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**Social Media Marketing: Celebrity Endorsements and its Effects on
Consumer Engagement in Social Media**

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Statutory Declaration

I declare in lieu of an oath that I have written this master thesis by myself, and that I did not use other sources or resources than stated for its preparation. I declare that I have clearly indicated all direct and indirect quotations, and that this thesis has not been submitted elsewhere for examination purposes.

20.07.2017

Date



Signature

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List of Abbreviations

KPI	Key Performance Indicator
ELM	Elaboration Likelihood Model
LIP	Low Involvement Process
YOY	Year Over Year

Abstract

With the social media proliferation, traditional celebrity endorsements have been moving into Facebook and other social media platforms. Contrary to the traditional media research, celebrity endorsements on social media have not been studied as comprehensively and conclusively. This paper attempts, through empirical research, to study the impact of celebrity videos on viewership and engagement on Facebook for Luxury Fashion Brands that are active on Facebook. The three brands analyzed are: Chanel, Dior, Louis Vuitton, as well as Fashion TV company. By comparing the impact of viewership and engagement on celebrity videos with generic videos, a positive impact of celebrities was established for all brands on viewership. Within the scope of this research, there was no impact of the celebrity found on engagement. The author supposes that this is explained by the negative correlation between the viewership and engagement, i.e. the higher the number of views, the smaller the number of engaged fans. The research can be considered to be a stepping stone for further studies of celebrity endorsements on social media for luxury fashion brands. Specifically, more data should be collected to understand the nature of the negative correlation between viewership and engagement. The impact of a celebrity endorsement on engagement should be examined in more detail and in-depth.

1 Introduction

The underlying fundamental question regarding the use of celebrities in advertising is, why do companies spend millions of dollars on celebrity endorsements when they could do the same advert with an anonymous model for just a fraction of the cost? In essence, the question is how does a celebrity add value to advertising, promotion, and public relations compared to generic advertising? In the traditional media landscape, this question was answered convincingly with a bulk of academic research and theoretical models supporting it. The author will attempt to answer these questions and relate them to the effects of celebrity endorsements in video on Facebook on consumer viewership and engagement with the video and the brand. This will serve two purposes: to make practical recommendations for social media marketing and to provide real-life statistically valid data for academic research and literature.

The fundamental difference between anonymous and celebrity advertising approaches was studied and conceptualized by McCracken in 1989. McCracken suggested the concept of cultural meaning transfer from a model in an advert to a consumer, which is a key link between a brand and a customer. However, he outlined the key difference of celebrities in the process of the cultural meaning transfer from a celebrity to the customer. He stated that an anonymous model could transfer the same cultural meanings as a celebrity, i.e. age, gender, class, etc. However, he emphasized, the difference lies in the precision and clarity with which celebrities fulfill the same task.

McCracken emphasized also that celebrities are “more powerful than anonymous actors” because they “deliver meanings more powerfully”. This, according to McCracken, is driven by the fact that they “own their meanings” (McCracken, 1989, p. 315). They own the meaning since they embody a certain culture, status, trend, and class in their image. In this thesis, the author would like to use and explore this phenomenon further, in the context of the modern Internet media and research if the meaning transfer happens as effectively in social media, as in traditional media.

1.1 Research Background

The last decade saw the explosion of the Internet and social media, or Web 2.0, usage worldwide. People’s behavior has shifted into spending more time on social media platforms and online than on traditional media, such as TV, print, and radio. With this rapidly developing trend and new advertising opportunities, businesses spend their marketing budgets

on the online advertising at a growing rate. While celebrities have been used for product and brand advertising since the beginning of the 20th century, their endorsements on social media are a relatively new phenomenon, which has not been sufficiently studied. It takes multiple shapes and forms, can vary greatly, albeit subtly, and also depend on the specific online platform used.

The effectiveness of celebrity endorsements in traditional media is well researched and documented, with a significant impact on celebrities and the perceptions of the consumers, their attitudes and ultimately on a company's proven sales. However, for social media, such data is scarcely available due to the recency of the trend and the ever-changing social media landscape. Since advertising in social media is becoming more prevalent, the author of this thesis intends to conduct research to determine the impact of celebrity endorsed advertisements for luxury fashion brands and their products on Facebook.

Facebook has over 2 billion users worldwide, it offers both private and business accounts. This allows companies to create their business or brand pages and have the potential to gain millions of followers and to engage with them. Businesses have an option of paid advertising, i.e. placement, or free posts on their respective official business pages. In this thesis, only the free posts on the brand business pages are analyzed. Such free posts reach audiences organically, via page followers and their next level connections.

1.2 Scope and Definitions

The scope of this research will encompass luxury fashion brands actively represented on their respective Facebook pages: Chanel, Dior, and Louis Vuitton , as well as the Fashion TV page. These brand pages will be considered representative of the universe of all other similar class luxury fashion brands. The scope will include only videos, not images. Also, it will include only commercial product videos since the purpose of this research is to evaluate the possible usage of celebrity endorsements for products and services advertised on social media.

A brand page is defined as an official company page, with a significant number of followers. In this thesis, the pages with around 20 million followers each were selected, which is considered the highest for business or brand pages. The followers or fans of the page are the people who "liked" the page, this is the potential audience for posts on the page. Friends and followers of this audience are the next level of potential audience for the post, as they see activities of their contacts and, thus, can be potentially exposed to the given post. In order for

this to happen, a page follower must engage with the post.

The number of views represents the number of all unique users who have seen the post, whereas engagement is defined as the number of reactions: likes and other reactions. For the Fashion TV page, in addition to reactions engagement also includes a number of shares. Since the number of shares is negligible compared to the number of reactions, it has not impacted the results and can be compared with other brands. The percent of engagement is the number of reactions divided by the total number of views. Thus, the author measures the views and the percent of these users who interacted further with the video, after having seen it.

Celebrity in this paper is defined as a well-known and widely recognized figure amongst the respective target audience, e.g. Natalie Portman, Gigi and Bella Hadid, Kendal Jenner. Lesser known fashion models or actors were not considered celebrities in order to keep the data comparable and celebrities of the same caliber. Due to the nature of the brands and products in the current research, celebrities are mainly represented by fashion models and to a lesser extent by movie stars.

1.3 Research Question and Importance

The research question of this thesis is as follows: “How does the utilization of celebrity endorsements in the advertising of luxury products on social media effect consumer brand engagement compared to advertising copies featuring anonymous models, products or brands only?” In this thesis, the author suggests that there is a statistically significant difference in the number of views and percent engagement between celebrity and anonymous videos. The author of this thesis intends to research how effective commercial product advertising on social media is. Specifically, the research will focus on video advertising on Facebook for luxury fashion brands.

The bulk of the research and literature states that celebrity effects are particularly strong in the luxury fashion industry. According to Angela Carroll: “Celebrity endorsement is recognized as a potentially potent tool in communications, with celebrities viewed as more powerful than anonymous models and campaigns tending to verbalize the meaning of the celebrity in relation to the brand” (Carroll, 2009, p. 146).

Fundamental social and psychological basis for celebrity effect on consumers lies in the “evaluative conditioning” mechanism described by De Houwer, Thomas & Baeyens (2001) (as cited in Bergkvist & Zhou, 2016, p. 654). By this mechanism, celebrities’ “desirable properties” are “paired with the brand”, which prompts customers to get in contact or create to relationships with the brand and imitate celebrity’s behavior. This mechanism

works in the situations of “low-effort processing”, which means that consumers are only superficially involved with the brand, product, and advertisement, and not engaged deeply with them. (Bergkvist & Zhou, 2016)

While there is a significant amount of academic literature on the psychological and social causes and effects of celebrity advertising effectiveness in general, there is a gap in understanding how it works in the modern world of social media, what kind of consumer impact it has within the social media context and how it can be quantified. Specifically, the following questions are of interest for academic purposes. What are the drivers of engagement with the brand on Facebook? What is different with celebrity impacts on TV versus social media? Does the democratic nature of the social media mean that celebrities will be less in demand for consumers, as well as companies? This thesis is a stepping stone in the way to answer these questions and is only a piece of the overall puzzle, adding research, data, and analysis for a specific industry of luxury fashion and for a specific type of media, i.e. video posts.

Therefore, the author will analyze all available data from the four Facebook pages to evaluate this thesis’ hypothesis as to the difference between commercial videos with celebrities and with anonymous models. The thesis argues that celebrity endorsements increase viewership and engagement on Facebook. Though the topic of celebrity endorsements in traditional media has been widely covered in the academic literature and research, the topic suggested by the author of this thesis, focuses specifically on Facebook engagement with video advertising of luxury fashion brands is new in the academic field and will bring industry specific findings. Facebook was chosen because of its prevalence, importance and data availability. Currently, Facebook boasts 2 billion users worldwide, the highest number of users on any social media platform.

The author will analyze video advertisements placed on the Fashion TV Facebook page, which has over 4.2 million followers. In addition, the author will analyze three individual brand pages of luxury fashion brands, where two similar types of product advertisements can be found and will analyze the performance of advertisements within each brand. She will select only product advertisements, excluding fashion shows or magazine photo shootings. The author will compare two sets of videos: the first one includes commercial product videos with celebrity endorsements and the second includes product advertising without celebrities’ faces or name mentions (i.e. generic or anonymous models).

The key KPIs that represent consumers’ attention and engagements are viewership and

post engagement (reactions, comments, and shares). From the economic point of view, advertising on Facebook is much more cost-effective than traditional media due to its scalability. According to Sachin Rao (2012) in his article Facebook for Businesses, an advertisement can get a lot of viewership for free in case it is being shared, liked and commented on by users (p. 90). For this reason, engagement with the advertising video is a key metric for businesses. Certainly, this type of engagement might be considered superficial, since “likes”, “shares”, “comments” do not reflect how deeply the user is engaged with the brand. But these metrics proxy the popularity of a given post and show the level of interest generated by it among consumers (Malhotra, 2012, p. 103). Moreover, this type of deeper engagement helps widen the potential organic viewership for the given video. In case the hypothesis is correct, there will be a strong case for the usage of celebrity endorsements in social media advertising for the luxury fashion sector.

1.4 Research Relevance

This research is relevant for the author and for the academic and business community in several ways. Firstly, it focuses on a new, state-of-the-art type of advertising, social media, which has not been researched as extensively as traditional media has been. In this sense, the findings of this research will be among the first pieces of statistically representative, quantitative research of advertising on social media. Specifically, the findings will be able to shed light on how effective celebrity endorsements in video commercials on Facebook are. Is there a difference and in what aspects with the video commercials on TV? The hypotheses on the consumer behavior differences on social media in comparison to TV consumption will emerge from the findings of this research.

Secondly, the subject of this thesis is specific and practical for businesses of luxury products and in the fashion industry. It will help businesses to manage their budget, time, and resource allocation on Facebook more efficiently. The research will use high amount, up-to-date, real-life data from Facebook, which make its findings extremely relevant, timely, and usable. Currently, there are no definitive recommendations on the best usage of celebrities in social media. The different celebrity types, types of endorsements, commercial formats, and campaign parameters should be employed on social media. There are no formulas for celebrity endorsement effectiveness on social media. Since it is the future of advertising, there are numerous practical issues and questions to be researched and answered.

Thirdly, it is relevant for the academic community, since it provides research on celebrity endorsements in the fashion industry, and can be added to broader academic research

regarding marketing and advertising. It will help to understand consumer dynamics on social platforms versus other types of media, as well as compare social engagement and celebrity endorsements across various industries, such as media, sports, and fashion. There are definitely gaps in the academic literature and research in terms of the theoretical framework and celebrity endorsement models in the context of social media, effectiveness and multiple other parameters of advertising with celebrities on social media. This thesis will not only attempt to show the results of research but also to raise follow-up research questions and issues that can be explored.

1.5 Research Description: Hypotheses, Design, Method and Variables

1.5.1 Hypotheses

The first hypothesis is that videos which contain celebrities will have a higher number of views than the videos without celebrities. The second hypothesis is that the videos which contain celebrities will have a higher percent of engagement than videos without celebrities.

These two hypotheses will be tested on four pages on Facebook: Chanel, Dior, Louis Vuitton, and Fashion TV page. In each page, there will be two groups of videos: the first group will consist of videos with celebrities and the second group will consist of videos without celebrities. The results will be analyzed for each page separately and afterward the overall conclusions will be made comparing the page results among themselves, as well as attempting to generalize the results for the celebrity endorsements in the luxury fashion industry on Facebook.

1.5.2 Research Variables

Firstly, some clarification as to the definitions of Facebook metrics should be made. Facebook brand or business pages are visible to everyone, meaning they are public and all the posts can be seen by anyone. The most important numbers for Facebook business pages are the number of likes, the people who have liked the page, and the number of followers, the people who follow the updates, news, and posts of a given page. Normally, these two numbers are quite close, the difference lying only in the number of people who specifically unfollowed the page after having liked it.

The next important understanding is that of reach, potential reach and organic reach of a post. New posts are fed into the news feed for followers of the page. However, each post is not being fed to 100% of the audience but follows an unspecified Facebook ranking algorithm. Therefore, we will not know the actual reach of each post and the page owners

cannot control the reach and news feed of their posts, only paid posts can manage the reach. However, Facebook provides the reach number for page owners after the fact (post factum). In addition, organic reach includes a wider audience: friends of page followers will see their activity, such as likes, shares, and comments in their own news feeds. Therefore, engagement is a key metric for increasing the business page audience.

The next key metric is the number of views, all the people who watched a video for more than 3 seconds. It is worth noting that the average duration of a video watched is extremely low, usually, 3-5 seconds. Contrary to this, the number of people who watched more than 30-seconds of the full video is extremely small, as low as 1-2 percent. The author of this thesis will choose all views as a dependent variable, because its number is available and secondly because it reflects the exposure of a particular video, brand, and celebrity.

The next level of users' involvement is measured by percent engagement, which includes all, likes, shares, comments and reactions. This number is important for several reasons, firstly, it increases the potential organic reach of a post. Secondly, it shows the number of the truly engaged targeted audience. Page owners have access to the demographic data of their followers, likes, and engaged users and can gain valuable information about the geography, age, gender, and behavior of a given segment of their target audience. This data, however, is not available for public and therefore was not used for analysis in this thesis.

The following are variables of the current research. Dependent variables will represent consumer viewership and engagement with the advertisement:

1. The first dependent variable will represent the viewership of the post: it will be calculated as the number of views of a given post, this is a discrete type of data.

2. The second variable will represent the consumers' engagement with the video and will be calculated as a percentage of the total engagement to total views of the video, total number of reactions divided by the total number of views. This is a ratio type of continuous data. The independent variable is a categorical variable, for example the type of video: with celebrity endorsement or with anonymous models (i.e. without celebrity endorsement).

1.5.3 Scope

The scope of the research will be limited to the Facebook platform, as it is one of the most important advertising platforms among social media. According to Sitaram Asur (2012), 88% of companies use Facebook for marketing purposes, and 75% of the Fortune 100 companies are on Facebook (p. 79). Since this is a new and evolving type of phenomena, the

videos from the last 18-24 months will be selected (Zauner , Koller , & Fink, 2012).

Video selection.

Only advertisements of products will be selected, excluding video clips of fashion shows, magazine shootings, behind-the-scenes shootings, branding videos. The author's goal is to assess the effectiveness of video advertising specifically for product promotion.

Target population.

Two types of populations will be researched:

1. On the Fashion TV page a mix of luxury fashion brands
2. Video ads within each individual brand page: Chanel, Dior, and Louis Vuitton.

1.5.4 Data Collection

In the first case, all ads from the last 18-24 months will be selected; therefore, the whole population of advertisements on the Fashion TV page will be analyzed. In the second case, there will be three luxury brands selected, Dior, Chanel and Louis Vuitton, which use celebrity and generic advertising on their Facebook page. All ads fitting the criteria of the research will be selected. Therefore, the data will represent the whole population for the respective pages but will be considered as a convenience sample for the population of luxury fashion industry brands represented on Facebook.

1.5.5 Research Type and Data Analysis

This thesis is based on quantitative research. Statistical Data analyses will be done to compare independent variables of two independent group and the difference of means of the two independent groups. It will determine if there is a statistically significant difference between the consumers' views and engagement of these two subsets of data: one group with the celebrity endorsement and one without it.

The primary research will be complemented by the secondary research from the available academic literature, statistics, and data on Facebook and other state-of-the-art research. For example, publicly available data on Facebook pages of luxury brands, such as number of views, likes, and shares. Secondary data from research on the performance of video advertising on Facebook and academic journals will also be used.

2 Literature Background and Theoretical Framework

2.1 Background

It is essential to put the current research into the context of available academic research and the overall context of marketing, branding, social media and luxury goods. For the purpose of this thesis, relevant academic literature can be categorized into the following major areas:

1. Celebrity endorsement as a marketing tool;
2. Celebrity usage in the traditional media, and specifically in the luxury sector;
3. Advertising in the new media landscape, i.e. on the internet and social media;
4. Celebrities and social media;
5. Luxury and fashion products' advertising with celebrity endorsement on the social media.

The bulk of available academic literature and research studies falls into the first two areas, with the focus on traditional media, TV, print, radio, etc. The literature on celebrities and their use in traditional media gives a definition of celebrity endorsement outlining various types of celebrity endorsements, such as celebrity customer, product placement, sponsorship, testimonials, employees and brand owners (Pringle, 2004). It also provides quantitative research regarding its effectiveness. The effects of a celebrity endorsement on the company's profitability, hence it increases sales through raising consumer brand awareness (Pradhan, Duraipandian & Sethi, 2014). Brand recognition raises the purchasing intention of consumers. The article further gives evidence of the popularity of celebrity endorsements among marketers: "...celebrities have appeared in nearly 14% of advertisements aired in the USA, while the number is as high as 24% in India and 45% in Taiwan" (Pradhan, Duraipandian, & Sethi, 2014). All these findings make a strong case of its positive effect on a company's profitability.

Finally, there is a vast amount of academic writing explaining the reasons behind its effectiveness, exploring consumer motivation and interest in celebrities. It explores the connection between a celebrity and a brand. Various conceptual models of relationships between a brand, celebrity and consumers, with the resulting impact on purchasing behavior have been developed. They provide an in-depth analysis of attitudes, psychological drivers and behavioral patterns (Hung, 2014).

In contrast, there is not enough comprehensive academic literature or research about

the celebrity advertising on the Internet and social media, as they are relatively new and rapidly changing. The literature on the social media and the Internet focuses on the changes that the Internet and social media have brought to consumer behavior, marketing, and advertising, as well as on the new marketing metrics. However, this literature lacks conclusive findings, generalizable research findings, and long-term advertising models.

Nevertheless, there is enough data showing that social media has grown in its importance for marketers. Especially prominent has been the success of Facebook, with over 200 million users in America and well over a billion users worldwide, 60% of which are daily users (Buechel & Berger, 2015, p. 3).

Finally, the least amount of available academic literature is about celebrity endorsements in fashion or luxury goods on social media. There are numerous factors that might influence consumers' level of engagement with the advertising on social media.

The gap that the author identified in this part of the literature is the lack of quantitative and conclusive findings specific to social media, which could be used by marketers in practical advertising on Facebook and other platforms. This area of research and academic thought is currently evolving and with the rapid changes in the modern social media landscape all findings may have a short-term validity, be inconclusive or not representative statistically. Currently, this space is filled with hypotheses, anecdotal evidence, ideas and subjective opinions. This is the area that requires more rigorous, fundamental, and a statistically valid type of research. Another factor is that the social media landscape, as well as its functionality offered, are constantly changing and research findings might not be long-lived in this environment.

2.1.1 Celebrity Definition and Types

Academic literature is abundant with multiple definitions of what a celebrity is. Due to a broad notion, a variety of meanings, personal and subjective understandings of this phenomena, a celebrity is defined differently depending on the context.

Celebrity status can be earned either by achievement or merely by creating a wide awareness in the media. These are the two major categories of celebrities as mentioned by Driessens (2013). Achievement based types of celebrities usually belong to a certain field or area of expertise, such as sport, music, culture, or art. However, awareness based celebrities might not have any achievements in any of these fields and, nevertheless, enjoy a wide public awareness and recognition in the media and in the public eye (Driessens, 2013, p. 544).

Driessens (2013) distinguishes between celebrities in sport and in pop music, comparing the first ones to heroes and the later to idols. Although they have merit in their talent and success in a field, they all share a “central quality”, their fame in the media. The literature agrees on two ways celebrities can become super famous: one is by merit and another one is just by being in the media. The merit-based celebrities usually excel in some field: sports, music, charity, science, etc. due to their talents and winnings. However, media celebrities do not excel in any specific field, but they are recognized by the public and are always present in the media (Driessens, 2013).

In the current times, celebrities from the entertainment sectors are the most recognized, which is explained by them being easier to copy by wearing the same type of clothing and other attributes, as opposed to people of science, literature or other intellectual realms. Hence, the proliferation of media types of celebrities and advertising of clothes, luxury items, luxury brands hinge on this trend (Milner Jr., 2010).

Murray Milner Jr. (2010) in his article describes prominent examples of this type of trend and media type of celebrities, such as Paris Hilton and Kim Kardashian. Numbers illustrate the prevalence of the media type of celebrity. For example, “A Google search for “Paris Hilton” produced 33,800,000 results. This compares to 6,300,000 for Julia Roberts, 5,040,000 for Keira Knightley, and 4,280,000 for Meryl Streep, all accomplished and beautiful actresses.” (Milner Jr., 2010, p. 386). Kim Kardashian has 30 million followers on Facebook, 54 million followers on Twitter and 100 million followers on Instagram. She is using all platforms for promotional activities of her line of beauty products and clothing. The Internet gives an opportunity virtually for anyone to obtain a celebrity status (Driessens, 2013, p. 546). It can give rise to a new type of celebrity: online, social media, or Internet celebrity. Regardless of the type of media, a celebrity is the product of the media.

Therefore, in order to have a common denominator and to have the broadest definition, valid for all types of application, Pringle and Binet, have defined it in the broadest terms as anyone with high public recognition, i.e. familiar to people and whose image and reputation creates relevant associations with the advertised brand (Pringle & Binet, 2005, p. 202).

Driessens (2013) described the concept of celebrity capital as: “a specific kind of reputational capital”, which can be used by businesses as an asset in order to enhance their business value. The term “capital” implies that the celebrity has economic power, the power to deliver profit, or return on investment (Driessens, 2013, p. 549). This concept is useful for

any type of celebrity endorsement in new media. The economic value is derived from the public attention that a given celebrity can command.

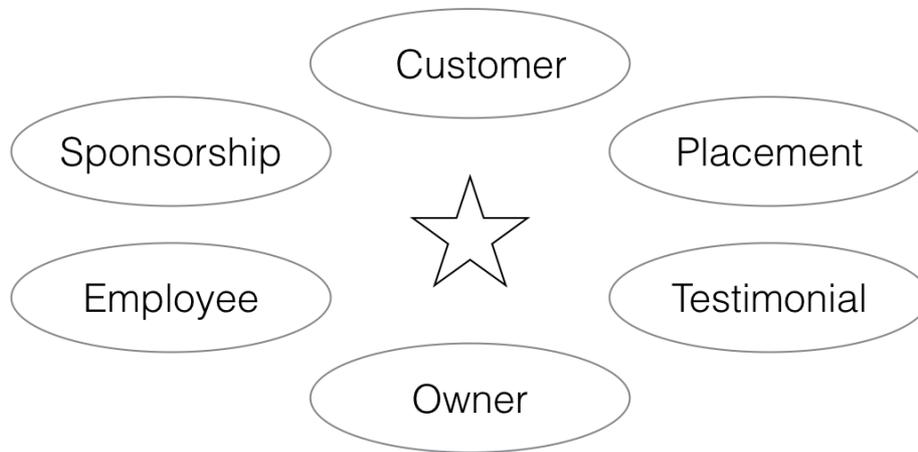
In this thesis, the author will focus on celebrities that have a high popularity, are highly recognized, have media visibility and mentions, regardless of their types, merits, real achievements or contributions to certain areas. The focus of this thesis is on celebrity endorsements as a tool in marketing; advertising and product promotion while discussion of merits of a particular celebrity is beyond the scope of this thesis.

2.1.2 Celebrity Endorsement Definitions and Types

The concept of a celebrity endorsement is as broad as the definition of a celebrity and can take various forms such as advertising a product, advertising a brand, endorsing products, or using a branded product in social media. It can range from a consumer product to business-to-business services, as well as to non-profit organizations, movements, or political parties' support. Pringle (2004) noted, "Celebrity endorsers are a very popular marketing strategy, both in the profit and in the not-for-profit industries" (as cited in Driessens, 2013, p. 547). Further mentioned by Dyer (2007) and Marshall (1997): "Hence, celebrities are perceived as both products of capitalism and as embodiments or vehicles of its ideology" (as cited in Driessens, 2013, p. 547).

The broad, although dated, definition of a celebrity endorsement refers to McCracken's (1989) definition, according to which, a celebrity endorsement is using a celebrity's image recognition in advertising to promote a brand or a product among a relevant target audience (Bergkvist & Zhou, 2016, p. 643). However, a new proposed definition of a celebrity endorsement, given by Bergkvist and Zhou (2016) encompasses new developments in the media landscape and new ways that a celebrities' image and name can be used. This definition emphasizes the agreement between a celebrity and a brand, permission from a celebrity, to use their name or image for the brand (p. 644). The author defines a celebrity endorsement as an agreement between a celebrity and a brand, or any other entity "for the purpose of promoting the entity" (Bergkvist & Zhou, 2016) Pringle (2004) further defines various types of celebrity endorsements:

Figure 1. Five degrees of star involvement with a brand. (Pringle, 2004)

5 Degrees of star involvement with a brand

Pringle (2004) describes each type of endorsement and gives a number of examples.

A celebrity as a customer means locating a famous person already using the product and highlighting this fact in the media. Placement strategy uses product placement in the movies, music, and shows of famous celebrities. Celebrity testimonials, the most often used and most successful strategy, imply using a celebrity's name, face, and voice in advertising of a brand. Celebrity sponsorship examples include sport brands sponsorships of famous football, basketball, and tennis players. Celebrity employee models use the names of famous employees for the promotion of their brands: for example, Stella McCartney, Tom Ford, Karl Lagerfeld et al. Celebrity Owners are the founders of companies and brands, who gave their name to their brands: J.Lo, David Beckham, Paris Hilton, Kylie Jenner et al.

The following are descriptions of the types of possible Celebrity Endorsements for a brand and product. The first type of celebrity is a celebrity customer. The most intuitive way to endorse your product is through a celebrity who is already your customer. Their spending power is greater than what ordinary people have; and they have the ability to influence the buying decision of other people. This influence of the role-modeling effect, gives the marketers the opportunity to patronize the brand by famous people. (Pringle, 2004) Finding a celebrity, who is a user of your product or a supporter of your brand, and using him or her as a brand ambassador are one of the strategies that companies use.

The next type of celebrity endorsement is a celebrity sponsorship, which is a comprehensive, exclusive deal with a celebrity to associate their brand with. It includes promoting a product, as well as appearing in the TV, print, and outdoor advertising. Sports stars, such as Tiger Woods, David Beckham, and hundreds of others made more money from sponsorship deals than their actual sport competitions. Brands should be careful with associating with an individual, as human behavior is often unpredictable. A celebrity may not perform well in sport or become the subject of a scandal, which by association will affect the brand's reputation.

The next form of celebrity involvement is through product placement for traditional media, especially TV and cinema, this has been a widely used tactic for associating with celebrities. This tactic implies placing a product into a TV scene, movie, or TV show, where celebrities are using it, thus advertising the brand and product. This is typically a paid advertisement. "Those brands, which are really serious about making celebrity product placement work, have to take a strategic approach and leave as little as possible to chance" (Pringle, 2004).

Celebrity testimonials are the broadest category of celebrity endorsements, including product testimonials across all media types: voiceovers, songs and music performances, personal appearances at events, TV and live appearances. A brand may want to use a famous song or tune for its own advertising, thus associating with the famous celebrity and creating multiple associations through music, lyrics, or era for their target audience. In the fashion and beauty world, faces of famous models and actors are used in magazines as a form of proof for a product's effectiveness. This type of exposure is also advantageous for celebrities, as it exposes them to a wide audience and creates PR for them.

Television commercials are another way for companies to create a celebrity ad campaign. One of the most important factors in a TV commercial is the idea and overall concept, which an agency creates. Live appearances attract a large number of people at their events, Gala events, product launches, press conferences, or shop openings. A great example of a live appearance is the Viennese Ball, where every year a new celebrity is invited, which creates the ripple effect through media and creates a lot of free publicity for the Ball, as well as helping to sell more tickets.

Celebrity employees are another form of a celebrity endorser. This tactic is prevalent in the Luxury Fashion Houses, who hire star fashion designers to work for them, since it attracts customers and the brand gets the flare of the celebrity from them. Examples include

Karl Lagerfeld at Chanel, Donatella Versace at Versace, Tom Ford at Gucci, Stella McCartney at Gucci and then at Chloe. Often the entire company is named after a famous person: Roberto Cavalli, Henri Nestle, Valentino, Ferdinand Porsche and many others.

In this thesis, the most relevant type of a celebrity endorsement is a celebrity testimonial, the association of a name or face of a celebrity with a brand or a product. Whatever the type of endorsement is, the drivers of its effectiveness are fundamentally similar and stem from the basic psychological and social phenomena effectively used by marketers for commercial purposes. Below the author discusses the key reasons of why celebrity endorsements work so effectively.

2.1.3 Drivers of Celebrity Endorsements' Effectiveness

Academic literature and research outline the reasons why celebrity endorsements are effective and used for a long time as part of a marketing strategy. They also explain the process of how this effect takes place from the celebrity to the customer. The first reason is a celebrity's impact on a brand, which enhances the brand through what is commonly known in the academic literature as "Source Credibility". The credibility of the celebrity can be explained by such, "perceived attributes as expertise, trustworthiness, attractiveness, familiarity, and likability" according to Ohanian (Choi, Wei-Na & Hee-Jung, 2005, p. 86). According to Pringle (2004) they, first and foremost, support, improve the quality and reputation of a brand, and secondly, they create a necessary brand character by means of creating desired associations (p. xxiv).

Another important reason for the effectiveness of a celebrity is speed and instinct, with which celebrity recognition, and consequently, brand association with the celebrity attributes are achieved. This way, advertisers can avoid a long and expensive brand-building process through their own creative and media campaigns. As Pringle (2004) describes it: "Advertiser is attempting to get instant fame, for some of the glitz and glamor to rub off on their brand and acquire by association some of the characteristics and values of the celebrity" (p. xxiv).

