I intend to continue visiting the websites of luxury brands.</p>	Please indicate your level of likelihood regarding the following affirmations, on a scale from 1 (Strongly

		<p>3. I intend to follow the content of luxury brand companies on their social media pages.</p> <p>4. I intend to follow the luxury brands' ambassadors and content creators that are directly related to the brand.</p>	Disagree) to 5 (Strongly Agree).
Luxury Brand Perception	Adapted from L. McCay – Peet et al., (2016)	<p>1. A luxury brand being active on social media positively influences my perception of the brand.</p> <p>2. Well-executed campaigns (with several videos, photo, or images) influence my perception of the brand, in a better way.</p> <p>3. Well-executed campaigns (with several videos, photo, or images) with celebrities/models/influential people influence my perception of the brand, in a better way.</p> <p>4. Luxury brand partnerships with celebrities or models or influential people improve my perception of the brand.</p> <p>5. The opinions of partnered digital influencers impact my perception of luxury brands.</p>	Please indicate your level of agreement regarding the following affirmations, on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree).

APPENDIX B – SURVEY

Start of Block: Introduction

Welcome!

This survey is part of my Master's degree in Data Driven Marketing with a focus on Digital Marketing & Analytics at NOVA IMS. It explores the impact of social media on Luxury Brand Perception.

Your participation is voluntary, and you don't need any specific knowledge about the topic. Your answers will

be kept anonymous and used solely for this academic study.

By participating, you confirm that you are over 18 years old and can withdraw at any time.

Intro Pt.2 Do you agree to participate in this study?

- Yes, I agree to participate. (1)
- No, I do not agree to participate. (2)

Skip To End of Survey If Do you agree to participate in this study? = No, I do not agree to participate.

End of Block: Introduction

Start of Block: Generational Differences

Q10 What is your age?

- 18 - 29 years old; (1)
 - 30 - 44 years old; (2)
 - 45 - 59 years old; (3)
 - 60 - 79 years old; (4)
 - > 80 years old. (5)
-

Q1 Do you follow any luxury fashion brand on social media?

- Yes (1)
 - No (2)
 - I do not remember (3)
-

Q4 Which of these brands do you follow on social media or other online platforms?
(Select all that apply)

- Burberry (1)
- Versace (2)
- Tiffany (3)
- Prada (4)
- Rolex (5)
- Hermès (6)
- Louis Vuitton (7)
- Chanel (8)
- Gucci (9)
- Christian Dior (10)
- Other (11)
- None of the above (12)

Q5 Which social media platforms do you use to follow luxury brands' accounts? (Select all that apply)

- Instagram (1)
- TikTok (2)
- Facebook (3)
- Twitter (4)
- YouTube (5)

Other (6)

Q6 Which types of content do you find most appealing from luxury brands on social media? (Select all that apply)

Photos (1)

Videos showcasing products (2)

Campaigns with influential people (7)

Stories with behind-the-scenes glimpses (3)

Educational content about material or craftsmanship (5)

Other (6)

End of Block: Generational Differences

Start of Block: Social Media Engagement

Q7 Please indicate your level of agreement regarding the following affirmations, on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1 - Strongly Disagree (1)	2 (2)	3 (3)	4 (4)	5 - Strongly Agree (5)
A luxury brand being active on social media positively influences my perception of the brand. (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A luxury brand that is not present on social media seems less prestigious. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The luxury fashion brand's communication on social media is transparent and trustworthy. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media allows the brand to get closer to consumers and build a relationship of trust. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Well-executed campaigns (with several videos, photo, or images) influence my perception of the brand, in a better way. (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Well-executed campaigns (with several videos, photo, or images) with celebrities/models/influential people influence my perception of the brand, in a better way. (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Luxury brand partnerships with celebrities or models or influential people improve my perception of the brand. (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social media influences my decision to purchase luxury products. (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The opinions of partnered digital influencers impact my perception of luxury brands. (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have purchased a luxury product because I was influenced after seeing it on social media. (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Social Media Engagement

Start of Block: Consumer Engagement

Q8 Please indicate your level of likelihood regarding the following affirmations, on a scale from 1 (Extremely Unlikely) to 5 (Extremely Likely)

	1 - Extremely Unlikely (1)	2 (2)	3 (3)	4 (4)	5 - Extremely Likely (5)
I intend to buy items from luxury brands via online stores in the future (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to continue visiting the websites of luxury brands. (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to follow the content of luxury brand companies on their social media pages. (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to follow the luxury brands' amabassadors and content creators that are directly related to the brand. (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

End of Block: Consumer Engagement

Start of Block: Demographic Characterization

Q9 With which gender do you identify?

