

Understanding the use of Game Advertising for Luxury Brands: the impact of Brand Coolness on Brand Equity

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Department of Marketing, Strategy and Operations

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To my Granny Náná.

"Grandparents are, without a doubt, some of the world's best educators." — Charles W.

Shedd

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Resumo

Num mundo em que o digital continua a desenvolver-se, há uma necessidade crescente de as marcas se destacarem da concorrência. Para tal é necessário que realizem investimentos de modo a serem vistas como marcas credíveis, mas também de forma a conseguirem representar um valor intangível acrescido para o consumidor. O objetivo deste estudo é então perceber se o uso de *Game Advertising* nas Marcas de Luxo terá esse impacto. Tendo como ponto de partida a *Brand Credibility* associada às Marcas de Luxo, este estudo tenta compreender a sua relação com a *Brand Coolness* da mesma e, consecutivamente, o impacto na sua *Brand Equity*. Procura também explicar se existem características intrínsecas a cada indivíduo que podem moderar esta relação.

Para realizar esta análise foi utilizado como exemplo o caso da marca Louis Vuitton com o Jogo League of Legends e partilhado um questionário, através das redes sociais, comunidades de jogos, e em escolas, que alcançou 417 indivíduos. Os processos de processamento e interpretação dos dados foram realizados utilizando o IBM SPSS Statistics 28 e o software SmartPLS4.

Foi possível concluir que a *Brand Credibility* aumenta a perceção de *Brand Coolness* dos consumidores, tal como esta também impacta positivamente a Qualidade Percecionada, a *Brand Awareness* e a Lealdade de um consumidor face a uma marca e, consequentemente, a *Brand Equity* da mesma. Tem igualmente um impacto positivo na *Brand Awareness* o facto dos indivíduos serem consumidores de marcas de luxo e de já terem conhecimento de outras marcas utilizarem *Game Advertising*.

Palavras-chave: *Brand Credibility, Brand Coolness, Brand Equity, Game Advertising, Marcas de Luxo*

Classificação JEL: M30 – *General Marketing*, M37 - *Advertising*

Abstract

In a world where digital continues to develop, there is an increasing need for brands to stand out from the competition. To achieve that it is necessary that they make investments in order to be seen as credible brands, but also in order to represent an added intangible value for the consumer. The aim of this study is then to understand if the use of Game Advertising in Luxury Brands will have that impact. Taking as a starting point the Brand Credibility associated to Luxury Brands, this study tries to understand its relationship with their Brand Coolness and, consecutively, the impact on their Brand Equity. It also seeks to explain if there are characteristics intrinsic to each individual that can moderate this relationship.

To carry out this analysis, the case of the Louis Vuitton brand with the League of Legends Game was used as an example and a questionnaire was shared, reaching 417 individuals. The data processing and interpretation processes were performed using IBM SPSS Statistics 28 and SmartPLS4 software.

It was possible to conclude that Brand Credibility increases consumers' perception of Brand Coolness, just as it also positively impacts Perceived Quality, Brand Awareness and Loyalty of a consumer towards a brand and, consequently, its Brand Equity. The fact that individuals are consumers of Luxury Brands and that they are already aware of other brands using Game Advertising also has a positive impact on Brand Awareness.

Keywords: Brand Credibility, Brand Coolness, Brand Equity, Game Advertising, Luxury Brands

JEL Classification: M30 – General Marketing, M37 - Advertising

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List of Abbreviations

AVE	Average Variance Extracted
CA	Cronbach's Alpha
CR	Composite Reliability
e.g.	For example (abbreviation for <i>exempli gratia</i>)
et al.	And others (abbreviation for <i>et alii</i>)
Gen	Generation
H	Hypothesis
HTM	Heterotrait-Monotrait
IGA	In-Game Advertising
LOL	League of Legends
LV	Louis Vuitton
MMOGs	Massive Multiplayer Online Games
MMORPGs	Massively Multiplayer Online Role-Playing Games
n.d.	no date
NFTs	Non-Fungible Tokens
PLS-SEM	Partial Least Squares-Structural Equation Modelling
SNJV	National Video Game Union
US	United States
VIF	Variance Inflation Factor
WOM	Word-of-mouth