Finally, another valuable trait of a celebrity is their ability to transcend the national borders and to be used globally (Choi, Wei-Na, & Hee-Jung, 2005, p. 85). Global celebrities are recognized in different countries and work well in the environment with homogenized consumer markets, preferences and tastes (Choi, Wei-Na, & Hee-Jung, 2005, p. 86). However, cultural differences must be carefully considered before employing a global celebrity endorsement strategy. As celebrities stand for specific cultural meanings and symbols, they can be perceived negatively in other countries. Choi, Wei-Na, & Hee-Jung,

(2005) rely on the concept of a cultural match to the context where the celebrity image is used. Such contexts can be a low and/or a high level of communication context; as well as individualistic or collectivistic types of societies. Comparing Asian and Western ways of celebrity endorsements, the authors of the research paper found that celebrities were employed more often in Korea than in the US; male celebrities were used more often in Korean advertisements than in American advertisements; in addition, younger celebrities were more prevalent in Asian than American advertising (Choi et al., 2005). These findings point out the multiple differences in celebrity endorsements by culture. All the results of research studies, including this thesis, should also be considered at the backdrop of the culture they are used in. Conclusions have to be considered within the context of national and cultural differences and a further investigation of differences might be needed.

There are some key consumer drives of celebrity endorsements effectiveness. The literature and research offer a number of explanations of the way celebrity endorsements work for consumers. From the point of view of the consumers, celebrity endorsements are effective because consumers want to be associated with them, resemble them, as they see celebrities as their role model (Pringle, 2004, p. xxii). Consumers desire to be connected with celebrities and all that he or she represents is a linchpin of the effectiveness of all celebrity endorsement models.

Butterfield (2003) gives the most general and fundamental model of how celebrity endorsements work: they increase awareness, create visualization, increase familiarity and build resonance, which in turn creates positive disposition and finally makes a customer support the brand in the form of a recommendation, usage, or purchase (as cited in Pringle, 2004).

Figure 2. The subscription decision process. Advalue by Leslie Butterfield (2003) (as cited in Pringle, 2004, p.68).



The subscription on decision process

The brand fit concept is essential for a celebrity endorsement to be effective, there must be a fit with the brand or product advertised. This concept is based on the match-up or fit model. Fit is defined as “congruency, similarity and relevance” (Bergkvist & Zhou, 2016, p. 650). The effectiveness of a celebrity endorsement depends on the fit of the celebrity and brand characteristics, features, and images. Research shows that fit has a positive effect on effectiveness.

2.1.4 Celebrity Endorsement Models and Their Effectiveness

Firstly, there is a concept of consumer involvement with the product, brand, advertisement or celebrity. The involvement process can be low or high, as outlined by the authors Karasiewicz and Kowalczyk (2014). Low or high involvement processes reflect the different types of decision-making. Depending on the type of product and consumers’ attitudes, the decision-making process can be complex, deep and important for customers. In this situation, customers will be highly involved with the advertising message. In the opposite case, when a product is relatively unimportant for customers, their involvement with the product and its advertising message will be superficial, the message will have little impact on

the customer (Karasiewicz & Kowalczuk, 2014).

Erdogan (1999) outlined several theoretical celebrity endorsement models describing how and why they work for consumers. They all can be divided into two categories based on the level of involvement. In this context, for low involvement processes, there should be a focus on superficial traits, such as physical attractiveness of a celebrity. While for the high-involvement consumers, the celebrity should be credible, and an expert in the products they endorse (Karasiewicz & Kowalczuk, 2014, p. 77).

According to Karasiewicz and Kowalczuk (2014) “Dual entertainment path model” shows that in the low involvement situation consumers want to be entertained, avoid being bored and transfer to the imaginary world from reality (p. 77). In high involvement situations, a celebrity is an aspirational role model for consumers, who get emotionally involved with the given celebrity’s image and advertising message. Therefore, in this context, deeper character or image traits are necessary, beyond physical attractiveness (Karasiewicz & Kowalczuk, 2014).

In the high involvement process, there are the following celebrity endorsement models:

The Source Credibility Model

This model implies that the effectiveness of a celebrity endorsement hinges on a celebrity’s credibility and perceived trustworthiness. According to the model, people’s beliefs, opinions, and behaviors are affected by the process of “internalization” by the celebrity’s image if the characteristics and values of this celebrity are aligned with people’s own values (Erdogan, 1999, p. 297).

Meaning Transfer Model

McCracken (1989) in his article “Celebrity Endorser: Cultural foundations”, criticized limiting to attractiveness and credibility source models. He proposed the meaning transfer model. This model states that celebrities transfer a complex deep cultural meaning, including status, class, gender, age, etc. through their own image to a product and eventually to the consumer (McCracken, 1989).

This model states, “cultural meanings in a celebrity are passed from people to products” (Erdogan, 1999, p. 304). A celebrity’s image contains a broad range of obvious and subtle meanings, such as “status, class, gender, and age as well as personality and lifestyle types” (Erdogan, 1999, p. 305). McCracken (1989) was the first to highlight the importance of cultural meaning transfer by a celebrity. In his article, he explains how a celebrity translates

his or her image, class, age, gender and other cultural characteristics to the public.

Figure 3. Meaning movement and the endorsement process. (McCracken, 1989, p. 315)

CELEBRITY ENDORSER: CULTURAL FOUNDATIONS

Meaning movement and the endorsement process

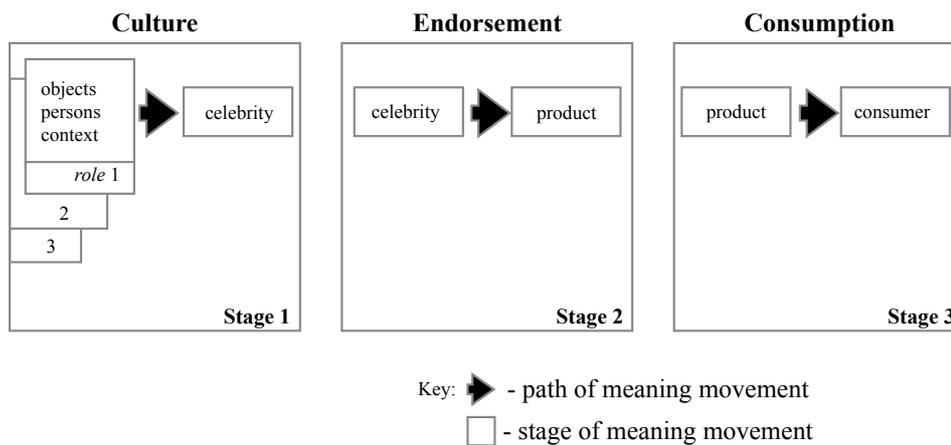


Figure 3. This process involves three stages: the formation of celebrity image, transfer of meaning from celebrity to product and finally from product to consumers.

Celebrity Attractiveness Model

This model is identified for the low involvement process. This model distinguishes the physical characteristics of a celebrity as a key driver for an endorsements effectiveness. Erdogan (1999) further mentions that advertisers tend to use good-looking people because attractiveness has a positive “stereotype” in the minds of consumers. Moreover, according to the research, attractive people are more effective in influencing people.

Other traits important to consumers are a celebrity’s similarity, familiarity, and likeability. Erdogan’s (1999) study found that consumers respond well to a celebrity who is similar to them and resemble them in some way. Likeability is created by a celebrity’s physical appearance and behavior (p. 299).

In the context of this model, Erdogan (1999) emphasizes the importance of “a product match-up hypothesis”. The idea is that physical attractiveness of a celebrity should match the

endorsed product, thus enhancing a brand image (p. 302). However, further to these two major models, Roobina Ohanian (1990) suggested that the combination of the two models, the combination of celebrity traits as attractiveness, expertise, and trustworthiness should be used, with each trait being measured on a comparative scale. The author tested the effectiveness of various dimensions of both attractiveness and credibility models (Ohanian, 1990).

In their model the following criteria for each factor were found important:

For expertise: being an expert, experience, knowledgeable, qualified and skilled.

For attractiveness: being attractive, classy, beautiful, elegant and sexy.

For trustworthiness: being dependable, honest, reliable, sincere and trustworthy.

2.1.5 Effectiveness of Celebrity Endorsements

Based on the literature, the proliferation of celebrity endorsement has been constantly increasing. Agrawal (1995) have conducted the analysis of 110 celebrity contract announcements with brands and found the positive impact on the stock prices of the respective companies. The authors of the study found a statistically significant increase in the stock price after the contract with the celebrity was announced. The assumptions being that the investors react positively to the announcements of celebrity endorsement for their company (Agrawal & Kamakura, 1995, pp. 58-59).

According to Zamudio (2015), 50 Billion USD is spent annually on celebrity endorsements. Endorsements increased to 25% share of all advertisements in the UK and the USA, and to 70% in Japan (Carroll, 2009, p. 150). Celebrity endorsement became “business as usual” and according to Pringle (2004): “up to 20% of all advertising employee celebrities” (p. 10). Hung reported, “celebrity endorsement ... has reported a high rate of return (27 times its costs) for this strategy” (Hung, 2014, p. 155). According to Creswell (2008), Chanel perfume sales increased by thirty percent after Nicole Kidman was featured in its TV advertisement (Creswell, 2008)

Pringle also delineated the differences of celebrity campaigns’ performance depending on the industry. Personal appearance products rank at the top third place after food and drinks, where celebrities managed to attract a significant number of consumers’ attention (Pringle & Binet, 2005, p. 208).

Table 1. Advertisement effectiveness by product category *Source:* mruk research (as cited in Pringle & Binet, 2005, p. 208)

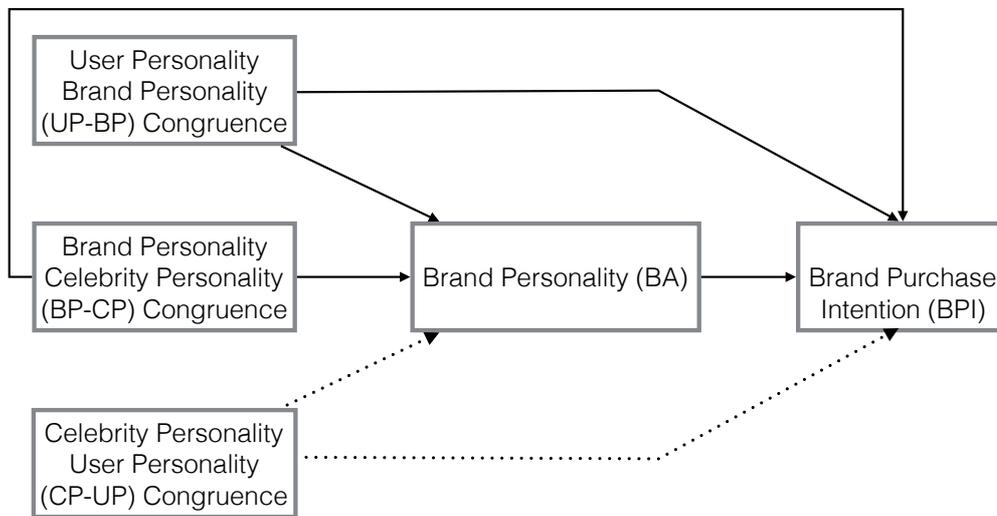
Product category of advertising content	Change in attention (%) (compared with average)	Base number of celebrity ads
Food and drink	+7.2	75
Alcohol	+7.1	24
Personal appearance	+5.4	47
Soft drinks/snacks	0	47
FMCG	-0.5	53
Healthcare	-1.0	40
Finance and services	-4.5	85

The rise in celebrity endorsements’ spending had been happening in traditional media because of their marketing, advertising, and sales effectiveness. Celebrity endorsements work and outperform generic advertisements on various brands, advertising, and marketing aspects.

Moreover, celebrity advertising is more effective due to its effect on credibility, which ultimately leads to a higher purchasing intention. In addition, celebrity endorsements increase a recall of the advertisement due to it drawing higher attention than generic advertisements. Most importantly, the use of a celebrity positively affects consumers’ disposition towards the brand (Martín-Santana & Beerli-Palacio, 2013, p. 141). The benefits of using celebrity endorsement to support a brand strategy can include increased attention, image polishing, brand introduction, brand repositioning and the potential to underpin global campaigns. Overall, research points to accumulated positive influence over the audience’s recall and purchase intentions, with celebrities, deemed more effective than using a typical consumer or expert (Carroll, 2009, p. 150).

The popularity of celebrity endorsements among practitioners has been well documented for its success in achieving major communication effects/objectives such as brand recognition, brand recall (components of brand awareness), brand attitude and purchase intention, as well as marketing objectives such as profit and sales (Pradhan, Duraipandian, & Sethi, 2014, p. 1).

Figure 4. Effect of celebrity personality on User's purchase intent. (Pradhan, Duraipandian, & Sethi, 2014, p. 5)



The effect of UP-BP, BP-CP, and CP-UP congruences on BPI with BA as a mediator

In this model, significant congruencies are present between user personality and brands personality, as well as brand personality and celebrity personality. While the congruence between celebrity and user personality did not appear to be significant either for brand attitude or for purchase intention (Pradhan, Duraipandian, & Sethi, 2014, p. 10). Brand personality congruence with celebrity personality positively impacts brand attitude and consequently increases brand purchase, which is in line with McCracken (1989) “Meaning transfer Model” (Pradhan, Duraipandian, & Sethi, 2014, p. 11). Based on Pradhan, Duraipandian, & Sethi (2014) research findings, in order for the celebrity endorsement to be effective, a brand must be positioned and constructed so that it corresponds to the consumers’ personality; while celebrities must be selected based on their match with the brands personality.

The effectiveness of an endorsement depends on multiple factors. First of all, and most importantly, it depends on the celebrity selection and its overall fit to the brand. The key is congruence to brand, product, service, target audience, advertising message, and channel. The better the fit with these variables, the more positive evaluations the advertisement will get (Carroll, 2009, p. 151).

Contrary to this, a low fit produces a negative impact due to the cognitive dissonance

and lack of consistency (Wang, Chao, & Wang, 2015, p. 390).

Other factors, such as an endorser's physical attractiveness, trustworthiness, expertise, and likeability, also determine advertising effectiveness. It also established that effectiveness depends on the product category: while it might be effective in beauty, skin care, and fashion it does not bring any additional benefits in products such as food, snacks, and beverages (Parmar & Patel, 2015).

Based on the literature, the conclusions on the effectiveness of celebrity endorsements relevant for this thesis can be made as the following:

1. Celebrity endorsements have positive results on awareness, brand and consequently on sales and profitability.
2. The use of celebrities is effective when their personality is congruent with the brand personality.
3. Its effectiveness depends on industry and type of product.

There are large cross-national variations in the use of celebrity endorsement (15% in the Western countries and up to 60% in some Asian countries).

2.2 Celebrity Endorsements in the Luxury and Fashion Industry

2.2.1 The Role of a Brand in Celebrity Endorsements in the Luxury and Fashion Industry

A brand is the focal point in the celebrity endorsement model. The impact a celebrity has on the consumers hinges on its fit with the brand and is intermediated by the brand. Brands are important for consumer self-perception and self-identity. Consumers prefer and select products, goods, services based on their brands. If a brand's attributes and character correspond to either a person's self-image or to his or her aspirational image, a consumer will select the given brand, whether consciously or not. Escalas and Bettman (2015) in the book *Strong Brands, Strong Relationships* state that brand meaning goes beyond the functionality of the product (p. 82). It represents a wider "symbolic properties" for consumers, which helps them create their personal image and identity. Going beyond the personality-brand fit, Escalas & Bettman (2015) proposed and confirmed the hypothesis that consumers use brands to "repair" their self-image, to help people construct a new, better identity for themselves if they feel the current self-identity is inadequate (Escalas & Bettman, pp. 82-85). An important concept in this model is the one of a low social-complexity environment. Therefore,

according to authors, people with a low number of social connections would be most inclined to use brands for repairing their self-identity (Escalas & Bettman, 2015). It is logical that the role of celebrities and luxury brands become effective in advertising catering to this type of consumer. Celebrities and luxury products provide the lacking meaning and status to consumers. The idea of self-image repair and low social context is relevant for social media. Social media is especially used by teenagers and a very young audience, whose self-identity is not yet fully formed. Thus, this audience might be more prone to celebrity influence. This is confirmed by the high number of followers of teenage idols such as Justin Bieber, Katy Perry, and Lady Gaga (Escalas & Bettman, 2015).

In the age of the Internet, people are thought to become more and more isolated, in spite of the propensity of virtual connectivity. Loneliness, according to authors of the book *How Lonely Consumers Relate to Brands*, leads to lack of social contacts and low social competence (Long, Yoon, & Friedman, 2015, pp. 96-97). The author of this thesis suggests that celebrities may fill the gap of the social connections and create a sense of belonging for people living mainly in the environment of social media.

Another role for brands is to make people feel a sense of belonging to a different, often unattainable, class or society stratum. Hoyer, Krohmer & Lobschat (2015) emphasizes this factor over the product quality factor in consumers' choices. The authors write that consumers prefer a certain Luxury brand because they want to present themselves to the society with the image of the brand, luxury, high-class, sometimes much higher than his or her actual self-image. Brands help consumers to express their aspirations. (Hoyer, Krohmer, & Lobschat, 2015)

Supporting this idea, Walker & Frank (2015) states that consumers choose brands with a certain goal in mind, i.e. brands help them achieve these goals (p. 346). Therefore, the consumers' motivations must be understood before creating a brand personality. Especially, authors of the book chapter *Secret Relationships* emphasized the implicit consumer motivations. Their research showed that there is a discrepancy between stated motivations and hidden inner motivations. Among the stated motivators are such values as security, tradition, helpfulness, meaningful life, world peace and choosing your own path. Among the inner, less stated motivators, are wealth, power, fame, self-interest, sexual fulfillment and fitting into society (Walker & Frank, 2015, p. 349). Luxury brands and celebrities represent the image which embodies these values, and which creates the feeling that these goals have been successfully achieved (Walker & Frank, 2015).

Brands are a valuable economic capital and luxury brands are especially valuable. The following are the 2017 valuations of selected global luxury brands according to Statista (2017): Louis Vuitton is the most valuable luxury fashion brand with the worth of almost 30 Billion USD, Chanel with the value of 11 Billion USD and Dior with over 2 Billion USD. The top 10 brands together are valued at over 100 Billion USD (The Statistics Portal, 2017).

The selected brands for this thesis research are in the top ten: Louis Vuitton is number 1, Chanel has the 4th place and Dior the 9th place. Therefore, the author supposes that these brands are at the forefront of the industry and can be considered a role model for the industry.

2.2.2 Luxury and Fashion Industries: Business Model, Brands

Definitions of luxury products and brands can differ depending on the focus area or context. Miller & Mills (2012) break down the definitions into the following focus areas: individual meaning, social meaning, affordability, prestige, exclusivity, and quality. Therefore, the meaning of luxury can be multi-faceted. It can be viewed as a representation of creativity and intelligence, as well as pleasure, indulgence and success. From the social perspective, it is seen as a social expression, the need for belonging to social strata, desire to impress others and to express one's own individuality. On other aspects, luxury has the meaning of quality, prestige, and exclusivity (Miller & Mills, 2012). The research conducted by the authors revealed that each perspective caters to its own type of consumer. Consumers can be connoisseurs, as they value luxury for its individual meaning of creativity and intelligence. From the social importance perspective, consumers care for the visibility of the brand and its symbolism: trademarks or logos on the products. For this type of consumer, it is important to distinguish themselves, visibly, from others and for the brands to be recognized. In this case, the product itself loses its significance, but the symbol of the brand is prevalent. Status is another important motivator in luxury brand purchases.

Kapferer (2012) identifies four concepts of luxury, different definitions that the notion of luxury can have. The first meaning of luxury is “an absolute concept”, whereby people have an image of luxury in their mind as an unattainable state with inaccessible places, products, and services. The second meaning is “my luxury”, which people can rarely afford when they want to specially treat themselves. It is beyond their basic necessities, but rather small indulgences that serve a certain psychological function. In this case, luxury products are those that are perceived as requiring “a sacrifice of money”. The third meaning is luxury as an economic sector. It aggregates luxury products such as, “fashion, leather, watches, skincare products, fragrances, jewelry, and shoes”. This is an economic notion, which is important for

the understanding of economic and consumer trends, growth and development. As an example, we can speak about the growth of the luxury sector in the Russian and Asian regions. Finally, there is a notion of a luxury business model. The luxury business model has been developed by centuries of long experiences and practices. Strict principles, by which luxury industries operate, have been developed and are being adhered to present time (Kapferer, 2012).

The difference of a popular luxury business model from other sectors according to Kaprik and Scott (2010) are: “Strict principles that maintain the uniqueness of luxury and preserve the non-comparability of those luxury brands that follow these guidelines” (as cited in Mohr, 2013, p. 19). Strict principles are devised in order to preserve a unique brand image. These principles aim to control pricing, distribution, brand message, customer relationships and media channels. Therefore, luxury industries are intertwined with branding as a marketing concept and a tool.

In the fashion industry, the following business models are identified: the luxury business model, the fashion business model, and the premium or super premium business model. Global Fashion Houses such as Louis Vuitton, Chanel, Gucci, Hermes, and Ferrari have a unique business model different from other industries (Mohr, 2013, p. 19).

Recently, luxury industries experienced the following trends. Firstly, luxury brands expanded into more affordable segments with more affordable lines. Secondly, a significant trend has been the geographical expansion from traditional Western markets to new markets, such as China, Russia et al. Okonkwo (2009) posits that the luxury industry growth has been boosted by global trends such as “globalization (p. 287). Depending on the definitions of luxury brands, the size of this industry worldwide is estimated at US\$263 billion (Tynan et al, 2010), \$220 billion (Keller, 2009), \$130 billion (Fionda & Moore, 2009) and \$80 billion (Christodoulides et al, 2009) (as cited in Miller & Mills, 2012, p. 43).

Luxury and fashion industries by definition are priced higher than other consumer products and therefore have to possess a premium image in the eyes of consumers, as well as having a premium brand and high product quality. High fashion is indispensable from branding. Its success is determined by the consumer’s brand awareness and recognition, and they, in turn, determine if brands can command premium prices. From the consumers’ perspective, luxury brands have even more symbolic, societal and psychological significance. Carroll (2009) defines Fashion Brands as: “strong vehicles for expressing self-concept (actual or aspirational), achieving image congruence and signifying group membership” (Carroll,

2009, p. 152). In the fashion industry, specifically, exclusive brands and the meaning or image it conveys is key to satisfy customer needs for self-expression.

McCracken and Roth (1989), refer to the use of clothing as a code, a form of language, that allows a message to be created and (selectively) understood (as cited in Okonkwo, 2009, p. 152). Further, Angela Carroll (2009) notes that fashion-conscious customers “use brands as discriminators between themselves as ‘belongers’ who have chosen to interpret the social code implied by the brand and those who remain aloof, threatening their social identity”.

Branding helps luxury products to achieve differentiation and to create various meanings in the minds of the consumers. “When linked to brands, it (luxury) is characterized by a recognizable style, strong identity, high awareness, and enhanced emotional and symbolic associations. It evokes uniqueness and exclusivity ...” (Okonkwo, 2009, p. 287).

2.2.3 Celebrity Endorsement in Fashion Industry in Traditional Media

In view of the importance of branding for luxury and fashion products, celebrity endorsements can be used in an even more effective way. Various literature sources give an account of the wide usage of celebrity endorsements in the traditional media in the luxury and fashion industries. It is obvious that the use of celebrities is natural in industries related to personal appearance and beauty, such as makeup, cosmetics, and fashion. Celebrity endorsements in the beauty industry are, in fact, predominant and serve as a source of differentiation for their brands (Zamudio, 2015, p. 413).

Pringle (2004) in his book “Celebrity Sells” describes in detail how celebrities are used in the fashion industry, giving the account of names and brands, dating back to Laurie Bacall and going on to Kate Moss and Natalie Wood (p. 25). Most of them date back to 1980s-early 2000s, before the explosion of social media. The 1980-2000s era was concentrated on TV, print and outdoor advertising.

Celebrity endorsements in the luxury segment is more effective than in other industries. Pringle (2004) states that celebrity endorsements increase consumer attention in the personal appearance category by +5.4% (p. 100). Further, in the same book, Pringle (2004) describes the increase in purchase intention and the decrease in price sensitivity among respondents who recognized the celebrity in the ad versus those who did not (p. 101). On the other hand, the literature suggests celebrity endorsements in the fashion industry perform better than generic advertising in traditional media. The reasons lie in the fact that all of the driving forces that underpin celebrity endorsement models, the needs for identification, self-

expression, belonging, and standing out are even more amplified for customers of fashion products.

The author explains that consumers use celebrities' qualities to actually build their own self-concept and even find and build a certain meaning (Fournier, Breazeale, & Avery, 2015, p. 84), thus appropriating these traits. However, an important research finding was that this model usually works for people with "low social complexity", while users with "high social complexity" do not look to celebrities for meaning. Thus, a celebrity endorsements effectiveness in the fashion industry differs by the type of customer (Fournier, Breazeale, & Avery, 2015).

2.3 The Internet and Social Media

2.3.1 Characteristics of Social Media

According to Statista (2017), there are 1,8 billion Facebook users, over 1 billion YouTube users, 600 million Instagram users, 317 million Twitter users, with multiple other social media platforms with millions of users worldwide. These are active users on the platforms (The Statistics Portal, 2017).

The motivators for people to use social media are numerous: seeking belonging, affinity to a social group, information sharing and learning, self-expression - are the key ones (Buechel & Berger, 2015, p. 4). According to Buechel & Berger (2015) research, they key motivation for people is to be connected with others and to be able to watch and observe other people's lives. Secondly, social media allows people to express themselves and to form their online identity. By sharing the selected material about themselves people project to others the image favorable to them, or they build up others' perception of them. Research calls it "an ideal self". For this purpose, people use brand mentions (Sekhon, Bickart, Trudel, & Fournier, 2015, p. 23).

Sekhon et al. (2015) analyzed posts with specific luxury brands mentions and outlined four strategies that people use when mentioning luxury brands. By doing so they imply the ownership of the brand, engaging in some sort of activity and mentioning the brand, loving the brand and sharing opinions. In the first three strategies, people imply owning the brand (Sekhon et al., 2015, p. 26). Since bragging about ownership is perceived negatively by others, people try to frame ownership into some other type of activity or context, thus disguising a real motivation for sharing this detail. In all strategies, people are trying to shift

the focus from their self to something else, like a brand, activity, place, etc. (Sekhon et al., 2015, pp. 30-31). In spite of elaborate strategies, the authors clearly confirm the real motivation of having people associate themselves with the luxury brands in order to create “desirable associations about their wealth, taste, or knowledge” (Sekhon et al., 2015, p. 33). The author of this thesis sees this phenomenon as an important consideration and analogy with people’s reactions to advertisements with celebrities on Facebook. By engaging with these celebrity posts, they would create favorable associations with their own self-image. Thirdly, online networks are used for information gathering and sharing. This information can be both private and public, such as news and various political and economic stories. People who do not follow news on TV use Facebook instead (Buechel & Berger, 2015, p. 9).

However, one new finding, regarding the motivation for the use of social media, found by the author of this thesis in The Statistics Portal (2016) was the entertainment factor. The research revealed that the main reason why people on social media follow brands is their entertainment value. Over 51% of respondents said that they had followed a brand on social media because its page was entertaining (The Statistics Portal, 2016). This finding has a lot of implications, in the author’s opinion. It also can mean that celebrities can be used for their entertainment value.

Social media is now even trumping the Internet search usage. Time spent on Facebook was nearly double the time spent on Google in 2012 (Asur, 2012, p. 78). Already in 2010, an average user spends 3 hours a day on social media. It now influences how people spend their time, how people communicate and what kind of relationships they have with other people (Buechel & Berger, 2015, p. 3).

Implications of the social media explosion are far-reaching. For the purpose of this thesis, the author will outline only the most relevant ones relating to the topic of the thesis. Firstly, since its explosion in content and advertising, it is now more challenging to get attention and to break through the clutter. Therefore, users are overwhelmed with the amount of content and this has led to the emergence of the phrase “permission marketing”. In order to advertise to consumers, advertisers must ask for their permission. They cannot follow the top-down mass approach of traditional media. In the context of Facebook, only after consumers pro-actively liked the page, can this page get access to the user’s attention. Secondly, this can lead to *Low Involvement Process* (LIP), where customers are not really paying full attention and not getting too deeply involved with the advertising message (Pringle, 2004, p. 60).

There are some key implications for marketing and advertising on social media. The

first and most important feature of social media is a shift of control towards a user, its interactivity, and participatory nature. Customer or user control means that advertising must change from a top-down strategy to consent marketing, where advertisers must obtain permission from users to share their message with them. The push strategy does not work on social media and should be changed to the pull strategy, where users will seek out the brands and messages they are interested in (Pringle, 2004).

Contrary to the first point, the next trait of social media is customer engagement and co-creation. The shift of control to customers implies customers' control over the message, their ability to comment, share, like or dislike, the overall affect the perception of the brand by the whole audience. Fisher (2015) makes an important observation about the difference between a traditional media audience and users of social media: namely, that the term "users" implies active usage, engagement, and interactivity versus a passive audience (p. 51). Content is being created by users in a text, image, video, and/or messages format. Users are now engaged in "consumption, production, and marketing." Users effectively work for free by creating and spreading content (Fisher, 2015, p. 50). This is analogous for a free word-of-mouth recommendation by a customer to their friends and family in the offline business. For this thesis, it is important to note that Facebook ads with comments and recommendations from a friend receive a 100% higher rate of being remembered and a 300% times higher rate of being purchased than ads without a friend's endorsement (Fisher, 2015, p. 58). These numbers point to the vital importance of viewership and engagement of users with a post. Thirdly, the social media is not a mass market anymore, but a space for subcultures, communities, and individuals. One cannot underestimate the power of individuals and communities, no matter how small. As Holt (2016) states: "Social Media is driven by communities and subcultures, not by large companies or brands. People connect with people, not brands". Therefore, the message must be segmented, and targeted with customized content (Pringle, 2004, p. 51).

The target audience cannot be reduced to "just a representative sample". As Fournier et al. (2016) pointed out, listening is more important for social media marketers than traditional customer research. The authors prioritize observations of various user segments, no matter how small, over the notion of "representative samples" of quantitative research. For them all "signaling" from all types of users is valuable. The important difference of "listening" to users from the traditional hypothesis testing is that it does not presuppose anything and keeps a researcher's mind open to users' feedback (Fournier, Quelch, & Rietveld, 2016).

“Appreciating the qualitative,” challenges notions about how knowledge advances. Quantitative reasoning serves a hypothesis-testing mindset or, at least, a quest for statistical relationships between known concepts. Social listening in its purest form does not presuppose anything and this unsolicited quality creates an opportunity to answer questions that managers do not even know they should ask about (Fournier, Quelch, & Rietveld, 2016). This requires creativity, and various new formats across different platforms. With each individual’s power and potential to make a message viral, which became a new media phenomenon, the content, creativity, and uniqueness of an advertising message (a post, photo, video) is key to having an effective advertisement on social media. The difference with traditional advertising is that advertising on social media is more integrated with regular communication, social interactions, news and stories (Fisher, 2015, p. 62). This blurs the lines between paid advertising and just free stories or dialogue.

Importantly, social media provides advertisers with such detailed, personalized, up-to-date consumer data which has never been available to mass media. Firstly, advertisers get information about behavior, interest, consumption, and preferences of their consumers. Secondly, they can target their message extremely precisely and in a live mode. Thirdly, they can get the live feedback from customers in the form of reactions, positive or negative, comments and shares. The opportunities for consumer data analyses are endless in the case of social media.

