U.PORTO

MASTER
MARKETING

The impact of the Service-Dominant Logic in the perceived luxury value of a brand

Carolina Lopes da Silva

M

2021



U.PORTO

FEP FACULDADE DE ECONOMIA UNIVERSIDADE DO PORTO

THE IMPACT OF THE SERVICE-DOMINANT LOGIC IN THE PERCEIVED LUXURY VALUE OF A BRAND

Carolina Lopes da Silva

Dissertation

Master in Marketing

Supervisor

Amélia Maria Pinto da Cunha Brandão, PhD

2021

Acknowledgements

Firstly, I would like to thank my dissertation supervisor, Amélia Maria Pinto da Cunha Brandão, PhD, from Faculdade de Economia da Universidade do Porto, for having shown nothing but enthusiasm and support regarding my dissertation from the very first day. Although Professor Amélia gave me the freedom to discover the enveloping universe of luxury brand management by myself, she patiently and kindly guided me in the right direction whenever her expertise was needed.

I would also like to thank my family for the unconditional support they have always given me and for their extra dose of encouragement during the entire process of writing this dissertation. Without them, my dreams would never turn into plans.

I also need to leave a word of gratitude to my friends, the greatest cheerleaders one can have, not only for supporting me, but also for reminding me that taking some time out is also a necessary part of the process.

I must also express my thankfulness to my boyfriend, who inspires me to improve every day, for constantly reassuring me that I would be able to overcome every challenge this project threw at me.

Finally, I would like to thank anyone else who, directly or indirectly, contributed to this dissertation.

Thank you,
Carolina Silva

Abstract

The consumption of luxury goods and services is taking new directions. Luxury marketing academics have been discussing this change of the concept of luxury for a while now and the coronavirus pandemic has brought additional strength to it. The new concept we are referring to is unconventional luxury, a definition that changes the way luxury is consumed as it strongly emphasises luxury as a hedonic and personalized experience, whose symbolism is private and determined by the customer.

Given this paradigm shift, it is imperative that luxury brands adapt in order to maintain their relevance in the market. Therefore, this investigation quantitatively explores the relevance of the Service-Dominant Logic, through value co-creation, as an approach to increase the perceived luxury value of a brand and, simultaneously, the impact of this approach on luxury brand attitude and brand desire.

The results indicate that value co-creation has a positive influence on individual perceptions of luxury. Similarly, it strengthens the customer's attitude towards the luxury brand and brand desire through the mediating effect of individual luxury value perceptions. The findings also show that luxury brands' social media and gender work as moderators of the hypothesised relationships. The results also corroborate the idea that unconventional luxury is within the reach of many.

Keywords: luxury brands, unconventional luxury, Service-Dominant Logic, value co-creation, luxury value perceptions, brand attitude, brand desire, social media, PLS-SEM

JEL code: M10, M16, M19, M30, M31, M37

Resumo

O consumo de bens e serviços de luxo está a seguir novos rumos. Uma mudança que já vem, desde há algum tempo, a ser discutida por académicos na área do marketing de luxo, ganhou, com a pandemia, força adicional. Falamos de luxo não convencional, um padrão de consumo de marcas de luxo que coloca uma forte ênfase no luxo enquanto experiência hedónica e personalizada, cujo simbolismo é privado e determinado pelo cliente.

Tendo em conta esta mudança de paradigma, é imperativo que as marcas de luxo se adaptem de forma a manter a sua relevância no mercado. Assim sendo, esta investigação explora quantitativamente a pertinência da abordagem *Service-Dominant Logic*, através da cocriação de valor, para o aumento do valor de luxo percebido de uma marca e, simultaneamente, o impacto desta abordagem na atitude em relação à marca de luxo e na desejabilidade da marca.

Os resultados indicam que a cocriação de valor tem uma influência positiva nas perceções de luxo individuais, bem como contribui para o fortalecimento da atitude em relação à marca de luxo e da sua desejabilidade através do efeito mediador das perceções individuais de valor de luxo. Apontam, ainda, as redes sociais das marcas de luxo e o género como moderadoras destas relações e apoiam a ideia de que o luxo não convencional está ao alcance de muitos.

Palavras-chave: marcas de luxo, luxo não convencional, SDL, cocriação de valor, valor de luxo percebido; atitude em relação à marca; desejo da marca; redes sociais; PLS-SEM

Código JEL: M10, M16, M19, M30, M31, M37

Table of Contents

Acknowledgements i

Abstract ii

Resumo iii

Table of Contents iv

Table Index v

Figure Index v

List of Abbreviations v

1. Introduction 1

2. Literature Review 4

2.1 Defining Luxury 4

2.1.1 Traditional Luxury 4

2.1.2 New Definitions of Luxury 5

2.2 Consumers' Luxury Perceptions of Brands 6

2.2.1 Perceived Value 6

2.2.2 Dimensions of Perceived Luxury Value 7

2.3 Service-dominant Logic and Value Co-Creation 9

3. Conceptual Framework & Hypothesis 11

4. Methodology 14

4.1. Structural Equation Modeling 14

4.2. Survey Design 15

5. Results and Discussion 18

5.1. Sample 18

5.2. Model Fit 18

5.3. Measurement Reliability and Validity 19

5.4. Results and Discussion 21

5.5 Multi-Group Analysis 25

6. Conclusion 27

6.1. Theoretical Implications 28

6.2. Managerial Implications 30

6.3. Limitations and Future Research **31**
6.4. Final Considerations **33**
Appendix **34**
Bibliographic References **39**

Table Index

Table 1 - Reliability and validity measurements 20
Table 2 - HTMT analysis results 20
Table 3 - Hypotheses testing 22
Table 4 - Statistically significant total indirect effects and specific indirect effects 24
Table 5 - Multi-Group Analysis Region SmartPLS 3 (PLS-MGA) 25
Table 6 - Multi-Group Analysis Income SmartPLS 3 (PLS-MGA) 26

Figure Index

Figure 1 Theoretical Framework 13
Figure 2 - Final Measurement Model; PLS-SEM; Smart-PLS 3 21

List of Abbreviations

AVE – Average Variance Extracted
BA – Brand Attitude
BD – Brand Desire
HTMT – Heterotrait-Monotrait Ratio of Correlations
IDLV – Individual Dimension of Luxury Value Perceptions
PLS-MGA – Partial Least Squares Multi-Group Analysis
PLS-SEM – Partial Least Squares Structural Equation Modeling
S-D Logic – Service Dominant Logic
SEM – Structural Equation Modeling
SMF – Social Media Follower

VCC – Value Co-creation

VIF – Variance Inflation Factor

1. Introduction

The luxury industry has grown enormously over the past decade (Willersdorf et al., 2020) and although the 2020 coronavirus pandemic had a negative impact on luxury brands with sales from, for example, the 2020 spring collections dropping around 70% (Achille & Zipser, 2020), the path to recovery has started. According to Bain & Company, the luxury market is expected to reach €250-€295 in 2021, which could bring the market back to its 2019 level.

While pointing out the trends for the luxury market, Bain & Company affirm that interactions, either in-store or remotely, are critical for success. Additionally, Deloitte's Global Fashion & Luxury Private Equity and Investors Survey 2021 suggests that luxury brands play an important role in customers' sensory appeal as these brands may be associated with "therapeutic value". Furthermore, the report highlights the need for personalized products and experiences, while also indicating the importance of luxury brands' digital presence.

The pandemic emphasized the evolution of the luxury market in a direction that luxury marketing academics have been discussing for some time. This new direction comprises new forms of luxury, such as unconventional luxury (Thomsen, Holmqvist, von Wallpach, Hemetsberger, & Belk, 2020) which has been receiving more and more attention from scholars as it brings a paradigm shift to luxury brands: the democratization of luxury, and the desire for hedonic and personalized experiences, therefore emphasising personal side of luxury consumption. This evolution of luxury is now more obvious than ever, making the adaptation of luxury brands to the new reality imperative (Willersdorf et al., 2020) in order to guarantee these luxury brands stay relevant to their customers. The unconventional vision of luxury is in line with Stephen L. Vargo and Lusch (2004)'s Service-Dominant Logic which follows a value co-creation approach that implies direct and indirect participation of the brand, the customer, as well as of additional stakeholders such as other customers or brands (Ranjan & Read, 2016). Therefore, through this logic, all interactions between luxury brands and their customers throughout all touchpoints should be regarded as personalized experiences (Prahalad & Ramaswamy, 2004) that are relevant to the luxury customer and where he feels empowered by the luxury brand (Choo, Moon, Kim, & Yoon, 2012).

Several studies in the luxury brand management literature have already analysed the value co-creation process in the context of luxury (e.g. Tynan, McKechnie, and Chhuon

(2010); Holmqvist, Visconti, Grönroos, Guais, and Kessous (2020)) and its impact on customer value (e.g. Choi, Ko, and Kim (2016)). Academics have also proposed guidelines to operationalize strategies based on value co-creation (e.g. Koivisto and Mattila (2020); Hughes, Bendoni, and Pehlivan (2016)). However, these studies often follow a qualitative methodological approach that focuses on specific value co-creation encounters only. The Service-Dominant Logic defends that value co-creation is not restricted to specific encounters, as the customer determines the brand's value in all direct and indirect points of contact with it. Thus, this research fills a gap in the literature by addressing the application of the Service-Dominant Logic (Stephen L. Vargo & Lusch, 2004) to the luxury industry as a means to enhance perceived luxury value through individual luxury value perceptions (K.-P. Wiedmann, Hennigs, & Siebels, 2007; K. P. Wiedmann, Hennigs, & Siebels, 2009). The present investigation accounts for value co-creation (Prahalad & Ramaswamy, 2004; Ranjan & Read, 2016; Stephen L. Vargo & Lusch, 2004) as a whole, as opposed to only considering specific value co-creation encounters. Of K.-P. Wiedmann et al. (2007)'s four dimensions of luxury value, we consider the impact of value co-creation on the individual dimension as it is the one that better accounts for the motivations and perceptions of an unconventional luxury consumer.

Additionally, there are several investigations in the academy regarding the effect of various types of specific value co-creation encounters on, to name a few, customer experience (Wu & Gao, 2019), purchase intentions (Choi et al., 2016), perceived quality, and brand loyalty (Tran, Mai, & Taylor, 2021). However, to the best of our knowledge, the impact of value co-creation on brand attitude and brand desire - two antecedents of brand equity (Faircloth, Capella, & Alford, 2001; Raggio & Leone, 2007) - has never been investigated. Therefore, this research fills a second gap in the literature by determining the effect of value co-creation on brand attitude and brand desire, while considering the mediating effect of individual luxury value perceptions as well.

Furthermore, since digital marketing and social media in particular (e.g. Tran et al. (2021); Choi et al. (2016); Koivisto and Mattila (2020)) have been pointed as important tools for value co-creation, this investigation taps into the digital world by analysing the moderating role of luxury brands' social media. Moreover, this study investigates gender as a moderating variable between individual luxury value perceptions and brand attitude.

This research follows a contemporary view of luxury, i.e. unconventional luxury (Thomsen et al., 2020), which is still in its early stages, hence leading to a limited amount of

available literature. This limitation becomes even more significant if we consider quantitative studies and, therefore, this investigation seeks to contribute to the body of literature in unconventional luxury by presenting a quantitative methodological approach as suggested by Thomsen et al. (2020). Hence, this study attempts to examine the contribution of value co-creation to the construction of "ephemeral moments of luxury that (...) are pregnant with significance" and which add value to the customer, consequently transferring to brand value.

This research follows a Partial Least Squares Structural Equation Modeling methodological approach.

The present study contributes to the literature on Service-Dominant Logic, and on luxury brand management and marketing in numerous ways. First, it allows us to extend the knowledge on unconventional luxury. Second, it proves that value co-creation enhances the perceived luxury value of a brand, as well as brand attitude and brand desire. Third, it points individual luxury value perceptions as a mediator between value co-creation, and brand attitude and brand desire. Finally, it recognizes the roles of luxury brands' social media and gender as moderators.