- Female (1)
 - Male (2)
 - Non-binary / third gender (3)
 - Prefer not to say (4)
-

Q11 What is your highest level of education completed?

- No formal education (1)
 - High school graduate or equivalent (2)
 - Bachelor's Degree (3)
 - Post-Graduation (4)
 - Master's Degree (5)
 - MBA (6)
 - Doctorate / Phd (7)
 - Other (8)
-

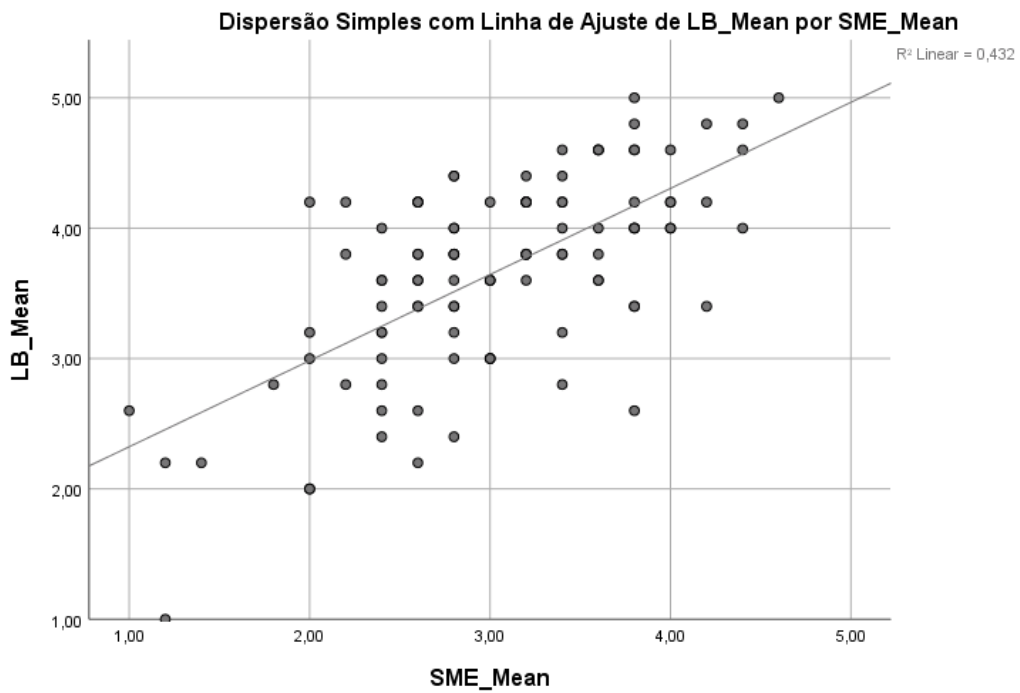
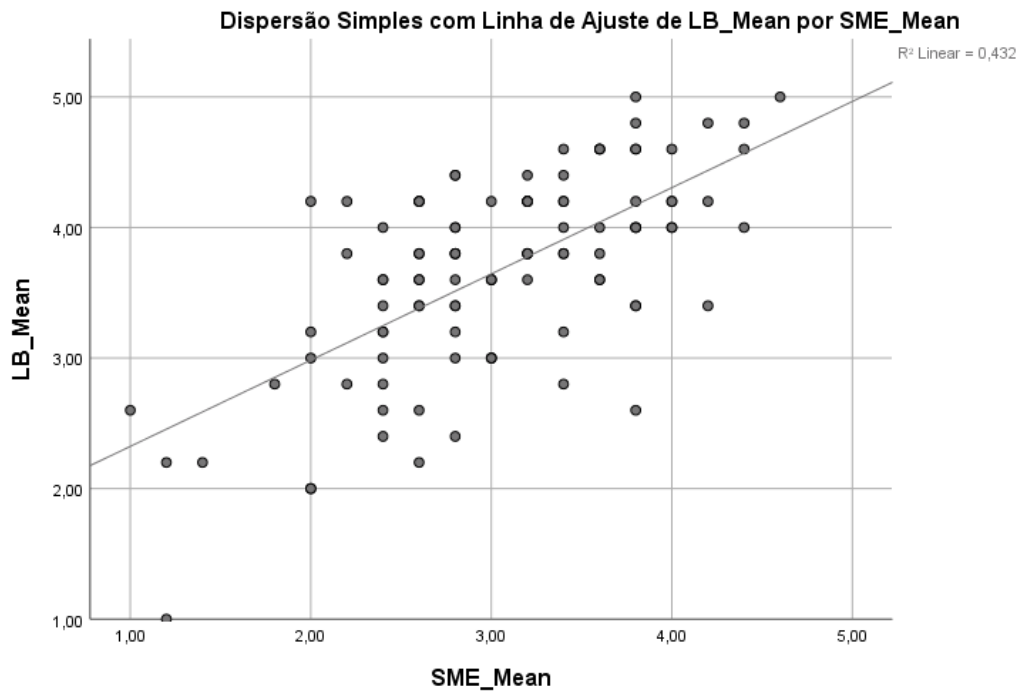
Q12 What is your occupation?