Attention is extremely scarce, superficial, momentary and fleeting in the new Internet era. In the Internet age, users’ attention is the most valuable resource, which all advertisers are fighting for. In the crowded Internet space, attention is hard to capture. Sitaram Asur (2012) states that it is not the information which is valuable, but our attention. This underscores the importance of the ability to break through the clutter by advertising online (p. 77).

Finally, the social media decision making process for brand choice and purchase intention has changed. It does not end with the purchase but continues post-purchase. Now, there is a continuous bond even after the purchase. Edelman (2010) suggests that the advertising money should be spent not only on creating awareness and affecting purchase decision at the point of sale, but on the stages of advocacy and creating bonds with consumers, creating and maintaining a dialogue. The research also illuminated consumers’ lively relationships with many brands post purchase. These consumers often talked about their purchases in social networks and posted reviews online (Edelman, 2010).

2.3.2 The Effectiveness of Social Media for Business and Key Metrics

Further in the analysis and for the purpose of this thesis, the author will focus on Facebook as the social media platform and only on metrics relevant for this thesis.

Social media allows for better targeting and tracking of users and their information. Since social media users provide detailed personal information, advertisers can target them by specific attributes, such as demographic, geographic, and based on interests and other types of engagements (Asur, 2012, p. 78). Dahl (2015) further supports the cost-effectiveness improvements of social media due to an easier way achieve repeat exposure. The author also defines two types of “relationship building” metrics: 1) number of fans/followers, which aims at increasing the exposure, and 2) number of likes and comments, which aims at increasing the engagement (Dahl, 2015, p. 199). This means a more cost-effective way of advertising, brand building, and overall marketing costs.

An important metric on Facebook is reach, defined as a number of unique views per post in its original format (MRC Media Rating Council, 2015, p. 18). In spite of over 1,8 billion active users on Facebook, the posts on even the most popular Facebook pages do not reach the number of views of TV commercials on the most popular TV programs (Dahl, 2015, p. 201). This is in line with the previous observation that social media is much more segmented into sub-cultures and smaller audiences. Another argument is that social media requires a different type of creativity to extend its reach to as many users as possible.

However, in spite of a possibly lower organic reach of a post on Facebook, Facebook offers much better opportunities for target audience’s engagement with the brand being advertised. The number of reactions to a post measures engagement, on Facebook, according to all the reviewed literature: likes, comments, and shares. Broadly speaking, engagement is “an active participation” (MRC Media Rating Council, 2015, p. 8). However, in addition to active participation, other authors identify also other forms of involvement, which might not be reflected in the measured number of reactions.

Verlegh, Voorveld, and Eisend (2016) offer a theoretical model “PEER”, by which the engagement in social media functions: 1) the prerequisite to it is Participation; 2) the next step is cognitive engagement - engrossment; 3) followed by emotional sharing and extensive participation during the event, 4) with the final stage of relationship building post-event (Verlegh, et al., 2016, p. 12). As we can see, engagement is a complex, cognitive, emotional and behavioral process, which can potentially lead to the impact on sales and profits, and therefore, is the key metric in the effectiveness of social media.

An example of a Facebook ad, provided by Arun Nair (2012) in his article *Contemporary Trends in Social Media*, illustrates how much more effective Facebook is compared to traditional media (p. 87). One million dollars spent on a sponsored story on Facebook generated 125 Million views. In traditional media, a 1-million-dollar budget would get 19,5 Million views on TV or 6,5 page ads in *People Magazine* or a 10-page ad in *The New York Times* with a much lower circulation. Obviously, the marketers are or will be shifting advertising budgets to social media.

Sachin Rao (2012) in his article *Facebook for Businesses*, notes the cost-effectiveness of Facebook advertisements especially for small businesses, as businesses can tailor their campaign to any size and segment of their target audience and control their spending levels (p. 90). He argues that, now, small businesses also have a possibility to build their brands, which had not been possible before social media (Rao, 2012, p. 91). For large businesses and known brands, this only adds to the enormous competition they face online. The playing field is leveled, notes the author, and any good content and creative copy can break through the clutter, regardless if it was the famous brand or an unknown company who produced it. Everyone has a chance to become successful on Facebook (Rao, 2012, p. 92).

In addition to financial metrics, experts warn against focusing only on the business and economic values, since social media was not created for business, but for communication and connection. Amita Malhotra (2012) insists that marketers create content that will boost engagement and create connections with people so that brand exposure happens organically and naturally, not via sales, promotion and advertising (p. 102). Along these lines of reasoning, she emphasizes that core loyal customers are more important than the number of fans and followers on the page. According to Malhotra (2012), “scaling up”, gathering fans is a business objective or “an end in itself”. But the real customer experience and engagement with the brand lies in the true engagement with the core loyal target audience. Long-term relationships with the users are more valuable than the number of likes. In this regard, the real challenge for brands is to create meaning for customers through the brand message, content, and connection with consumers. The risk, Malhotra (2012) warns, is to create “sensational” rather than meaningful content in the race after likes, comments, and shares. This, in turn, would erode the brand (Malhotra, 2012, p. 103).

2.3.3 Social Media for Luxury and Fashion Industries

Total luxury brands social media followers grew by over 40% in the past year (PMX Agency, 2016). However, the Facebook audience for the brands researched in PMX (2016)

report only grew by 9%. Therefore, most of the growth is happening in the newer platforms. It may also signify that luxury brands tend to select platforms that target younger audiences, such as Instagram.

According to The Statistics Portal (2013), on the example of the UK market, 73% of respondents said they use Facebook to “engage with the Luxury brands online”, followed with distant second Twitter with 28%. Although it is only a representation of the UK, it gives an idea of the Facebook importance for luxury brands (The Statistics Portal, 2013).

The Internet era and social media has challenges for luxury brands. At the dawn of the Internet and social media era, there was doubt about the compatibility of online marketing and social media presence for luxury brands. Uché Okonkwo (2009) provided a comprehensive review of the challenges faced by the Luxury industry in the Internet era. The following are the key fundamental reasons for the slow adoption of the Internet by the Luxury companies.

These challenges stem from the fundamentally different nature of luxury as a concept and the Internet. Luxury as a concept grew from the differentiation between social classes, while the Internet erases the class division and makes everyone’s voice count equally. Thus, the first challenge is preserving exclusivity on the mass driven media channel, such as social media and the Internet, “where classes don’t exist”. This includes branding, brand message, brand image, and product exclusivity. Essentially, luxury has always used “top-down” marketing. But online the “consumer is in total control... and expects to be looked up to” (Okonkwo , 2009, p. 303).

Secondly, from a sales point of view, there is a risk of over-exposure, and compromising the luxury industry principle of scarcity and inaccessibility. As far as pricing is concerned, the Internet flooded with discounted products, which is not compatible with luxury brands’ premium pricing. Thirdly, the nature of the Internet is the easiness of accessibility to information, other brands, products’ and price comparison, which makes it hard to retain uniqueness, exclusivity, brand or product differentiation for luxury companies. The online environment can easily lead to the commoditization of products, which would mean the death of luxury goods. Finally, online or virtual environment is different from the physical store environment in two crucial aspects. It does not allow clients to check the superior quality of the product and to “feel” or “sense” the luxury feeling. Moreover, it does not allow for the human contact and VIP treatment, that customers should be able to get in a luxury store.

These challenges have been partially overcome by luxury companies since 2009 when the article was written, but they have not ceased to exist. In the context of these facts, the

author of this thesis will review luxury industry strategies to adopt social media, specifically Facebook as a platform. For the purpose of this thesis, such aspects as e-retailing, website, email marketing are outside of the scope.

Luxury segments use social media, the 2.0 of the Internet, with the following three objectives: 1- brand building; 2 - advertising and promotion; 3 - customer engagement. Facebook presents both challenges and advantages to luxury companies. As it was mentioned before, the challenges are to keep the top-down approach of marketing and to keep control of the message in the user-controlled space. The most challenging issue for luxury brands concerns the customer's engagement on Facebook, namely how they can claim exclusivity and inaccessibility in the situation where each user can give their feedback, reaction, and/or opinion on a luxury brand, and it is public and seen by thousands of people. This is the fundamental issue for premium brands.

According to Brandwatch (2016) consumers control 99.63% of the online conversation surrounding luxury fashion (p. 7). They review, give feedback, and discuss products publicly, thus, "shaping the public's perceptions of luxury fashion brands" (Brandwatch, 2016, p. 27). On the positive side, Facebook provides better targeting opportunities and provides customers with insights and with personal and behavioral data on its users to marketers.

Literature provides evidence that luxury companies are dealing with the challenges of the Internet. With all the opportunities and proliferation of the new media, all luxury brands have no choice but to embrace it. The literature provides certain facts about the effects of the social media explosion and its effects on consumers' behavior.

News and information consumption has moved online. Durmaz (2016) stated, "People are no longer picking up magazines as often as they were in the past. Today, content is consumed online and people are not only reading content, but they are offering their feedback through comments and social media" (p. ii).

According to Arun Nair (2012), on social media, users are following companies and brands: over 55 per cent of the social network users are connected to brands; each consumer follows on average 11 brands. People like the fact that companies respond to them and provide information in a timely way and have entertaining content (Nair, 2012, p. 86).

Users are attracted by unique high-quality content on social media. Herein lies an opportunity for Luxury and Fashion brands to differentiate themselves and capitalize on "a high level of user engagement" and "attractiveness of the content and a user's repeated

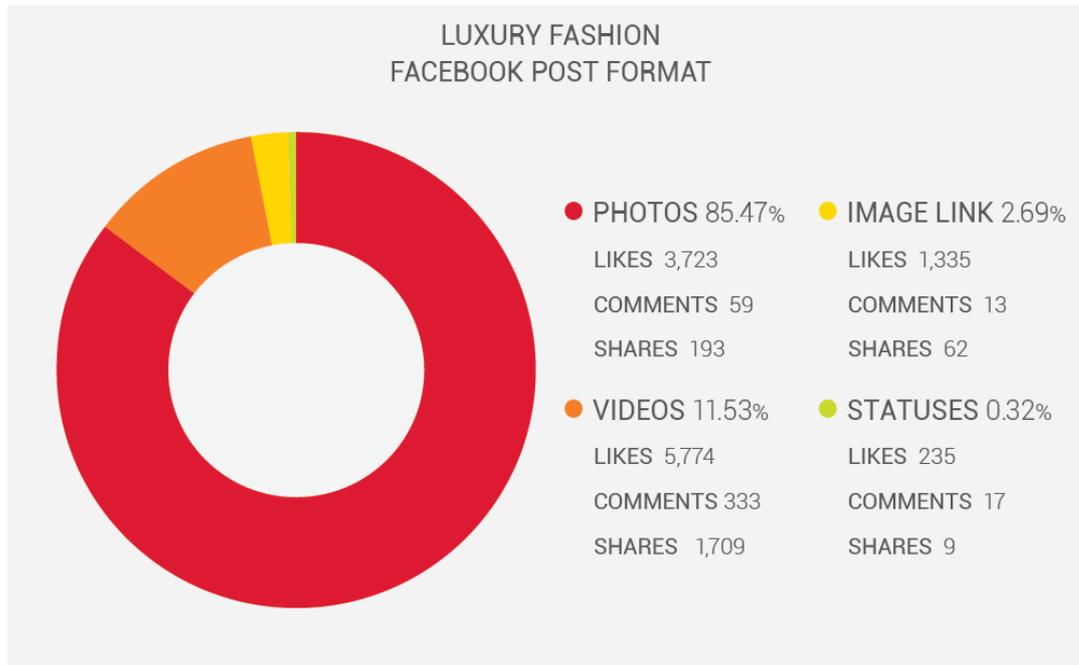
exposure to these brands” Online shopping, recruitment and search functions also have moved into the realm of social media. Nair (2012) suggested that companies and brands create content together with the core brand community, i.e. followers (p. 87).

Luxury and fashion industries should find new strategies and ways to work through the social media channel: how to use new channels of social media, build customer engagement, relationship and loyalty, build their brands and to customize their message in this new channel (Mohr, 2013, p. 19). Social media helps luxury brands, as mentioned by Mohr (2013), “build the brand by increasing awareness, involvement, and engagement; thus, adding to brand recall and stimulating purchases” (p. 18).

However, the challenge for Luxury brands is to retain control over their brands in the new media, where “consumers had a new voice, increasing their individual and collective power,” which “erodes message control for luxury brands” (Brandwatch, 2016, p. 3). In terms of the engagement, Luxury brands have challenges since they need to maintain a certain distance and in order to retain the image of inaccessibility. According to Brandwatch (2016) statistics show that “Luxury fashion brands rarely respond directly to their audience, averaging .08 replies, .11 retweets and .40 comments per day, which is substantially lower than Food & Beverage (23.09 replies, .44 retweets, 6.31 comments), Nonprofit (2.45 replies, 3.06 retweets, 1.10 comments)” (p. 8-9).

Only a few luxury brands are more active through providing content and being responsive to customers than all the others. According to Brandwatch (2016) Burberry, Tommy Hilfiger, Michael Kors and Christian Louboutin are consistently providing content to their followers. Meanwhile, Tiffany & Co., Michael Kors and Christian Louboutin are among the most responsive brands (p. 9). Luxury fashion brands also differ in terms of the type of content they share on social media. Fashion brands use visuals (photos or videos) in 99% of their posts (Brandwatch, 2016). While visual content is the highest performing type of content for most brands, it plays an exceptionally important role in fashion brands’ social content:

Figure 5. Analyzes 634 luxury fashion brands Facebook posts from August 11th - September 11th, 2015 (Brandwatch, 2016, p. 12)



According to PMX (2016) research report, social media is still not the top or even any significant source of traffic of customers to the websites of luxury fashion brands. Only around 6,3% are driven to the websites through social media, with half of them (3%) being accounted by Facebook traffic (PMX Agency, 2016). This partially explains somewhat non-concerted efforts of luxury brands on social media. Being present on Facebook is not sufficient. It is required to actively engage in posts, content, photos, video, and information with the users. Even though the vast majority of luxury fashion brands are represented on Facebook, their level of activity varies greatly. Consequently, the number of likes, followers, and engaged users differs greatly between the brands.

The usage of celebrities becomes more important from a different perspective, i.e. from the celebrities' presence on social media and their ability to attract the attention of the audience. PMX (2016) report mentions Justin Bieber, Rihanna, Kanye West, and Jennifer Lawrence as being instrumental in promoting luxury products and "refreshing" fashion brands. Celebrities can promote brands by tweeting, posting on Facebook or Instagram, which attracts millions of views and is, therefore, valuable for brands (PMX Agency, 2016).

2.3.4 Celebrities and Brands on the Social Media

Celebrities are present on Facebook, either by using a fan page or by having a public figure personal profile. They command a high number of fans or followers, sometimes more than famous brands. This is explained by the personal nature of social media, for example people talking about celebrities, not brands (Holt, 2016). An important difference between social media vs. traditional media is that celebrities can have a presence without an intermediary of a company or a brand: “Brand Sponsors Are Disintermediated” (Holt, 2016).

He further describes the trend for consumers to unsubscribe from brands and branded content on social media. Consumers tend to follow people, personalities and stay away from advertising, which has been fed to them via traditional media for decades, without any choice for them to avoid it. With the Internet, other types of content are just one click away, and it became difficult for brands to command attention and to compete with the wealth of other online content (Holt, 2016).

In order for brands to attract the attention of users on social media, they have to combine social media requirements, such as cultural trends, personal nature, creative content, personal appeal, engagement versus selling or top-down approach, with the brand message. This was achieved; for instance, by the brand UnderArmor with their campaign "I will what I want", employing celebrities. Holt (2016) interprets the success of the campaign by the fact that the brand managed to cater to the non-mainstream nature of social media, driven by sub-cultures and edgy characters. In addition, UnderArmor combined it with the celebrity image of stars such as Gisele Buedchen, Lindsey Vonn, and others. The conclusion for brands in the age of social media is that they cannot use the same type of message and content as in traditional media, and they must develop new content and formats.

Celebrities using social media for advertising has additional synergies and benefits. Namely, celebrities who choose to be active on Facebook can have millions of followers, all of who are a potential additional audience of the brand advertisement featuring this celebrity. Thus, brands have an opportunity to increase the viewership of their posts for free by mentioning the name of the celebrity in their post. This is a dual effect, which also benefits the celebrity, who gets the same type of exposure to the brand page followers and can get more free publicity.

Table 2. Top celebrities on Facebook

Top Celebrities on Facebook					
Rank	Name	Facebook	Rank	Name	Facebook
1	Cristiano Ronaldo <i>Athlete - Soccer</i>	122,079,386	51	Drake <i>Musician</i>	35,944,121
2	Shakira <i>Musician</i>	104,631,893	52	Emma Watson <i>Actor</i>	35,247,174
3	Vin Diesel <i>Actor</i>	101,637,551	53	Ronaldinho Gaucho <i>Athlete - Soccer</i>	34,870,418
4	Eminem <i>Musician</i>	90,428,954	54	Alicia Keys <i>Musician</i>	34,098,866
5	Lionel Messi (Leo Messi) <i>Athlete - Soccer</i>	89,025,797	55	Pink <i>Musician</i>	32,147,089
6	Rihanna <i>Musician</i>	81,672,672	56	Priyanka Chopra <i>Actor</i>	31,902,640
7	Justin Bieber <i>Musician</i>	78,715,050	57	Mesut Özil <i>Athlete - Soccer</i>	31,760,183
8	Will Smith <i>Actor</i>	75,439,481	58	Ricardo Kakà <i>Athlete - Soccer</i>	31,706,210
9	Michael Jackson <i>Musician</i>	75,010,081	59	Green Day <i>Musician</i>	31,530,194
10	Taylor Swift <i>Musician</i>	74,444,611	60	Guns N' Roses <i>Musician</i>	30,585,034
11	Bob Marley <i>Musician</i>	73,815,477	61	Taylor Lautner <i>Actor</i>	30,418,996
12	Katy Perry <i>Musician</i>	70,053,885	62	Kim Kardashian <i>Reality Star</i>	30,142,659
13	Adele <i>Musician</i>	65,834,502	63	AC/DC <i>Musician</i>	30,111,357
14	Beyonce <i>Musician</i>	64,399,582	64	Daddy Yankee <i>Musician</i>	30,084,025
15	Jackie Chan <i>Actor</i>	64,317,565	65	Kesha <i>Musician</i>	29,965,960
16	Selena Gomez <i>Actor - Musician</i>	61,845,263	66	Paulo Coelho <i>Author</i>	29,532,395
17	Linkin Park <i>Musician</i>	61,632,657	67	Pink Floyd <i>Musician</i>	29,296,470
18	Lady Gaga <i>Musician</i>	60,999,243	68	Queen <i>Musician</i>	28,882,973
19	Neymar <i>Athlete - Olympics</i>	59,769,926	69	LMFAO <i>Musician</i>	28,855,859
20	Dwayne Johnson (The Rock) <i>Athlete - WWE</i>	58,299,440	70	Sachin Tendulkar <i>Athlete - Other</i>	28,579,137
21	Bruno Mars <i>Musician</i>	57,894,724	71	Red Hot Chili Peppers <i>Musician</i>	28,261,565
22	Pitbull <i>Musician</i>	57,834,411	72	Amr Khaled	27,817,184
23	Jason Statham <i>Actor</i>	55,137,186	73	Nirvana <i>Musician</i>	27,743,364
24	Barack Obama <i>Politician</i>	54,819,969	74	Ellen DeGneres (The Ellen Show) <i>TV Show - TV Host</i>	27,727,938
25	David Beckham <i>Athlete - Soccer</i>	54,716,272	75	Amitabh Bachchan <i>Actor</i>	27,218,797

26	David Guetta <i>Musician</i>	54,242,574	76	Andres Iniesta <i>Athlete - Soccer</i>	26,966,955
27	Avril Lavigne <i>Musician</i>	51,363,719	77	Paramore <i>Musician</i>	26,279,322
28	Enrique Iglesias <i>Musician</i>	51,250,873	78	Bon Jovi <i>Musician</i>	25,862,010
29	Adam Sandler <i>Actor</i>	51,119,010	79	Christina Aguilera <i>Musician</i>	25,053,468
30	AKON <i>Musician</i>	50,997,422	80	Kevin Hart <i>Comedian</i>	23,829,094
31	Lil Wayne <i>Musician</i>	50,113,362	81	Celine Dion	23,743,298
32	Megan Fox <i>Actor</i>	50,008,024	82	LeBron James <i>Athlete - NBA</i>	23,255,886
33	Miley Cyrus <i>Musician</i>	46,171,135	83	A.R. Rahman <i>Musician</i>	22,836,867
34	Usher <i>Musician</i>	45,952,080	84	Wisin & Yandel <i>Musician</i>	22,678,279
35	Jennifer Lopez <i>Musician - Actor</i>	45,322,937	85	Donald J. Trump <i>Executive</i>	22,607,843
36	John Cena <i>Athlete - WWE</i>	43,908,251	86	Evanescence <i>Musician</i>	22,526,019
37	Black Eyed Peas <i>Musician</i>	43,715,816	87	Jet Li <i>Actor</i>	21,930,080
38	Chris Brown <i>Musician</i>	43,418,481	88	Kobe Bryant <i>Athlete - NBA</i>	21,237,903
39	Nicki Minaj <i>Musician</i>	42,319,560	89	Don Omar <i>Musician</i>	21,150,954
40	The Beatles <i>Musician</i>	41,960,668	90	Mariah Carey <i>Musician</i>	20,593,800
41	Wiz Khalifa <i>Musician</i>	41,344,779	91	Jay-Z <i>Musician</i>	20,427,600
42	Coldplay <i>Musician</i>	39,573,320	92	T.I. <i>Musician</i>	20,400,581
43	Britney Spears <i>Musician</i>	39,476,689	93	Ludacris <i>Musician</i>	20,371,860
44	Justin Timberlake <i>Musician</i>	39,141,982	94	System of a Down <i>Musician</i>	20,094,986
45	Maroon 5 <i>Musician</i>	39,073,115	95	Ashley Tisdale <i>Musician</i>	20,089,903
46	One Direction <i>Musician</i>	38,840,861	96	The Rolling Stones <i>Musician</i>	20,037,229
47	Demi Lovato <i>Actor - Musician</i>	37,754,068	97	Tiësto <i>Musician</i>	19,510,635
48	Metallica <i>Musician</i>	37,572,999	98	Usain Bolt <i>Athlete - Olympics</i>	19,351,227
49	50 Cent <i>Musician</i>	36,735,105	99	Bill Gates <i>Executive</i>	19,346,073
50	Snoop Dogg <i>Musician</i>	36,656,443	100	Jessie J <i>Musician</i>	19,078,556

Table 2. The table shows Facebook statistics of individual celebrities, such as top athletes, singers and models with high fan base. Source: (fanpagelist.com, 2015)

As we can see from the Facebook statistics, individual celebrities, such as top athletes, singers and models command a much higher fan base than luxury brands or companies.

Table 3. Top brands on Facebook.

Top Brands on Facebook			
Rank	Name	Type	Facebook
22	H&M	Brand - Retail	31,339,004
26	Victoria's Secret	Brand - Retail	28,252,895
36	ZARA	Brand - Retail	25,688,797
48	CHANEL	Brand - Retail	19,703,077
49	Louis Vuitton	Brand - Retail	19,445,667
59	Burberry	Brand - Retail	17,245,724
61	Michael Kors	Brand - Retail	17,164,381
67	GUCCI	Brand - Retail	16,147,483
69	Christian Dior	Brand - Retail	16,025,979
77	Lacoste	Brand - Retail	14,610,788
81	Forever 21	Brand - Retail	14,244,837
101	Calvin Klein	Brand - Retail	11,856,080
111	Dolce & Gabbana	Brand - Retail	4,815,180
113	Mango	Brand - Retail	10,637,427
118	Bershka	Brand - Retail	10,282,391
132	Ralph Lauren	Brand - Retail	8,829,052
136	Gap	Brand - Retail	8,688,323
143	ARMANI	Brand - Retail	8,191,268
148	HUGO BOSS	Brand - Retail	7,868,672
162	GUESS	Brand - Retail	7,013,654
183	Prada	Brand - Retail	5,846,430

Table 3. The table shows top corporate brands on Facebook related to fashion. (fanpagelist.com, 2015)

According to The Nielsen Company, 64 percent of adult U.S. Internet users who follow a celebrity also follow a brand, this means the celebrity follower is four times more likely to follow a brand than the average U.S. adult online. Additionally, researchers found that such fans are more likely to interact and engage with the brand (The Nielsen Company, 2011). The advantages for luxury brands on Facebook are two-fold: not only can they engage the brand followers, but also the companies can attract a given celebrity's followers' base to the brand's page. This strategy would imply selecting celebrities who are active on Facebook themselves and thus getting more exposure to their fans.

Marketers of brands have capitalized on this trend and nowadays; celebrities' contracts with brands include social media. According to Forbes (2013), "Celebrities are being paid to endorse products and services over Twitter, in the same way they've been paid to endorse products and services in magazines, newspapers, on billboards and TV screens for as long as celebrities have existed" (Casserly, 2013).

Already in 2011, celebrity endorsement spending in online channels surged. 35 billion dollars was estimated to have been spent on digital advertising (Verlegh, Voorveld, & Eisend, 2016, p. 125). According to Nielsen (2011), during this year's Oscars telecast, 4 of the 10 most-watched commercials featured a celebrity spokesperson. The implication of this fact is that the use of celebrity endorsements on social media can be effective for luxury fashion brands. This thesis will make an attempt to research the effectiveness of videos with celebrity images compared to regular advertising videos used on Facebook to promote a product or a brand.

3 Research Design Description

3.1 Scope of the Research

Only Facebook was selected to be analyzed, since it is the most popular social network with the longest history available, as well as providing the necessary data for the analysis. There were two populations selected for the research. The first populations are videos from the Facebook pages of the three Luxury Fashion Brands: Chanel, Dior and Louis Vuitton. These 3 brands were selected based on the following criteria:

1. Representing High Fashion and luxury brands, targeted mostly at women
2. High level of followers, i.e. around 20 Million of followers of each page
3. High level of activity by these brands on Facebook
4. Availability of both types of videos: with Celebrity Endorsements and without Celebrities, i.e. Anonymous.

Therefore, they are comparable with each other, relatively homogeneous, and can be grouped together for statistical analysis of their aggregated data. The second population was chosen as videos posted on the Fashion TV Facebook page, where also both celebrity and anonymous videos of various luxury fashion brands were available.

Description of Luxury Fashion Brands' Pages on Facebook: Chanel, Dior and Louis Vuitton.

Chanel, Dior and Louis Vuitton were selected for the analysis due to the fact that they have an extremely high number of fans, as well as both featuring celebrity and anonymous commercials. Chanel has outperformed all other fashion brands by the number of fans, online reputation, and engagement. Dior and Louis Vuitton came at a close second and third. According to the findings of this poll, the three mentioned brands deserved their premium price and value among the affluent women (CPP Luxury, 2016). Notably, Chanel and Louis Vuitton are among the top apparel brands by the number of followers on Facebook: respectively they occupy the places 7 and 8 in the top 10 (The Statistics Portal, 2017).

These brands constantly offer their followers a variety of content, whether it be new collections, behind-the-scenes shootings, fashion shows, celebrities videos or new product launches. The number of followers proves a high appeal of luxury brands to a very wide audience, which might be much larger than the actual buyers' audience. These brands are aspirational for a large audience worldwide.

Fashion TV was founded in 1997 as a major TV channel in the fashion world to broadcast fashion trends, high fashion, lifestyle programs 24/7. It covers all beauty, personal appearance, fashion products and provides exclusive content to a specific high-class target audience. It can be compared to upscale fashion magazines, such as Vogue and Elle. Fashion TV achieved high consumer awareness, as it has been partnered with well-known luxury global brands. It provides an insider's view on the industry, reveals the lives of models, designers, and celebrities.

Fashion TV reached an extremely wide distribution, as it is in high demand in the public outlets. It runs 24 hours, 7 days a week, reaching more than 350 million households worldwide. Fashion TV's multimedia portfolio and its unique mix of productions and distribution contributes to its unparalleled reach and influence on trends in comparison to any other fashion related medium.

3.2 Selection of Videos

The majority of selected videos fall within the period of 2015-2016, 18-24 months old, representing the period of a relatively stable popularity among users, and representing recent trends on Facebook. The selected videos are commercials promoting a product or a given brand, while videos such as fashion shows or other non-commercial types were excluded from the sample. The objective of the author was to analyze only commercial, advertising types of posts on Facebook.

All available videos for each page fitting the criteria were included in the analysis, i.e. they can be considered the population for their respective brand. However, for the purpose of this research, the author will treat them as a sample in two aspects: 1) for the potential whole universe of similar luxury fashion brands on Facebook; 2) for predictive purposes for all the future video posts of the kind. Therefore, this selection is considered a convenience sample.

The typical celebrities in these videos are of such caliber as Bella and Gigi Hadid, Charlize Teron, Kendal Jenner, Natalia Vodianova, Keira Knightly, Kristen Stewart - all globally recognized by both the face and name. This makes for the stark contrast with the unknown models or generic product advertising.

Table 4. Data collected from FashionTV Facebook page.