In addition to this section, this work is structured as follows: Throughout section 2, a review of relevant literature is presented, both in terms of luxury conceptualization and its consumer value perceptions, as well as in terms of Service-Dominant Logic and value co-creation. The conceptual framework and hypothesis formulation are presented in section 3. In section 4, the methodological approach and the data collection process are presented. Then, in section 5, the results are revealed and discussed. Section 5 includes the research's conclusions, where we argue its theoretical and managerial implications, as well as its limitations. We end section 5 with suggestions for future research and with final considerations. Finally, an appendix and the bibliographic references are presented.

2. Literature Review

This chapter includes a review of the literature on luxury brand management and on service-dominant logic that are relevant to the present study.

2.1 Defining Luxury

2.1.1 Traditional Luxury

There is no widely accepted definition of what a luxury brand is, especially because luxury is a relative concept and the perceptions of what constitutes luxury have changed over time (Ko, Costello, & Taylor, 2019). Moreover, it is argued that the concept of luxury might vary between product categories, countries/cultures and types of consumers (Ko et al., 2019; Romaniuk & Huang, 2020). However, there are some dimensions of luxury such as high quality, rarity, premium pricing and a high level of aesthetics that can be found in a multitude of definitions (Ko et al., 2019). This idea is supported by Phau and Prendergast (2000) who argue that luxury brands should have exclusivity, a well-known brand identity, brand awareness and perceived quality. Romaniuk and Huang (2020) established five luxury attributes – "recognizable" (associated with brand awareness (Aaker David, 1992) and how conspicuous is the branding/styling of the product), "superior quality/craftsmanship", "superior customer experience", "resonates with how I see myself" and, lastly, "unique from mainstream brands" –, finding that there is a "prototypicality" pattern in luxury attributes, especially within product categories which can range from soft luxury (e.g. fashion and apparel) to hard luxury (e.g. jewellery) or other categories such as travel accommodation or even food (Kim, 2019). These findings support the existence of "generalizable luxury qualities" (Romaniuk & Huang, 2020), with similarities to those stated by Ko et al. (2019).

It is known that luxury brands/products enable consumers to satisfy psychological and functional needs and the psychological benefits are the main factor distinguishing them from non-luxury products or counterfeits (Christodoulides, Michaelidou, & Li, 2009). This means that luxury brands have a low functionality to price ratio and a high intangible and situational utility to price ratio (Nueno & Quelch, 1998).

Despite the lack of consensus, most of the literature acknowledges that a brand will only be considered luxurious if the consumer perceives its luxury value (De Barnier, Falcy, & Valette-Florence, 2012; Ko et al., 2019; Romaniuk & Huang, 2020). This is of particular importance because, for the same brand, it is expected that different consumers have

different luxury perceptions of the brand's value depending on their economic, societal and political context (K.-P. Wiedmann et al., 2007).

2.1.2 New Definitions of Luxury

While traditional luxury, also known as "old luxury", literature focuses primarily on the luxury object and in its traditional attributes such as exclusivity, conspicuousness or elitism, a new customer-focused definition of luxury has emerged in the literature (Oliveira & Fernandes, 2020; C. Rodrigues & Rodrigues, 2019). This concept of neo-luxury translates the consumers' need for hedonic experiences, hence focusing on the customer experience as a whole and being highly experiential (C. Rodrigues & Rodrigues, 2019). In other hand, new luxury is constituted by customers who moved from a conspicuous-elitist logic to an individualist-democratic logic (Kauppinen-Räisänen, Björk, Lönnström, & Jauffret, 2018) and, therefore, feel the need express worthiness and belonging consumption patterns (C. Rodrigues & Rodrigues, 2019). Although neo-luxury is often regarded as the "democratization of luxury", i.e., luxury that becomes accessible to all despite maintaining its high quality and level of aspiration (C. Rodrigues & Rodrigues, 2019), the relevance of the neo-luxury concept to this work belongs primarily to the importance that is given to the customer experience.

The relevance of the customer-based view is increasingly superior, especially with the introduction of services (Ko et al., 2019; Thomsen et al., 2020), hence leading to the development of luxury as an experience and to the rise of inconspicuous luxury consumption (Thomsen et al., 2020). The paradigm shift from "having-to-being and from owning-to-experiencing" (Cristini, Kauppinen-Räisänen, Barthod-Prothade, & Woodside, 2017; Thomsen et al., 2020) has led to the development of a new and still recent term in the field of luxury research – unconventional luxury - which is considered to be "epistemologically scarce", i.e., accessible to many, "experiential" in the sense that its symbolism is private, inconspicuous and ephemeral, agentic and, therefore, defined by the customer (Thomsen et al., 2020).

The concept of unconventional luxury, as opposed to traditional luxury, is the one that better fits the purpose of the present work as the impact of a highly personalized and experiential context on luxury value perceptions of consumers will be analysed.

2.2 Consumers' Luxury Perceptions of Brands

2.2.1 Perceived Value

Nowadays, the focus of luxury brand management resides not exclusively on the social aspects of luxury but on the social aspects in conjunction with its personal aspects, forcing academics and managers to pay additional attention to the consumer perspective (which is explained through perceived luxury value) to further understand the motivations behind the consumption of luxury brands (Loureiro, Jiménez-Barreto, & Romero, 2020).

Although perceived value is, similarly to luxury, a hard construct to define due to its comparative, personal and situational nature, it implies an "interaction between a customer and a product or service" (Sánchez-Fernández & Iniesta-Bonillo, 2007). Moreover, there has been an evolution in the way academics approach this construct, therefore making it possible to divide perceived value conceptualizations into unidimensional and multidimensional approaches (Loureiro et al., 2020; Sánchez-Fernández & Iniesta-Bonillo, 2007). The unidimensional approach derives from the theory of utility and suggests that value is a trade-off between utility/benefits and price/sacrifices, therefore making this approach functional in its nature (Sánchez-Fernández & Iniesta-Bonillo, 2007). On the other hand, the multi-dimensional approach emerges in the literature to overcome the limitations of the unidimensional approach as the latter doesn't reflect the complexity of consumer's perceptions of value (Loureiro et al., 2020; Sánchez-Fernández & Iniesta-Bonillo, 2007). Therefore, the multidimensional approach is a trade-off between not only utilitarian factors but also intangible, intrinsic and emotional factors (Sánchez-Fernández & Iniesta-Bonillo, 2007). This means that the value the customer receives or the sacrifices the customer makes are based on the costumer's own perceptions (Aulia, Sukati, & Sulaiman, 2016; Zeithaml, 1988) and, therefore, perceived value is influenced by the customer's needs (Aulia et al., 2016; Park, Jaworski, & MacInnis, 1986) and can be interpreted as an "interactive relativistic preference experience" (Holbrook, 1994; Loureiro et al., 2020).

Considering the multi-dimensional approach that envisions perceived value as "a multi-dimensional construct that consists of several interrelated attributes or dimensions that form a holistic representation of a complex phenomenon" (Sánchez-Fernández & Iniesta-Bonillo, 2007), another question arises about which dimensions, among a wide variety, should be considered (De Barnier et al., 2012). While there is a strong body of literature on multi-dimensional models of perceived value (e.g. Woodruff (1997); Hirschman and

Holbrook (1982); Sheth, Newman, and Gross (1991); Babin, Darden, and Griffin (1994); Holbrook (1999)), Aulia et al. (2016) propose generic dimensions of the value perceived by the customers according to their needs. The first dimension corresponds to product-value (the product is the source of value) which, in turn, divides into functional value and need for the pleasure of using the product, i.e., "the emotional and hedonic benefits associated with product use" (Aulia et al., 2016; Jordan, 1998). The second dimension refers to the society as the source of value and this value is the result from the interaction of the customer with other people and derives from the need for: 1) acceptance and 2) compliment (Aulia et al., 2016). Therefore, in social-related value, product function is secondary as the consequences of using the product are what is at stake (Aulia et al., 2016; Cova, 1997). The third and last dimension proposed by Aulia et al. (2016) refers to personal-related value which explains the value that derives from the consumption of a product that translates the values of the customer as an individual. This dimension unfolds into two different directions: the need for the product to translate the uniqueness of the customer, thus implying the rejection of any product that does not match the being "own-self" need (Zeithaml, 1988), and, secondly, the need to do good things which means that, for example, customers are willing to spend more on products that are environmentally friendly (Aulia et al., 2016; Mirvis, 1994). However, the value from doing good, i.e., ethical and spiritual value (Holbrook, 1994, 1999), is difficult to capture and often ends up being neglected in the literature (Aulia et al., 2016; Sánchez-Fernández & Iniesta-Bonillo, 2007).

2.2.2 Dimensions of Perceived Luxury Value

Continuing the perspective explained above, similarly to perceived value, perceived luxury value can also be seen as a multi-dimensional construct, thus implying the need for it to reflect various dimensions (De Barnier et al., 2012; Loureiro et al., 2020).

Berthon, Pitt, Parent, and Berthon (2009) propose that luxury brands have three different dimensions: functional (the purpose of the product/service), experiential (the source of hedonic value, which is subjective and individual) and symbolic (social value, i.e. "the value a luxury brand signals to others, and the value of that signalling to the signaller"(Berthon et al., 2009)). Choo et al. (2012) suggest a model of customer value for luxury fashion brands that, besides utilitarian, hedonic and symbolic value, also includes an economic dimension which comprises the value of the economic investment, price

satisfaction and price-considered brand worth. Similarly, Tynan et al. (2010) apply a four-dimension model that follows the work of Smith and Colgate (2007) to the luxury context. The considered dimensions for luxury value creation are: utilitarian value; symbolic/expressive value which subdivides itself into 1) outer-directed and 2) self-directed; experiential/hedonic value and, lastly, a cost/sacrifice dimension which aims to include exclusivity and rarity (Choo et al., 2012). However, luxury value perceptions can also be grouped into personal-oriented perceptions and non-personal-oriented perceptions as showed on Vigneron and Johnson (2004)'s Brand Luxury Index (BLI). This framework then subdivides personal-oriented perceptions into perceived extended-self and perceived hedonism and non-personal-oriented perceptions into perceived conspicuousness, perceived uniqueness and, lastly, perceived quality (Vigneron & Johnson, 2004). These five dimensions are independent but relate positively and contribute incrementally to brand selection (Vigneron & Johnson, 1999), therefore enhancing consumers' preference for a certain luxury brand (Parguel, Delécolle, & Valette-Florence, 2016). Conspicuous consumption occurs when the satisfaction derived from a purchase comes from the reactions to the wealth of the consumer instead of coming from the utilitarian value of the purchase (Mason, 1984). Uniqueness is related to one's need for distinctiveness to which the acquisition, utilisation and disposal of luxury goods contribute by allowing the development of one's personal and social identity (Christodoulides et al., 2009; Tian, Bearden, & Hunter, 2001). Luxury consumers expect the products to have superior characteristics and performance when compared to non-luxury goods (Christodoulides et al., 2009). Because luxury products aren't meant to suppress basic needs and because their consumption can be considered a sensory experience, hedonism is a characteristic of luxury products – therefore, providing emotional benefits and intrinsically pleasing properties (Christodoulides et al., 2009; Parguel et al., 2016). Lastly, consumers seek to use luxury brands as a way of increasing their own value (extended self) by associating themselves to prestigious groups in society and, conversely, by distancing themselves from non-prestigious groups (Christodoulides et al., 2009), hence allowing consumers to integrate meaning to their identities (Parguel et al., 2016). K.-P. Wiedmann et al. (2007) complemented the work of Vigneron and Johnson (2004) by discussing that luxury consumption and luxury value perceptions have more to it than just social and personal motivations and, therefore, the authors included four latent variables on their framework: a financial dimension which refers to the value of a product expressed in monetary terms, as well as the opportunity cost of buying that product; a functional

dimension that translates the benefits and characteristics of the product in terms of its uniqueness, quality, reliability, durability and usability; an individual dimension that refers to the personal orientation of the customer and is divided into self-identity value, hedonic value and materialistic value; and, lastly, a social dimension based on the value the customer gets from consuming products or services that are recognized within their social group – the antecedents here are conspicuous value and prestige value (K.-P. Wiedmann et al., 2007). The conceptual model proposed by K.-P. Wiedmann et al. (2007) was tested in ten countries and the results point to the fact that although there might be different reasons for consumption of luxury depending on the country, the values possessed by luxury consumers usually similar (Hennigs et al., 2012). Therefore, since K.-P. Wiedmann et al. (2007)'s framework is the only that has been tested in a "broad cross-cultural context" (Loureiro et al., 2020) and because the results of other frameworks such as Vigneron and Johnson (2004)'s BLI have been considered unstable on cross-cultural settings (Conejo, Cunningham, & Young, 2020), the present study will emphasize K.-P. Wiedmann et al. (2007)'s individual dimension of luxury value perceptions.