CHAPTER 1

1. Introduction

If in 2019 there was already a hint of how the world was changing, in 2021 we can say that we have undergone a 180-degree turn. Our habits as individuals and the way we make our decisions have changed and impacted every industry. We have been confined indoors, seen our social events cancelled and increased screen time on mobile phones and computers.

While all the society changes have had positive impacts on some industries, they have also had negative effects on others. With most establishments closed and events cancelled, brands, and especially Luxury Brands, saw their contact with consumers greatly diminished. On the other hand, industries such as online gaming saw their demand, exposure and revenues increase. We have therefore, since 2019, with brands betting on it before the pandemic, but more pronouncedly since 2020, watched the entry of Luxury Brands into the world of online gaming, from own-brand games to product placement advertising within games. However, since the digitalisation of Luxury Brands is considered a recent topic, as well as its use of Game Advertising and, for some even contradictory, due to the traditional nature of the two industries, there are several questions regarding their performance with consumers, and how they perceive brands. Therefore, this project aims to study the impact of the use of this type of communication and Luxury Brands, namely on their coolness and equity.

1.1. Research Problem

The online gaming industry was one of the industries that was able to profit from the world being in quarantine. In 2020, and according to Statista, it made 21.1 billion U.S. dollars in revenues, a 21.9% increase compared with the previous year (Clement, 2021), and is expected to exceed \$200 billion by the end of 2023 (Gilliland, 2020). Furthermore, there were more than 2.6 billion players worldwide in 2020 (Palframan, 2021).

As for the luxury industry, with events and fashion shows being cancelled and with the uncertainty of the world and markets' future, its revenues decreased between 20% and 22% in total the market and by 23% in the case of personal luxury goods, which represent more than 80% of the total luxury market (D'Arpizio et al., 2021). Being one of the industries that later entered the digital world, the luxury industry is not only now selling online but after the pandemic, it is one of the industries that intend to use digital entertainment to target consumers (Gilliland, 2020) and to increase its notoriety (Pires, 2021).

The profile of online gaming users is increasingly like the current and potential luxury consumers that these brands want to reach. Thus, 81% of Gen Z and 77% of Millennials are gamers (Jain, 2021) and these are also the generations that Luxury Brands aim to target. In fact, the luxury industry is changing not only because of Covid-19 but also because these products are no longer associated with an older generation. Generation Z, the one that is most connected online, has more and more purchasing power and is now entering the market. Both online games and Luxury Brands want to convey the idea of a "world of larger-than-life". Individuals seek them out to live aspirational experiences, to leave the reality of their self, and achieve what they would like to be (Barton, 2021).

In early 2019 we witnessed Moschino with a capsule collection featuring iconic Sims motifs that were later sold in-game and soon after, Louis Vuitton as a major pioneering brand, with the sale of "skins" – "a graphic download which changes the appearance of characters in video games" (parentzone, 2022) –, for the League of Legends game, where a clothing piece cost between \$220 and \$7,350. This multiplayer battle arena game, which made \$1.75 billion in revenue in 2020, is a free game but allows for personalization (Lopes, 2021).

According to Riot's brand manager, skins are a way for players to express themselves, just like in "real life" (Lopes, 2021). After Louis Vuitton, several brands followed this concept and created collaborations with online games. Gucci designed a watch in collaboration with Fnatic, inspired by their League of Legends team (Palframan, 2021), and also a skins avatar collection for its online game (Época NEGÓCIOS, 2020). Marc Jacobs and Valentino added designs to Animal Crossing (Gilliland, 2020) and Balenciaga just announced their new partnership with Minecraft (archyworldys, 2021). More recently both Burberry and Louis Vuitton created their own online game (Pires, 2021). Whether it is through creating games or collections of skins for their avatars, characters or even just products with their collaboration, we have seen the desire of Luxury Brands to be part of the online gaming growth.