Data collected from FashionTV Facebook page							
	Date	Brand	Type	Ad's days ago	Views	Total Engagement	Engagement to Views
2	27/09/16	Prada	Anonymous	230	12548	717	5,7%
3	26/09/16	Avakian	Anonymous	231	14155	373	2,6%
4	24/09/16	Chantelle	Anonymous	233	4591	393	8,6%
5	24/09/16	Intimissi	Anonymous	233	2268	735	32,4%
6	23/09/16	Jimmy Choo	Anonymous	234	5799	587	10,1%
8	23/09/16	Desigual	Anonymous	234	5362	420	7,8%
14	05/09/16	Just Cavalli	Anonymous	252	11409	430	3,8%
21	20/08/16	Chopard	Anonymous	268	113308	7707	6,8%
30	19/12/16	Swarovski	Anonymous	147	16023	919	5,7%
37	23/09/16	Jimmy Choo	Anonymous	234	5870	588	10,0%
38	04/11/16	Jimmy Choo	Anonymous	192	116169	9065	7,8%
39	10/12/16	Swarovski	Anonymous	156	10516	901	8,6%
40	21/12/16	Louis Vuiton	Anonymous	145	12436	643	5,2%
41	18/12/16	Phillipp Plein	Anonymous	148	6147	437	7,1%
42	14/12/16	Prada	Anonymous	152	8700	169	1,9%
43	12/12/16	Dior	Anonymous	154	4509	337	7,5%
44	11/12/16	Swarovski	Anonymous	155	11145	949	8,5%
33	17/12/16	Fendi	Anonymous	149	12409	769	6,2%
1	28/09/16	Dior	Celebrity	229	52000	2564	4,9%
7	23/09/16	Estee Lauder	Celebrity	234	67858	2338	3,4%
9	22/09/16	Avakian	Celebrity	235	36558	844	2,3%
10	21/09/16	H&M Vogue	Celebrity	236	9811	461	4,7%
11	05/09/16	Tommy Hilfiger	Celebrity	252	77200	3685	4,8%
12	13/09/16	Dior	Celebrity	244	165300	6000	3,6%
13	05/09/16	Stella McCartney	Celebrity	252	16211	505	3,1%
15	25/12/15	Top Shop	Celebrity	507	371407	23223	6,3%
16	07/04/16	Ivy Park SS16	Celebrity	403	324027	13126	4,1%
17	31/07/16	Roberto Cavalli	Celebrity	288	293548	16478	5,6%
18	19/11/15	Dior	Celebrity	543	267777	19013	7,1%
19	21/02/16	Estee Lauder	Celebrity	449	230824	8636	3,7%
20	04/04/16	Dior	Celebrity	406	214722	15359	7,2%
22	11/09/16	Stella McCartney	Celebrity	246	12714	726	5,7%
23	08/11/16	Stuart Weitzman	Celebrity	188	24083	1319	5,5%
24	07/11/16	Yamamay	Celebrity	189	10306	940	9,1%
25	29/10/16	Swarovski	Celebrity	198	18364	645	3,5%

26	06/10/16	L'Oreal	Celebrity	221	15270	530	3,5%
27	24/07/16	Dior	Celebrity	295	48705	2951	6,1%
28	22/12/16	Fendi	Celebrity	144	18472	1207	6,5%
29	22/12/16	Jimmy Choo	Celebrity	144	18477	677	3,7%
31	19/12/16	Fendi	Celebrity	147	14695	782	5,3%
32	17/12/16	Dior	Celebrity	149	18550	1455	7,8%
34	15/12/16	Swarovski	Celebrity	151	15672	769	4,9%
35	11/12/16	Dior	Celebrity	155	55213	3314	6,0%
36	28/12/16	Dior	Celebrity	138	53176	2598	4,9%

Ref. Appendix A

3.3 Sample Design

Videos from each Facebook page are broken down into two groups: with celebrities and anonymous, the type of video. The type of videos (celebrity and anonymous) are an independent variable in the test. The performance of these two groups will be compared with regards to the following dependent variables:

- Number of Views (discrete data)
- % Engagement (Number of likes and reactions over the number of views) (continuous, ratio data type)

Other variables:

To exclude the possible effect of timing on the dependent variable, another variable, the “age” of a posted video (number of days, continuous data), was analyzed. There was no correlation found between the age of the post and the number of views, and only a slight positive correlation with the % of engagement, significant at 0.001 level. Therefore, the age of the videos (i.e. how long ago it was published) was excluded as a possible independent variable. Below the data shows the results of the correlation analysis:

Table 5. Correlations age of video to views and engagement.

Correlations Age of Video vs. Views and Engagement			
Correlations			
		Ad's days ago	Total Views
Ad's days ago	Pearson Correlation	1	-,084
	Sig. (2-tailed)		,263
	Covariance	54221,869	-49271574,699
	N	179	179

		Ad's days ago	% of Engagement
Ad's days ago	Pearson Correlation	1	,257**
	Sig. (2-tailed)		,001
	Covariance	54221,869	2,683
	N	179	179

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

Table 5. The table shows correlations of Ad's Age to number of views and engagement

3.4 Hypothesis

Since there are two dependent variables: Viewership and percentage of Engagement, there are two hypotheses, one for each dependent variable.

The author will conduct two hypothesis tests against each dependent variable:

Hypothesis 1. Celebrity endorsements affect the **number of video views**:

The null hypothesis is that there is no difference between the video type and percent of viewership between the two types of videos:

$$H_0: \text{mean}_0 = \text{mean}_1,$$

$$\text{and } H_1: \text{mean}_0 \neq \text{mean}_1$$

Hypothesis 2: Celebrity endorsements affect the **percentage of video engagement**:

The null hypothesis is that there is no difference between the video type and percentage of engagement:

$$H_0: \text{mean}_0 = \text{mean}_1 \text{ and}$$

$$H_1: \text{mean}_0 \neq \text{mean}_1$$

These tests will be performed for 4 Samples for 2 variables:

1. Chanel
2. Dior
3. Louis Vuitton
4. Fashion TV page

The results will be presented for each brand page, as well as aggregated into the overall conclusions.

3.5 A Detailed Description of the Statistical Analysis

The following table shows the structure of the samples and their sizes. The total number of videos analyzed is 223; out of them 120 videos are with anonymous models and 103 are with Celebrities. The table gives further details about the sample structure for each brand and breaks it down into groups by the type of videos.

Table 6.. Sample structure: Number of videos per Brand page.

	Anonymous	Celebrity	Total per page
Chanel	36	28	64
Dior	46	38	84
Louis Vuitton	20	11	31
<i>Luxury fashion Brands Pages (Total)</i>	<i>102</i>	<i>77</i>	<i>179</i>
Fashion TV	18	26	44

Table 6. The table shows structure of the sample and their size.

T-test for the two independent samples was selected for statistical analysis to test the difference between the means of the two independent samples, i.e. one of the celebrity and one of the anonymous videos, for each of the 4 selected Facebook pages.

Statistical Analysis of each brand page: Chanel, Dior, and Louis Vuitton and Fashion TV.

First of all, prior to performing the t-test, the normality check for each dependent variable was conducted and the transformation of non-normally distributed data was done. Also, the correlation between all dependent variables was analyzed, as well as a correlation with the timing of the posts was checked. No correlation was found with the timing of the post and the number of views and the % engagement in any of the pages. However, in certain

cases, a slight negative correlation was found between the number of views and the % engagement. This means that the higher number of views the video received, the smaller the % of reactions (engagement) there was. The author will elaborate on the implications of these findings in the results section.

The t-test comparison of the independent sample was conducted for each brand and for the Fashion TV page. Therefore, 4 samples were analyzed. Within the statistical analysis, the author conducted the t-test both with extreme values (outliers) and without them. Eliminating the extreme values and outliers has not changed the result of the analysis. Therefore, for simplicity and clarity of the explanation, only the total sample analysis will be discussed in this thesis.

Step 1. Normality check

A normality test using descriptive statistics was performed for numerical variables: number of views and % engagement for each of the 4 samples. None of the variables were normally distributed and all were significantly skewed. The root square transformation was used for all variables to normalize the distribution of data, to accommodate for less than 1 value in data sets, namely % engagement. As a result, the data became more normally distributed and could be analyzed on this assumption.

4 Results of the Research

4.1 Conclusion for Chanel

Most of the variables were medium-strongly positively skewed (from ca. 0,5 to over 2 of Skewness Statistic). Both dependent variables were not normally distributed; they were transformed using the square root function to normalize distributions. The square root function was used for transformation since it reduces the skewness of data in the most optimal way.

Ref. Appendix B and Appendix C

T-test for the two independent samples was run for celebrity and anonymous groups for the number of views and % engagement. Firstly, as the number of views is concerned, the mean for celebrity views is higher than for anonymous views, a significant more viewership is gained by the celebrity videos.

The t-test shows that there is a statistically significant difference between the two means of views since Sig (2-Tailed) is less than 0,05. This means that celebrity videos attract a much higher number of views than non-celebrity videos. Therefore, the null hypothesis of the number of views is rejected, as there is enough evidence for H_1 . We can make a new hypothesis that the celebrity endorsements significantly affect the number of video views on Facebook.

In the case of % engagement, the mean of engagement in the anonymous group is higher than the mean of the celebrity group. The t-test shows that there is a statistically significant difference between the two means of views since Sig (2-Tailed) is less than 0,05. This means % engagement, defined as the number of reactions over total views, is lower for the celebrities than for anonymous videos. This could be explained by the negative correlation between the number of views and % engagement, the higher the number of views the lower the percent of reactions.

This means that the higher the number of views for a video is, the lower the percent engagement is. The author discusses in more detail the possible underlying causes of this phenomenon in the results section, suggesting that the engaged users represent a smaller core group of really loyal brand fans, which is not growing as fast as the total viewership.

Table 7. Chanel. T-test group statistics: Celebrity and anonymous groups of videos.

Group Statistics					
Type		N	Mean	Std. Deviation	Std. Error Mean
Views_sqr	Anonym	36	614,0513	510,43752	85,07292
	Celebrity	28	1216,9796	1073,87650	202,94358
Engagement_sqr	Anonym	36	,2327	,07123	,01187
	Celebrity	28	,1946	,07967	,01506

Table 7. Table shows Celebrity and Anonymous groups for the Number of Views and % Engagement.

Table 8. Chanel. T-test for two independent samples: Celebrity and anonymous groups.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Views_sqr	Equal variances assumed	18,133	,000	-2,970	62	,004	-1008,79629	197,06031
	Equal variances not assumed			-2,740	36,454	,009	-1049,02418	156,83242
Eng_sqr	Equal variances assumed	2,034	,159	2,020	62	,048	,00040	,07597
	Equal variances not assumed			1,991	54,699	,051	-,00025	,07661

Table 8. Table shows t-test for two independent samples Celebrity and Anonymous groups for the Number of Views and % Engagement.

Therefore, the author made another hypothesis, that the two dependent variable may be correlated, i.e. the % Engagement depends on the number of Views. Therefore, the

Correlation between the number of Views and % Engagement was analyzed and was found to be a significant negative correlation of -0,72.

Table 9. Chanel: Correlation number of views and percentage of engagement.

Correlations			
		Views_sqr	Engagement_sqr
Views_sqr	Pearson Correlation	1	-.725**
	Sig. (2-tailed)		,000
	N	64	64
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 9. Table shows correlation between number of Views and % Engagement

Therefore, the author will segment the samples by the number of views and make an analysis of the groups with a similar number of views. Only posts with less than 1,5 million views were analyzed in terms of the % engagement level. With the number of views being similar, less than 1,5 million, there was no statistical difference found between the means of the two groups in terms of engagement (Sig. 2-tailed is higher than 0,05). This may mean that there is a more detailed segmentation needed. However, this would require a larger sample size of videos, which is currently not available. Alternatively, it may mean that there is no impact of celebrity on the engagement level. Further research and statistical analysis are required to come to a conclusion on this finding.

Table 10. Chanel group statistics without outliers: videos with less than 1.6 million views.

Group Statistics					
Type		N	Mean	Std. Deviation	Std. Error Mean
Engagement_sqr	Anonymous	31	,2500	,05997	,01077
	Celebrity	18	,2265	,06218	,01466

Table 10. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

Table 11: Chanel t-test without outliers: videos with less than 1.6 million views.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Engagement_sqr	Equal variances assumed	,012	,913	1,302	47	,199	-,01279	,05967
	Equal variances not assumed			1,289	34,601	,206	-,01350	,06038

Table 11. Chanel t-test without outliers: videos with <1,6 MM Views

Therefore, for Chanel videos on Facebook the author makes three important conclusions: There is a significant positive impact of celebrity endorsements on the number of views, there is a significant negative correlation between the number of views and % engagement and with the similar number of views, there is no statistically significant impact on the % engagement. The same type of analysis was conducted for Dior, Louis Vuitton and

Fashion TV Facebook pages.

4.2 Conclusion for Dior

The same exact findings from Chanel were made for Dior.

Table 12. Dior: T-test group statistics. Celebrity and anonymous groups of videos.

Group Statistics					
Type		N	Mean	Std. Deviation	Std. Error Mean
Views_sqr	Anonymous	46	403,5572	320,79153	47,29813
	Celebrity	38	941,5607	928,69412	150,65408
Eng_sqr	Anonymous	46	,2401	,09748	,01437
	Celebrity	38	,1849	,09147	,01484

Table 12. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

Table 13. Dior: T-test for two independent samples. Celebrity and anonymous groups.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Views_sqr	Equal variances assumed	17,946	,000	-3,676	82	,000	-829,11834	-246,88861
	Equal variances not assumed			-3,407	44,299	,001	-856,17791	-219,82904
Eng_sqr	Equal variances assumed	,006	,936	2,656	82	,009	,01387	,09656
	Equal variances not assumed			2,673	80,637	,009	,01411	,09632

Table 13. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

Ref. Appendix D and Appendix E

Therefore, for Dior videos on Facebook the author makes three important conclusions:

1. There is a significant positive impact of Celebrity Endorsement on the Number of Views,
2. There is a significant negative correlation between the number of views and % Engagement
3. There is no statistically significant impact on the % Engagement.

Therefore, the same conclusions stated above for Chanel brand can be made.

The author repeated the same analysis after having taken the outliers out of the sample. No significance was found in the sub-set of data without outliers, i.e. of Views less than 1,000,000.

Table 14. Dior group statistics without outliers: videos with less than 1 million views.

Group Statistics

Type		N	Mean	Std. Deviation	Std. Error Mean
Views_sqr	Anonymous	45	373,3050	249,37937	37,17528
	Celebrit	25	436,0567	244,31452	48,86290
Engagement_sqr	Anonymous	45	,2429	,09676	,01442
	Celebrit	25	,2239	,08972	,01794

Table 14. Table shows celebrity and anonymous groups for the number of Views and % Engagement without outliers

Table 15. Dior t-test without outliers: videos with less than 1 million views.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Views_sqr	Equal variances assumed	,018	,893	-1,016	68	,313	-185,99826	60,49480
	Equal variances not assumed			-1,022	50,581	,312	-186,03603	60,53257
Eng_sqr	Equal variances assumed	,036	,851	,807	68	,423	-,02797	,06594
	Equal variances not assumed			,825	52,971	,413	-,02719	,06516

Table 15. Dior t-test without outliers: videos with <1MM Views

4.3 Conclusion for Louis Vuitton

In the Louis Vuitton brand, there was no influence of the celebrity found either for views or for engagement, with the 2-tail Sig. value being over 0,05. Therefore, both hypotheses are rejected for LV page.

Therefore, for Louis Vuitton videos on Facebook the author makes two important conclusions:

1. There is no significant positive impact of celebrity endorsement on the number of views.
2. There is no statistically significant impact of celebrity endorsement on the %

engagement.

The Louis Vuitton page was the only one in the analysis that did not show any impact of the celebrity endorsement on the number of views of the videos. The caveat in the Louis Vuitton sample is the low number of the videos with celebrities, only 11 videos. This may mean a limited validity of research and more videos must be selected, when they become available, for a more statistically representative and valid analysis.

Ref. Appendix F

Table 16. Louis Vuitton: T-test group statistics. Celebrity and anonymous groups of videos.

Group Statistics					
Type		N	Mean	Std. Deviation	Std. Error Mean
Views_sqrt	Anonymous	20	750,0962	717,17717	160,36569
	Celebrity	11	592,7843	788,52265	237,74852
Eng_sqrt	Anonymous	20	,2271	,07100	,01588
	Celebrity	11	,2449	,08398	,02532

Table 16. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

Table 17. Louis Vuitton: T-test for two independent samples. Celebrity and anonymous groups.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Views_sqrt	Equal variances assumed	,023	,879	,564	29	,577	-412,77295	727,39678
	Equal variances not assumed			,549	19,090	,590	-442,73008	757,35390
Eng_sqrt	Equal variances assumed	,079	,780	-,628	29	,535	-,07598	,04030
	Equal variances not assumed			-,597	17,948	,558	-,08064	,04496

Table 17. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

4.4 Conclusion for Fashion TV

For the Fashion TV page, the findings and conclusions were found to be the same as for the Chanel and Dior pages, a positive impact of the celebrity endorsements on the number of views and no impact on the % engagement for the videos with the similar number of views. Therefore, for Fashion TV, the first hypothesis is confirmed as there is a positive impact on the number of views. The second hypothesis is rejected: as there is no significant impact of celebrities on the percent engagement.

For Fashion TV page videos on Facebook the author makes the following conclusions:

1. There is a significant positive impact of the celebrity endorsements on the number of views.
2. There is no statistically significant impact of celebrity endorsements on the percent engagement.

Table 18. Fashion TV: T-test group statistics. Celebrity and anonymous groups of videos.

Group Statistics					
Type		N	Mean	Std. Deviation	Std. Error Mean
Views_sqr	Anonymous	18	119,6147	82,54261	19,45548
	Celebrity	26	259,2904	167,68077	32,88491
Eng_sqr	Anonymous	18	,2718	,08890	,02095
	Celebrity	26	,2238	,03549	,00696

Table 18. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

Table 19. Fashion TV: T-test for two independent samples. Celebrity and anonymous groups.

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	95% Confidence Interval of the Difference	
							Lower	Upper
Views_sqr	Equal variances assumed	12,482	,001	-3,263	42	,002	-226,07141	-53,27993
	Equal variances not assumed			-3,656	38,608	,001	-216,98590	-62,36544
Eng_sqr	Equal variances assumed	2,591	,115	2,492	42	,017	,00913	,08689
	Equal variances not assumed			2,174	20,786	,041	,00206	,09395

Table 19. Table shows celebrity and anonymous groups for the number of Views and % Engagement.

There was only a slightly negative correlation (-0.187) found between the number of Views and % Engagement (which can be considered negligible), compared with a significant negative correlation for Chanel, Louis Vuitton and Dior.

Table 20. Fashion TV: Correlation between the number of Views and % Engagement.

Correlations			
		Views_sqr	Eng_sqr
Views_sqr	Pearson Correlation	1	-,187
	Sig. (2-tailed)		,224
	N	44	44
Engagement_sqr	Pearson Correlation	-,187	1
	Sig. (2-tailed)	,224	
	N	44	44

Table 20. Table shows correlation between number of Views and % Engagement

The Fashion TV page results are different from the brand pages’ results in the way that the followers of this page are not fans of a specific fashion brand, the brands featured on the Fashion TV page are mixed and give a perspective on the videos regardless of the brand being advertised. This means that videos of other brands, such as Burberry, Calvin Klein or other fashion brands were included in the sample. Still the results were similar as for the Chanel and Dior brand specific pages. This can lead us to suggest that the conclusions might be extrapolated for other luxury fashion brands. For conclusive findings, a random sample from the whole industry pages on Facebook must be collected and analyzed.

Ref. Appendix G and Appendix H

4.5 Overall Research Conclusions and Discussions.

The key overall conclusion of the research is that celebrity representation in videos significantly increases the number of views. This was true for all brands and for the Fashion TV page. Thus, the first hypothesis that celebrities increase the number of views versus anonymous videos was confirmed.

For the purpose of Facebook marketing, the conclusion of this thesis is significant, in terms that videos with celebrity endorsements may attract a significantly higher number of views on Facebook. This means that the use of celebrities on Facebook can not only keep the number of fans on their page but attract new fans.

Celebrity endorsement on social media work similarly as on mass TV media, attracting only the superficial, first level of attention viewership, but not an active more in-

depth engagement. For talking with the audience, much broader than the core audience of buyers, but with the audience including aspirational buyers, this is a positive finding for luxury brands. They can achieve a free organic viewership to an aspirational target audience, which is one of the key principles of the Luxury Business Model. It should create awareness among the broad mass audience, who cannot afford the brand, but who make sure that the brand is recognizable and has aspirational quality.

The exception of the Louis Vuitton page findings, where no impact on viewership was found, should serve as a warning sign and findings should be explored further. The author thinks that in the era of the ever-changing internet media landscape all findings have a short-term shelf life and should be taken as an indication for improvements, growth, and developments in advertising strategy and approaches, but not as a final conclusion. There can be two types of strategies: attracting new audiences via higher viewership or converting it into higher engagement. The second one can follow the first one. Since each of them requires different content and marketing activities, the marketers should clearly set the goal and use the appropriate content. For example, celebrities can be used to create viewership, broaden and increase an overall audience. But for increasing in-depth engagement, other marketing activities should be designed. They should be targeting a much more specific segment of the target audience, understand their psychographic profile and needs, and cater to them with a specifically designed content of advertising. Based on the thesis results, employing mass celebrities does not engage a core audience.

There was no impact of celebrity endorsements on the second dependent variable, i.e. percent Engagement. The second hypothesis, that Celebrities increase the percent engagement was rejected for all brand pages. There was no statistically significant impact of the type of celebrity on the percent engagement. The author supposes that this might be explained by the negative correlation between the number of views and percent engagement: the higher the number of views for the video the lower the percentage of engagement for this video. This was true for each brand and for the Fashion TV page, which shows it as a more general trend, regardless of the type of industry video. The author thinks that this might be a case for any type of a post. In addition, a broader analysis can be done in this regard to confirming this hypothesis.

The fact that engagement rate falls with the increased number of views is logical and natural since celebrities can attract viewers, however, engagement comes from the smaller core audience, which is involved with the brand and celebrity in a closer way.

Therefore, it is obvious, that generating engagement is a challenging task that needs additional marketing activities and more creative approaches and tactics. This difference also can point to the difference between the number of passive users and the number of active core fan audience members.

This finding also corresponds to one of the key principles of Luxury Industry, described by Kapferer (2012). Namely, it says that luxury brands should also communicate to non-target audience members because a luxury brand must be recognized by non-targets, even though they will not own a product. "Admiration" by others is a part of a luxury concept (Kapferer, 2012).

The fact that celebrities attract many more viewers than generic videos is extremely beneficial for luxury brands, even in case this target audience is not closely involved with the brand. Simply viewership, recognition, awareness and attention, are important for creating the necessary effects of knowledge and admiration from a broad audience. Thus, companies use celebrities as brand ambassadors to spread their luxury branding message to a large audience (Kapferer, 2012).

There is a caveat to the high engagement for luxury brand pages. The author also foresees the long-term risk and dangers to some extent of this mass approach to percent engagement. As one of the luxury industry principles is rarity and exclusivity, being overrepresented in social media and featuring celebrities abundantly and being overly accessible online may work against the rarity and scarcity or exclusivity image of the luxury brands. Contrary to this, giving an opportunity to everyone online to comment and express their opinion about the brand or the celebrity publicly online may in a way cheapen the image of the brand. The brands in the luxury segment must keep a safe distance and be in a way "beyond" the comments and reactions of a mass market. As Kapferer (2012) mentioned, luxury brands want to simultaneously communicate to the wider audience and keep a distance from them to retain the superiority. Social media, though, eliminates the distance and endangers the premium image. This is why engagement can be viewed as a double-edged sword for luxury brands. This presents Luxury Industry with an interesting challenge to both engage with the audience and to stay above the masses. This is the next level of brand communication and brand positioning, specifically for social media. Top-down mass media, as television, naturally keeps the "superiority" and keeps the brand above and beyond the mass. Keeping the same position on social media is a new creative challenge. However, the other choice for the luxury brands is oblivion and a competitive loss to other, less exclusive brands, on social media.

Conceptually speaking, the results for engagement can also be explained by the fundamental difference of social media compared to traditional TV, radio, print, and outdoor advertisements. On social media, customers or the end user has a total control of the content they want to engage with, whereas traditional media was characterized by the lack of user control and by passive viewership. Getting users involved and engaged with the video and the brand will probably be the most challenging marketing task for social media. Additionally, the type of target audience, their socio-demographic, cultural and other backgrounds, on social media might be more segmented, representing various sub-cultures, who are less subversive to mass celebrities. This hypothesis can be additionally researched.

For practical marketing purposes, research suggests that celebrity endorsements can be viewed only as the first step in engaging more fans, but it is not a sufficient one. To increase the core audience of active fans, who will be engaged with the brand, a company should find new interactive ways following their featured celebrity videos. Therefore, the companies should work on the conversion rate from views to % engaged. They should compare their percent engagement with other industries and pages on Facebook and analyze what makes a video engaging. The author suggests that using a celebrity for a product endorsement without a special creative content or format is not sufficient any more in the current competitive, dispersed, diverse environment of social media. To meet entertaining and creative needs of the diverse and demanding target audience worldwide, the mere use of celebrities does not bring anything fundamentally new to the table. A fundamental change of the paradigm in how to use celebrity endorsements for social media promotions might be needed. Those brands that will be able to develop this new approach and co-create the content either with users or with celebrities, will be able to break through the clutter and command higher engagement levels.

There is also an issue of the growing competition from other online and social media platforms. With the growth of platforms such as Instagram, Pinterest, Snapchat and mobile phone applications, such as Whatsapp or Viber, it will constantly be increasingly difficult to create engagement with users and grasp their attention. Different brands might decide to focus on one type of social media. For example, Valentino, Burberry, Fendi, Michael Kors focus on Snapchat (PMX Agency, 2016). According to PMX (2016), “The 80 luxury brands in this study now have a combined total of 479 Million likes and followers across four key social platforms: Facebook, Instagram, Twitter and YouTube.” For these brands, “Instagram now matches Facebook in audience size” (PMX Agency, 2016). Each platform requires a different strategy, different type of content and format, and therefore, it would not be manageable to

effectively work on all platforms. Instagram proved to be easier to engage users due to the easy visual content, because of the simplicity and easiness to like an image (PMX Agency, 2016). Therefore, merely the functionality and technical aspects of various platforms can be a great factor in users' engagement levels.

Table 21. Luxury social media engagement 2016

Social Media Engagement

Instagram	Facebook	Twitter	YouTube
94%	5%	1%	0%
734.7 M	41.9 M	9.2 M	.5 M
Likes & Comments	Reactions, Comments & Shares	Retweets & Favorites	Likes, Dislikes & Comments

Table 21. The table shows Social media engagement across the four key social platforms
Source: (PMX Agency, 2016)

Staggeringly low levels of engagement on Facebook from the top luxury brands (0,17% on average) signify an issue not only for the brands, but also for Facebook. This may be the issue of selecting the right platform, producing the right content, and changing the functionality. Facebook became a very complicated platform, with overwhelming news feeds, stories, updates, and a difficult to navigate user interface. It runs a risk of becoming another paid advertising platform, which eventually might make users “switch off” completely, or move to other less crowded platforms.

Table 22. Average Facebook engagement for luxury brands

Facebook					
Likes & engagement					
Facebook Page	Aug 2016 Likes	Avg Engagement Rate per Post	Facebook Page	Aug 2016 Likes	Avg Engagement Rate per Post
Louis Vuitton	18,670,222	0.07%	Longchamp	1,406,476	0.01%
Burberry	17,117,008	0.01%	Tom Ford	1,310,963	0.09%
Chanel	17,076,327	0.29%	Miu Miu	1,127,560	0.03%
Michael Kors	16,751,483	0.01%	Balenciaga	1,120,007	0.03%
Gucci	15,452,384	0.01%	Tod's	1,091,187	0.84%
Dior	15,312,902	0.11%	Oscar De La Renta	1,081,962	0.08%
Dolce & Gabbana	10,606,046	0.01%	Diane von Furstenberg	950,686	0.01%

Ralph Lauren	8,561,431	0.01%	Jean Paul Gaultier	890,356	0.11%
Armani	7,821,070	0.01%	Stella McCartney	840,274	0.15%
Coach	6,403,066	0.03%	Kenzo	810,818	0.02%
Prada	5,742,067	0.05%	Alexander Wang	790,142	0.02%
Versace	4,351,380	0.04%	Moschino	766,776	0.07%
Jimmy Choo	3,254,559	0.15%	Escada	680,409	0.02%
Louboutin	3,187,203	0.18%	Furla	672,041	0.18%
Moncler	2,721,405	0.06%	Lanvin Paris	655,378	0.06%
Saint Laurent Paris	2,569,225	0.03%	Balmain	633,028	0.99%
Hermès	2,521,396	0.17%	Giuseppe Zanotti	588,415	1.20%
Givenchy	2,410,298	0.03%	Bottega Veneta	587,278	0.13%
Valentino	2,403,534	0.05%	Loewe	572,465	n/a
Fendi	2,350,881	0.06%	Dunhill	558,634	0.05%
Roberto Cavalli	2,278,829	0.04%	MCM	549,855	0.02%
Chloé	1,861,392	0.13%	Bally	534,723	0.04%
Alexander McQueen	1,841,722	0.05%	Donna Karan	527,54	0.04%
Marc Jacobs	1,791,300	0.03%	Marchesa	488,162	0.04%
Ferragamo	1,511,071	0.04%	Trussardi	449,075	0.12%

Table 22. The table shows average Facebook engagement rate for luxury brands: 0.17% Source: (PMX Agency, 2016)

The table (Table 23) proves that different brands have varying levels of focus on Facebook activities, as the number of fans differs from half a million to over 16 Million. Brands also apply different strategies on promoting their products: varying from product features to behind-the-show scenes and celebrity endorsements: in text, photos and videos.

Table 23. Year over year growth in Facebook like counts

YOY Growth				
Facebook like counts				
Facebook Page	Aug 2015	Aug 2016	Additional likes	Avg. engagement rate per post
Chanel	14,613,778	17,076,327	2,462,549	0.29%
Dior	14,411,068	15,312,902	901,834	0.11%
Dolce & Gabbana	9,770,326	10,606,046	835,720	0.01%
Louis Vuitton	17,838,683	18,670,222	831,539	0.07%
Gucci	14,734,506	15,452,384	717,878	0.01%
Ralph Lauren	8,032,701	8,561,431	528,730	0.01%
Coach	5,881,326	6,403,066	521,740	0.03%
Armani	7,364,477	7,821,070	456,593	0.01%
Prada	5,294,452	5,742,067	447,615	0.05%
Versace	3,930,314	4,351,380	421,066	0.04%

Table 23. The table shows year over year growth in Facebook like counts on luxury brands. Source: (PMX Agency, 2016)

Chanel stands out from all other luxury brands by the comparatively “high” level of engagement (Table 23). They were also able to grow their fan base. One of their key strategies is Celebrity usage in their advertising, promotion, shows, posts, and product endorsements. The report mentions that the highest engagement was attained by the posts with the campaigns with the participation of Johnny Depp and Kristen Stewart and Geraldine Chaplin. These were the elaborate movies or campaigns, which means that the audience cares not only about the name and face of celebrity, but also about the quality of the content, and the meaningful story of the advertisement. This could be another conclusion from the research on Facebook. The author can hypothesize that the role of advertisers is to create sophisticated content for the celebrity endorsement and not only rely on their name and image in order to truly engage their target audience. The overall conclusion is that Facebook and the fashion luxury brands should find the best way to combine celebrity endorsements and Facebook capabilities to invent the appropriate engagement type and levels.

5 Limitations of the Research

From a statistical analysis point of view, the data was not normally distributed and for future research more data should be collected so that the data can be segmented by the number of views, each segment forming a normal distribution. Contrary to this, the negative correlation was found between the number of views and the percent engagement. Therefore, the conclusion about the impact of celebrity endorsements can only be made on the number of views. Further research regarding the celebrity impact on the user engagement should be made of the segments by the number of views, e.g. fewer than 250,000 views, 250,000-500,000 views, etc.

In addition, with more videos available for data collection, they could be selected and segmented by such independent variables as a day of the week, the time of the day, a name of the celebrity mentioned or omitted in the post header; duration of a video, duration of views, etc. This information would improve the quality of analysis.

The research can be considered as a stepping stone for further studies of celebrity endorsements on social media for luxury fashion brands. Specifically, more data should be collected to understand that nature of the negative correlation between the viewership and Engagement. The impact of celebrity endorsements on the engagement should be examined in more detail and in-depth. The research findings can also be compared with the brands in other industries on Facebook.