2.3 Service-dominant Logic and Value Co-Creation

The Service-Dominant Logic (S-D Logic) was first brought up in the literature by Stephen L. Vargo and Lusch (2004). This logic shifts away from a goods-dominant logic, i.e. the exchange of tangible goods, to a logic of making service "the fundamental basis of exchange" (Stephen L Vargo & Lusch, 2016). Thereby, the division between services and goods does not exist in the S-D Logic because both are combined, making this approach "applicable to all marketing offerings" (Stephen L. Vargo & Lusch, 2004).

Putting services at the centre means that marketing becomes a "continuous series of social and economic processes" (Stephen L. Vargo & Lusch, 2004) where operant resources occupy a central position as effect producers and as the source of strategic benefit (Stephen L Vargo & Lusch, 2016). With this in mind, the market becomes the place where conversations and interactions between consumers, their communities and brands are held (Prahalad & Ramaswamy, 2004) and where firms collaborate with, learn from and adapt to the needs of individual customers (Stephen L. Vargo & Lusch, 2004). It becomes obvious that the beneficiary oriented (Stephen L Vargo & Lusch, 2016) S-D Logic focuses, from a value perception perspective, on connecting and empowering the customer (Choo et al.,

2012), therefore making it customer-centric (Prahalad & Ramaswamy, 2004; Tynan et al., 2010; Stephen L. Vargo & Lusch, 2004; Stephen L Vargo & Lusch, 2008). Consequently, the value is not only perceived and defined during consumption by the customer - who ultimately has the power to decide the firms he wants to have a relationship with based on its value perceptions (Prahalad & Ramaswamy, 2004) - but also co-created with the customer (Choo et al., 2012; Stephen L. Vargo & Lusch, 2004; Stephen L Vargo & Lusch, 2008).

Therefore, the co-creation of value means that successfully delivering personalized services to the customer and to other organizations, as well as striving to involve the customer in the processes as much as possible becomes the top priority of the firm (Prahalad & Ramaswamy, 2004; Stephen L. Vargo & Lusch, 2004). This is of particular importance because "the brand itself can't create value for a passive customer" (Choo et al., 2012; Tynan et al., 2010). It is, therefore, imperative that all interactions between the company and the active customer (Tynan et al., 2010) throughout all touchpoints and not only at the point of exchange (Choo et al., 2012; Prahalad & Ramaswamy, 2004) are seen as experiences where the organization facilitates the experience environment and the customer chooses the way he interacts with that same environment (Prahalad & Ramaswamy, 2004). For this to happen, the experience must be relevant for the customer while being engaging and offering an element of surprise (Stephen L. Vargo & Lusch, 2004). This way the brand will occupy the position of being "regarded as a cluster of functional and emotional values, which promises a unique and welcoming experience" (De Chernatony, 2010; Payne, Storbacka, Frow, & Knox, 2009) , hence allowing the customer to become so extraordinarily involved in the experience that it becomes a pleasurable escape which, according to Holmqvist, Visconti, et al. (2020), is a desired part of the customer's value process.

3. Conceptual Framework & Hypothesis

The present study aims to investigate the impact of the Service-Dominant Logic, through value co-creation, on individual perceptions of luxury value, on brand attitude and on brand desirability.

The Service-Dominant Logic eliminated the exchange of goods from being the ultimate goal for a company and introduced value-in-use and co-production, i.e., value co-creation as the ultimate source of customer value. Therefore, we shift to a logic of mutual exchange between the company and the consumer, where the product and the experience are dependent on the interaction of both parties. Consequently, in order to enhance this mutual creation of value, the company has the role of facilitating the customers involvement in the process by exploring the various dimensions of value co-creation and by having an "obsessive focus on personalized interactions" (Prahalad & Ramaswamy, 2004).

Furthermore, one of the key axioms of the S-D Logic is that "value is always uniquely and phenomenologically determined by the beneficiary" (Stephen L Vargo & Lusch, 2008). This means that, ultimately, the consumer decides with which brands he wants to have a relationship with based on his perceptions of how value should be created (Prahalad & Ramaswamy, 2004). Thus, in the context of luxury brands, this implies that the decision depends on the customer's perception of luxury value.

According to the framework proposed by K.-P. Wiedmann et al. (2007), the overall perception of luxury value is composed by four dimensions: financial, functional, social and individual. However, in this study, we view luxury from the unconventional point-of-view where the symbolism associated with luxury brands is private, inconspicuous, ephemeral and agentic (Thomsen et al., 2020). So, of all the four dimensions, the one that focuses on the customer, his self-identity, hedonic experiences, and the time dedicated to activities related to luxury consumption - that is, the individual dimension - is the one on which we will focus our study as it is the one that better aligns with the goal of co-creation of value. Therefore, we anticipate that the application of the S-D Logic by luxury brands contributes to increasing the luxury value that is perceived by the customer, more specifically:

H1: Value Co-creation positively impacts the Individual Dimension of Luxury Value

Since value co-creation implies that all service encounters throughout all touchpoints must be regarded as experiences (Choo et al., 2012; Prahalad & Ramaswamy, 2004; Tynan et al., 2010; Stephen L. Vargo & Lusch, 2004), that means that luxury brands' social media

pages should be regarded as a valuable tool for creating value alongside the customer. Social media is, indeed, a tool where luxury brands can engage with their customers, share knowledge, further develop the firm-customer relationship and co-produce new products and services. Furthermore, luxury brands can do that in a personalized way. In short, in an era in which omnichannel presence is indisputable, online social platforms should be regarded as an extension of in-store value co-creation experiences, i.e., effective social media marketing strategies strengthen value co-creation (Cheung, Pires, Rosenberger III, Leung, & Ting, 2021).

In addition, the S-D Logic accounts for the existence of other actors affecting value co-creation, making the dyadic customer-brand relationship non-exclusive (Stephen L Vargo, Koskela-Huotari, & Vink, 2020). In the context of digital marketing, these actors, such as other customers or luxury brand competitors, can directly or indirectly co-create value on social media. Therefore, the customer being a follower of luxury brands on social media moderates the effect of value co-creation on the individual dimension of perceived luxury value:

H1b: The effect of Value Co-creation on the Individual Dimension of Luxury Value is stronger for social media followers

Brand attitude represents the consumer's overall evaluation of a brand (Keller, 1993). Since it is one of the antecedents of brand equity, as well as a predictor of the consumers' behaviour toward a brand, a favourable brand attitude strengthens the brand and allows a competitive advantage to be established (Liu, Li, Mizerski, & Soh, 2012; Salehzadeh & Pool, 2017). Furthermore, it has been recognised in the literature that perceived value influences brand attitude because attitude can be associated with the emotional value of in-store purchases (Ruiz-Molina & Gil-Saura, 2008; Swait & Sweeney, 2000). Furthermore, Ruiz-Molina and Gil-Saura (2008) concluded that, in a non-luxury retail setting, emotional and hedonic values positively influence brand attitude. Therefore, since the luxury customer must also take his own perceptions of value in consideration - which include emotional and hedonic values (K.-P. Wiedmann et al., 2007) - in order to evaluate the brand (Liu et al., 2012), it is hypothesised that, for luxury brands:

H2: The Individual Dimension of Luxury Value has a positive effect on Brand Attitude

There are numerous examples in the literature that point out the moderating role of gender. For example, Roux, Tafani, and Vigneron (2017) concluded that men and women "do not favour the same luxury drivers" and that luxury values tend to replicate the social

structure. Women care more about the individual dimension of luxury value than men as they put additional emphasis on hedonic value (Roux et al., 2017). Accordingly, women prefer shopping as a sensory and emotional experience and prefer establishing relationships with brands who offer inconspicuous personalization (Meyers-Levy & Loken, 2015). Moreover, women's attitude toward luxury brands is more positive than men's (Stokburger-Sauer & Teichmann, 2013). Consequently:

H2b: The impact of the Individual Dimension of Luxury Value on Brand Attitude is moderated by gender

Brand Desire has been regarded in the literature as a consequence of brand awareness and rarity (J.-N. M. Kapferer & P. Valette-Florence, 2018), therefore contributing to brand equity (Aaker David, 1992). Following this logic, non-personal oriented perceptions of luxury value have been pointed out as contributors of enhanced brand desirability through perceptions of uniqueness (e.g. Parguel et al. (2016); J.-N. M. Kapferer and P. Valette-Florence (2018); J.-N. Kapferer and P. Valette-Florence (2018)). However, as inconspicuous forms of consumption arise in the luxury industry, consumers move from the desire to signal status to the desire of having personalized experiences (Shao, Grace, & Ross, 2019) that can be seen as pleasurable escapes (Holmqvist, Visconti, et al., 2020). Furthermore, as value perceptions increase, so does the desire to affiliate with the brand (Ward & Dahl, 2014). Therefore, it is proposed that:

H3: The Individual Dimension of Luxury Value has a positive effect on Brand Desire

Figure 1 includes this research's conceptual model.

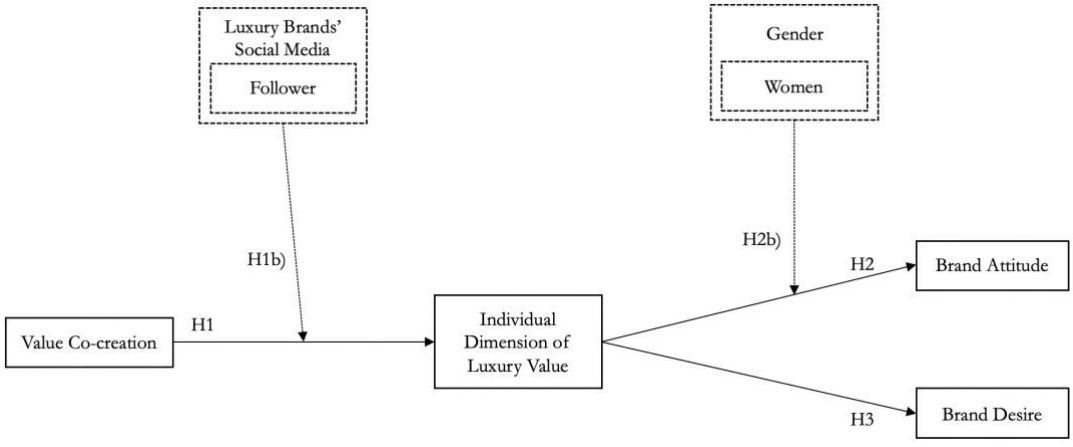


Figure 1 Theoretical Framework

4. Methodology

The following chapter contains a description of the methodological procedures used in this study.

While the reviewed literature allowed us to understand that the Service-Dominant Logic might be a valuable tool when it comes to increasing the perceived luxury value of a brand, a quantitative methodological approach is necessary to understand exactly how helpful it might be. Additionally, the luxury market as a whole seems to be engaged in the paradigm shift to unconventional forms of luxury and, therefore, a cross-cultural analysis will bring stronger conclusions to the reasearch.