In the words of Julien Villedieu, the general delegate of the National Video Game Union (SNJV), Luxury Brands have found through online gaming, a more modern way to communicate with new consumers (archyworldys, 2021). However, also in the delegate's words, these potential new consumers may have less status than those who normally frequent luxury shops. The communication of Luxury Brands can be contradictory as brands, on one hand, want to communicate that they exist but on the other hand they want to be discreet (Bechtold, 1991) and combine, as stated by Geerts and Veg-Sala (2011, p.83), "selectivity and diffusion, rarity and enlargement, elitism and increased awareness".

Players now have the possibility, just like in real life, to differentiate themselves from others through the items they adorn themselves with. By using the logos of these brands, it offers them a way to showcase their products and to position themselves at the centre of the new consumers' interest. In addition, they can also seize the advertising opportunities adjacent to the professional leagues that exist in these games, which are rising, and the influence of some of the players which can translate into impacting millions of people during a live broadcast.

However, even if brands are not only looking "to target the average or ad-hoc gamer", the truth is that they will be "part of the mainstream" (Gilliland, 2020), which does not necessarily meet the idea of selectiveness of Luxury Brands. On the one hand, the inclusion of Game Advertising can bring several benefits to brands, rather than traditional advertising (Alina, 2013; Sharma, 2014), especially to Luxury Brands, which are now digitising to entertain its consumers (Gilliland, 2020). Advergaming is more effectively targeted at consumers who have no past brand experience and appear to be more effective as a promotional tool to stimulate new product trial behaviour (Kinard & Hartman, 2013). According to the literature currently available, brand placements mostly enhance memory effects (Cauberghe & De Pelsmacker 2010; Nelson 2002; Schneider & Cornwell 2005). In-game advertisements can hold a user's attention for a longer period than conventional ads, and they enable advertising companies to gather information about customers (Ferrazzi et al., 2003), while the game is being played. There is also the opportunity to accurately gauge and assess the effect of a message delivered via an internet medium. Over 70% of gamers think that in-Game Advertising is desirable and appropriate, adding realism to a virtual environment (Balaban et al., 2009). The game also involves emotions and a fast-paced atmosphere, which suggests that players will be paying close attention to the screen (Balaban et al., 2009). According to research conducted by Massive and Nielsen Entertainment in 2005, in-game marketing boosts brand recognition by 64%, brand rating by 37%, purchase intention by 37%, attitude toward the advertisement by 41%, and notoriety of the commercial by 69% (Ghirvu, 2012).

On the other hand, Luxury Brands are traditionally associated with high quality, prestige, premium, and uniqueness (Ko et al., 2019). These described attributes may differ somewhat from the types of games they are associating with and/or creating, which are more mainstream (Woodcock, 2008), and possibly less niche than the traditional approach of Luxury Brands.

Therefore, the need arises to understand how the Brand Credibility of Luxury Brands, associated with the consistency and clarity with which they communicate their authenticity and prestige (Ko et al., 2019), can impact their equity, given the adoption of such a differentiating communication approach. The analysis is firstly performed through the Brand Coolness of the

brands, since this concept is also associated with a niche and with prestigious and sophisticated brands, but also with popularity (Warren et al., 2019) and constant dynamics (Anik et al., 2017). After this analysis, it will be necessary to measure the impact that this new concept of "Brand Coolness" has on Brand Equity, since both concepts are subjective and reside in the consumer himself (Connor 1995; Gurrieri 2009; Pountain & Robins 2000; Raggio & Leone, 2007) – which means that the existence of one may not mean the existence of the other.