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7 Appendix A

Data collected from Chanel, Dior, Louis Vuitton Facebook pages							
Date	Brand	Type	Ad's days ago	Total Views	Total Engagement	Per cent Engagement to Views	Celebrity Name
25/3/16	Chanel	Anonymous	416	1399047	36286	2,6%	
26/3/16	Chanel	Anonymous	415	46505	3967	8,5%	
28/3/16	Chanel	Anonymous	413	509960	27849	5,5%	
12/4/16	Chanel	Anonymous	398	37688	2022	5,4%	
19/4/16	Chanel	Anonymous	391	43167	2293	5,3%	
11/5/16	Chanel	Anonymous	369	113689	7916	7,0%	
11/5/16	Chanel	Anonymous	369	90698	12321	13,6%	
8/6/16	Chanel	Anonymous	341	3568057	25468	0,7%	
12/6/16	Chanel	Anonymous	337	409588	11849	2,9%	
30/7/16	Chanel	Anonymous	289	142654	7590	5,3%	
26/10/16	Chanel	Anonymous	201	165514	6314	3,8%	
22/11/16	Chanel	Anonymous	174	269447	11339	4,2%	
30/11/16	Chanel	Anonymous	166	83589	5116	6,1%	
12/12/16	Chanel	Anonymous	154	97283	3322	3,4%	
17/12/16	Chanel	Anonymous	149	73059	5224	7,2%	
11/1/17	Chanel	Anonymous	124	324170	17121	5,3%	
14/1/17	Chanel	Anonymous	121	131642	8194	6,2%	
17/1/17	Chanel	Anonymous	118	256240	12966	5,1%	
29/1/17	Chanel	Anonymous	106	114976	8557	7,4%	
2/2/17	Chanel	Anonymous	102	213295	7610	3,6%	
4/2/17	Chanel	Anonymous	100	233568	11085	4,7%	
7/2/17	Chanel	Anonymous	97	114493	10126	8,8%	
28/2/17	Chanel	Anonymous	76	2159128	34837	1,6%	
19/3/17	Chanel	Anonymous	57	221939	26880	12,1%	
20/3/17	Chanel	Anonymous	56	153086	17379	11,4%	
20/3/17	Chanel	Anonymous	56	208168	24426	11,7%	
23/3/17	Chanel	Anonymous	53	2024280	52473	2,6%	
26/3/17	Chanel	Anonymous	50	1621424	40235	2,5%	
3/4/17	Chanel	Anonymous	42	3034954	61846	2,0%	
10/4/17	Chanel	Anonymous	35	4167560	54269	1,3%	
15/4/17	Chanel	Anonymous	30	54288	5545	10,2%	
22/4/17	Chanel	Anonymous	23	180476	7568	4,2%	
23/4/17	Chanel	Anonymous	22	209875	7217	3,4%	
28/4/17	Chanel	Anonymous	17	54322	6410	11,8%	
29/4/17	Chanel	Anonymous	16	64106	6224	9,7%	
8/5/17	Chanel	Anonymous	7	101314	5656	5,6%	
15/10/14	Chanel	Celebrity	943	2689117	300749	11,2%	Gisele Bündchen

1/12/14	Chanel	Celebrity	896	1790425	72149	4,0%	Pharrell Williams, Cara Delevingne
17/5/15	Chanel	Celebrity	729	172760	12478	7,2%	Lily Rose Depp
19/1/16	Chanel	Celebrity	482	1451154	19914	1,4%	Gisele Bündchen
25/3/16	Chanel	Celebrity	416	44962	4267	9,5%	Carine Roitfeld and Karl Lagerfeld
14/4/16	Chanel	Celebrity	396	256197	5008	2,0%	Gisele Bündchen
16/5/16	Chanel	Celebrity	364	1220850	27050	2,2%	Kristen Stewart
27/5/16	Chanel	Celebrity	353	604099	13606	2,3%	Keira Knightley
31/5/16	Chanel	Celebrity	349	127709	7031	5,5%	Pharrell Williams
2/6/16	Chanel	Celebrity	347	7851055	109481	1,4%	Kristen Stewart
4/6/16	Chanel	Celebrity	345	2437355	39260	1,6%	Kristen Stewart
16/6/16	Chanel	Celebrity	333	75689	4272	5,6%	Keira Knightley
17/6/16	Chanel	Celebrity	332	68794	3580	5,2%	Keira Knightley
27/8/16	Chanel	Celebrity	261	4361124	58586	1,3%	Willow Smith
31/8/16	Chanel	Celebrity	257	1379483	34840	2,5%	Willow Smith
10/10/16	Chanel	Celebrity	217	215789	12981	6,0%	Kristen Stewart
20/10/16	Chanel	Celebrity	207	418577	21777	5,2%	Kristen Stewart
28/10/16	Chanel	Celebrity	199	173332	6310	3,6%	Kristen Stewart
29/10/16	Chanel	Celebrity	198	164185	12646	7,7%	Kristen Stewart
1/11/16	Chanel	Celebrity	195	169430	12566	7,4%	Lily Rose Depp
23/11/16	Chanel	Celebrity	173	6835088	101301	1,5%	Caroline de Maigre
25/11/16	Chanel	Celebrity	171	77117	4807	6,2%	Keira Knightley
4/3/17	Chanel	Celebrity	72	117002	11491	9,8%	Lily Rose Depp
5/3/17	Chanel	Celebrity	71	116763	11132	9,5%	Lily Rose Depp
3/4/17	Chanel	Celebrity	42	8968615	76163	0,8%	Kristen Stewart
17/4/17	Chanel	Celebrity	28	6148003	37417	0,6%	Caroline de Maigret
24/4/17	Chanel	Celebrity	21	9065239	59539	0,7%	Pharrell Williams
10/4/17	Chanel	Celebrity	35	15605877	159211	1,0%	Cara Delevigne
16/9/14	Dior	Anonymous	972	28904	8208	28,4%	
23/9/14	Dior	Anonymous	965	38572	10635	27,6%	
22/10/14	Dior	Anonymous	936	144695	17225	11,9%	
13/11/14	Dior	Anonymous	914	26564	2748	10,3%	
25/11/14	Dior	Anonymous	902	558495	33191	5,9%	
23/10/15	Dior	Anonymous	570	21043	1388	6,6%	

2/11/15	Dior	Anonymous	560	359278	5678	1,6%	
7/11/15	Dior	Anonymous	555	58524	9089	15,5%	
7/12/15	Dior	Anonymous	525	224933	13848	6,2%	
15/12/15	Dior	Anonymous	517	406551	4820	1,2%	
17/12/15	Dior	Anonymous	515	17057	1243	7,3%	
4/1/16	Dior	Anonymous	497	21103	1167	5,5%	
12/1/16	Dior	Anonymous	489	470430	17190	3,7%	
21/1/16	Dior	Anonymous	480	10621	838	7,9%	
16/2/16	Dior	Anonymous	454	28836	1259	4,4%	
23/2/16	Dior	Anonymous	447	23836	1211	5,1%	
3/3/16	Dior	Anonymous	438	3114902	42157	1,4%	
24/3/16	Dior	Anonymous	417	21062	918	4,4%	
20/4/16	Dior	Anonymous	390	834203	11185	1,3%	
4/5/16	Dior	Anonymous	376	646436	8679	1,3%	
6/5/16	Dior	Anonymous	374	414834	5198	1,3%	
7/5/16	Dior	Anonymous	373	105384	5753	5,5%	
8/6/16	Dior	Anonymous	341	24288	1573	6,5%	
18/6/16	Dior	Anonymous	331	14663	1308	8,9%	
30/6/16	Dior	Anonymous	319	160628	2435	1,5%	
20/7/16	Dior	Anonymous	299	360593	2667	0,7%	
12/8/16	Dior	Anonymous	276	562399	16916	3,0%	
8/9/16	Dior	Anonymous	249	88258	4407	5,0%	
9/9/16	Dior	Anonymous	248	754648	24487	3,2%	
15/11/16	Dior	Anonymous	181	84657	5406	6,4%	
1/2/17	Dior	Anonymous	103	117665	4845	4,1%	
3/2/17	Dior	Anonymous	101	936643	7177	0,8%	
7/2/17	Dior	Anonymous	97	57847	4242	7,3%	
10/2/17	Dior	Anonymous	94	42413	3348	7,9%	
11/2/17	Dior	Anonymous	93	40664	2948	7,2%	
20/2/17	Dior	Anonymous	84	25995	1702	6,5%	
22/2/17	Dior	Anonymous	82	69664	5591	8,0%	
26/2/17	Dior	Anonymous	78	570209	33930	6,0%	
13/3/17	Dior	Anonymous	63	90114	2304	2,6%	
14/3/17	Dior	Anonymous	62	156600	6222	4,0%	
16/3/17	Dior	Anonymous	60	95636	4777	5,0%	
18/3/17	Dior	Anonymous	58	57313	4170	7,3%	
26/3/17	Dior	Anonymous	50	39973	3405	8,5%	
5/4/17	Dior	Anonymous	40	55473	7173	12,9%	
6/4/17	Dior	Anonymous	39	43839	4775	10,9%	
5/5/17	Dior	Anonymous	10	95867	9153	9,5%	
7/10/14	Dior	Celebrity	951	19969	5729	28,7%	Jennifer Lawrence
18/11/14	Dior	Celebrity	909	318751	10394	3,3%	Marion Cotillard
18/5/15	Dior	Celebrity	728	5149860	66563	1,3%	Rihanna
25/5/15	Dior	Celebrity	721	31908	2688	8,4%	Rihanna
29/5/15	Dior	Celebrity	717	90639	5045	5,6%	Rihanna

22/9/15	Dior	Celebrity	601	21369	2028	9,5%	Jennifer Lawrence
27/10/15	Dior	Celebrity	566	1495225	24513	1,6%	Marion Cotillard
19/1/16	Dior	Celebrity	482	618201	11048	1,8%	Natalie Portman
12/3/16	Dior	Celebrity	429	517592	8454	1,6%	Jennifer Lawrence
4/4/16	Dior	Celebrity	406	5273794	73362	1,4%	Charlize Theron
2/5/16	Dior	Celebrity	378	462192	6076	1,3%	Marion Cotillard
6/6/16	Dior	Celebrity	343	1401083	11106	0,8%	Bella Hadid
13/6/16	Dior	Celebrity	336	13435	1065	7,9%	Robert Pattinson
25/7/16	Dior	Celebrity	294	1156213	8596	0,7%	Rihanna
26/7/16	Dior	Celebrity	293	1239590	16734	1,3%	Rihanna
16/8/16	Dior	Celebrity	272	790986	20365	2,6%	Natalie Portman
17/8/16	Dior	Celebrity	271	632598	22002	3,5%	Natalie Portman
18/8/16	Dior	Celebrity	270	95044	8334	8,8%	Natalie Portman
22/8/16	Dior	Celebrity	266	3646710	73781	2,0%	Natalie Portman
1/9/16	Dior	Celebrity	256	15882948	170547	1,1%	Natalie Portman
4/9/16	Dior	Celebrity	253	887880	11975	1,3%	Natalie Portman
11/9/16	Dior	Celebrity	246	2450562	37805	1,5%	Bella Hadid
12/10/16	Dior	Celebrity	215	14462236	200235	1,4%	Charlize Theron
16/10/16	Dior	Celebrity	211	1451662	23759	1,6%	Charlize Theron
17/10/16	Dior	Celebrity	210	113578	4647	4,1%	Charlize Theron
17/10/16	Dior	Celebrity	210	52023	4087	7,9%	Charlize Theron
28/10/16	Dior	Celebrity	199	110007	5474	5,0%	Marion Cotillard
2/1/17	Dior	Celebrity	133	1235057	11803	1,0%	Eva Herzigova
4/1/17	Dior	Celebrity	131	98783	4078	4,1%	Eva Herzigova
5/2/17	Dior	Celebrity	99	284216	8401	3,0%	Bella Hadid
21/2/17	Dior	Celebrity	83	105668	4046	3,8%	Robert Pattinson
23/2/17	Dior	Celebrity	81	114643	8883	7,7%	Jennifer Lawrence
25/2/17	Dior	Celebrity	79	170641	6972	4,1%	Jennifer Lawrence
11/4/17	Dior	Celebrity	34	4568755	19157	0,4%	Charlize Theron
29/4/17	Dior	Celebrity	16	114171	7960	7,0%	Lindsey Wixon
3/5/17	Dior	Celebrity	12	192417	5473	2,8%	Bella Hadid
4/5/17	Dior	Celebrity	11	38369	3392	8,8%	Bella Hadid
6/5/17	Dior	Celebrity	9	291106	5940	2,0%	Bella Hadid
13/1/15	Louis Vuitton	Anonymous	853	783230	34881	4,5%	

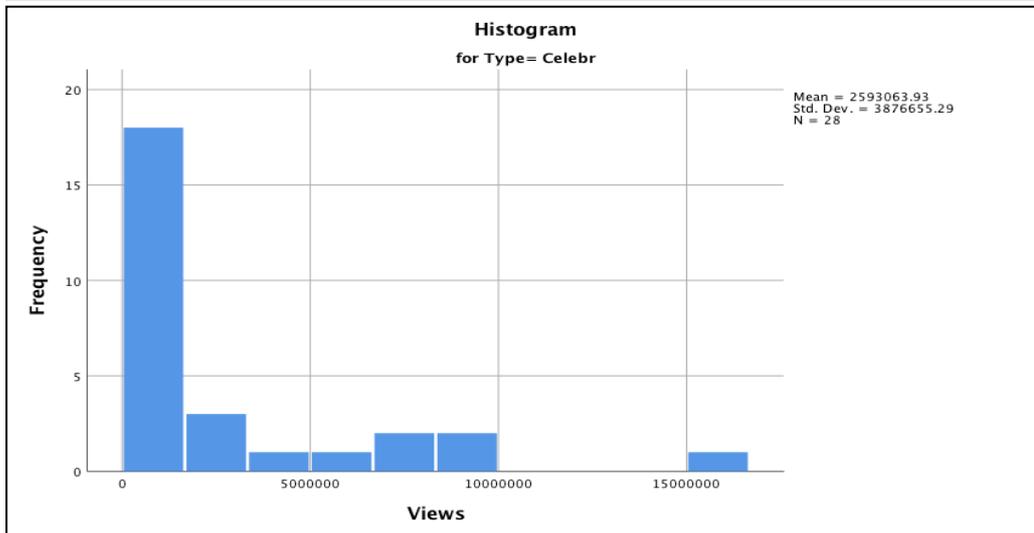
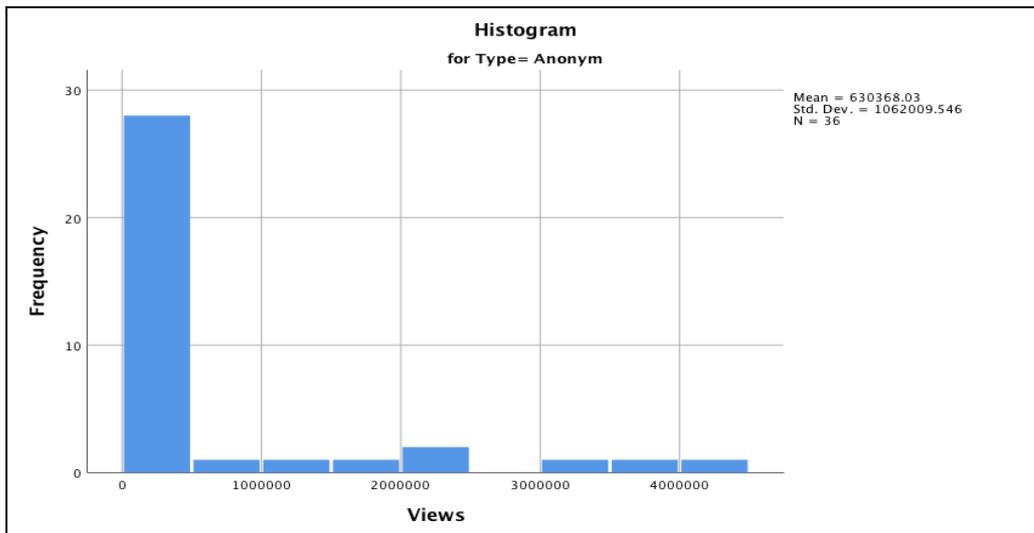
13/12/15	Louis Vuitton	Anonymous	519	23553	1690	7,2%	
27/4/16	Louis Vuitton	Anonymous	383	100583	7741	7,7%	
28/7/16	Louis Vuitton	Anonymous	291	2598150	67975	2,6%	
14/8/16	Louis Vuitton	Anonymous	274	6822713	66250	1,0%	
19/8/16	Louis Vuitton	Anonymous	269	101965	5965	5,9%	
23/8/16	Louis Vuitton	Anonymous	265	61944	4996	8,1%	
25/8/16	Louis Vuitton	Anonymous	263	96517	5622	5,8%	
27/8/16	Louis Vuitton	Anonymous	261	78610	5031	6,4%	
29/8/16	Louis Vuitton	Anonymous	259	58769	5454	9,3%	
21/9/16	Louis Vuitton	Anonymous	236	138359	15247	11,0%	
22/9/16	Louis Vuitton	Anonymous	235	141226	11172	7,9%	
23/9/16	Louis Vuitton	Anonymous	234	57476	6886	12,0%	
10/10/16	Louis Vuitton	Anonymous	217	106352	6385	6,0%	
16/11/16	Louis Vuitton	Anonymous	180	2868243	67103	2,3%	
2/1/17	Louis Vuitton	Anonymous	133	1566184	30840	2,0%	
3/1/17	Louis Vuitton	Anonymous	132	23753	824	3,5%	
30/1/17	Louis Vuitton	Anonymous	105	132131	7880	6,0%	
17/2/17	Louis Vuitton	Anonymous	87	2748410	43233	1,6%	
21/2/17	Louis Vuitton	Anonymous	83	2517237	54267	2,2%	
15/1/15	Louis Vuitton	Celebrity	851	698571	21880	3,1%	Jennifer Connelly
2/2/16	Louis Vuitton	Celebrity	468	2573221	16818	0,7%	Xavier Dolan
14/10/16	Louis Vuitton	Celebrity	213	6420240	142243	2,2%	Alicia Vikander
20/10/16	Louis Vuitton	Celebrity	207	5326	614	11,5%	Alicia Vikander
20/10/16	Louis Vuitton	Celebrity	207	8519	535	6,3%	Alicia Vikander
20/10/16	Louis Vuitton	Celebrity	207	3597	497	13,8%	Alicia Vikander
21/10/16	Louis Vuitton	Celebrity	206	47184	3526	7,5%	Michelle Williams
27/10/16	Louis Vuitton	Celebrity	200	42273	3414	8,1%	Alicia Vikander
30/10/16	Louis Vuitton	Celebrity	197	40185	3247	8,1%	Alicia Vikander and Michelle Williams
8/2/17	Louis Vuitton	Celebrity	96	125461	6192	4,9%	Michelle Williams
5/5/17	Louis Vuitton	Celebrity	10	118428	8114	6,9%	Michelle Williams

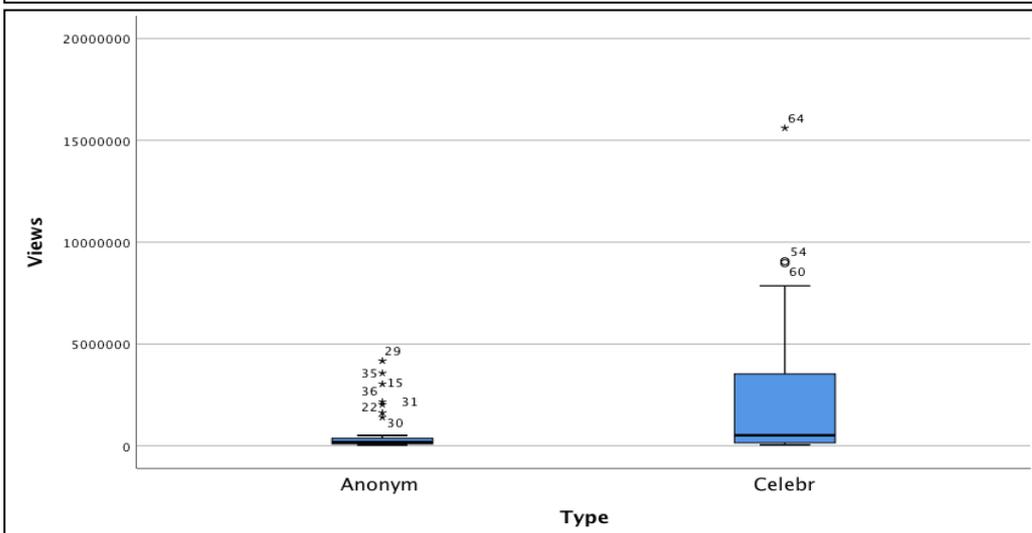
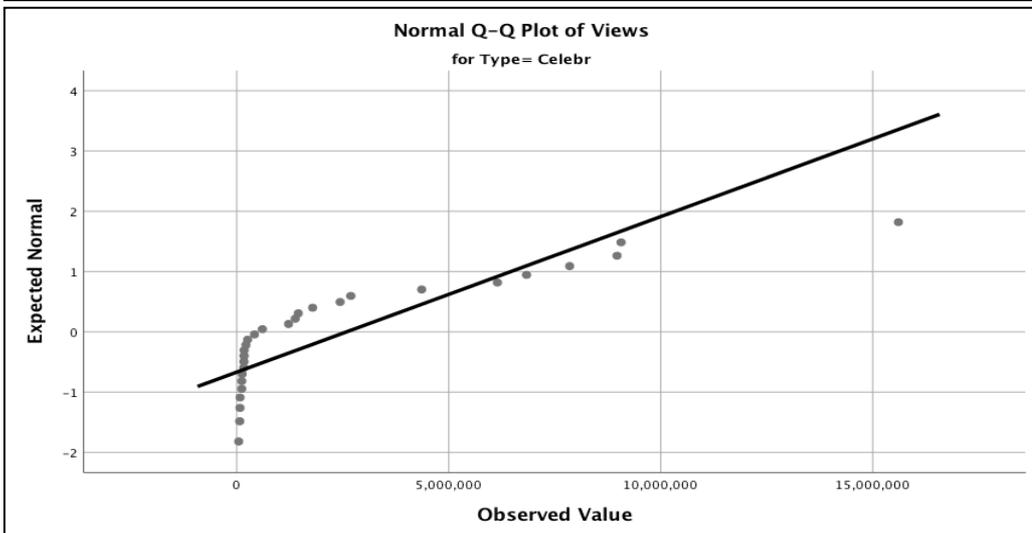
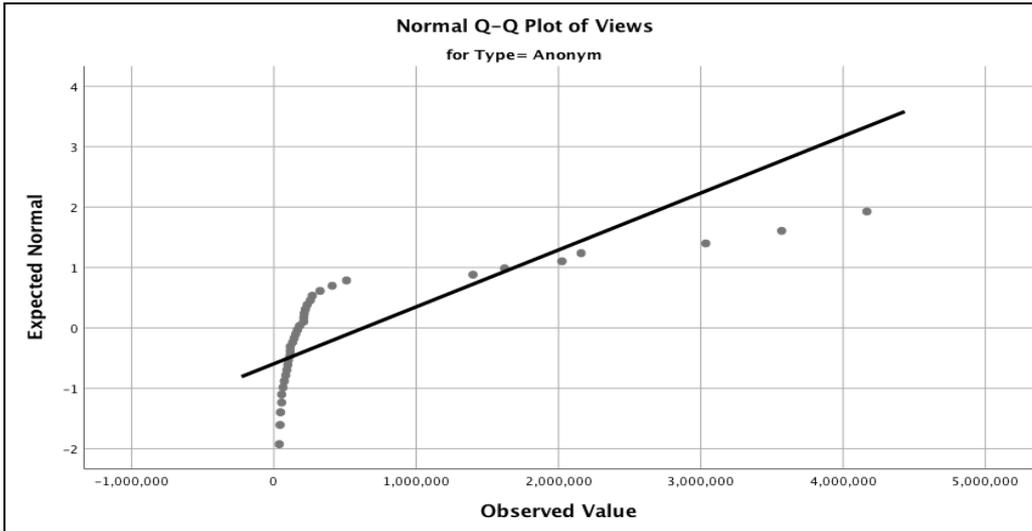
8 Appendix B

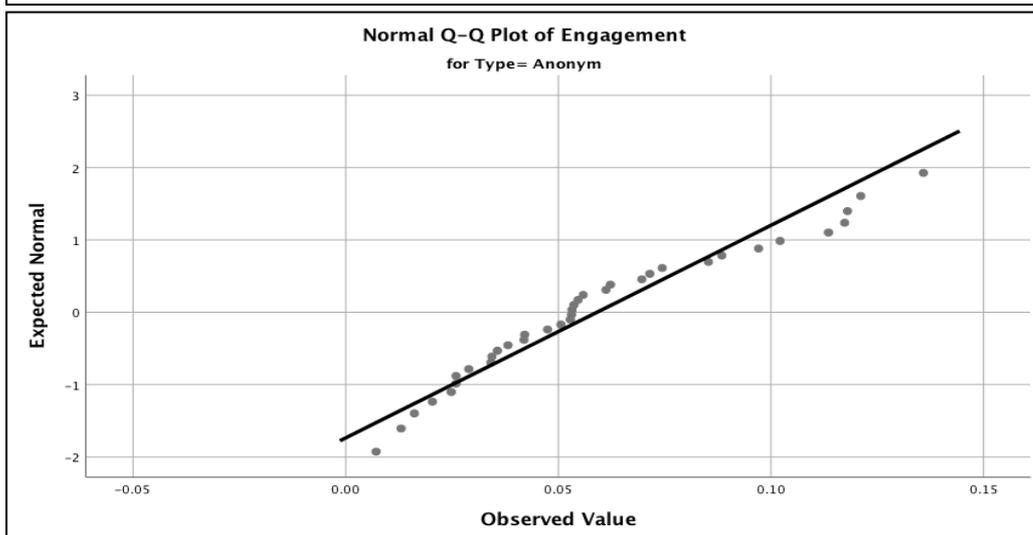
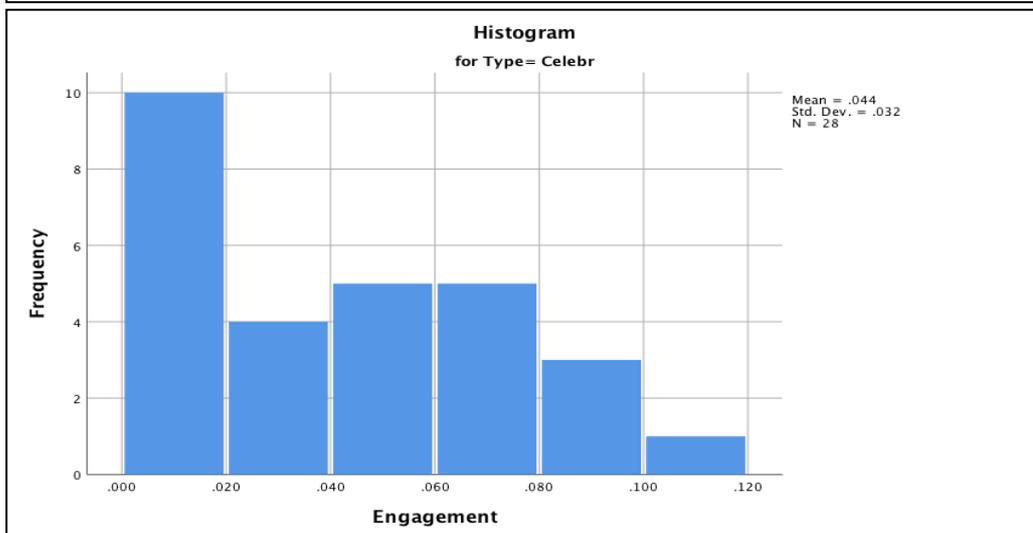
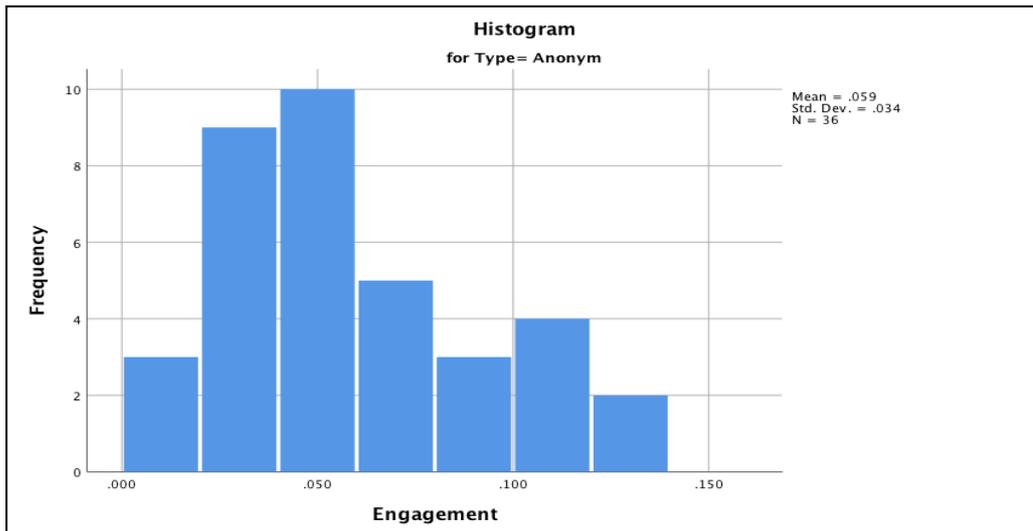
Normality check CHANEL							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Views	Anonym	36	100,0%	0	0,0%	36	100,0%
	Celebrity	28	100,0%	0	0,0%	28	100,0%
Engagement	Anonym	36	100,0%	0	0,0%	36	100,0%
	Celebrity	28	100,0%	0	0,0%	28	100,0%

