

The Positive Relationship Between Social Media Marketing, Brand Awareness, and Brand Association, and How Celebrity Endorsement Boost the Effects of SMM

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Abstract: This research explores the complex relationship between social media and brand equity in the cutthroat world of contemporary business, emphasizing luxury businesses. Advertisements and live streams are examples of the concrete components of social media marketing (SMM) in contrast to brand equity, which encompasses intangible aspects like awareness and association. The purpose of the article is to clarify the complex relationship between SMM and brand equity and to show how SMM may be a driving force behind revolutionary changes in brand perceptions. The study also looks at the impact of celebrity endorsements on the luxury brand market, highlighting the power of celebrities to arouse feelings and create strong connections between the endorsed brand and its goods. The goal of this study is to provide a thorough knowledge of the beneficial relationship between SMM, brand awareness, and brand association by examining this complex relationship and revealing the inherent value that celebrity endorsements bring to the synergy between SMM and brand equity. These observations provide insightful advice for marketers negotiating the challenges of contemporary brand construction.

Keywords: Luxury Branding, Social Media Marketing (SMM), Brand Equity (B.E.), Celebrity Endorsement (C.E.), Brand Awareness.

1. Introduction

In the competitive and fast-moving landscape of modern business, establishing strong brand equities is keen to be successful and is the critical objective for luxury brands to achieve. The relationship between social media and brand equity has been significantly interesting, as figuring out how social media changes B.E. can be crucial for effective marketing strategies and the key to success. Brand equity refers to unseeable or intangible traits a brand holds in customers' thoughts. Those include many factors like brand awareness and brand association. On the other hand, SMM are tangible things that attract potential or existing customers to be interested in a brand, for example, advertisements, live streams, or broadcasts. This paper dives into the relationship between SMM and B.E. and aims

to figure out how SMM leads to a change in B.E. and how C.E. can be effective in increasing B.E. This paper will seek the underlying connection between SMM and B.E. In the fast-changing market of luxury brands, celebrity endorsements have emerged as a versatile tool for elevating B.E. and influencing existing and potential customers. Celebrities can control their fans' emotions and create strong associations with the brands they represent and the products they endorse. Celebrity endorsements have shown themselves to be very effective in improving B.E. Subsequently, this paper also reveals how C.E. affects the relationship between SMM and B.E. By examining this relationship, we want to find the value that C.E. adds to the relationship between SMM and B.E.

1.1. Research Aims

Through an in-depth analysis of relevant literature reviews, case studies, and surveys, this paper seeks to provide opinions and suggestions about whether it is beneficial to use social media marketing and how C.E. improves B.E. By understanding the mechanisms behind these relationships, marketers and researchers who read this paper can foster a better understanding of the connections between them and elevate their brand performance.

2. Literature review

When individuals think of luxury brands, they probably think about prestige, old school, and money-related. Luxury brands have long held a mysterious allure in customers' minds, images of prestige, exclusivity, and premium. Nowadays, the world is progressing rapidly in terms of digital marketing. In today's rapidly evolving digital landscape, luxury brands have started joining social media. Social media marketing has become indispensable for luxury brands wishing to establish strong brand awareness and association with their targeted audience. This literature review explores how social media impacts two parts of luxury brandings: brand awareness and brand association. We will examine how SMM moderates customer awareness and association. We will examine how e-WOM can influence brand associations massively. Finally, we will examine how C.E. affects the relationship between SMM and B.E., especially how Celebrities leverage their secondary association with the product or company.

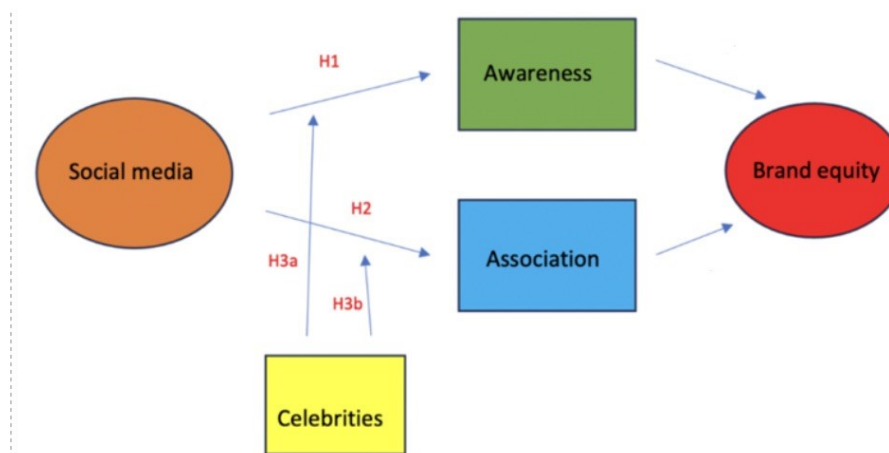


Figure 1: How social media increases the brand equity of luxury brands.