4.1. Structural Equation Modeling

Structural Equation Modeling (SEM) utilizes multiple regression modeling to analyse the relationships between one or more independent variables, and one or more dependent variables (Ullman & Bentler, 2012). SEM is used to test the validity of theoretical models that define causal, yet hypothetical, relationships between variables (Marôco, 2010). This collection of statistical techniques, which is based on a theoretical framework established beforehand, combines factorial analysis with linear regression and it is the only that allows complete and simultaneous tests of all the relationships while accounting for measurement errors (Marôco, 2010; Ullman & Bentler, 2012). Furthermore, SEM is renowned for allowing the assessment of non-observable variables, i.e. latent variables, through observed variables.

Partial Least Squares Structural Equation Modeling (PLS-SEM) was the chosen approach for the study as it is a predictive approach that allows the identification of relationships between constructs (Duarte & Amaro, 2018). This variance-based approach, which maximizes the explained variance of the dependent constructs, can be used for smaller samples than those required for the covariance-based approach and it doesn't require any distributional assumptions as well (Duarte & Amaro, 2018; Joe F. Hair, Ringle, & Sarstedt, 2011). Moreover, PLS-SEM accepts the incorporation of reflective and formative measures and it is a reference for more complex models (Duarte & Amaro, 2018; J. Hair, Hollingsworth, Randolph, & Chong, 2017; Joseph F. Hair, Sarstedt, Pieper, & Ringle, 2012) such as the one presented in this study.

4.2. Survey Design

This research's questionnaire was divided in three different sections. In the first one, the respondents were given a definition of luxury, based on the definitions retrieved from our literature review and not explicitly taking into consideration unconventional forms of luxury: "A luxury brand and its products/services are high-quality, rare, recognizable, and non-essential. Furthermore, a luxury brand is known for its strong brand identity, uniqueness, superior customer experience, and premium pricing.". At the beginning of the questionnaire and immediately after contextualizing the concept of luxury, we asked if the respondents had ever bought a luxury product/service before and if they followed any luxury brands on social media.

In the following section of the questionnaire, we used existing scales to measure the constructs under study. In order for respondents to answer to the items in the section, they were asked to base their responses either on the last experience they had when buying from a luxury brand or on a luxury brand they had bought a product from (for example, their favourite luxury brand or the one they bought more often).

The instrument that was selected to measure Value Co-creation (VCC) in the respondents' past experiences with luxury brands was the Value Co-Creation measurement index by Ranjan and Read (2016). This 23-item scale sets Co-Production and Value-in-Use as the two core conceptual dimensions of VCC. However, for the purpose of our study, we defined VCC as a single construct and we only considered 19 items for the questionnaire.

To access the customer's personal orientations to luxury consumption in terms of self-identity, hedonic and materialistic values, i.e. the Individual Dimension of Luxury Value (IDLV), an adaptation of K. P. Wiedmann et al. (2009)'s Value Based Segmentation of Luxury Consumption Behaviour framework was used. Since this study is focusing on unconventional luxury, the original 48-item scale, which was built on previously existing and tested measures and then further extended by its authors, was reduced to only take into account the individual dimension of luxury value perceptions, i.e., all items regarding financial, functional, and social value were excluded. Therefore, our questionnaire, which considered individual luxury value as a single construct, consisted of 21 items.

Brand Attitude (BA) scales are a scarce tool, especially when looking for Likert scales, as the vast majority of these are semantic scales (e.g. Spears and Singh (2004)). In order to maintain consistency in terms of the type of scale used throughout the questionnaire (5-point Likert scale), we opted for the Attitudes Toward Luxury scale that was initially developed by

Dubois and Laurent (1994). From the original 34-item scale, only the twelve items that better suited the concept of luxury brand attitude presented above were used in the questionnaire. Although this scale has been used in various studies (e.g., Tidwell and Dubois (1996); Dubois, Laurent, and Czellar (2001); Dubois, Czellar, and Laurent (2005); Gil, Kwon, Good, and Johnson (2012)), its authors refer that its application is limited to western countries because the perception of luxury values varies significantly depending on whether the society is individualist or collectivist – the latter being the category where several Asian countries belong to (Dubois et al., 2005; Shukla, Singh, & Banerjee, 2015). However, the Attitudes Toward Luxury scale has been used, for example, in Hennigs et al. (2012)'s study that sought to determine "the antecedents and outcomes of luxury value as perceived by customers" in a cross-cultural context that included Asian countries such as India and Japan.

In order to measure the respondents' urge to purchase the luxury brand they based their responses on, i.e. Brand Desire (BD), Joshi and Yadav (2020)'s instrument was used. However, from the original eleven items, those with loadings under 0.5 were not included. The item "I wish to have all the products offered by this brand" was excluded because the authors disagree that for a brand to be desirable, the customer has to want to have all its products. In the authors' opinion, this perspective would even possibly go against the logic of value co-creation: if all customers wanted to have all products from a luxury brand, there would be no need for personalization.

Lastly, three questions regarding demographics were added to the survey: gender, nationality and household's monthly net income (divided in three possible answers: <2500€; between 2500€ and 5000€; and >5000€).

All of the constructs that were mentioned above were measured with a 5-point Likert Scale ranging from strongly disagree to strongly agree. Since all the mentioned instruments have been previously tested by their authors, the 5-point Likert Scale was an obvious choice.

Since this study is based on self-reported measures obtained from the same sample, preventive measures regarding the Common Method Bias were taken in accordance with Conway and Lance (2010)'s recommendations. At the beginning of the questionnaire, respondents were told their anonymity guaranteed. To prevent inflated responses, the respondents were informed about the purpose of the study but none of the constructs that each set of items referred to were disclosed. Each item was carefully analysed in terms of its wording and formulation to make sure they were not overly complex. Complexity was an issue we paid additional attention to because, due to our data collection method, it was

extremely likely that not all respondents were native English speakers. Furthermore, a pre-questionnaire was handed to six family members and friends. Their comprehension of the items was very satisfactory and the overall opinion was that the items were objective.

The questionnaire for the study was built using Google Forms and all answers were marked as mandatory. Since it needed to be answered by luxury consumers, regardless of the frequency with which luxury services or products are purchased by those consumers, Amazon Mechanical Turk was, considering all the available resources, the most correct and cost-efficient way we found to obtain a qualified sample with a robust size.

Appendix 1 shows the questionnaire developed for quantitative data collection.

5. Results and Discussion

5.1. Sample

Data was collected between April and May of 2021. In total, 840 responses were obtained. However, the only requirement to qualify as a respondent was to have ever purchased from a luxury brand. This means that the 60 (7.1%) respondents that answered that they had never purchased any luxury were excluded. Therefore, our sample was reduced to 780 respondents, which corresponds to 92.9% of the initial 840 respondents.

Regarding demographics, 54.9% of the sample is composed by males, 44.7% by females and 0.4% of the respondents are nonbinary. In terms of regions, North America, South America and Europe make up for 57.8% of the sample; 40.1% of the respondents are Asian (mainly Indian); and, lastly, 0.9% are African. 1.2% of the respondents didn't correctly state their origin or fit into more than one region – see country frequencies in Appendix 2. The household's monthly net income is under 2500€ for 39.9% of the respondents, between 2500€ and 5000€ for 46.5% of the respondents, and above 5000€ for the remaining 13.6%.

79.2% of the sample says they follow luxury brands on social media.

5.2. Model Fit

There is no uniform decision by the literature on PLS-SEM regarding the importance of reporting the model's goodness-of-fit. As Joseph F Hair, Sarstedt, and Ringle (2019) put it, model fit is beneficial or even "imperative" on studies that "follow a purely confirmatory approach". However, for studies like ours that follow an explanatory-predictive logic, putting too much emphasis on model fit goes against our study's logic and against the purpose of utilizing PLS-SEM (Joseph F Hair et al., 2019). Furthermore, although model fit indexes are available on SmartPLS, both the academia and the software developers advise the researchers to be cautious with measures such as Standardized Mean Square Residual (SRMR) and Normed Fit Index (NFI) because, although some thresholds for these metrics have been suggested in the literature, their criteria have not been fully established yet (J. Hair et al., 2017; Joseph F. Hair, Risher, Sarstedt, & Ringle, 2019; Joseph F Hair et al., 2019). Therefore, as advised by both the reviewed literature and by SmartPLS developers, model fit measurements will not be reported.

5.3. Measurement Reliability and Validity

Following Joseph F. Hair et al. (2019)'s steps to access reflective measured models, we started the evaluation of the study's measurement model by examining the indicators of each construct. According the author, loadings above 0.7 are recommended because that threshold implies that more than a half of the variance of the indicator is explained by the construct (Joseph F. Hair et al., 2019). Therefore, if the minimum recommended threshold is guaranteed, item reliability is assured. Indicator loadings were analysed and all items loading under the minimum threshold were dropped: eight items from the VCC scale; fourteen items from the Individual Value Dimension scale; nine items from the Luxury Brand Attitude scale; and, lastly, four items from the Brand Desire scale.

Construct reliability was then examined. Internal consistency was first measured using Cronbach's α to access how closely related each set of items are. A Cronbach's α of 0.7 is defined as being adequate, one of around 0.8 is considered to be very good and values around 0.9 are considered to be excellent (Kline, 2015). However, SmartPLS 3 suggests a threshold of 0.7. All constructs in our model exceed the minimum threshold for the Cronbach's α. Joseph F. Hair et al. (2019) state that composite reliability is a more precise measure of construct reliability because the items are weighted based on the individual loadings of each indicator of a construct – whereas with Cronbach's α they are unweighted. Therefore, composite reliability was calculated. All constructs exceed the 0.7 threshold suggested by SmartPLS3 and, although they are around 0.9, none of them exceeds 0.95 which could bring concernment regarding item redundancy (Joseph F. Hair et al., 2019). The reliability measurements presented in Table 1 allow us to conclude that reliability is accomplished.

We then proceeded to the evaluation of each construct's convergent validity. For this purpose, Average Variance Extracted (AVE), that "measures the extent to which the average variance of the indicators is explained by the construct" (Duarte & Amaro, 2018), was calculated. If the AVE is of at least 0.5, it means that at least half of the variance of a construct's items are explained by the construct (Joseph F. Hair et al., 2019). Table 1 shows that the AVE for all constructs exceeds 0.5 and, therefore, we are in the presence of convergent validity.

Finally, discriminant validity was assessed. To evaluate if each construct in our model has the strongest relationships with its own indicators, i.e., "if each construct is empirically

unique and captures a phenomenon not represented by other constructs in a statistical model" (Joseph F Hair et al., 2019), the Heterotrait-Monotrait Ratio (HTMT) of correlations was calculated. Although the Fornell-Larcker criterion has also been extensively used in the literature as a measurement of discriminant validity, both recent papers (e.g. Henseler, Ringle, and Sarstedt (2015); Joseph F. Hair et al. (2019)) and SmartPLS 3 software developers advise that this method does not perform well when indicator loadings on a construct are similar. Therefore, only HTMT results are reported in our study. While SmartPLS 3 sets the limit for HTMT at 0.85, that threshold applies to cases where the constructs are conceptually very distinct (Henseler et al., 2015). When the constructs are more similar, a threshold of 0.9 is suggested (Duarte & Amaro, 2018; Joseph F. Hair et al., 2019; Henseler et al., 2015). Therefore, we conclude that discriminant validity is achieved because all HTMT values are under 0.9 as shown in Table 2.