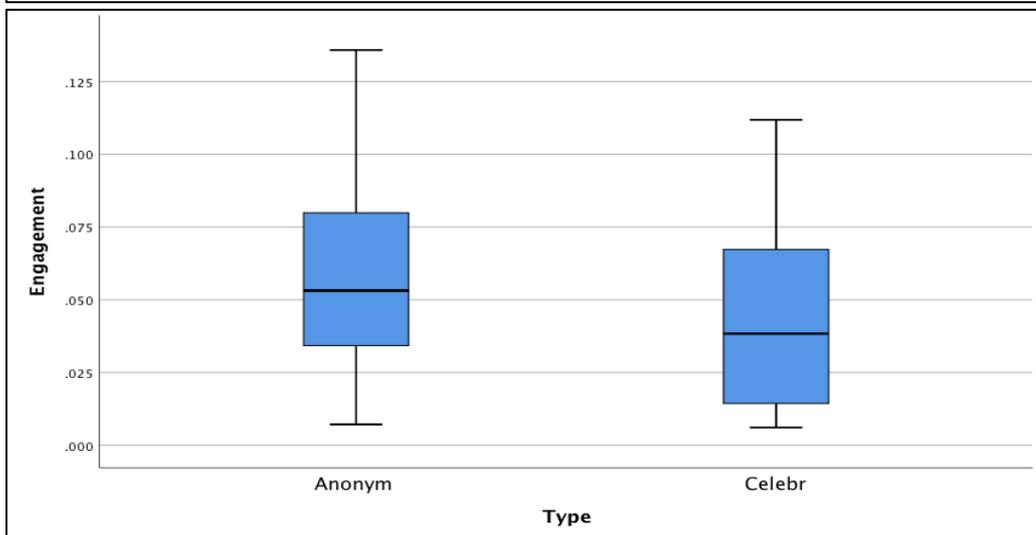
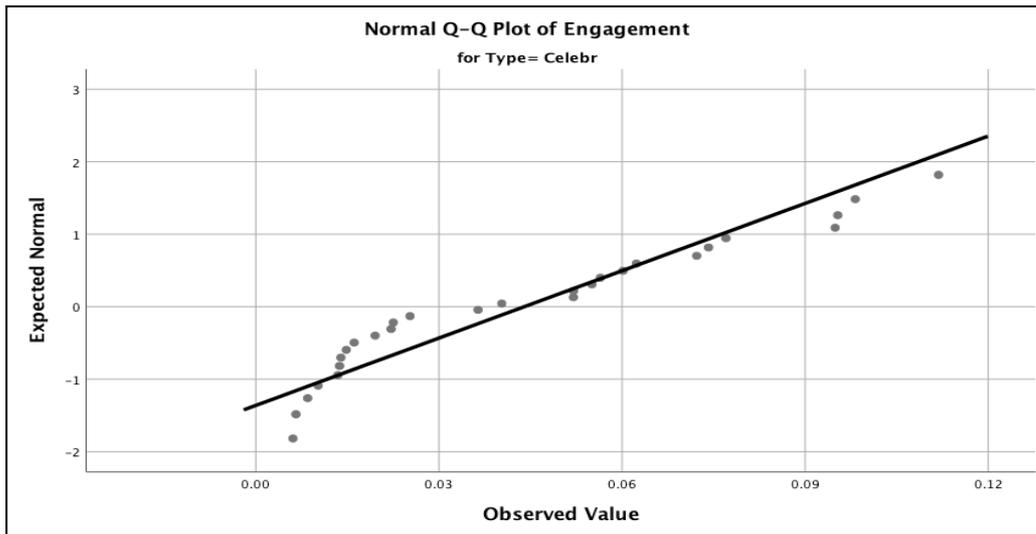
Descriptives				
Type			Statistic	Std. Error
Views	Anonym	Mean	630368,03	177001,591
		Skewness	2,218	,393
		Kurtosis	4,105	,768
	Celebrity	Mean	2593063,93	732618,987
		Skewness	1,909	,441
		Kurtosis	3,572	,858
Engagement	Anonym	Mean	,05910	,005673
		Skewness	,656	,393
		Kurtosis	-,442	,768
	Celebrity	Mean	,04398	,006102
		Skewness	,568	,441
		Kurtosis	-,892	,858

Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Views	Anonym	,591	36	,000
	Celebrity	,704	28	,000
Engagement	Anonym	,939	36	,047
	Celebrity	,904	28	,014
a. Lilliefors Significance Correction				









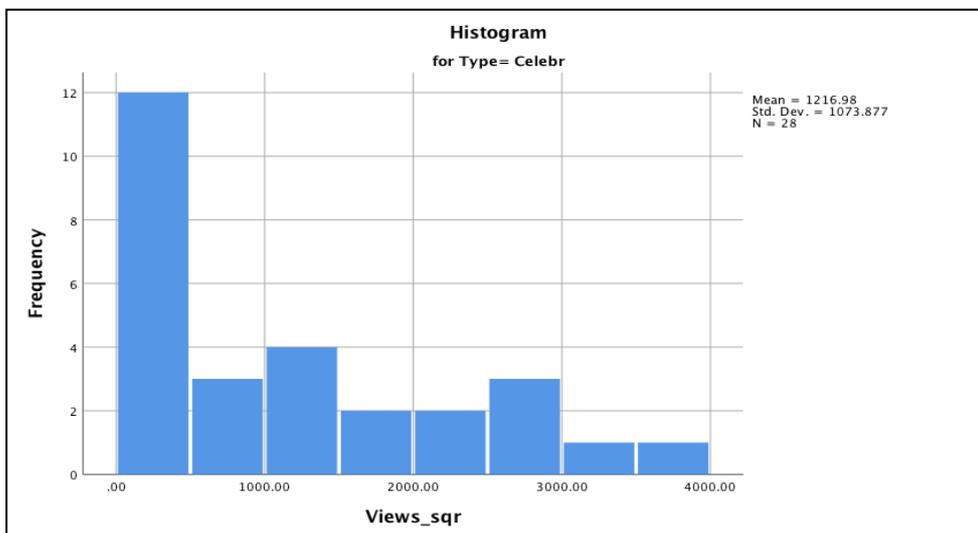
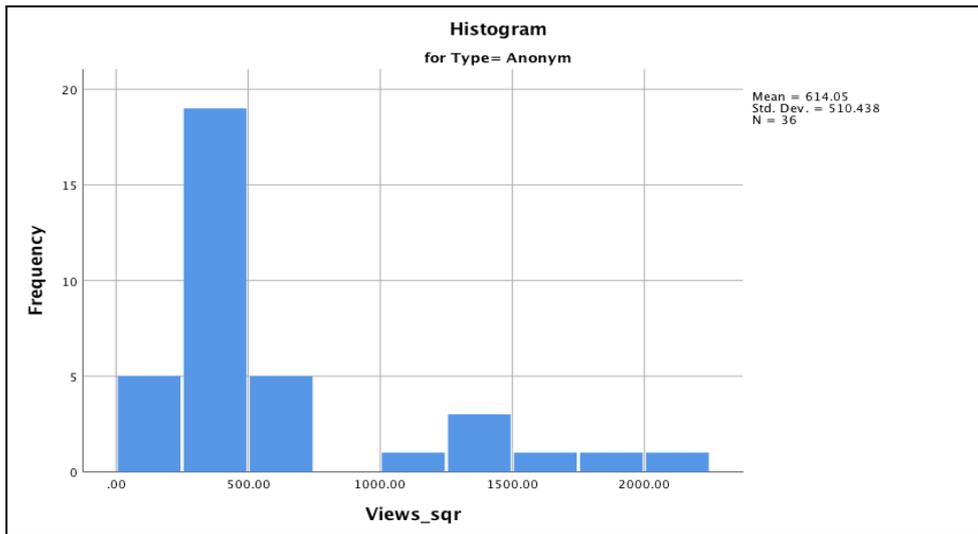
9 Appendix C

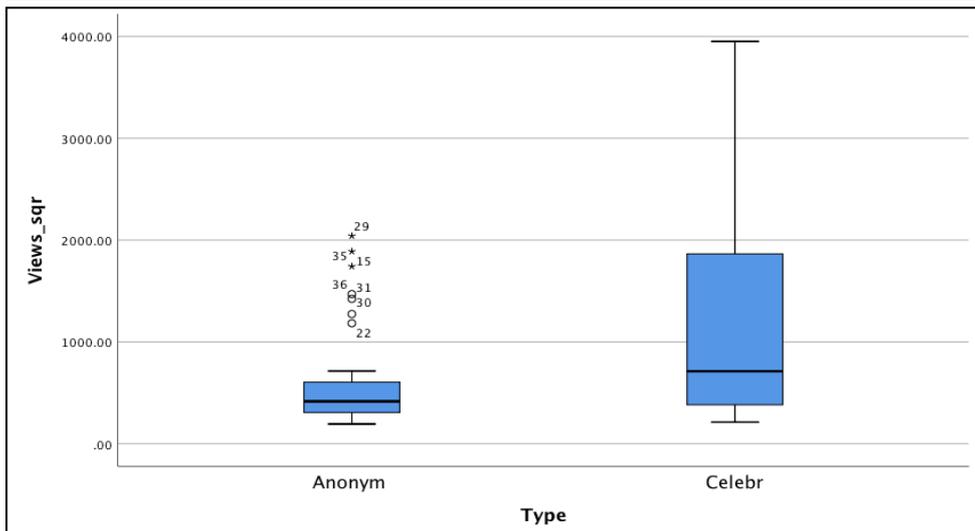
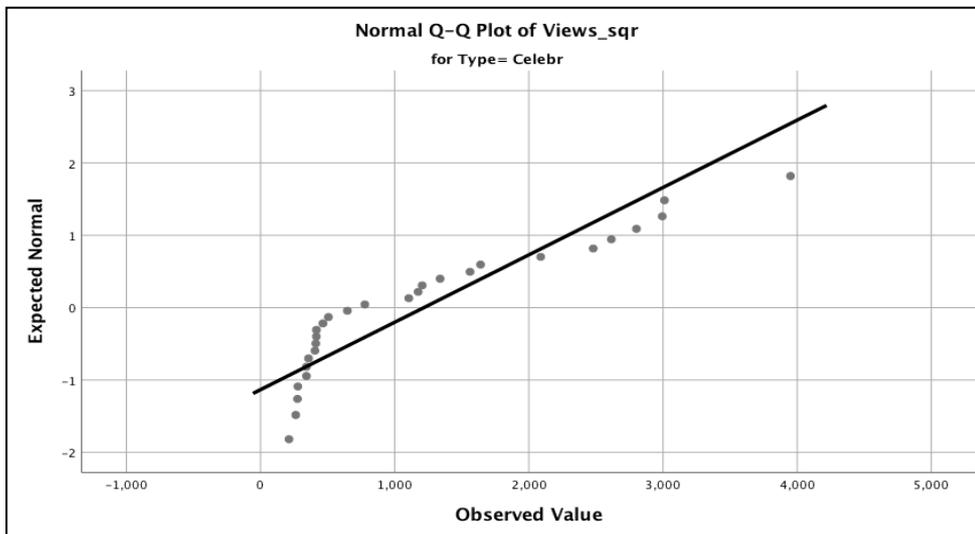
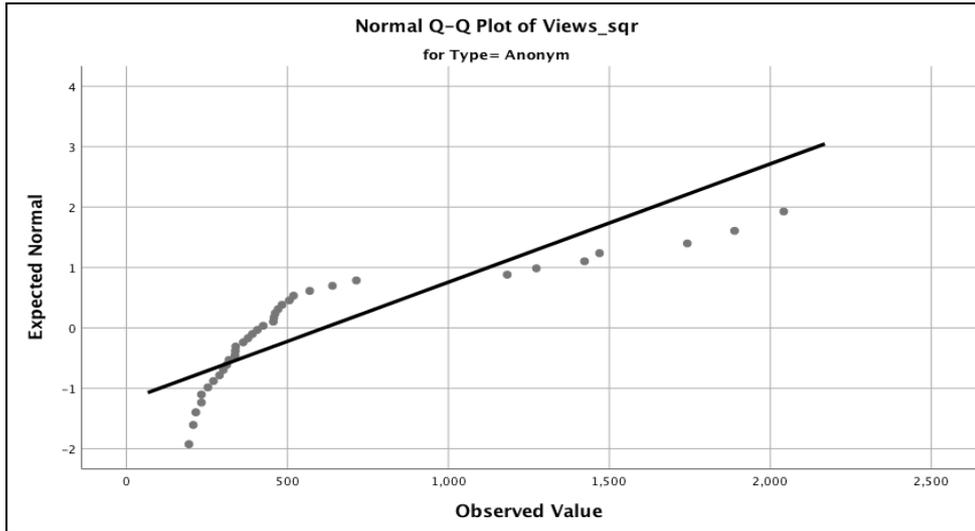
Transformation by square root function: CHANEL							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Views_sqr	Anonymous	36	100,0%	0	0,0%	36	100,0%
	Celebrity	28	100,0%	0	0,0%	28	100,0%
Engagement_sqr	Anonymous	36	100,0%	0	0,0%	36	100,0%
	Celebrity	28	100,0%	0	0,0%	28	100,0%

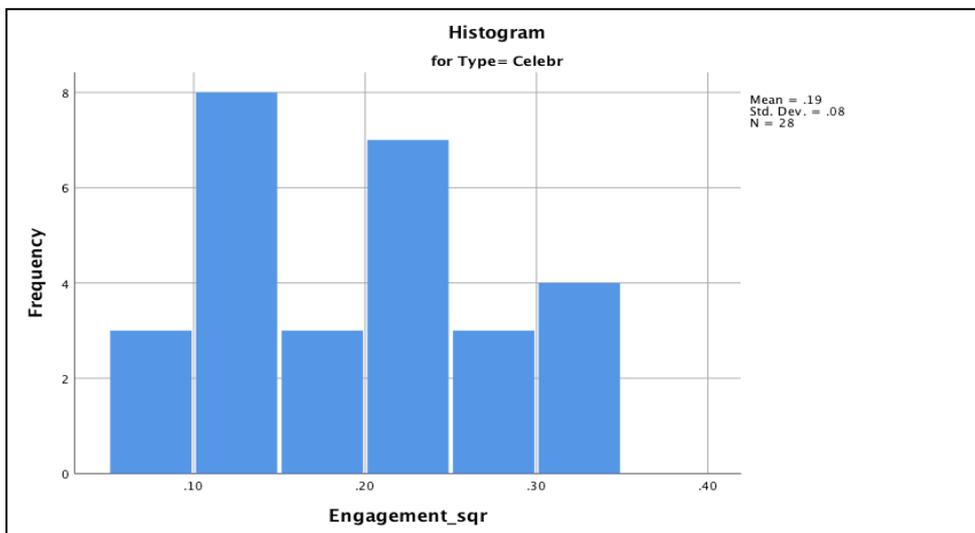
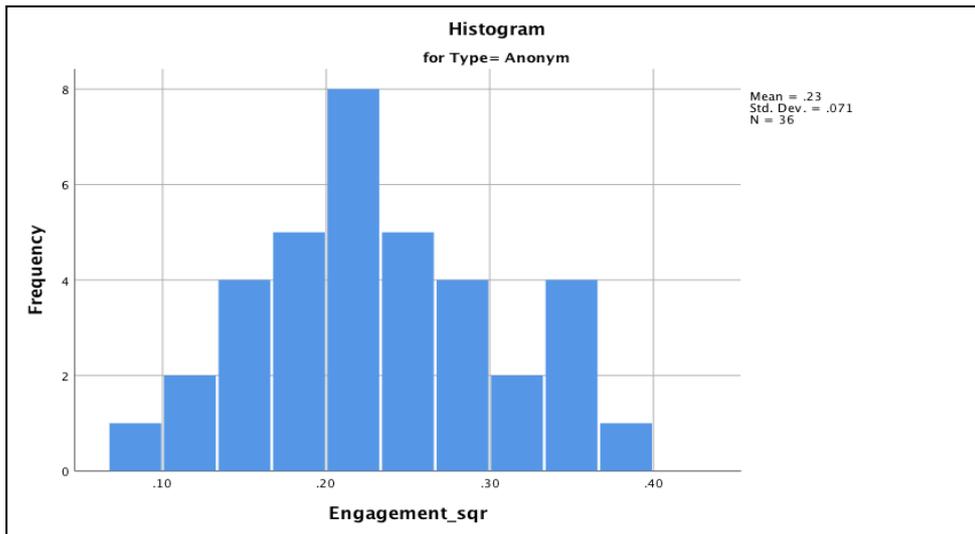
Descriptives				
Type			Statistic	Std. Error
Views_sqr	Anonymous	Mean	614,0513	85,07292
		Skewness	1,680	,393
		Kurtosis	1,669	,768
	Celebrity	Mean	1216,9796	202,94358
		Skewness	1,052	,441
		Kurtosis	,010	,858
Engagement_sqr	Anonymous	Mean	,2327	,01187
		Skewness	,081	,393
		Kurtosis	-,573	,768
	Celebrity	Mean	,1946	,01506
		Skewness	,150	,441
		Kurtosis	-1,331	,858

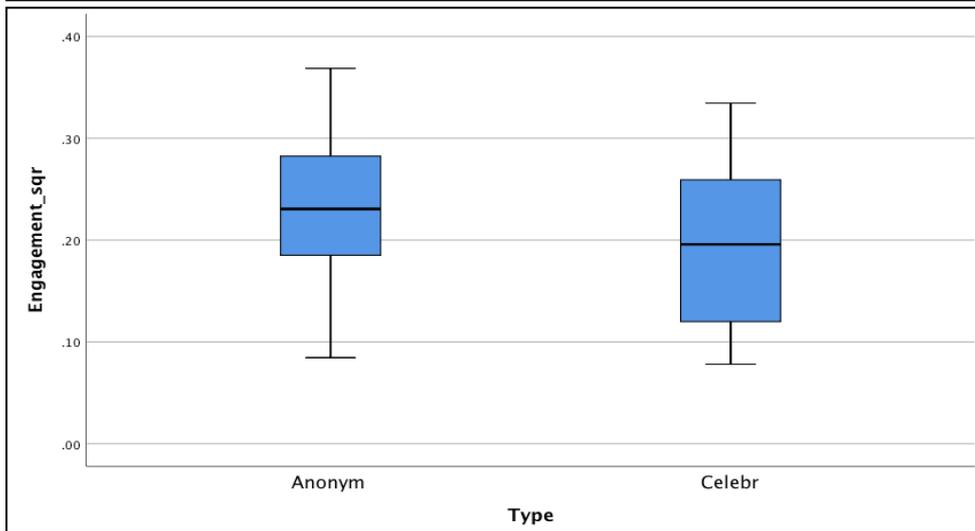
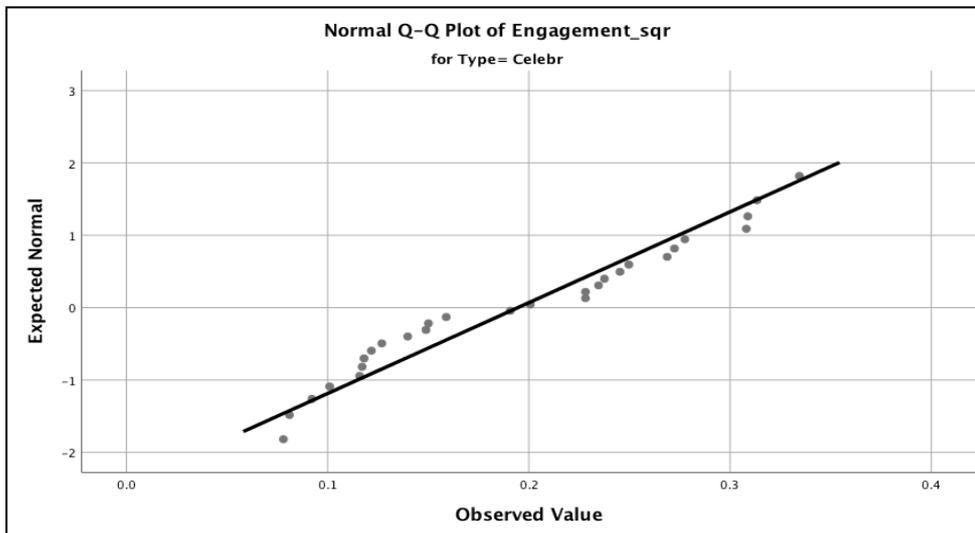
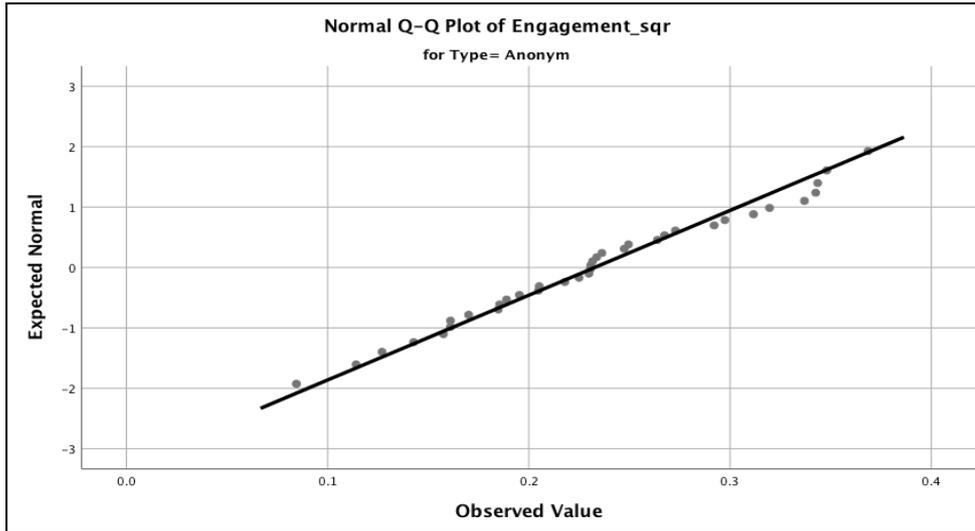
Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Views_sqr	Anonymous	,724	36	,000
	Celebrity	,833	28	,000
Engagement_sqr	Anonymous	,979	36	,726
	Celebrity	,933	28	,074

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction









10 Appendix D

Normality Check Dior							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Total Views	Anonymous	46	100,0%	0	0,0%	46	100,0%
	Celebrity	38	100,0%	0	0,0%	38	100,0%
% Engagement	Anonymous	46	100,0%	0	0,0%	46	100,0%
	Celebrity	38	100,0%	0	0,0%	38	100,0%

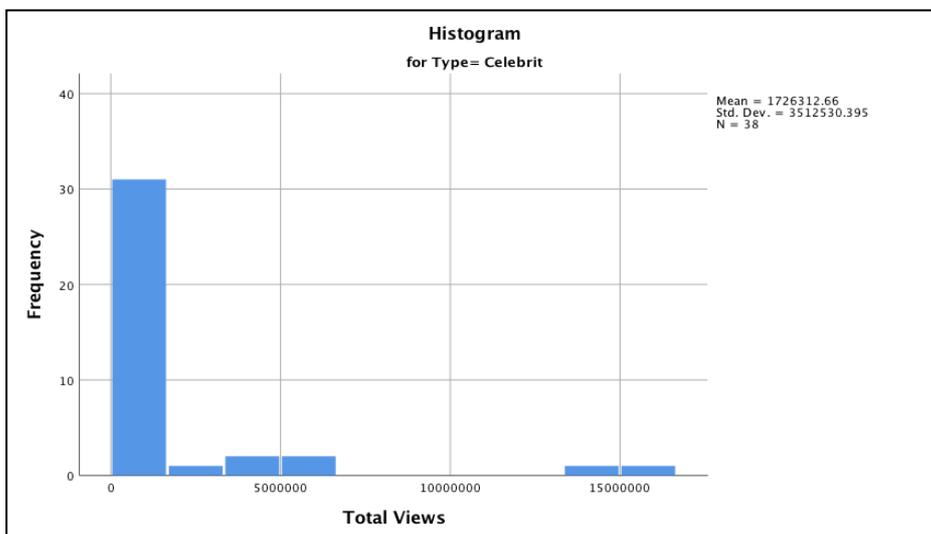
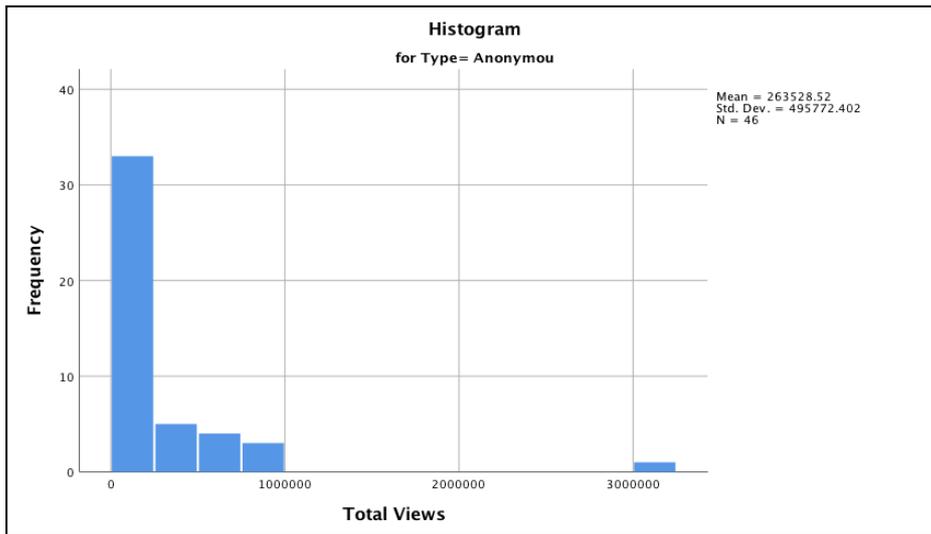
Descriptives

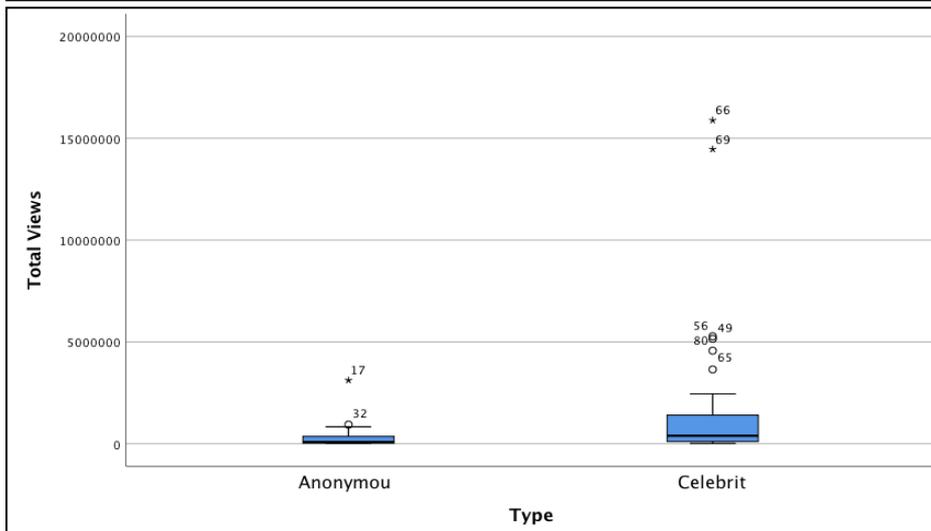
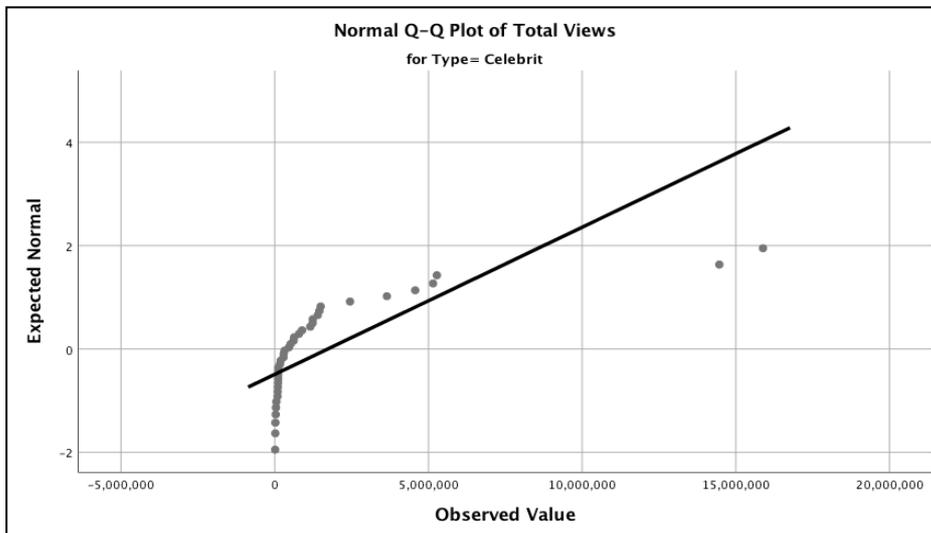
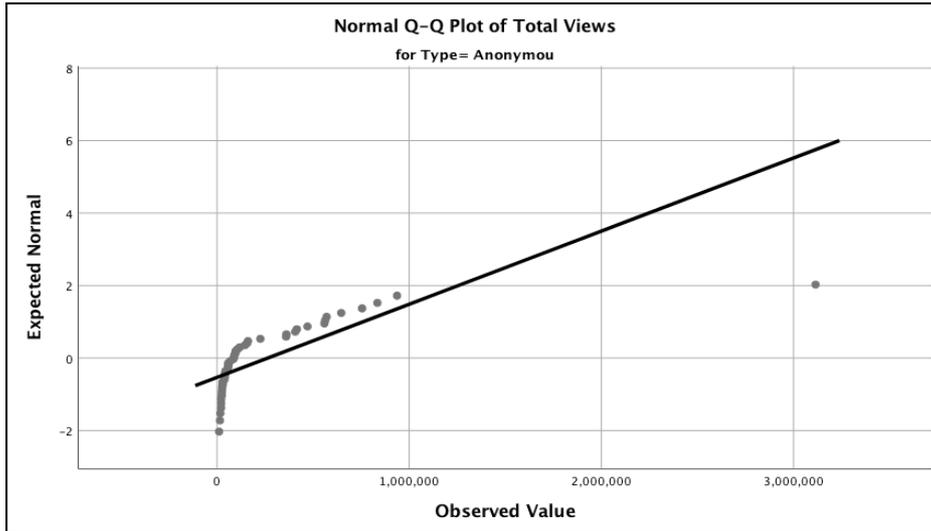
Type			Statistic	Std. Error
Total Views	Anonymous	Mean	263528,52	73097,653
		Skewness	4,508	,350
		Kurtosis	24,778	,688
	Celebrity	Mean	1726312,66	569807,672
		Skewness	3,246	,383
		Kurtosis	10,730	,750
% of Engagement	Anonymous	Mean	,06695	,008408
		Skewness	2,357	,350
		Kurtosis	7,108	,688
	Celebrity	Mean	,04234	,007976
		Skewness	3,536	,383
		Kurtosis	16,409	,750