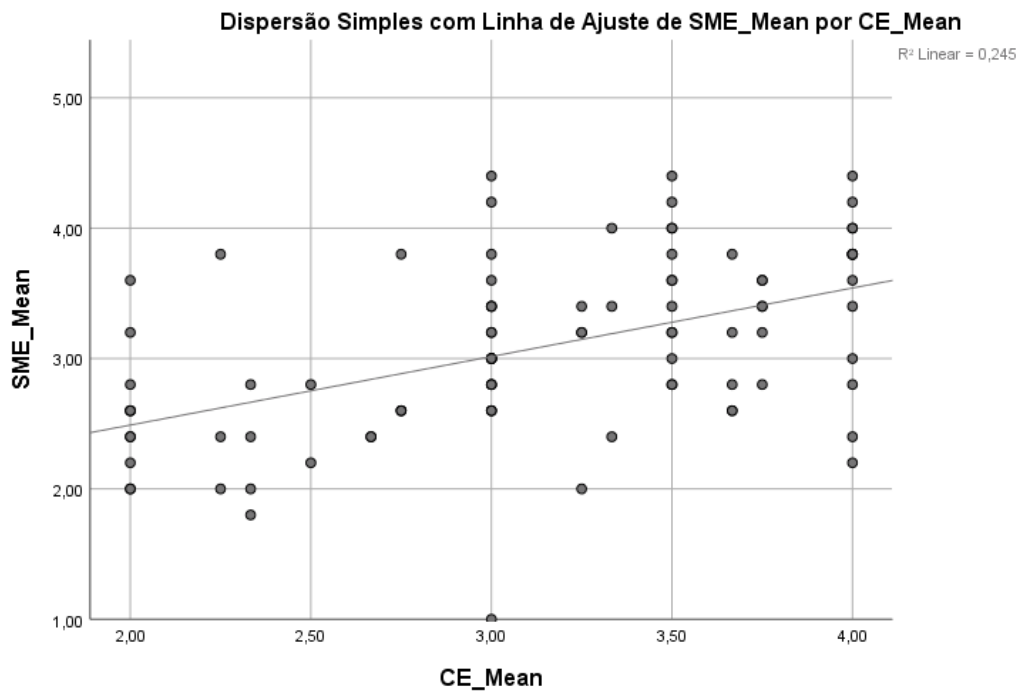
- Studying (1)
 - Working full-time (2)
 - Working part-time (3)
 - Working Student (4)
 - Unemployed (5)
 - Other (6)
-

Q13 What is your nationality?