Table 1 - Reliability and validity measurements

	Cronbach's α	Composite Reliability	Average Variance Extracted (AVE)
VCC	0.916	0.929	0.543
IDLV	0.899	0.920	0.623
BA	0.773	0.869	0.688
BD	0.842	0.905	0.760

Table 2 - HTMT analysis results

	BA	BD	IDLV	VCC
BA				
BD	0.853			
IDLV	0.881	0.808		
VCC	0.675	0.680	0.716	

5.4. Results and Discussion

Since no collinearity issues were found – VIF for all constructs was under the threshold of 3 (Joseph F. Hair et al., 2019) -, the coefficient of determination (R^2) and the statistical significance of the path coefficients were calculated. A significance level of 10% was considered and, to ensure stability of results, a bootstrap subsample of 5,000 was used as recommended by SmartPLS 3 developers.

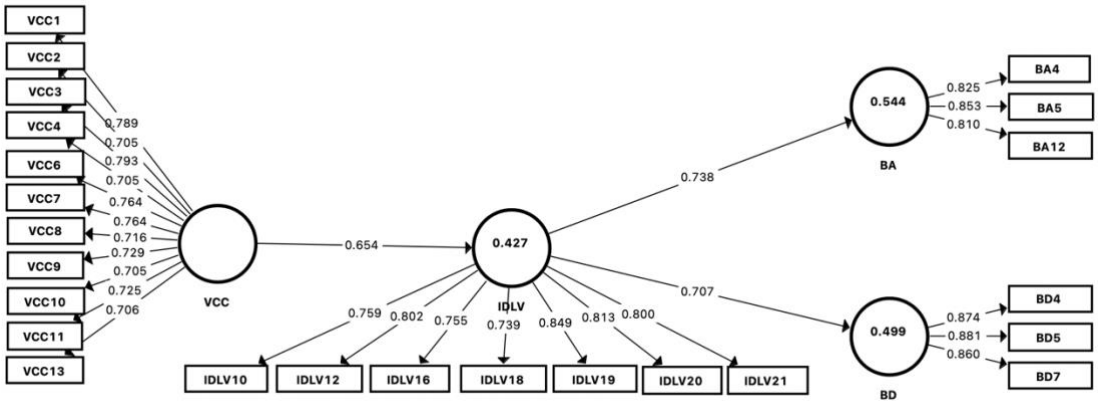


Figure 2 - Final Measurement Model; PLS-SEM; Smart-PLS 3

Figure 2 shows that R^2 values for IDLV, BA and BD are of around 0.5 and, therefore, the in-sample explanatory power of these constructs is considered to be moderate (Joseph F. Hair et al., 2019).

According to Table 3, all hypotheses regarding main effects (H1-H3) were supported.

Value co-creation has a positive impact on the individual dimension of luxury value perceptions. This result is in line with Gentile, Spiller, and Noci (2007) who report that a significant part of the value proposed and recognized by customers is linked to experiential features. It also supports Thomsen et al. (2020)'s unconventional luxury and confirms the paradigm shift towards highly experiential and inconspicuous luxury consumption where the symbolism attached to luxury is defined by the customer. Furthermore, in the Service-Dominant Logic, co-creating value implies a change in the well-being of an actor (Stephen L Vargo et al., 2020) so, according to this research's results, when this change is accomplished, the luxury brand also achieves individual utility for the customer (K. P. Wiedmann et al., 2009).

H2 established that the positive influence of emotional and hedonic values on brand attitude that Ruiz-Molina and Gil-Saura (2008) found to be significant in a non-luxury setting is also confirmed for luxury brands. The individual dimension of luxury value, which comprises emotional and hedonic values derived from the value co-creation experience, has a positive impact on luxury brand attitude. This conclusion is supported by the analysis of the indirect effects of value co-creation on brand attitude through the mediator IDLV (β=0.440; p=0.000) – Table 4.

The results show that the individual luxury value perceptions make luxury brands more desirable. Ward and Dahl (2014) concluded that brand rejection increases the consumer's desire for a luxury brand. However, as shown in Table 4, the results confirm that the opposite, i.e. welcoming the customer's involvement in the process and showing that the role of both parts is equally important also contributes to brand desire. More specifically, the results show that there is a positive and statistically significant mediating effect of IDLV between VCC and BD (β=0.415; p=0.000). As the luxury market shifts from the desire to signal status to the desire of having pleasurable experiences (Holmqvist, Visconti, et al., 2020; Shao et al., 2019), the customer experience becomes at least as important as the actual purchase (Holmqvist, Diaz Ruiz, & Peñaloza, 2020).

Table 3 - Hypotheses testing

Path	Coefficient	Sample Mean	Standard Deviation	t-value	p-value	Hypotheses
VCC→IDLV	0.588	0.589	0.030	19.794	0.000***	H1 supported
VCC*SMF → IDLV	0.057	0.056	0.031	1.805	0.071*	H1b) supported
IDLV→BA	0.749	0.749	0.018	41.477	0.000***	H2 supported
IDLV*Gender → BA	0.046	0.045	0.026	1.787	0.074*	H2b) supported
IDLV→BD	0.707	0.707	0.023	31.037	0.000***	H1b) supported

Note: 5,000 subsamples; bias-corrected; two-tailed; *p<0.1; **p<0.05; ***p<0.001;

Similarly, the moderating hypotheses H1b) and H2b) were also supported.

Hypothesis H1b) confirmed that social media moderate the impact of value co-creation on individual perceptions of luxury value. As one of the touchpoints in the service ecosystem where multiple luxury brands and their customers coexist and interact directly or indirectly, the results support the fact that social media take part in a value co-creation strategy and therefore are an extension of the H1 hypothesis to the digital world. With these results, we can corroborate and extend Cheung et al. (2021)'s conclusion that effective social media strategies strengthen value co-creation. That is so because 1) the mere fact that consumers follow luxury brands on social media, and not necessarily the one with which they had an experience of co-creation of value, makes the impact of co-creation of value on the individual dimension of luxury value superior and 2) the enlarged effect of value co-creation caused by SMF also extends to brand attitude (β=0.042; p=0.070) and brand desire (β=0.040; p=0.069) as the individual dimension of luxury value acts as a moderation mediator.

In line with the revised literature, we confirmed that men and women value luxury differently. Consequently, their attitude towards a luxury brand also varies. However, contrary to what would be expected considering the conclusions of Stokburger-Sauer and Teichmann (2013) and Meyers-Levy and Loken (2015), we found that the impact of the individual dimension of luxury value perceptions on the brand attitude is not superior for women but men. This result may be due to the fact that, unlike women, "men favour providing gains to the self" (Meyers-Levy & Loken, 2015). As the individual dimension of luxury value comprises self-directed pleasure, this conclusion may not be as unexpected as one would think.

Table 4 - Statistically significant total indirect effects and specific indirect effects

	Original Sample	Bootstrapping			
		Bias-corrected 90% confidence level		**Percentile 90% confidence level**	
		Lower	Upper	Lower	Upper
Total Indirect Effects					
VCC→BA	0.440***	0.399	0.483	0.398	0.485
VCC→BD	0.415***	0.372	0.462	0.371	0.463
VCC*SMF→BA	0.042*	0.004	0.082	0.004	0.082
VCC*SMF →BD	0.040*	0.004	0.077	0.004	0.077
Specific Indirect Effects					
VCC→IDLV→BA	0.440***	0.399	0.483	0.398	0.485
VCC→IDLV→BD	0.415***	0.372	0.462	0.371	0.463
VCC*SMF → IDLV→BA	0.042*	0.004	0.082	0.004	0.082
VCC*SMF →IDLV→BD	0.040*	0.004	0.077	0.004	0.077

Note: *p<0.1; ***p<0.001

5.5 Multi-Group Analysis

Multi-group Analysis was conducted using the nonparametric approach with the goal of validating the theoretical framework and the research's results among different subgroups of our dataset (Matthews, 2017). The multi-group analysis, performed through SmartPLS 3, was run using 5,000 bootstrap samples to ensure stability of results.

Initially, the data was divided into two different regions: Eastern and Western luxury customers. The results, presented in Table 5, show that, for these two groups, only the relationship between the individual dimension luxury value perceptions and brand attitude shows significant differences. Individual luxury value perceptions have a lower impact on brand attitude for Eastern luxury customers (β=0.707; p=0.000) than for Western luxury customers (β=0.771; p=0.000). This difference can be explained by cultural differences. Eastern countries typically correspond to collectivist societies where consumers do not emphasize individual luxury value perceptions as much as individualist, i.e. Western countries (Hennigs et al., 2012). Accordingly, the results suggest that although there is a significant positive impact of individual luxury value perceptions on brand attitude for both groups, this effect is greater for the region that is more emotionally attached to luxury (Dubois et al., 2005).

Table 5 - Multi-Group Analysis Region SmartPLS 3 (PLS-MGA)

Region: Eastern (N=336) vs. Western Countries (N=355)				
	Path Estimates		**Estimate (Eastern-Western)**	**Difference**
	Eastern	Western		p-value
VCC→ IDLV	0.608***	0.556***	0.052	0.209 (n.s.)
SMF*VCC→IDLV	0.044(n.s.)	0.080**	-0.036	0.309 (n.s.)
IDLV→BA	0.707***	0.771***	-0.064	0.047**
Gender*IDLV→BA	0.039(n.s.)	0.026(n.s.)	0.013	0.407 (n.s.)
IDLV→BD	0.669***	0.722***	-0.053	0.148 (n.s.)

Note: 5,000 subsamples; bias-corrected; two-tailed; *p<0.1; **p<0.05; ***p<0.001; n.s.: not significant

In order to further test the robustness of the proposed model, the data was divided into two different net income levels, i.e. 5,000€/month and under, and above 5,000€/month. Table 6 presents the path coefficient estimates of both subgroups, as well as the estimated differences between the path coefficients. The results suggest no significant differences between the path coefficients of both subgroups.

Table 6 - Multi-Group Analysis Income SmartPLS 3 (PLS-MGA)

Income: Higher (N=106) vs. Lower (N=674)				
	Path Estimates		**Estimate (Lower-Higher)**	**Difference**
	Higher	Lower		p-value
VCC→ IDLV	0.536***	0.597***	0.061	0.237 (n.s.)
SMF*VCC→IDLV	0.023 (n.s.)	0.065**	0.042	0.322 (n.s.)
IDLV→BA	0.749***	0.752***	0.002	0.499 (n.s.)
Gender*IDLV→BA	0.004 (n.s.)	0.052**	0.048	0.249 (n.s.)
IDLV→BD	0.736***	0.703***	-0.033	0.301 (n.s.)

Note: 5,000 subsamples; bias-corrected; two-tailed; *p<0.1; **p<0.05; ***p<0.001; n.s.: not significant

Considering the above results, it is concluded that the model presented in this investigation is structurally stable and cohesive, i.e. the validity of the conceptual framework is supported.

6. Conclusion

The shift from a product-centric view to a service and holistic view of marketing has long started for all brands, including luxury brands as they strive to ensure their customers perceive sufficient value that not only allows them to establish competitive advantages, but also to maintain and further develop their luxury status – but not in an inaccessible way as advanced by the definition of unconventional luxury.

Although luxury literature has pointed the Service-Dominant Logic as the right path for the future of luxury brand marketing and many guidelines for its application through its basis of value co-creation have been put forward, to the best of the authors knowledge, its real impact on luxury value perceptions and its transference to both brand attitude and brand desirability have never been explored empirically. Therefore, this research fills a gap in the luxury brand management literature by quantitatively determining, through PLS-SEM, the helpfulness of the Service-Dominant Logic to increase luxury brand value.

This research provides five main findings. First, this study has proved that value co-creation has a positive influence on individual luxury perceptions. Secondly, individual luxury value perceptions were found to not only have a positive impact on luxury brand attitude, but to also be a mediator for the influence of value co-creation on luxury brand attitude. Similarly, the research also showed that individual luxury value perceptions have a positive effect on brand desire and that those luxury perceptions are also a mediator of the positive impact that value co-creation has over brand desire. The investigation also allowed the conclusion that luxury brands' social media play an important role as a part of the value co-creation sphere. As opposed to the reviewed literature, the results found that the positive influence of individual luxury value perceptions on brand attitude is stronger for men.