Here is a hypothetical model we have made to give the readers and us a more straightforward and accessible way to understand the concepts. Hypothesis 1 explains the relationship between social media and brand awareness, which leads to brand equity. Hypothesis 2 explains the relationship

between social media and brand associations, leading to brand equity. Hypothesis 3a and 3b explain how celebrities can affect the relationship between social media and brand equity(see Figure 1).

2.1. The impact of social media on brand awareness

Brand awareness implies the level of familiarity and recognition a brand has from its targeted audience. It also represents the extent to which customers are aware of the brand's existence and can successfully recognize details about the brand when seeing or hearing it in real life [1]. Improving brand awareness can have lots of benefits. (1) Learning benefits: Customers can learn about the brand more easily. (2) Evoked set benefits: brand awareness increases the chance that the brand will be on the customer's mental list of brands. (3) Choice benefits: Higher awareness may increase the probability of the brand getting chosen by a customer over another brand because of greater familiarity. There are many more advantages that brand awareness creates, and it is essential to know that brand awareness is keen on making a brand successful. (2) Brand awareness can be shown in logos, advertisements, celebrity endorsements, or the brand's name. The above can activate customers' minds to remember certain things about the brand: brand awareness. A study suggests that social media marketing can elevate the profitability of brands and increase customer satisfaction and purchase intentions. Events such as live-stream interactions can enhance brand awareness. Luxury brands can build awareness, create a strong and stable relationship with customers, and make themselves more valuable. Therefore, we hypothesize below.

H1. Social Media marketing strengthens customers' awareness of a luxury brand.

2.2. Impact of Social Media on Brand Associations

Electronic Word of Mouth, or e-WOM, is word-of-mouth sent to the Internet. E-Wom is not a direct message, but rather like posting Instagram posts; everyone can see and read the posts. For example, companies like Reddit, douban.com, and Dianping are all review platforms that allow voices to be heard. E-Wom can be viral if the comment is attractive, funny, or mean enough. With common sense, we can say e-wom posts on social media. E-Wom is a form of social media. Based on research, e-Wom brings significant positive effects on brand image. This claim is furthermore supported by a study conducted by Bataineh. Bataineh's study found that the quality and quantity of e-woms can significantly influence one's brand image [2]. Similarly, research by Saleem and Ellahi shows that customers' motivating factors to e-wom are their friends, their personal experiences, the information they collected from everywhere, and the knowledge an individual has in the luxury industry. A study from Tseng and Hsu shows if the number of e-worms is enough, the brand's image will change. In another study by Sa'ait et al., they had the same result as Tseng and Hsu. Luxury brands can collect high-quality information and values by communicating with their high-level customers. Those high-level customers often have exclusive benefits, and they often have more resources. High-level customers often grab many others' attention, and their comments on social media can have much more effects than an ordinary person's comment [3]. Those customers can raise brand value, create brand culture, and do much more. Those customers are major foundations in establishing brand images. Kim & Ko also claim that media marketing can increase brand association. Thus, we form the hypothesis below.

H2. Social Media Marketing strengthens a luxury brand's brand image.

2.3. The Moderating Role of Celebrity Endorsements on social media

A related study by Olausson shows that customers prefer watching blogs rather than reading online magazines, and Olausson claims that blogs would lead luxury brands' brand position to a higher level and also increase buying intentions. The reason why customers prefer blogs is because they feel more