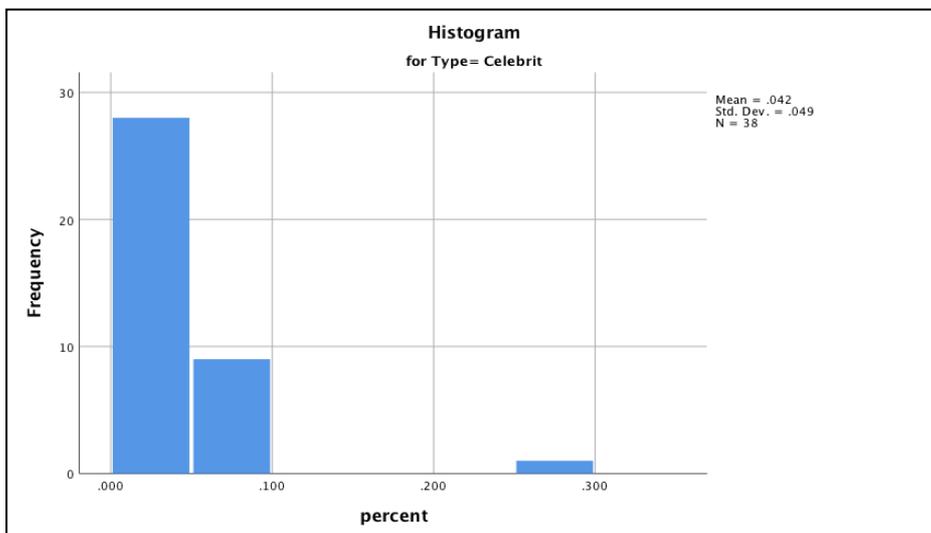
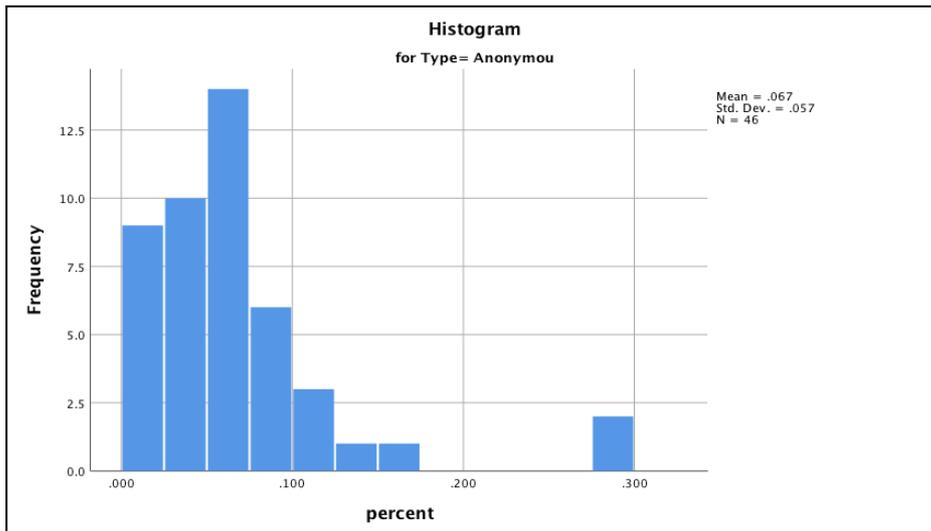
Tests of Normality

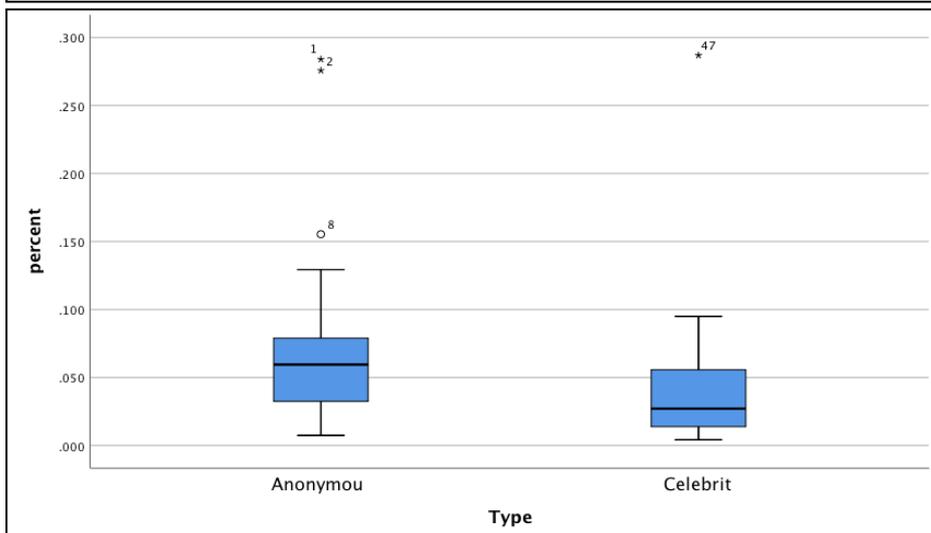
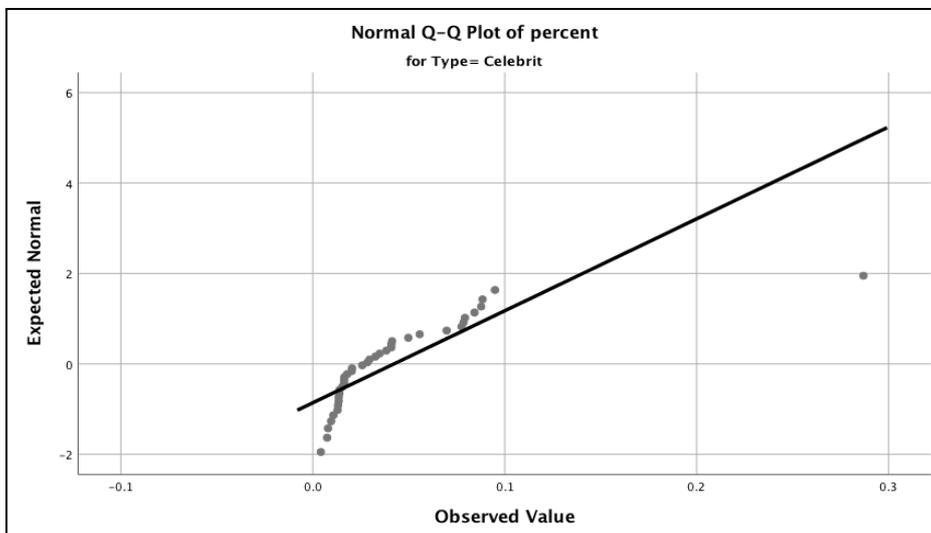
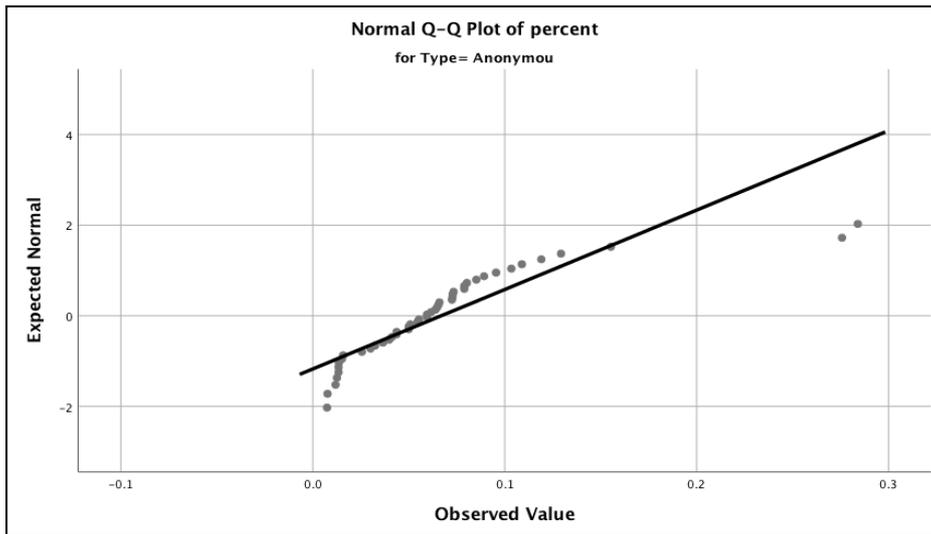
Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Total Views	Anonymou	,497	46	,000
	Celebrit	,515	38	,000
% of Engagement	Anonymou	,764	46	,000
	Celebrit	,628	38	,000

a. Lilliefors Significance Correction









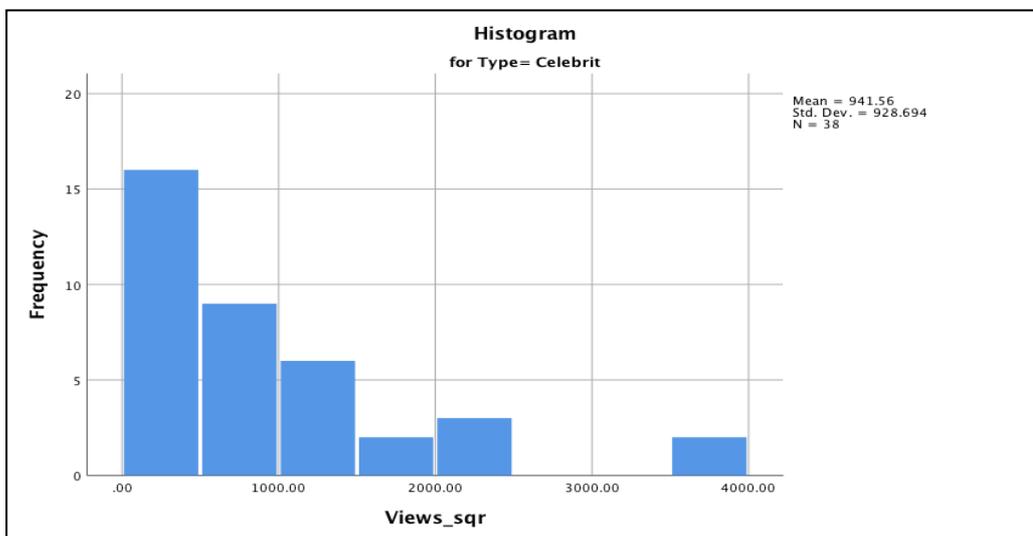
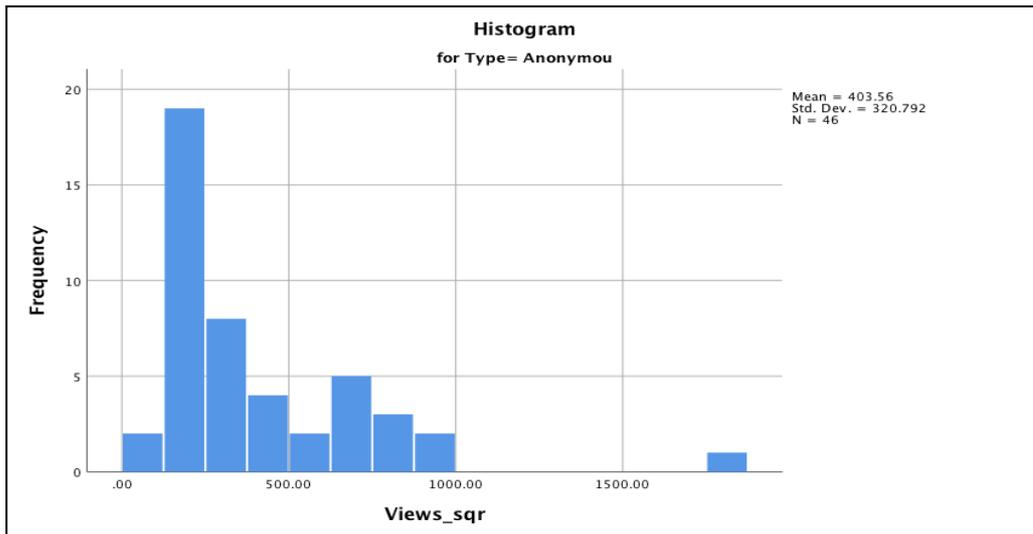
11 Appendix E

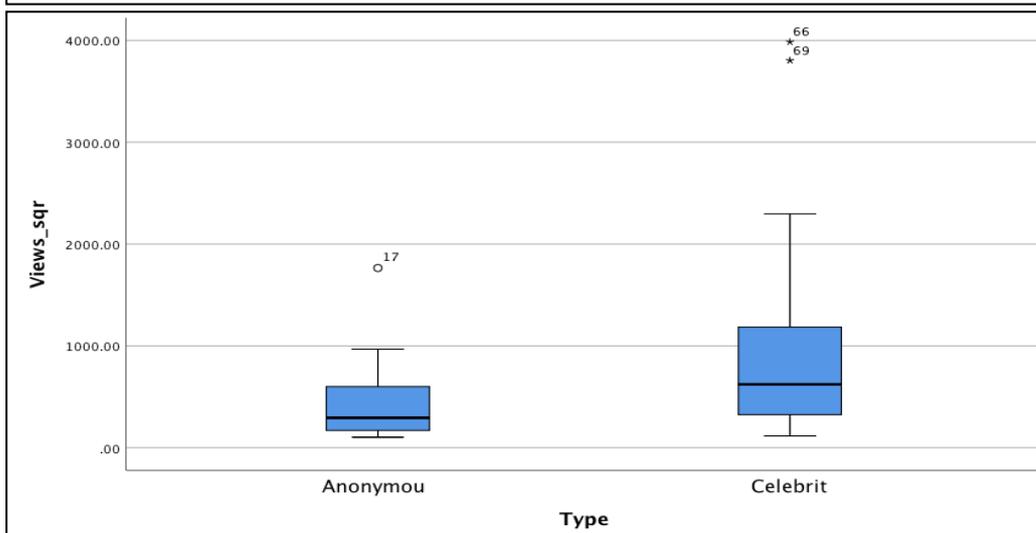
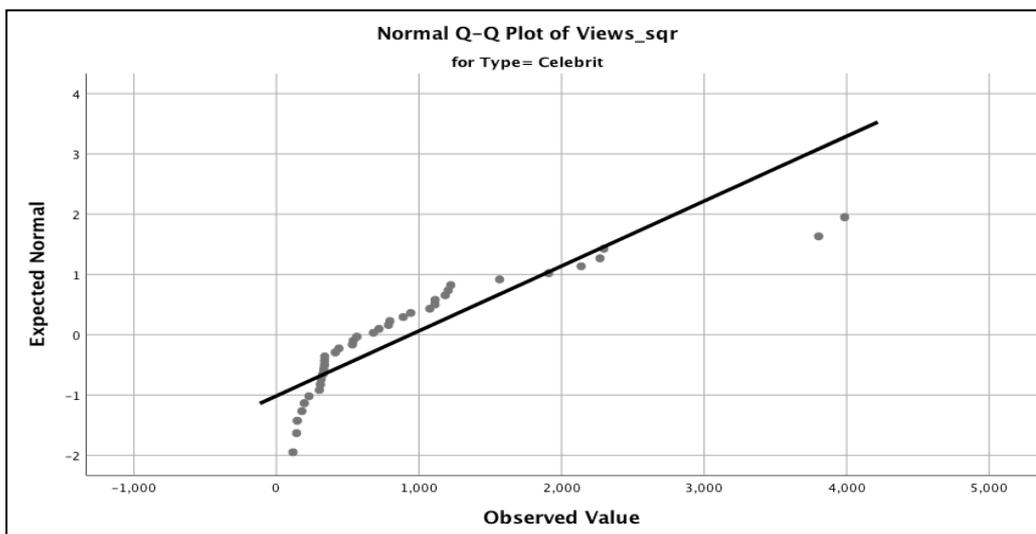
Dior Transformation by Square Root Function							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Views_sqr	Anonymou	46	100,0%	0	0,0%	46	100,0%
	Celebrit	38	100,0%	0	0,0%	38	100,0%
Eng_sqr	Anonymou	46	100,0%	0	0,0%	46	100,0%
	Celebrit	38	100,0%	0	0,0%	38	100,0%

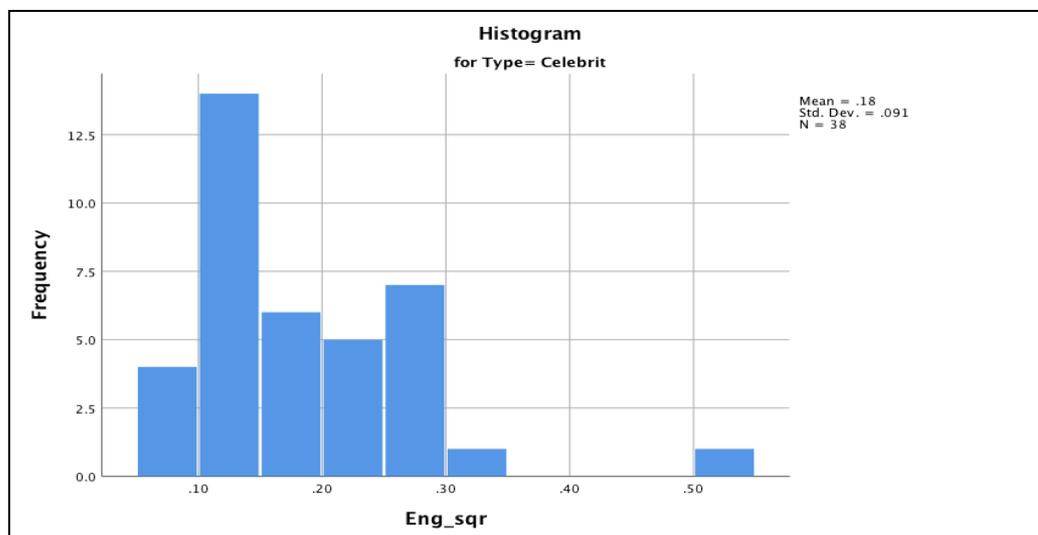
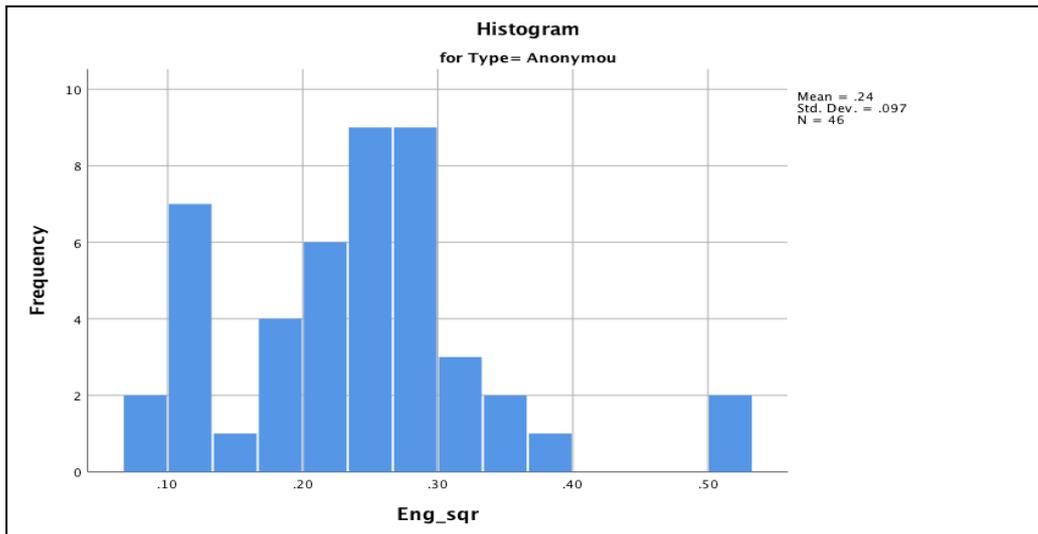
Descriptives				
Type			Statistic	Std. Error
Views_sqr	Anonymous	Mean	403,5572	47,29813
		Skewness	2,053	,350
		Kurtosis	5,904	,688
	Celebrity	Mean	941,5607	150,65408
		Skewness	1,930	,383
		Kurtosis	3,835	,750
Eng_sqr	Anonymou	Mean	,2401	,01437
		Skewness	,884	,350
		Kurtosis	1,801	,688
	Celebrity	Mean	,1849	,01484
		Skewness	1,657	,383
		Kurtosis	4,359	,750

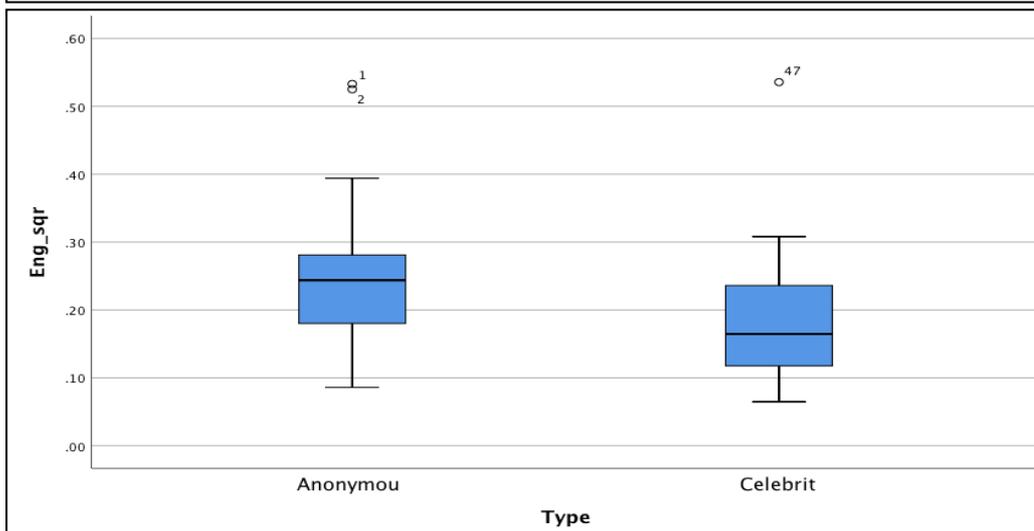
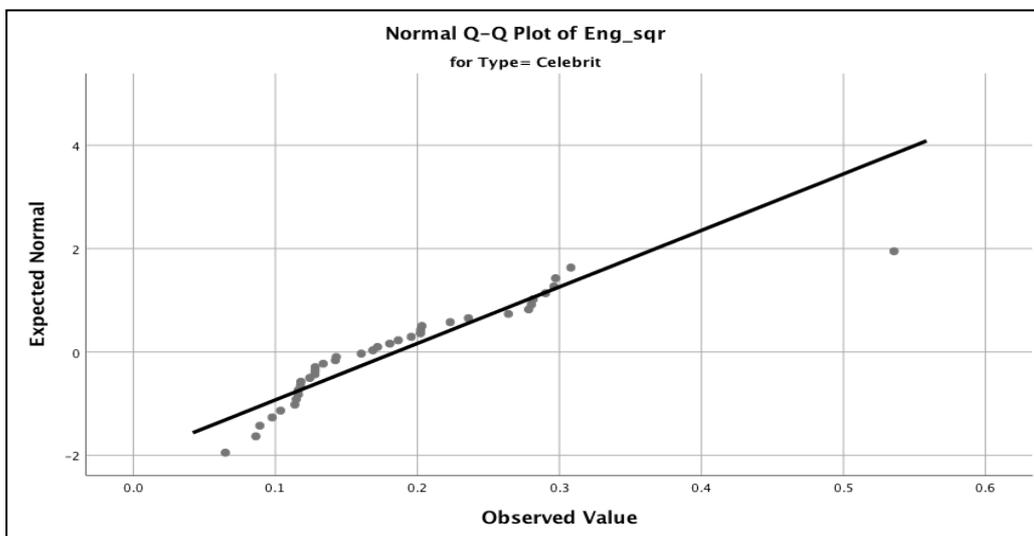
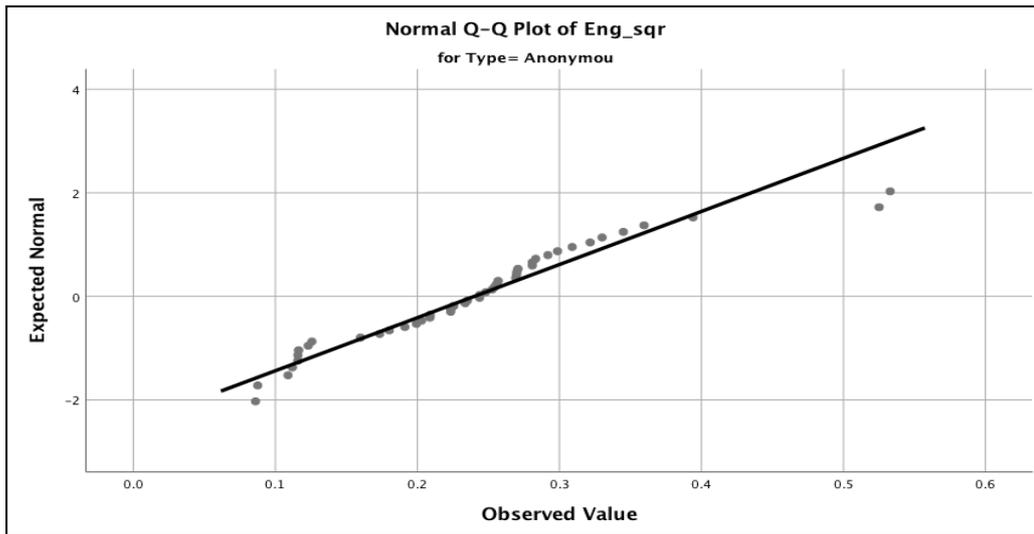
Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Views_sqr	Anonymous	,781	46	,000
	Celebrity	,772	38	,000
Eng_sqr	Anonymous	,927	46	,006
	Celebrity	,855	38	,000

a. Lilliefors Significance Correction







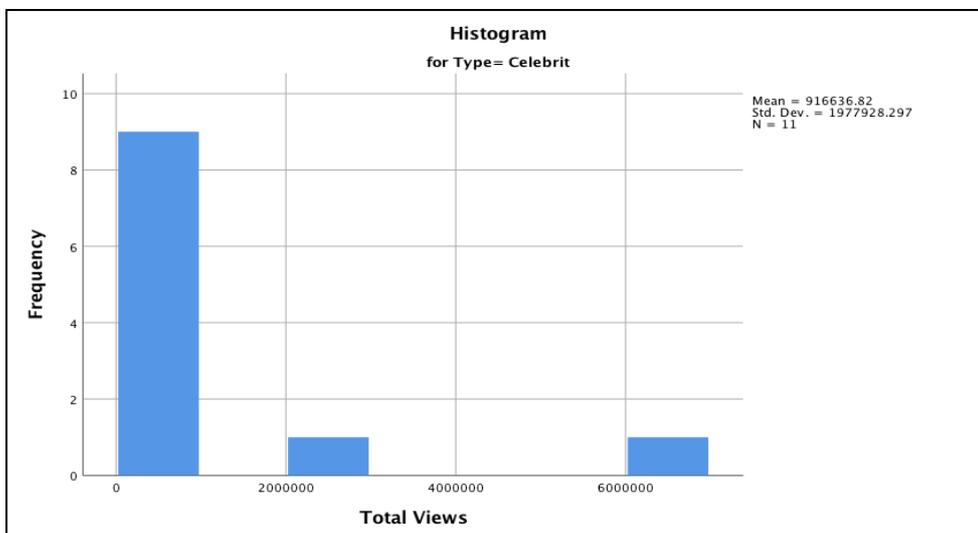
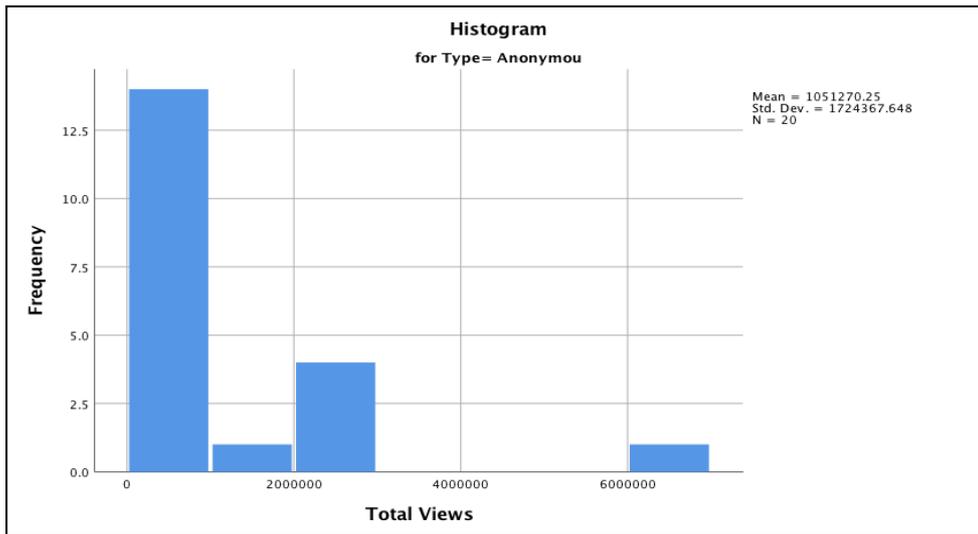


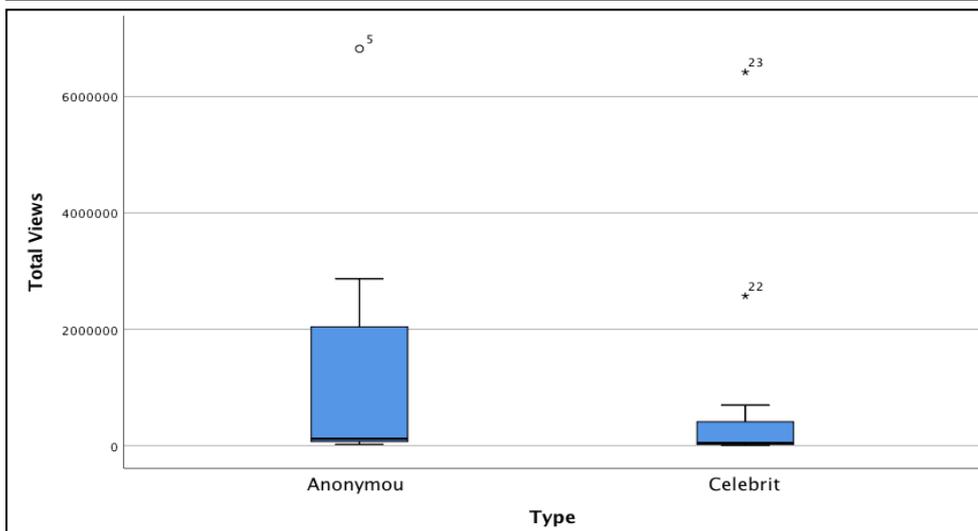
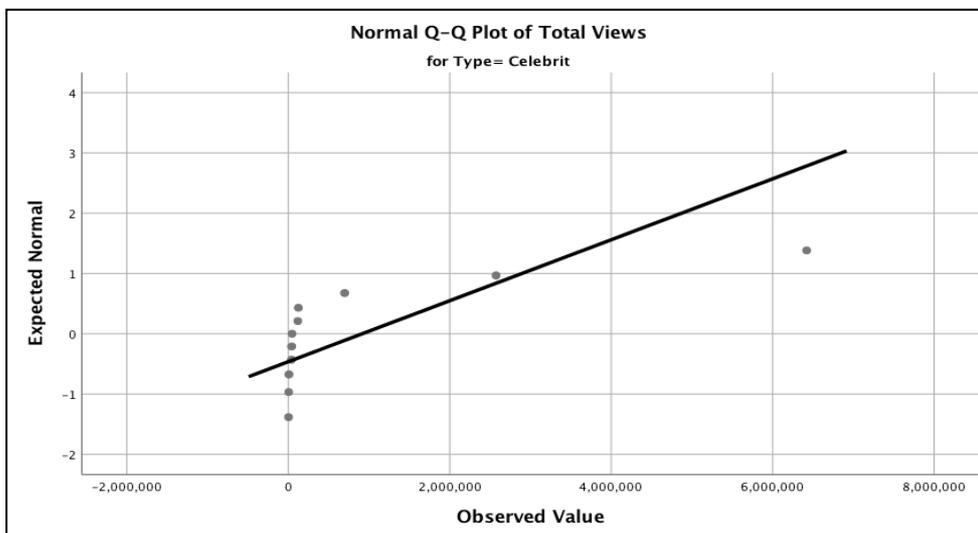
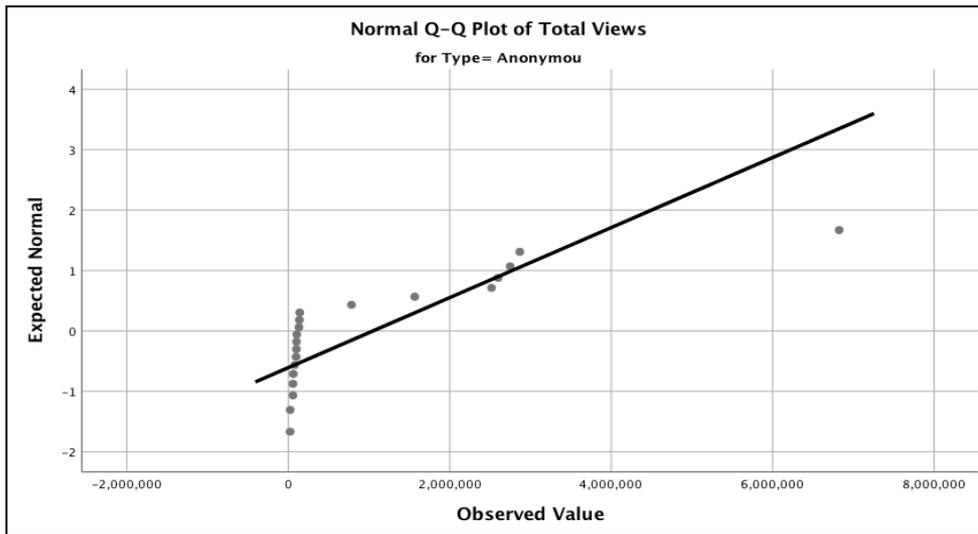
12 Appendix F