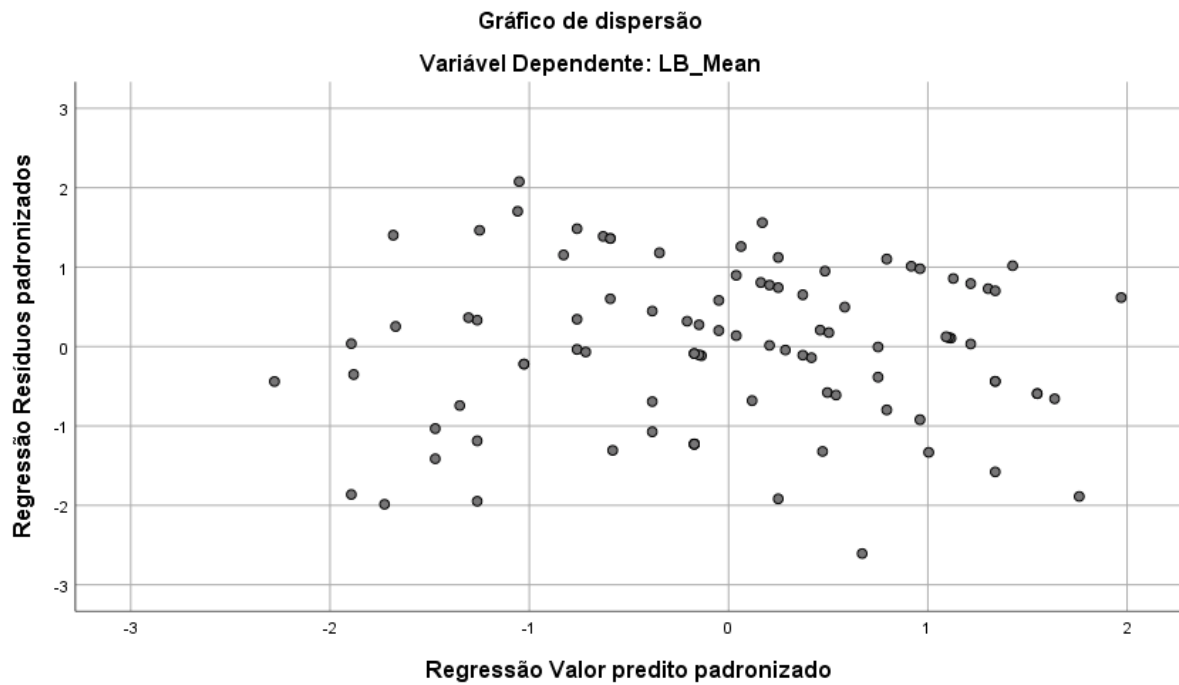
End of Block: Demographic Characterization

APPENDIX C – SCATTER PLOTS (LINEAR ANALYSIS)



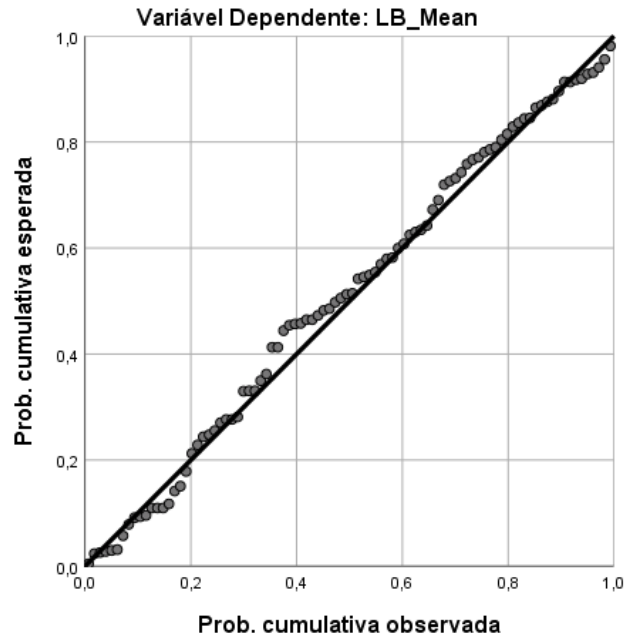


APPENDIX D – SCATTER PLOT (HOMOSCEDASTICITY ANALYSIS)