connected with the bloggers. A qualitative study by Ningrat claims that celebrity endorsements would significantly impact purchase behavior, including purchase intentions. His study found that advertising with celebrities and influencers positively influences purchase intention [4]. On the other hand, C.E. is also used to build brand awareness. Many studies have shown that C.E. affects purchase behavior and positively influences brand awareness. Brand trust can be explained as the customer's belief that various brands will fulfill their needs, and customers slowly begin building repeated purchase behaviors. Studies have shown that celebrity endorsements improve brand trust. Brand trust is how strongly the customer believes the product would satisfy their needs. Subsequently, Chen & Cheng claim that trust is portrayed as the repeated action of a customer returning to the same brand on and on and on. Brand trust is a customer's intention towards one brand after considering all the benefits and bad parts of the brand. Thus, managers should consider this a critical fundamental base to establish a successful brand association with their targeted customers. The influence of celebrity endorsements enhances brand awareness and association [5]. Studies have shown that celebrity endorsements are very effective when getting customers' attention. Celebrities can influence the behaviors of customers, as well as brand trust. In Brand association, there is a direct association and a secondary association. Leveraging secondary associations can also be necessary when using celebrity endorsement strategies. One-way belief associations are based on the direct experience with a product or the company. Another way is by hearing other examples like word of mouth. Information about a product or service can be spread exceptionally quickly now by social media. Of the two, even though direct experience may create a stronger belief and association. Nowadays, social media can be viewed as a "bible" in most people's eyes. The power of social media and news on social media can easily overcome the direct experience. For example, think about Tom Cruise [6]. Traits from Tom Cruise before would also carry on to the brand he is endorsing. Tom Cruise has many tags [7]. For example like, "Hollywood," "Money," and "Good-looking." Traits like those would be associated with Tom Cruise and the brand he is endorsing, which is hugely beneficial for companies now taking celebrity endorsement strategy. With the development of social media, everything good about the celebrity would carry onto the company that is paying him to endorse the brand. Everything wrong with the celebrity would not necessarily harm the brand. Instead, it could be an opportunity to bring extra views and topics to the brand. Social media can help brands leverage the brand equity of other entities. Overall, it is highly beneficial for luxury brands to use celebrity endorsement strategies. Therefore, we hypothesize:

H3a: Celebrity Endorsements can improve the relationships between social media and brand awareness of luxury brands and brand image.

H3b: Celebrity Endorsements can improve the relationships between social media and brand associations.

3. Methodology

3.1. Introduction

Aligning with the research aim and objectives, we use qualitative and quantitative research to support our four hypotheses. The procedure is carried out with real-life luxury brands' case studies; for additional support, a survey is created for the research. The number of participants will be around 200 people. We decided to use both methods because, in this way, we will approach a holistic picture, and both past (case studies) and present (survey) events could be considered. Therefore, our hypothesis could be supported with more empirical evidence. Qualitative research was mainly conducted throughout the research. Throughout writing this paper, we used multiple browsers to search for reliable yet up-to-date information and statistics. Starting with the first part of this paper, we introduced a section of the literature review, where we stated our four hypotheses according to how

social media builds a positive correlation to luxury brand awareness and association and how celebrity endorsement could boost the effect. After coming up with the four statements, our first step was to search online for scientific articles that have been previously investigated. The process of searching took a while for all the members to get familiar with. However, despite the obstacles, we found many reliable scientific reports supporting our hypotheses.

3.2. Method of Finding Literature Reviews

To finalize which article we will include and ensure it is trustworthy, we check it by examining five features: depth, objectivity, currency, authority, and finally, the purpose. For the depth of the report, we need to look at the coverage of the information written; important, meaningful data/points must be included with enough evidence to make it a usable source to cite. Considering whether the paper is biased is also a crucial factor that we must double-check before anything; a suitable way to check this aspect is to investigate the citations and references in the bibliography and see whether they are carefully chosen. The following variable comes to be currency; the paper must be published within the range of 5 to 10 years since we need to ensure the accuracy of the results. Finally, the article aims to investigate or educate, preventing undependable factors that might affect the information. For each hypothesis, we decide to use at least one scientific article as empirical evidence to support it; with the well-established information found, we can further approve the hypothesis using real-life case studies.

3.3. Method of Finding Case Studies

Now, by using case studies as the qualitative method, we will gain evidence that happened in the past, which sets solid proof to build into our hypotheses. Choosing the appropriate case studies will be controlled carefully; we ensure each event includes the variables of who, what, when, where, why, and most importantly, the specific luxury brand. By ensuring the accuracy and details of the event, we will be able to control the effectiveness of the case study in supporting each hypothesis. We use a case study to support it because it has a high level of ecological validity, which means the event could have a high generalizability, providing more support.