Next, the theoretical and managerial contributions of this research are discussed in detail.

6.1. Theoretical Implications

This research offers numerous relevant theoretical implications.

Taking on Ranjan and Read (2016)'s suggestion, this investigation found a direct consequence of value co-creation. To the best of the authors' knowledge, this investigation was the first to focus on quantitatively analysing the impact that value co-creation through all touchpoints on individual luxury value perceptions from the luxury consumers' perspective and in a cross-cultural setting. In line with Thomsen et al. (2020)'s view of luxury as an inconspicuous experience which is meaningful to the customer, the results from this investigation show that value co-creation is a source of customer value. More specifically, the openness to personalized interactions between the luxury brand and the customer, and the fact that the luxury brand allows and invites the customer to play a proactive role in its processes, therefore creating experiences that remain in the customer's memory (Ranjan & Read, 2016), make the customer regard the encounters with the luxury brand as hedonic experiences that generate identification. The encounters where value is co-created bring meaning to the luxury customer's life, thus contributing to self-actualization and improving his quality of life (K. P. Wiedmann et al., 2009). Consequently, the luxury value attributed by the customer to the brand is positively influenced by the fact that the luxury brand follows the Service-Dominant Logic approach in its processes.

The findings also show that value co-creation positively affects luxury brand attitude through the mediating effect of individual luxury value perceptions. This implies that the more the individual luxury value the customer perceives from the co-creation experience, the more positive his attitude toward the luxury brand that provided the co-creation environment will be. This result is in line with Harrigan, Roy, and Chen (2020)'s conclusion that brand advocacy, which can be predicted by brand attitude, is positively affected by value co-creation. Similarly, the present research found empirical evidence that value co-creation exerts a positive effect on brand desire through the mediating effect of individual luxury value perceptions. This outcome brought extra significance to Joshi and Yadav (2020)'s research by, as suggested by the authors, extending brand desire – an "under-researched area" – to luxury research and in a cross-cultural setting.

The moderating influence of social media was also investigated. It was found that when the customer follows luxury brands on social media, the positive impact of value co-creation on individual luxury value perceptions and, consequently, on brand attitude and brand desire is stronger. This outcome not only corroborates Cheung et al. (2021)'s finding

that effective social media marketing strategies strengthen value co-creation, but it also extends it by confirming Stephen L Vargo et al. (2020)'s Service Ecosystem. Indeed, in the realm of luxury social media, value is not only co-created through brand-related digital encounters (Choi et al., 2016) but also through interactions between other actors such as other luxury brands or even other customers. Furthermore, this result is in line with the results of Martín-Consuegra, Díaz, Gómez, and Molina (2019)'s study, which concluded that hedonic value is the most important aspect in developing a relationship with luxury brands on social media.

Similarly to other investigations (e.g. Roux et al. (2017); Meyers-Levy and Loken (2015)), this research's results also point to the fact that gender plays a moderating role, thus making the positive impact of individual dimensions of luxury value perceptions on brand attitude stronger. However, contrarily to Stokburger-Sauer and Teichmann (2013)'s conclusion, this investigation suggests that individual luxury value perceptions have a stronger influence on brand attitude for men.

Since value co-creation is a social activity, it is subject to institutional arrangements such as cultural beliefs (Stephen L Vargo et al., 2020; Stephen L Vargo & Lusch, 2016). For that reason, this investigation accommodated attitudinal differences caused by culture that have vastly been mentioned in the literature (e.g. Hennigs et al. (2012); Dubois et al. (2005)). For most of the hypothesised relationships, no empirical evidence was found regarding differences caused by culture between Eastern and Western luxury customers. The absence of discrepancies might have happened because culture is converging in the direction of individualism which means that collectivist societies, i.e., Eastern societies, may adopt some individualist elements without changing their overall identity as collectivists (Bian & Forsythe, 2012). However, although both regions perceive individual and hedonic aspects of luxury consumption to be important (Hennigs et al., 2012), the impact of individual luxury value perceptions on brand attitude is stronger for Western luxury consumers.

Finally, this research contributes to the marketing and luxury brand management literature by consolidating the definition of unconventional luxury (Thomsen et al., 2020). The results from the investigation prove that value co-creation contributes to increasing the perceived luxury value of a brand, as well as brand attitude and brand desire, independently of the income level of the customers. Therefore, value co-creation contributes to make luxury consumption inconspicuous and experiential (Thomsen et al., 2020). Moreover, since no income-caused differences were observed, our results support the democratization of

luxury (C. Rodrigues & Rodrigues, 2019) where luxury products and services are accessible to many (Thomsen et al., 2020).

Altogether, this investigation contributes to the application of the Service-Dominant Logic in luxury by (1) quantitatively proving its helpfulness to increasing the perceived luxury value of a brand, (2) identifying individual luxury value perceptions as a mediator between value co-creation, and brand attitude and brand desire, (3) supporting the relevance of incorporating social media management as an important resource for value co-creation, (4) highlighting gender-caused differences between individual luxury value and brand attitude, (5) pointing the Service-Dominant Logic as an important approach for luxury brands as the market evolves to new forms of luxury such as unconventional luxury.

6.2. Managerial Implications

This research brings valuable insights for luxury brand managers.

The results show that through value co-creation, the Service-Dominant Logic approach contributes to increasing the perceived value of luxury brands, which, in turn, enhances brand attitude and brand desire. Therefore, as managers work towards consolidating and increasing brand equity, additional attention must be paid to the brands' processes by focusing on fostering interactions with actual and potential customers, as well as by strengthening relationships that go beyond the moment of the commercial transaction.

Since hedonism plays a significant role in individual value, managers must develop integrated processes that culminate in memorable customer experiences. From this perspective, it is important to remember that customer involvement is fundamental for value co-creation and that, therefore, experiences must be personalized and tailored to the customer's needs and expectations. Managers should keep this in mind because the meaning of co-created luxury value is personal and differently determined from agent to agent.

This study also showed that digital marketing and, specifically, social media play an important role. As discussed, the impact of value co-creation on individual luxury value perceptions, brand attitude and brand desire is stronger when the customers follow luxury brands. This conclusion suggests that luxury brand managers should develop value co-creation strategies that intersect at all points common to the brand. Additionally, social media managers, in articulation with the strategies and objectives defined at the brand level, should use social media in order to increase the engagement of clients and potential clients; invite

them to share their ideas, suggestions and opinions; and encourage content co-production. Furthermore, since our sample was asked whether they follow luxury brands on social media or not and not just if they follow the luxury brand on which they based their answers, the results indicate that collaborations between luxury brands on these digital platforms could increase the impact of value co-creation on the perceived luxury value, on the attitude toward the brand, and on brand desire.

The results show that individual luxury value perceptions have an important mediating role. Therefore, it is suggested that luxury marketing managers appeal to the emotional, self-directed and personalized side of luxury consumption when designing their communication.

A great example of the application of the S-D Logic in luxury belongs to Louis Vuitton. The French luxury fashion brand taps several areas of co-production and value-in-use by allowing their customers to, for example, order personalized pieces. In some cases, Louis Vuitton goes even further by having artists in their stores to hand-paint designs as requested by the customer and this service is complimentary. By doing it in-store, Louis Vuitton provides a delightful experience for everyone who visits. Furthermore, they expand the experience to even more customers and potential customers by allowing their artists, the so-called #LVartisans, to share the painting process of the custom orders on social media.

Finally, since men and women do not have the same response to the individual luxury value of brands, marketing managers should base their strategies and communication on the individual motivations that each gender values the most.

In conclusion, through the Service-Dominant Logic lens and considering the individual dimension of luxury value perceptions, luxury brand and marketing managers should think of luxury brands as the feeling customers get from interacting with their company before, during and after.

6.3. Limitations and Future Research

Despite its theoretical and managerial implications, the present research presents some limitations that may be overcome in future research.

First, considering the method that was used for data collection, the results are limited by the assumption that respondents carefully read and comprehended each one of the items in the questionnaire. Furthermore, although we targeted luxury consumers and we added a

question where we specifically asked if the respondent has ever bought a product or service from a luxury brand, we cannot affirm that the whole sample was composed of luxury consumers. Therefore, replicating this study using another method of data collection is suggested.

Second, we presented a definition of luxury to the respondents and they were asked to base their responses on either the last experience they had had when purchasing from a luxury brand or on a luxury brand they had bought a product from in the past – for example, their favourite luxury brand or the one they bought more often. This brings a limitation because we cannot confirm that all respondents based their responses on an actual luxury brand. It would also have been interesting to match the answers to specific luxury brands. Therefore, future research should ask the respondents to specify the luxury brands on which they are basing their responses.

Additionally, we did not specify any category within the luxury industry which probably led this research to a considerable heterogeneity of luxury brands. Consequently, we were not able to account for possible differences within the luxury industry. Thus, further research could explore the existence of these differences.

Third, while we acknowledged that there are more actors in the value co-creation process besides the luxury brand and the customer, future research could hypothesise the impact of the interference of other customers in the process and its consequences on perceived individual luxury value, brand attitude and brand desire.

Fourth, this research considered value co-creation as a single construct. Further research could dwell into its dimensions – co-production and value-in-use – and explore the impact of each one on the individual dimension of luxury value perceptions. Similarly, it would be relevant to analyse further the impact of value co-creation on the three antecedents of individual value, i.e., self-identity value, hedonic value, and materialistic value.

Finally, although PLS-SEM is the recommended analysis for researches similar to this one, its procedures - such as goodness-of-fit thresholds – have not been fully established yet. Therefore, replicating this research once those procedures are fully established in the academia would bring additional confidence to our results.

6.4. Final Considerations

Despite its limitations, the present research contributes to the luxury marketing literature and allows luxury brand managers to understand how the Service-Dominant Logic is a helpful approach to increase the perceived luxury value of a brand, as well as brand attitude and brand desire – two constructs related to brand equity - through individual luxury value perceptions.

This research provided significant insights regarding the relevance of social media. This is of special relevance because digital experiences and personalization are two major trends for the luxury industry (P. Rodrigues & Borges, 2021).

The pertinence of the concept of unconventional luxury was supported and concluding that income level discrepancies do not play a moderating role emphasised the democratization of luxury. All in all, the results show that new forms of luxury are, indeed, a reality.

Taking the above in consideration, this research provided a base for further investigation of how the Service-Dominant Logic can, through value co-creation, be applied to luxury brands while taking new and unconventional forms of luxury in consideration.

Appendix

Appendix 1: Items used in the questionnaire

Value Co-creation (VCC)	VCC1	The party was open to my ideas and suggestions about its existing products or towards developing a new product.	(Ranjan & Read, 2016)
	VCC2	I would willingly spare time and effort to share my ideas and suggestions with the party in order to help it improve its products and processes further.	
	VCC3	The party provided suitable environment and opportunity to me to offer suggestions and ideas.	
	VCC4	The party had an easy access to information about my preferences.	
	VCC5	The processes at this party are aligned with my requirements (i.e. the way I wish them to be).	
	VCC6	The party considered my role to be as important as its own in the process.	
	VCC7	We shared an equal role in determining the final outcome of the process.	
	VCC8	During the process, I could conveniently express my specific requirements.	
	VCC9	The party allowed sufficient consumer interaction in its business processes (product development, marketing, assisting other customers, etc.).	
	VCC10	In order to get maximum benefit from the process (or, product), I had to play a proactive role during my interaction (i.e., I have to apply my skill, knowledge, time, etc.).	