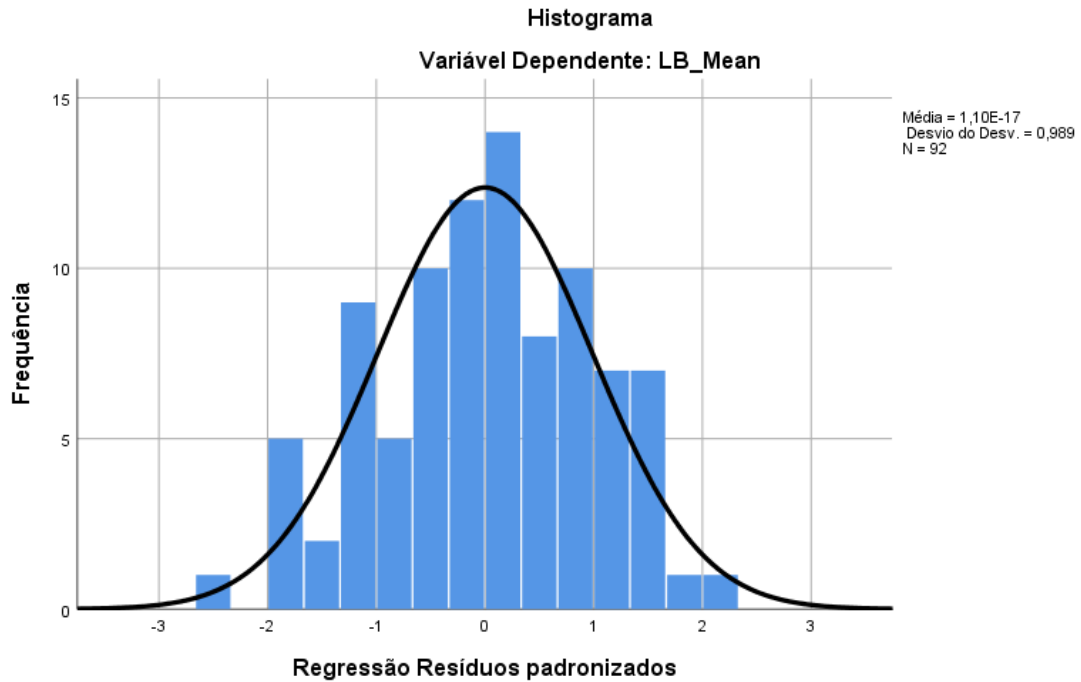


APPENDIX E - P-P PLOT

Gráfico P-P Normal de Regressão Resíduos padronizados



APPENDIX F - HISTOGRAM OF STANDARDIZED RESIDUAL



APPENDIX G – ANOVA, COEFFICIENTS AND MODEL SUMMARY

ANOVA^a

Modelo		Soma of Squares	df	Mean Square	F	Sig.
1	Regression	13,612	2	6,806	24,571	,000 ^b
	Residual	24,652	89	,277		
	Total	38,264	91			

a. Dependent Variable: LB_Mean

b. Predictors: (Constant), CE_Mean, SME_Mean

Coefficients^a

Modelo	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VFI
(Constant)	1,649	,306		5,392	,000		
SME_Mean	,407	,093	,427	4,362	,000	,755	1,325
CE_Mean	,258	,099	,255	2,606	,011	,755	1,325

a. Dependent Variable: LB_Mean

Coefficients^a - for Generation Z

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VFI
1	(Constant)	2,516	,359		7,006	,000	
	SME_Mean	,272	,100	,345	2,724	,008	,837
	CE_Mean	,156	,106	,187	1,475	,146	,837

a. Dependent Variable: LB_Mean

Coefficients^a – for Millenials

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VFI
1	(Constant)	2,097	,826		2,540	,028		
	SME_Mean	,218	,363	,216	,601	,560	,556	1,799
	CE_Mean	,232	,296	,282	,783	,450	,556	1,799

a. Dependent Variable: LB_Mean

Coefficientes^a – for the older generations

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VFI
1	(Constant)	-,254	,526		-,482	,638		
	SME_Mean	,401	,202	,352	1,989	,068	,505	1,980
	CE_Mean	,776	,226	,608	3,434	,004	,505	1,980

a. Dependent Variable: LB_Mean

Model Summary^b

Model	R	R square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,596 ^a	,356	,341	,52630	2,138

a. Predictors: (Constant), CE_Mean, SME_Mean

b. Dependent Variable: LB_Mean

APPENDIX H – PEARSON CORRELATION

		Correlações			
		Gen. Diff	SME_Mean	CE_Mean	LB_Mean
Generational Differences	Pearson Correlation	1	-,177	-,030	-,279**
	Sig. (2-tailed)		,075	,775	,004
	N	102	102	92	102
SME_Mean	Pearson Correlation	-,177	1	,495**	,658**
	Sig. (2-tailed)	,075		,000	,000
	N	102	102	92	102
CE_Mean	Pearson Correlation	-,030	,495**	1	,467**
	Sig. (2-tailed)	,775	,000		,000
	N	92	92	92	92
LB_Mean	Pearson Correlation	-,279**	,658**	,467**	1
	Sig. (2-tailed)	,004	,000	,000	
	N	102	102	92	102

** . The correlation is significant at the 0,01 level (2-tailed)



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