

How Social Media Marketing Efforts Influence Brand Equity Creation and Its Consequences: The Case of Luxury Brands

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Abstract Recent evidence suggests a dramatic increase in social media marketing activities across industries. By analyzing pioneering brands in the luxury sector, this study explores the impacts of social media marketing efforts on brand equity and its consequences. Based on a survey of 397 French and Chinese luxury brand customers who follow the brands in social media, we developed a structural equation model to support our research hypotheses. Our study contributes to the growing social media branding literature by confirming that social media marketing efforts can be identified and measured as a holistic concept incorporating five aspects: entertainment, interaction, trendiness, customization, and word of mouth. Moreover, our findings demonstrate the links between social media marketing efforts, brand equity, and its consequences including preference, loyalty, and price premium. We discuss the implications of our findings for future research and managerial practices and strategies of luxury brands aiming to grow brand equity in social media environments.

Keywords Social Media • Brand Equity Creation • Luxury Brand • WOM • Customization

References

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