	VCC11	It was a memorable experience for me (i.e., the memory of the process lasted for quite a while).	
	VCC12	Depending upon the nature of my own participation, my experiences in the process might be different from other consumers.	
	VCC13	It was possible for a consumer to improve the process by experimenting and trying new things.	
	VCC14	The benefit, value, or fun from the process (or, the product) depended on the user and the usage condition.	
	VCC15	Different consumers, depending on their taste, choice, or knowledge, involve themselves differently in the process (or, with the product).	
	VCC16	The party provided an overall good experience, beyond the "functional" benefit.	
	VCC17	I felt an attachment or relationship with the party.	
	VCC18	There was usually a group, a community, or a network of consumers who are a fan of the party.	
	VCC19	The party was renowned because its consumers usually spread positive word about it in their social networks.	
Individual Dimension of Luxury Value Perceptions (IDLV)	IDLV1	I never buy a luxury brand inconsistent with the characteristics with which I describe myself.	(K. P. Wiedmann et al., 2009)

IDLV2	The luxury brands I buy must match what and who I really am.
IDLV3	My choice of luxury brands depends on whether they reflect how I see myself but not how others see me.
IDLV4	My life would be better if I owned certain things I don't have.
IDLV5	I'd be happier if I could afford to buy more things.
IDLV6	It sometimes bothers me quite a bit that I can't afford to buy all the things I'd like.
IDLV7[R]	I have all the things I really need to enjoy life.
IDLV8	Purchasing luxury brands can be seen as giving me gifts to celebrate an occasion that I believe significant to me.
IDLV9	On the whole, I may regard luxury brands as gifts I buy for treating myself.
IDLV10	When in a bad mood, I may buy luxury brands as self-given gifts for alleviating the emotional burden.
IDLV11	Reward for hard work or that I feel I have earned or am entitled to is an important motivator for my luxury consumption.
IDLV12	To me, luxury consumption is a way to reduce stress.
IDLV13	I enjoy spending money on things that aren't practical.
IDLV14[R]	I usually buy only the things I need.
IDLV15	Buying things gives me a lot of pleasure.
IDLV16	Luxury brands are one of the sources for my own pleasure without regard to the feelings of others.

	IDLV17	I can enjoy luxury brands entirely on my own terms no matter what others may feel about them.	
	IDLV18	For me as a luxury consumer, cultural development is an important motivator.	
	IDLV19	Purchasing luxury brands provides deeper meaning in my life.	
	IDLV20	Self-actualization is an important motivator for my luxury consumption.	
	IDLV21	Luxury consumption enhances the quality of my life.	
Brand Attitude (BA)	BA1	In my opinion, luxury is pleasant.	(Dubois & Laurent, 1994)
	BA2	In my opinion, luxury is old-fashioned.	
	BA3	In my opinion, luxury is flashy.	
	BA4	Luxury makes me dream.	
	BA5	Luxury products make life more beautiful.	
	BA6	I could talk about luxury for hours.	
	BA7	I would not feel at ease in a luxury shop.	
	BA8	One buys luxury goods primarily for one's pleasure.	
	BA9	The luxury products we buy reveal a little bit of who we are.	
	BA10	People who buy those products seek to imitate the rich.	
	BA11	People who buy those products try to differentiate themselves from others.	
	BA12	Those who buy luxury products are refined people.	

Brand Desire (BD)	BD1	I feel strong urge to buy this brand.	(Joshi & Yadav, 2020)
	BD2	This brand is my dream possession.	
	BD3	This brand is my favourite brand.	
	BD4	I want to buy this brand as soon as possible.	
	BD5	I have a strong desire to buy this brand.	
	BD6	This brand is my aspiration.	
	BD7	I want to possess this brand.	

[R] Reverse coded items

Appendix 2: Nationality of the respondents

IN	**USA**	**BR**	**IT**	**UK**	**CAN**	**ES**	**VE**	**FR**
35.48%	32.02%	8.45%	5.60%	2.26%	0.95%	0.83%	0.71%	0.60%
DE	**NI**	**CN**	**MK**	**PT**	**GR**	**PL**	**PH**	**LK**
0.48%	0.48%	0.36%	0.36%	0.24%	0.24%	0.24%	0.24%	0.24%
M.N.	**N.A.**							
0.71%	9.29%							

USA – United States of America; IN – India; BR – Brazil; IT – Italy; UK – United Kingdom; CAN – Canada; ES – Spain; VE – Venezuela; FR – France; DE – Germany; NI – Nigeria; CN – China; MK – North Macedonia; PT – Portugal; GR – Greece; PL – Poland; PH – Philippines; LK – Sri Lanka; M.N. – Mixed Nationalities; N.A. – Not Answered/other

Bibliographic References

Aaker David, A. (1992). Managing the most important assets: Brand equity. *Planning Review, 20*(5), 56-58. doi:10.1108/eb054384

Achille, A., & Zipser, D. (2020). A perspective for the luxury-goods industry during—and after—coronavirus. *McKinsey & Company*.

Aulia, S. A., Sukati, I., & Sulaiman, Z. (2016). A review: Customer perceived value and its Dimension. *Asian Journal of Social Sciences and Management Studies, 3*(2), 150-162.

Babin, B. J., Darden, W. R., & Griffin, M. (1994). Work and/or fun: measuring hedonic and utilitarian shopping value. *Journal of Consumer Research, 20*(4), 644-656.

Berthon, P., Pitt, L., Parent, M., & Berthon, J.-P. (2009). Aesthetics and ephemerality: observing and preserving the luxury brand. *California Management Review, 52*(1), 45-66.

Bian, Q., & Forsythe, S. (2012). Purchase intention for luxury brands: A cross cultural comparison. *Journal of Business Research, 65*(10), 1443-1451. doi:https://doi.org/10.1016/j.jbusres.2011.10.010

Cheung, M. L., Pires, G. D., Rosenberger III, P. J., Leung, W. K., & Ting, H. (2021). Investigating the role of social media marketing on value co-creation and engagement: An empirical study in China and Hong Kong. *Australasian Marketing Journal, 29*(2), 118-131.

Choi, E., Ko, E., & Kim, A. J. (2016). Explaining and predicting purchase intentions following luxury-fashion brand value co-creation encounters. *Journal of Business Research, 69*(12), 5827-5832. doi:https://doi.org/10.1016/j.jbusres.2016.04.180

Choo, H. J., Moon, H., Kim, H., & Yoon, N. (2012). Luxury customer value. *Journal of Fashion Marketing and Management: An International Journal*.

Christodoulides, G., Michaelidou, N., & Li, C. H. (2009). Measuring perceived brand luxury: An evaluation of the BLI scale. *Journal of Brand Management, 16*(5), 395-405. doi:10.1057/bm.2008.49

Conejo, F. J., Cunningham, L. F., & Young, C. E. (2020). Revisiting the Brand Luxury Index: new empirical evidence and future directions. *Journal of Brand Management, 27*(1), 108-122. doi:10.1057/s41262-019-00168-4

Conway, J. M., & Lance, C. E. (2010). What Reviewers Should Expect from Authors Regarding Common Method Bias in Organizational Research. *Journal of Business and Psychology, 25*(3), 325-334. doi:10.1007/s10869-010-9181-6

Cova, B. (1997). Community and consumption. *European Journal of Marketing*.

Cristini, H., Kauppinen-Räisänen, H., Barthod-Prothade, M., & Woodside, A. (2017). Toward a general theory of luxury: Advancing from workbench definitions and theoretical transformations. *Journal of Business Research, 70*, 101-107. doi:https://doi.org/10.1016/j.jbusres.2016.07.001

De Barnier, V., Falcy, S., & Valette-Florence, P. (2012). Do consumers perceive three levels of luxury? A comparison of accessible, intermediate and inaccessible luxury brands. *Journal of Brand Management, 19*(7), 623-636. doi:10.1057/bm.2012.11

De Chernatony, L. (2010). *From brand vision to brand evaluation: The strategic process of growing and strengthening brands*: Routledge.

Duarte, P., & Amaro, S. (2018). Methods for modelling reflective-formative second order constructs in PLS: An application to online travel shopping. *Journal of Hospitality and Tourism Technology*.

Dubois, B., Czellar, S., & Laurent, G. (2005). Consumer Segments Based on Attitudes Toward Luxury: Empirical Evidence from Twenty Countries. *Marketing Letters, 16*(2), 115-128. doi:10.1007/s11002-005-2172-0

Dubois, B., & Laurent, G. (1994). Attitudes towards the concept of luxury: An exploratory analysis. *ACR Asia-Pacific Advances*.

Dubois, B., Laurent, G., & Czellar, S. (2001). *Consumer rapport to luxury: Analyzing complex and ambivalent attitudes*. Retrieved from

Faircloth, J. B., Capella, L. M., & Alford, B. L. (2001). The Effect of Brand Attitude and Brand Image on Brand Equity. *Journal of Marketing Theory and Practice, 9*(3), 61-75. doi:10.1080/10696679.2001.11501897

Gentile, C., Spiller, N., & Noci, G. (2007). How to Sustain the Customer Experience:: An Overview of Experience Components that Co-create Value With the Customer. *European Management Journal, 25*(5), 395-410. doi:https://doi.org/10.1016/j.emj.2007.08.005

Gil, L. A., Kwon, K.-N., Good, L. K., & Johnson, L. W. (2012). Impact of self on attitudes toward luxury brands among teens. *Journal of Business Research, 65*(10), 1425-1433. doi:https://doi.org/10.1016/j.jbusres.2011.10.008

Hair, J., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An updated and expanded assessment of PLS-SEM in information systems research. *Industrial Management & Data Systems, 117*(3), 442-458. doi:10.1108/IMDS-04-2016-0130

Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a Silver Bullet. *Journal of Marketing Theory and Practice, 19*(2), 139-152. doi:10.2753/MTP1069-6679190202

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review, 31*(1), 2-24. doi:10.1108/EBR-11-2018-0203

Hair, J. F., Sarstedt, M., Pieper, T. M., & Ringle, C. M. (2012). The Use of Partial Least Squares Structural Equation Modeling in Strategic Management Research: A Review of Past Practices and Recommendations for Future Applications. *Long Range Planning, 45*(5), 320-340. doi:https://doi.org/10.1016/j.lrp.2012.09.008

Hair, J. F., Sarstedt, M., & Ringle, C. M. (2019). Rethinking some of the rethinking of partial least squares. *European Journal of Marketing*.

Harrigan, P., Roy, S. K., & Chen, T. (2020). Do value cocreation and engagement drive brand evangelism? *Marketing Intelligence & Planning*.

Hennigs, N., Wiedmann, K. P., Klarmann, C., Strehlau, S., Godey, B., Pederzoli, D., . . . Donvito, R. (2012). What is the value of luxury? A cross-cultural consumer perspective. *Psychology & Marketing, 29*(12), 1018-1034.

Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science, 43*(1), 115-135.

Hirschman, E. C., & Holbrook, M. B. (1982). Hedonic consumption: emerging concepts, methods and propositions. *Journal of marketing, 46*(3), 92-101.

Holbrook, M. B. (1994). Axiology, aesthetics, and apparel: Some reflections on the old school tie. *Aesthetics of textiles and clothing: Advancing multi-disciplinary perspectives, ITAA Special Publication, 7*, 80132-81360.

Holbrook, M. B. (1999). *Consumer value: a framework for analysis and research*: Psychology Press.

Holmqvist, J., Diaz Ruiz, C., & Peñaloza, L. (2020). Moments of luxury: Hedonic escapism as a luxury experience. *Journal of Business Research, 116*, 503-513. doi:https://doi.org/10.1016/j.jbusres.2019.10.015

Holmqvist, J., Visconti, L. M., Grönroos, C., Guais, B., & Kessous, A. (2020). Understanding the value process: Value creation in a luxury service context. *Journal of Business Research, 120*, 114-126. doi:https://doi.org/10.1016/j.jbusres.2020.07.002

Hughes, M. Ü., Bendoni, W. K., & Pehlivan, E. (2016). Storygiving as a co-creation tool for luxury brands in the age of the internet: a love story by Tiffany and thousands of lovers. *Journal of Product & Brand Management*.

Jordan, P. W. (1998). Human factors for pleasure in product use. *Applied ergonomics, 29*(1), 25-33.