3.4. Method of creating the survey

For additional support, we created a survey targeting mainly Chinese customers among all age ranges. There are ten questions, each representing one aspect of each hypothesis, gathering participants' opinions towards the influence of social media in luxury branding. To ensure the questions were precise and accurate, all the group members decided and finalized them together, ensuring they were ready to send out. Finally, each member sent the survey through their social media accounts and to people we know. After two days, 368 responses were collected and analyzed for this report.

3.5. Hypothesis Testing

3.5.1. Hypothesis 1 – Louis Vuitton

Louis Vuitton, also known as LV, posted videos of their unique presentations on their social media pages, such as Facebook, Twitter, and Instagram. The videos posted online allowed all Louis Vuitton fans to enjoy or re-enjoy the show. During the first year of the pandemic, COVID-19 harmed every industry massively. Companies had to shut down, close, or even totally go bankrupt. There was no way for any brand to launch their shows. Louis Vuitton, or LV, is competent. They decided to hold their show on Douyin. On August 3rd, 2020, LV entered Douyin and invited all Douyin users to enjoy their 2021 Spring and Summer Fashion Show, which was held online. Viewers can communicate with the brand or comment below the live stream in real-time through the live stream. The views hit

a stunning number of 19 million hits, and the number of viewers simultaneously in the stream was an insane 102,000. After the first successful livestream, LV continued its livestream career and possibly gained more brand awareness than before. Currently, LV's Douyin account has a total of 2,714,000 followers. As said before, Louis Vuitton continued to host their shows online even now that COVID is over [8]. Luxury brands were more exclusive before they began to open to broader communities, and with social media, luxury brands can spread their shows, advertisements, and so forth. To a broader range of potential customers and gain more brand awareness.

3.5.2. Hypothesis 2 - Burberry

Burberry is the head of British-style clothing and luxuries. Burberry's social media department loves posting British-spirited things. (7) We often would see Burberry's social media page filled with British-style pictures and the use of early modern English sub-headings below those pictures. The London-based fashion store would post images of their shows, advertisements, or simply pictures of their stores. Burberry's social media department also loves the tag "#ThisIsBrit." They often tag "ThisIsBrit" on their posts to promote their Brit men's fragrance and Playlist. Although Burberry is not in the music industry, this move opens a broader gate for more potential customers and audiences to hear about the brand. Burberry's crazy branding created this strong association between Burberry and British spirit and style. Whenever people think about Burberry, they know it is British because of Burberry's insane dedication to associating themselves with the British tag.

3.5.3. Hypothesis 3a – Louis Vuitton

On November 19th, 2022, two world-known soccer players, Cristiano Ronaldo and Lionel Messi, posted an image of each other's chess player on social media. Louis Vuitton sponsors celebrities and LV's marketing plan made the celebrities post. The Internet exploded right after the post was posted. The post received thousands of likes and millions of reposts. There were eighteen million likes and fifty million reposts. The post brought Louis Vuitton tons of brand awareness since both celebrities are world-known. Everyone knows Cristiano Ronaldo and Messi and Louis Vuitton also got the secondary association from both celebrities. Overall, Louis Vuitton came up with a plan that made two world-known celebrities post about themselves that involved LV in it, and the plan worked fantastically and brought LV tons of focus and exposure. LV also used Ronaldo and Messi's secondary association, leveraging themselves with the two, which would bring more benefits to the brand.

3.5.4. Hypothesis 3b – Rolex

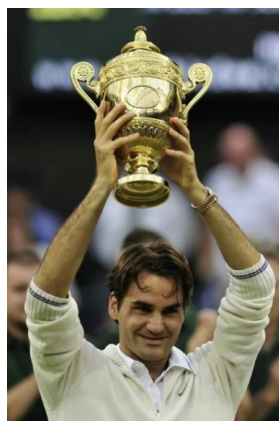


Figure 2: Roger Federer holds the Grand Slam Wimbledon trophy.