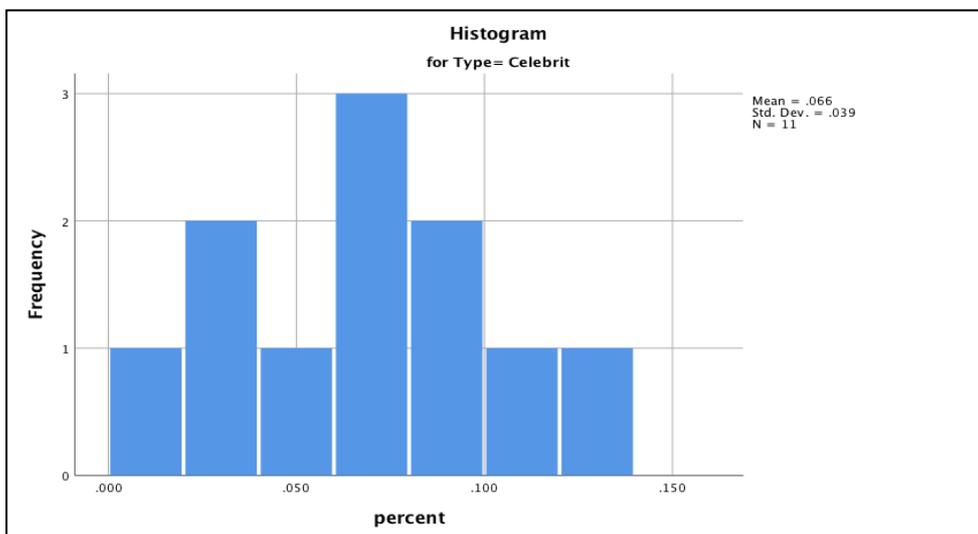
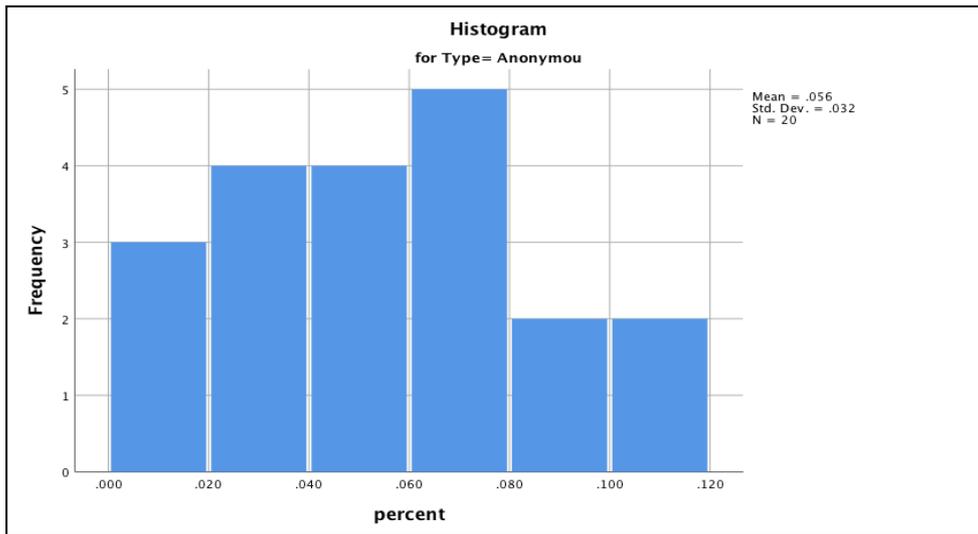
Louis Vuitton Statistics							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Total Views	Anonymous	20	100,0%	0	0,0%	20	100,0%
	Celebrity	11	100,0%	0	0,0%	11	100,0%
% of engagement	Anonymous	20	100,0%	0	0,0%	20	100,0%
	Celebrity	11	100,0%	0	0,0%	11	100,0%

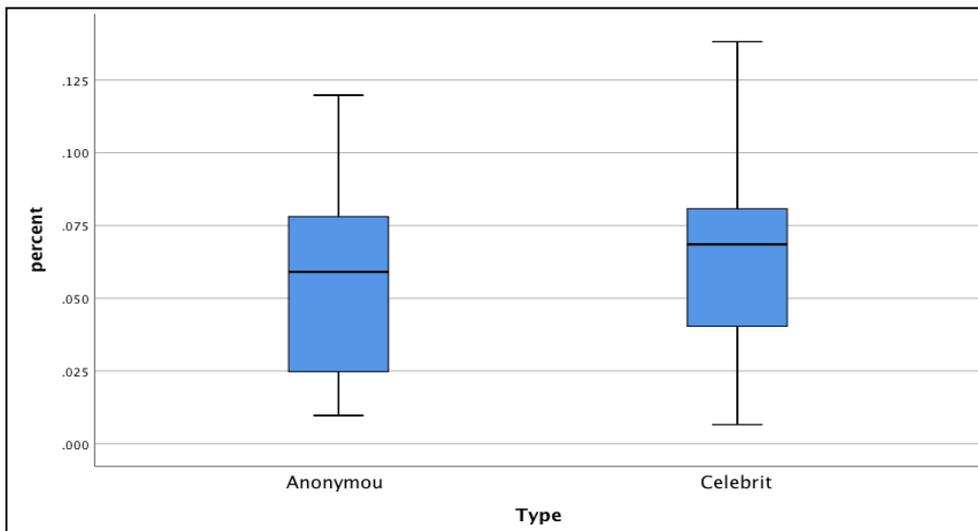
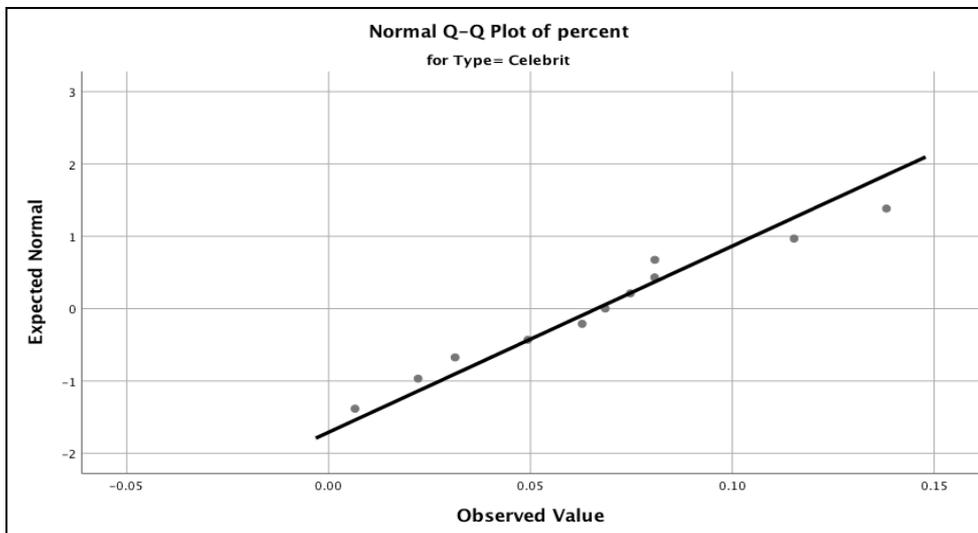
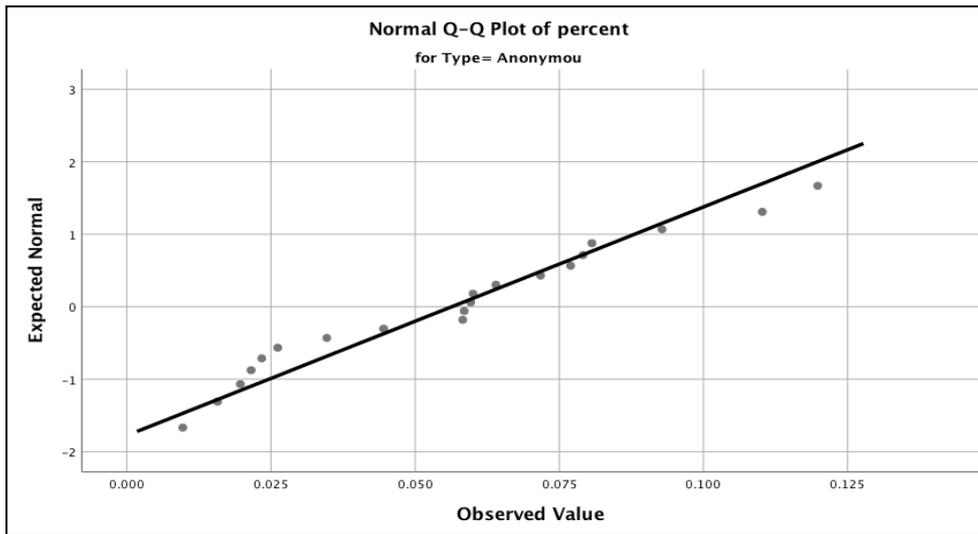
Descriptives					
Type				Statistic	Std. Error
Total Views	Anonymous	Mean		1051270,25	385580,328
		Skewness		2,262	,512
		Kurtosis		5,861	,992
	Celebrity	Mean		916636,82	596367,820
		Skewness		2,621	,661
		Kurtosis		6,969	1,279
% of engagement	Anonymous	Mean		,05636	,007090
		Skewness		,300	,512
		Kurtosis		-,665	,992
	Celebrity	Mean		,06640	,011718
		Skewness		,299	,661
		Kurtosis		-,099	1,279

Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Total Views	Anonymous	,645	20	,000
	Celebrity	,545	11	,000
% of engagement	Anonymous	,953	20	,417
	Celebrity	,971	11	,897
*. This is a lower bound of the true significance.				
a. Lilliefors Significance Correction				









13 Appendix G

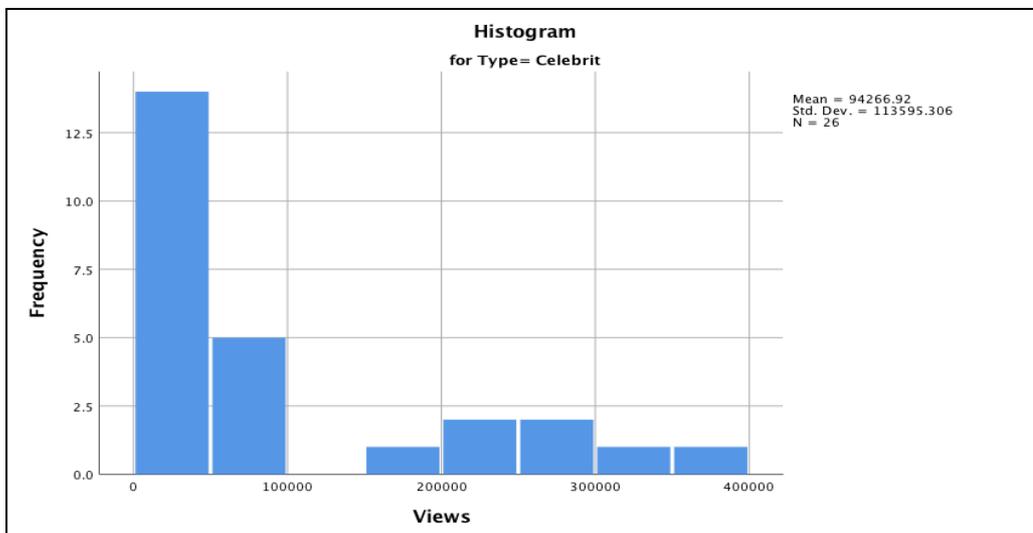
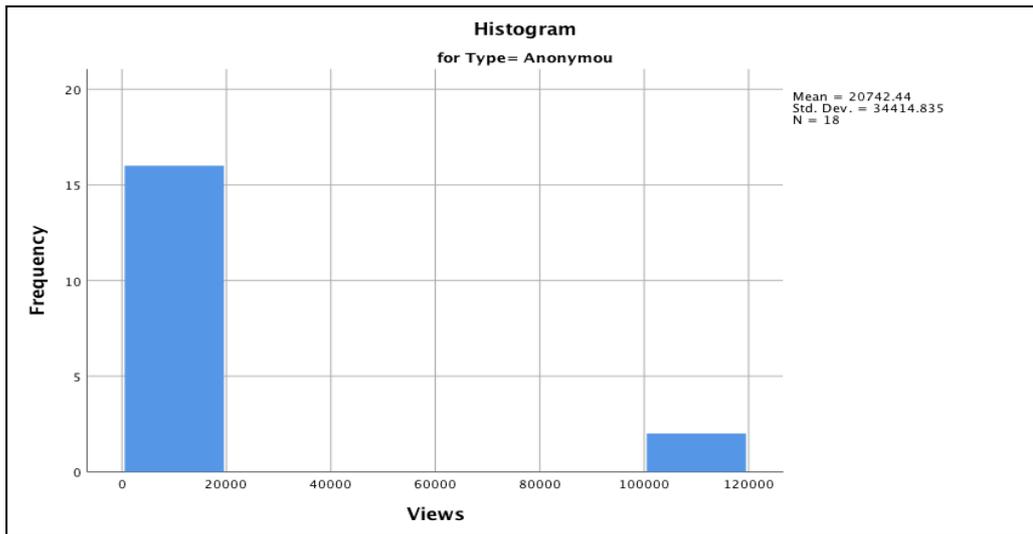
Normality Check Fashion TV							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Views	Anonymous	18	100,0%	0	0,0%	18	100,0%
	Celebrity	26	100,0%	0	0,0%	26	100,0%
% Engagement	Anonymous	18	100,0%	0	0,0%	18	100,0%
	Celebrity	26	100,0%	0	0,0%	26	100,0%

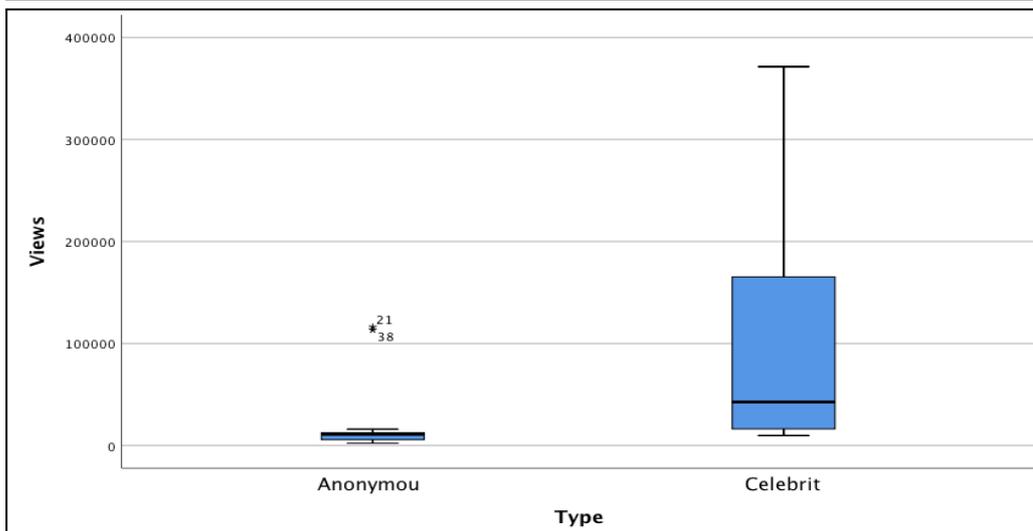
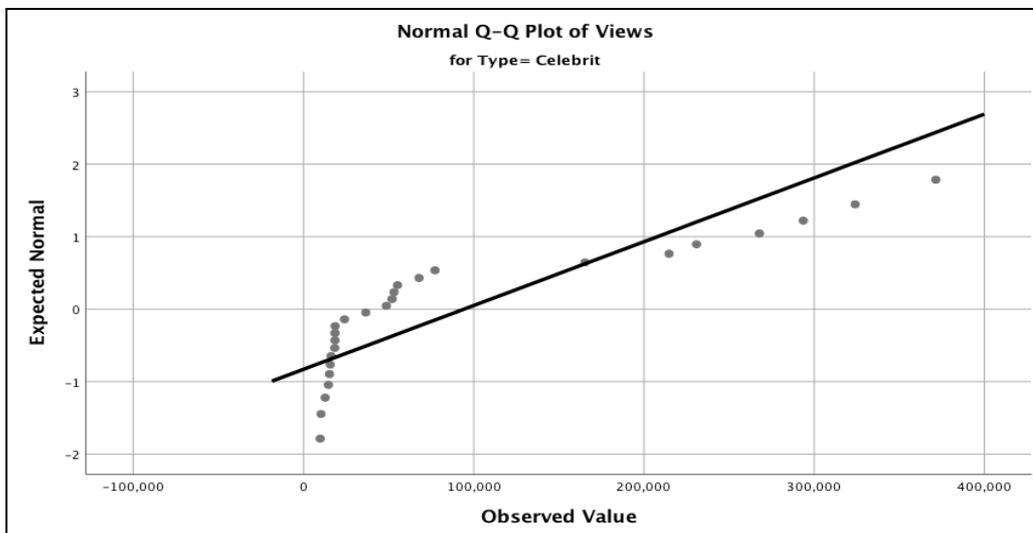
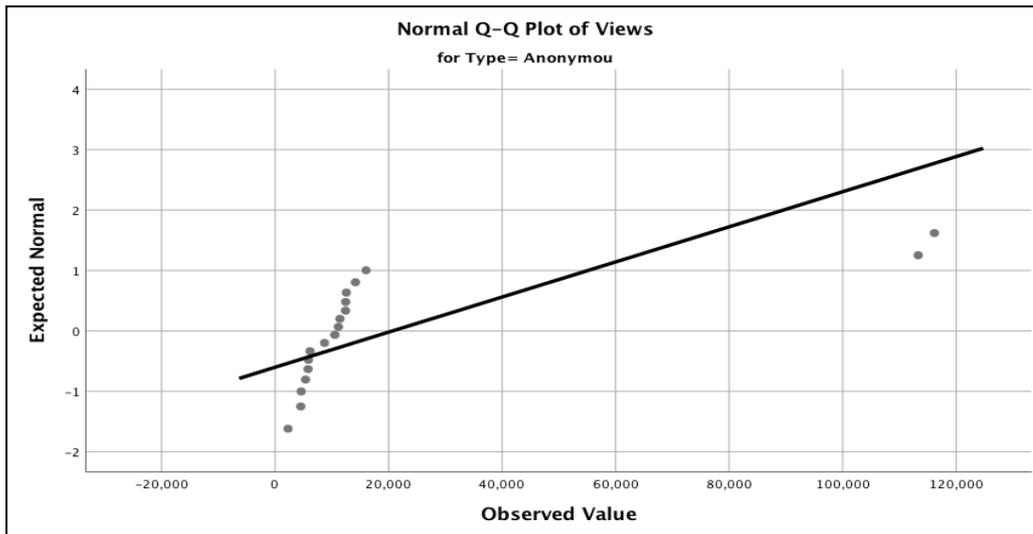
Descriptives					
Type				Statistic	Std. Error
Views	Anonymous	Mean		20742,44	8111,654
		Skewness		2,642	,536
		Kurtosis		5,761	1,038
	Celebrity	Mean		94266,92	22277,872
		Skewness		1,328	,456
		Kurtosis		,340	,887
% Engagement	Anonymous	Mean		,0813	,01526
		Skewness		3,359	,536
		Kurtosis		13,102	1,038
	Celebrity	Mean		,0513	,00316
		Skewness		,528	,456
		Kurtosis		,094	,887

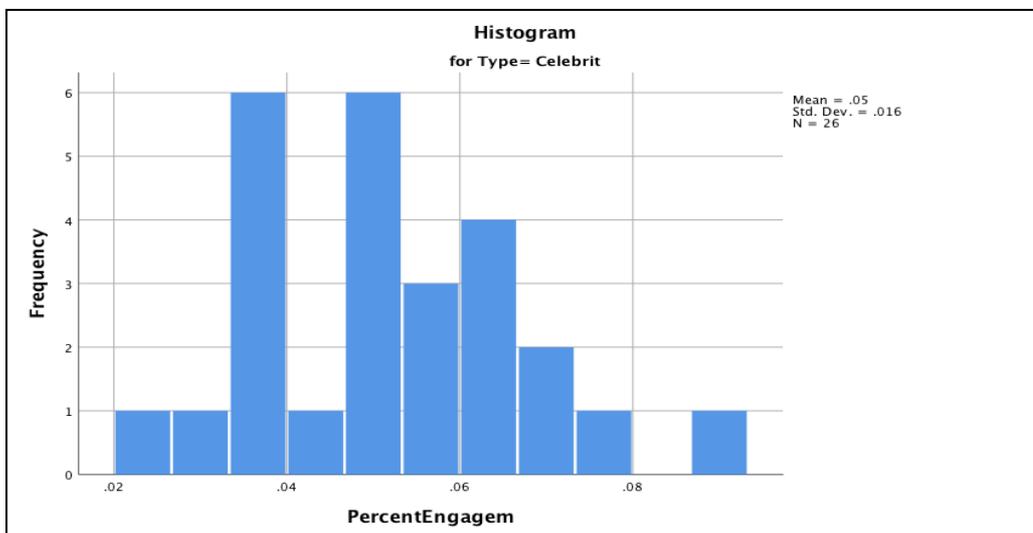
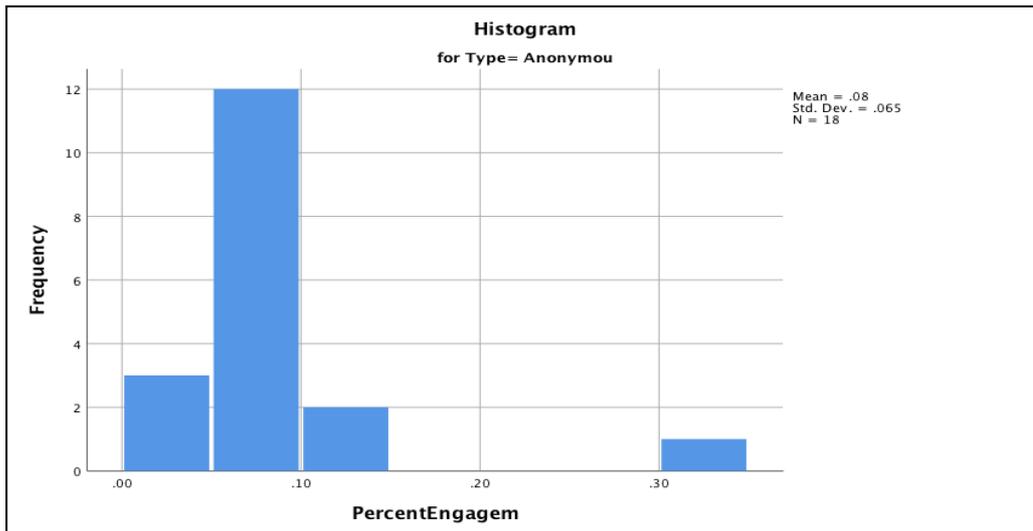
Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Views	Anonymous	,480	18	,000
	Celebrity	,735	26	,000
% Engagement	Anonymous	,594	18	,000
	Celebrity	,970	26	,616

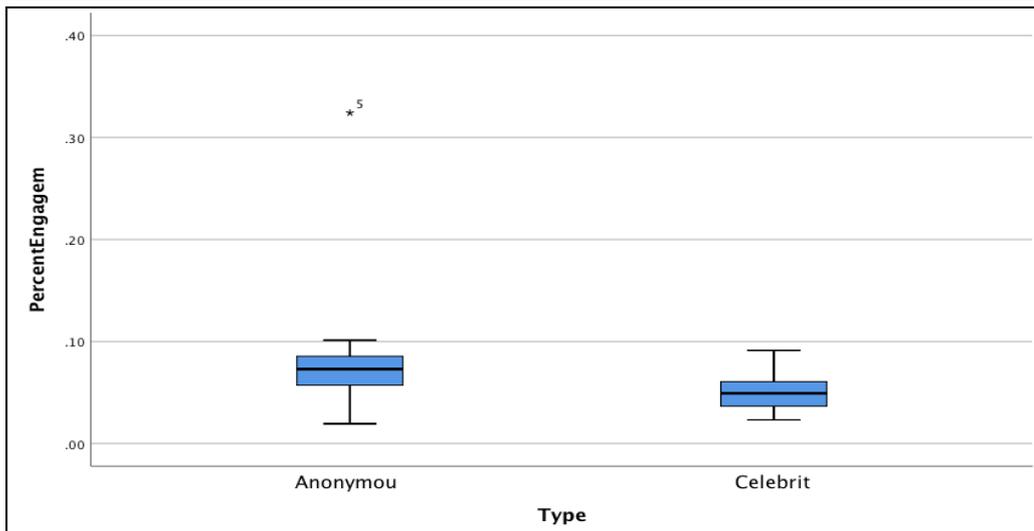
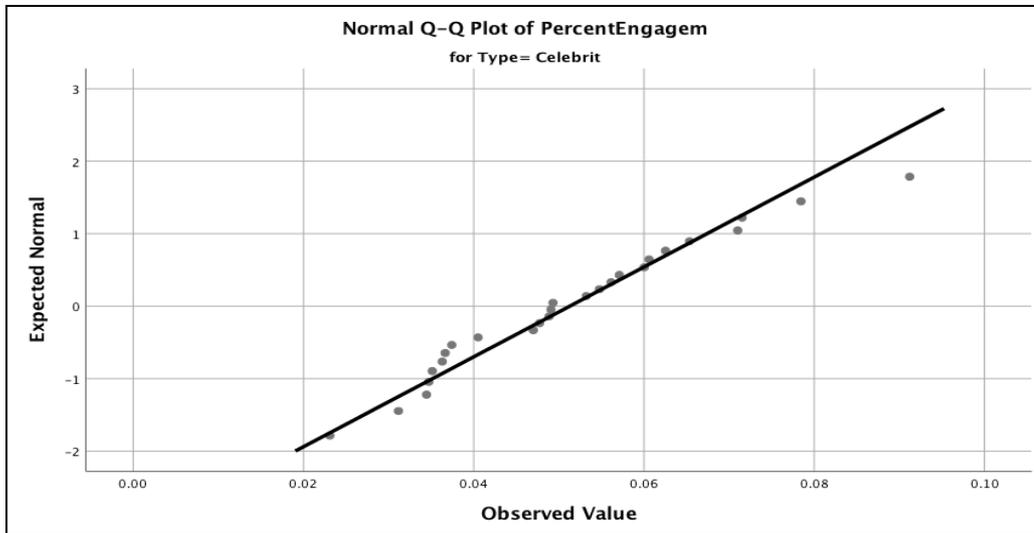
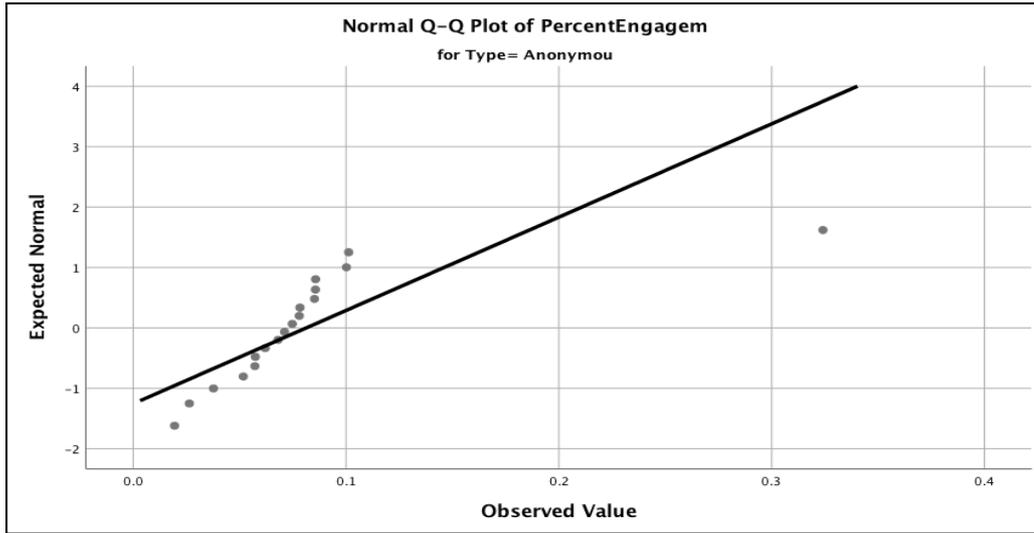
*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction









14 Appendix H

FashionTV Transformation by Square Root Function							
Case Processing Summary							
Type		Cases					
		Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Views_sqr	Anonymous	18	100,0%	0	0,0%	18	100,0%
	Celebrity	26	100,0%	0	0,0%	26	100,0%
Eng_sqr	Anonymous	18	100,0%	0	0,0%	18	100,0%
	Celebrity	26	100,0%	0	0,0%	26	100,0%

Descriptives				
Type			Statistic	Std. Error
Views_sqr	Anonymous	Mean	119,6147	19,45548
		Skewness	2,357	,536
		Kurtosis	4,819	1,038
	Celebrity	Mean	259,2904	32,88491
		Skewness	,964	,456
		Kurtosis	-,578	,887
Eng_sqr	Anonymous	Mean	,2718	,02095
		Skewness	2,099	,536
		Kurtosis	7,578	1,038
	Celebrity	Mean	,2238	,00696
		Skewness	,151	,456
		Kurtosis	-,272	,887

Tests of Normality				
Type		Shapiro-Wilkinson		
		Statistic	df	Sig.
Views_sqr	Anonymous	,623	18	,000
	Celebrity	,816	26	,000
Eng_sqr	Anonymous	,779	18	,001
	Celebrity	,984	26	,940
* This is a lower bound of the true significance.				
a. Lilliefors Significance Correction				