Joshi, R., & Yadav, R. (2020). Brand Desire: Scale Development and Empirical Examination. *Journal of Asia-Pacific Business, 21*(3), 169-184. doi:10.1080/10599231.2020.1783971

Kapferer, J.-N., & Valette-Florence, P. (2018). The impact of brand penetration and awareness on luxury brand desirability:: A cross country analysis of the relevance of the rarity principle. *Journal of Business Research, 83*, 38-50. doi:https://doi.org/10.1016/j.jbusres.2017.09.025

Kapferer, J.-N. M., & Valette-Florence, P. (2018). The impact of increased brand penetration on luxury desirability: a dual effect. *Journal of Brand Management, 25*(5), 424-435. doi:10.1057/s41262-018-0091-7

Kauppinen-Räisänen, H., Björk, P., Lönnström, A., & Jauffret, M.-N. (2018). How consumers' need for uniqueness, self-monitoring, and social identity affect their choices when luxury brands visually shout versus whisper. *Journal of Business Research, 84*, 72-81. doi:https://doi.org/10.1016/j.jbusres.2017.11.012

Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of marketing, 57*(1), 1-22.

Kim, J.-H. (2019). Imperative challenge for luxury brands: Generation Y consumers' perceptions of luxury fashion brands' e-commerce sites. *International Journal of Retail & Distribution Management, 47*(2), 220-244. doi:10.1108/IJRDM-06-2017-0128

Kline, R. B. (2015). *Principles and practice of structural equation modeling*: Guilford publications.

Ko, E., Costello, J. P., & Taylor, C. R. (2019). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research, 99*, 405-413. doi:https://doi.org/10.1016/j.jbusres.2017.08.023

Koivisto, E., & Mattila, P. (2020). Extending the luxury experience to social media – User-Generated Content co-creation in a branded event. *Journal of Business Research, 117*, 570-578. doi:https://doi.org/10.1016/j.jbusres.2018.10.030

Liu, F., Li, J., Mizerski, D., & Soh, H. (2012). Self-congruity, brand attitude, and brand loyalty: a study on luxury brands. *European Journal of Marketing, 46*(7/8), 922-937. doi:10.1108/03090561211230098

Loureiro, S. M. C., Jiménez-Barreto, J., & Romero, J. (2020). Enhancing brand coolness through perceived luxury values: Insight from luxury fashion brands. *Journal of Retailing and Consumer Services, 57*. doi:10.1016/j.jretconser.2020.102211

Marôco, J. (2010). *Análise de equações estruturais: Fundamentos teóricos, software & aplicações*: ReportNumber, Lda.

Martín-Consuegra, D., Díaz, E., Gómez, M., & Molina, A. (2019). Examining consumer luxury brand-related behavior intentions in a social media context: The moderating role of hedonic and utilitarian motivations. *Physiology & behavior, 200*, 104-110.

Mason, R. (1984). Conspicuous Consumption: A Literature Review. *European Journal of Marketing, 18*(3), 26-39. doi:10.1108/EUM0000000004779

Matthews, L. (2017). Applying Multigroup Analysis in PLS-SEM: A Step-by-Step Process. In H. Latan & R. Noonan (Eds.), *Partial Least Squares Path Modeling: Basic Concepts, Methodological Issues and Applications* (pp. 219-243). Cham: Springer International Publishing.

Meyers-Levy, J., & Loken, B. (2015). Revisiting gender differences: What we know and what lies ahead. *Journal of Consumer Psychology, 25*(1), 129-149.

Mirvis, P. H. (1994). Environmentalism in progressive businesses. *Journal of Organizational Change Management*.

Nueno, J. L., & Quelch, J. A. (1998, 1998/11//). The Mass Marketing of Luxury. *Business Horizons, 41(6),* 61.

Oliveira, M., & Fernandes, T. (2020). Luxury brands and social media: drivers and outcomes of consumer engagement on Instagram. *Journal of Strategic Marketing*, 1-19. doi:10.1080/0965254X.2020.1777459

Parguel, B., Delécolle, T., & Valette-Florence, P. (2016). How price display influences consumer luxury perceptions. *Journal of Business Research, 69*(1), 341-341-348. doi:10.1016/j.jbusres.2015.08.006

Park, C. W., Jaworski, B. J., & MacInnis, D. J. (1986). Strategic brand concept-image management. *Journal of marketing, 50*(4), 135-145.

Payne, A., Storbacka, K., Frow, P., & Knox, S. (2009). Co-creating brands: Diagnosing and designing the relationship experience. *Journal of Business Research, 62*(3), 379-389. doi:https://doi.org/10.1016/j.jbusres.2008.05.013

Phau, I., & Prendergast, G. (2000). Consuming luxury brands: The relevance of the 'Rarity Principle'. *Journal of Brand Management, 8*(2), 122-138. doi:10.1057/palgrave.bm.2540013

Prahalad, C. K., & Ramaswamy, V. (2004). Co-creation experiences: The next practice in value creation. *Journal of Interactive Marketing, 18*(3), 5-14. doi:https://doi.org/10.1002/dir.20015

Raggio, R. D., & Leone, R. P. (2007). The theoretical separation of brand equity and brand value: Managerial implications for strategic planning. *Journal of Brand Management, 14*(5), 380-395.

Ranjan, K. R., & Read, S. (2016). Value co-creation: concept and measurement. *Journal of the Academy of Marketing Science, 44*(3), 290-315. doi:10.1007/s11747-014-0397-2

Rodrigues, C., & Rodrigues, P. (2019). Brand love matters to Millennials: the relevance of mystery, sensuality and intimacy to neo-luxury brands. *Journal of Product & Brand Management.*

Rodrigues, P., & Borges, A. P. (2021). New Luxury vs. Old Luxury: What Is the Definition of Luxury Brand? In *Building Consumer-Brand Relationship in Luxury Brand Management* (pp. 45-64): IGI Global.

Romaniuk, J., & Huang, A. (2020). Understanding consumer perceptions of luxury brands. *International Journal of Market Research, 62*(5), 546-546-560. doi:10.1177/1470785319891109

Roux, E., Tafani, E., & Vigneron, F. (2017). Values associated with luxury brand consumption and the role of gender. *Journal of Business Research, 71*, 102-113. doi:https://doi.org/10.1016/j.jbusres.2016.10.012

Ruiz-Molina, M.-E., & Gil-Saura, I. (2008). Perceived value, customer attitude and loyalty in retailing. *Journal of Retail & Leisure Property, 7*(4), 305-314. doi:10.1057/rlp.2008.21

Salehzadeh, R., & Pool, J. K. (2017). Brand Attitude and Perceived Value and Purchase Intention toward Global Luxury Brands. *Journal of International Consumer Marketing, 29*(2), 74-82. doi:10.1080/08961530.2016.1236311

Sánchez-Fernández, R., & Iniesta-Bonillo, M. Á. (2007). The concept of perceived value: a systematic review of the research. *Marketing Theory, 7*(4), 427-451. doi:10.1177/1470593107083165

Shao, W., Grace, D., & Ross, M. (2019). Consumer motivation and luxury consumption: Testing moderating effects. *Journal of Retailing and Consumer Services, 46*, 33-44. doi:https://doi.org/10.1016/j.jretconser.2018.10.003

Sheth, J. N., Newman, B. I., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research, 22*(2), 159-170.

Shukla, P., Singh, J., & Banerjee, M. (2015). They are not all same: variations in Asian consumers' value perceptions of luxury brands. *Marketing Letters, 26*(3), 265-278. doi:10.1007/s11002-015-9358-x

Smith, J. B., & Colgate, M. (2007). Customer value creation: a practical framework. *Journal of Marketing Theory and Practice, 15*(1), 7-23.

Spears, N., & Singh, S. (2004). Measuring Attitude Toward the Brand and Purchase Intentions. *Journal of Current Issues and Research in Advertising, 26*, 53-66. doi:10.1080/10641734.2004.10505164

Stokburger-Sauer, N. E., & Teichmann, K. (2013). Is luxury just a female thing? The role of gender in luxury brand consumption. *Journal of Business Research, 66*(7), 889-896. doi:https://doi.org/10.1016/j.jbusres.2011.12.007

Swait, J., & Sweeney, J. C. (2000). Perceived value and its impact on choice behavior in a retail setting. *Journal of Retailing and Consumer Services, 7*(2), 77-88.

Thomsen, T. U., Holmqvist, J., von Wallpach, S., Hemetsberger, A., & Belk, R. W. (2020). Conceptualizing unconventional luxury. *Journal of Business Research, 116*, 441-445. doi:https://doi.org/10.1016/j.jbusres.2020.01.058

Tian, K. T., Bearden, W. O., & Hunter, G. L. (2001). Consumers' Need for Uniqueness: Scale Development and Validation. *Journal of Consumer Research, 28*(1), 50-66. doi:10.1086/321947

Tidwell, P., & Dubois, B. (1996). A cross-cultural comparison of attitudes toward the luxury concept in Australia and France. *ACR Asia-Pacific Advances*.

Tran, T. P., Mai, E. S., & Taylor, E. C. (2021). Enhancing brand equity of branded mobile apps via motivations: A service-dominant logic perspective. *Journal of Business Research, 125*, 239-251. doi:https://doi.org/10.1016/j.jbusres.2020.12.029

Tynan, C., McKechnie, S., & Chhuon, C. (2010). Co-creating value for luxury brands. *Journal of Business Research, 63*(11), 1156-1163. doi:https://doi.org/10.1016/j.jbusres.2009.10.012

Ullman, J. B., & Bentler, P. M. (2012). Structural Equation Modeling. In *Handbook of Psychology, Second Edition*.

Vargo, S. L., Koskela-Huotari, K., & Vink, J. (2020). Service-dominant logic: foundations and applications. *The Routledge handbook of service research insights and ideas*, 3-23.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a New Dominant Logic for Marketing. *Journal of marketing, 68*(1), 1-17. doi:10.1509/jmkg.68.1.1.24036

Vargo, S. L., & Lusch, R. F. (2008). Service-dominant logic: continuing the evolution. *Journal of the Academy of Marketing Science, 36*(1), 1-10.

Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: an extension and update of service-dominant logic. *Journal of the Academy of Marketing Science, 44*(1), 5-23.

Vigneron, F., & Johnson, L. W. (1999). A review and a conceptual framework of prestige-seeking consumer behavior. *Academy of Marketing Science Review, 1*(1), 1-15.

Vigneron, F., & Johnson, L. W. (2004). Measuring perceptions of brand luxury. *Journal of Brand Management, 11*(6), 484-506. doi:10.1057/palgrave.bm.2540194

Ward, M. K., & Dahl, D. W. (2014). Should the Devil Sell Prada? Retail Rejection Increases Aspiring Consumers' Desire for the Brand. *Journal of Consumer Research, 41*(3), 590-609. doi:10.1086/676980

Wiedmann, K.-P., Hennigs, N., & Siebels, A. (2007). Measuring consumers' luxury value perception: a cross-cultural framework. *Academy of Marketing Science Review, 2007*, 1.

Wiedmann, K. P., Hennigs, N., & Siebels, A. (2009). Value-based segmentation of luxury consumption behavior. *Psychology & Marketing, 26*(7), 625-651.

Willersdorf, S., Hazan, J. l., Ricci, G., Prénaud, A., Bianchi, F., Seara, J., & Yang, V. (2020). *A New Era And A New Look For Luxury*. Retrieved from https://www.bcg.com/publications/2020/new-era-and-new-look-for-luxury:

Woodruff, R. B. (1997). Customer value: the next source for competitive advantage. *Journal of the Academy of Marketing Science, 25*(2), 139.

Wu, S.-H., & Gao, Y. (2019). Understanding emotional customer experience and co-creation behaviours in luxury hotels. *International Journal of Contemporary Hospitality Management*.

Zeithaml, V. A. (1988). Consumer perceptions of price, quality, and value: a means-end model and synthesis of evidence. *Journal of marketing, 52*(3), 2-22.

FACULDADE DE **ECONOMIA**