One of the best tennis players in the world is Roger Federer [9]. He is holding the Grand Slam Wimbledon trophy after winning the Wimbledon final. If looked carefully, there is a gold watch on his left wrist. That is a Rolex. Roger Federer has been a Rolex brand ambassador since 2011. He always wears a Rolex after winning a match or tournament. The Rolex was always highly noticeable since it was usually made of gold, and it was the only accessible Federer would wear as Federer and Rolex's partnership stabilized. Every one of the times would think Federer is Rolex and Rolex is Federer. The two would be constantly related to each other. Not only would Federer be related to Rolex, but Federer's characteristics would also leverage Rolex. Everyone thought that since Federer wore a Rolex, a Rolex must be classic, luxurious, and victorious. That is part of secondary associations. "Where the marketer borrows associations from other entities. Therefore, brands may be linked to other entities with knowledge structures in consumers' minds." The power of association and secondary associations is mighty and can bring the endorsed brand an extremely favorable number of benefits(see Figure 2).

4. Findings & Discussion

4.1. Introduction

We use two ways to support our findings. The first way is by analyzing the case study. From our research of the case study, we found that social media affects Luxury Brands' awareness and brand association. With the model, we hypothesize that social media increases brand awareness and association; celebrity endorsement boosts the positive relationship between social media and brand awareness and association [10]. The second way is sending out surveys; we default if the answer is over 50.1%, which we consider the majority. By sending out a survey, we asked participants whether they had had experience with our research paper.

4.2. Results from the Survey

At the start, we wanted to have around 200 answers from individuals. Magically, we have received a total number of 368 participants answering the survey. For our survey, if one answer is chosen over or equal to 50.1%, we conclude that that answer is the majority. The results below show only the original question and the majority's choice. Here are the results below.

1. Do you use social media? (98.64% Yes)
2. Would you buy luxury brand products in daily life? (50.27% Yes)
3. Do you learn new luxury brands using social media? (51.36% Yes)
4. During the use of social media, would you suddenly get a flash of a luxury brand after seeing a random thing or hearing a random sound? (Yes 68.48%)
5. Would you change your opinions about a luxury brand because of social media? (66.3% Yes)
6. Do you follow celebrities? (65.49% Yes)
7. Would you buy a product that is endorsed by your favorite celebrity? (65.49% Yes)
8. Have you ever known a brand because of the endorsing celebrity? (62.77% Yes)
9. Does the endorsed celebrity's activity affect your opinions on the luxury brand the celebrity is endorsing? (62.5% Yes)
10. Does social media effectively and efficiently promote luxury brands? (62.5% Yes)

The survey is a simple 10-question survey with two yes and no choices. As you can see above, the majority agrees that they would learn about new luxury brands from social media, which shows that social media helps luxury brands spread themselves to wider communities. From question 4, we can conclude that social media increases the possibility of customers getting brand associations from things the brand wants to associate with themselves. Celebrity activity would affect customers' opinions of their endorsing brand from a question from question 9. This survey shows real-life data

from random participants from the whole nation of China; a more comprehensive range of participants can better decrease the chance of a biased answer. Participants from the whole country of China successfully decreased the chance of a biased answer. Answers from the survey also supported all our hypotheses. With the help of surveys and case studies, our hypothesis strengthens and connects deeply with the real world.

5. Conclusion

This study, therefore, highlights that more than ever today, as social media is becoming more popular, luxury brands should start paying more attention to social media marketing. Social media marketing will bring an impressive number of benefits to companies. This study also shows that celebrity endorsements only positively affect social media marketing and brand equity [11]. Celebrity's secondary associations also leverage the endorsing company, which adds another level of benefits to the company that dedicates itself to social media marketing. The power of social media has exponentially increased throughout history, and social media has proven to be versatile and capable of doing anything. The power of society is also mighty. Word of mouth can easily change the opinion of an individual. Individuals will permanently lose out when arguing with a group, hence showing the importance of controlling the flow of social media. Celebrities also have the power to influence their followers easily. Results from the survey we created show that many individuals agree that celebrities can change their opinions on luxury brands, which further supports the point that celebrity endorsements are essential to achieving success in social media marketing [12]. Celebrities carry themselves to endorse the brand, and their secondary associations leverage the endorsing brand. Whatever the association is, the endorsing brand will be tagged with the same associations. Managers should carefully fiddle with social media and use celebrity endorsements to advertise their companies. Followers should be careful of the comments and videos on social media since they could be misleading. Social media marketing is highly effective, especially with celebrity endorsements. To be successful, luxury brands should start focusing their marketing area more on the online Internet rather than real-life marketing such as billboards, etc., and start favoring the use of Celebrities since they use more than themselves to represent their endorsing brands.

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