This project will therefore focus on the impact that using online games as a way of advertising has on the Brand Coolness and consequent Brand Equity of Luxury Brands. It is intended to analyse how the use of this tool, relatively new in the luxury industry, can have additional value for current or potential new consumers of Luxury Brands.

1.2. Objectives Definition and Research Questions

This dissertation conducted additional research by analysing the body of knowledge regarding elements that affect equity and incorporating the authors' suggested standards into a theoretical framework to be applied to the technique.

Bearing in mind the main research question “How the use of Game Advertising on Luxury Brands impacts the relationship between its Brand Coolness and Brand Equity?”, the following queries will be addressed by this study:

- 1- Can Brand Credibility influence the perception of Cool of a brand through Game Advertising?
- 2- Can brand Coolness affect the Brand Awareness of a brand through Game Advertising?
- 3- Can brand Coolness affect the Perceived Brand Quality of a brand through Game Advertising?
- 4- Can brand Coolness affect the Brand Loyalty of a brand through Game Advertising?
- 5- Can brand Coolness affect the Brand Equity of a brand through Game Advertising?

Additionally, the present study also aims to understand how individuals' characteristics, can impact the relationship of Brand Coolness and its Equity, hence we considered the following moderators:

- Being gamers;
- Being League of Legends players;
- Being consumers of luxury products;

- Having previous knowledge of the use of Game Advertising in other Luxury Brands;
- Consumers' age generation.

1.3. Structure of the Dissertation

This study is divided into several chapters for organizational reasons. The theme is introduced and contextualized first, and then, in the second chapter, it is presented a literature review of the key ideas of the topic under consideration.

The third chapter will concentrate on developing the research hypotheses that will later be tested, as well as providing a description of the methodology used, and an explanation of the scales that were used to measure and validate the concepts under investigation.

In the fourth chapter, the analysis of the information gleaned from the survey will be conducted, followed by an inquiry of the sample to be used, as well as a reliability assessment of the scales used to measure the variables. Lastly in this chapter, the described hypotheses are tested.

The discussion and presentation of the study's findings, along with its theoretical and management implications, will be in the fifth chapter. This project will end in the last chapter with conclusions, research limitations, and recommendations for further investigation, in the sixth chapter.

CHAPTER 2

2. Literature Review

2.1. Luxury Brands

In order to understand the impact of gaming in luxury, we must first understand what luxury is. Luxury was originated at the time of the royal family and nobility, where the social stratum differentiated them from others (Kapferer & Bastien, 2009). However, the first luxury brand was only born in the 19th century (Chevalier & Mazzalovo, 2008), in England and France, with the production of silverware and glassware (Nueno & Quelch, 1998).

There is not a single interpretation of luxury. We can find many definitions in the literature that define a "Luxury Brand", which are based on consumer perceptions and evaluations – even though certain actions can increase the likelihood of a brand becoming a luxury brand, it is only truly a luxury brand if the consumer perceives it as so (Ko et al., 2019). Based on the definitions found in the literature and by meeting three criteria for a good definition (have a conceptual foundation, be broadly applicable to the entire luxury sector and be operationalized in order to be measured) it was proposed in "What is a luxury brand?" an updated definition and literature assessment point to the following theoretical definition:

A luxury brand is “a branded product or service that consumers perceive to: 1) be of high quality; 2) offer authentic value via desired benefits, whether functional or emotional; 3) have a prestigious image within the market built on qualities such as artisanship, craftsmanship, or service quality; 4) be worthy of setting a premium price; and 5) be capable of inspiring a deep connection, or resonance, with the consumer.” (Ko et al., 2019, p.406). This definition presents both the product and brand perception, which is related to high quality, premium price, exclusivity, and craftsmanship (Fionda & Moore, 2009) and the customer experience perspective, related to the benefit and hedonic, emotional and symbolic value it may have for the customer (Chandon et al., 2016).

Technological advances have made it possible to distribute these goods to a large middle-class population (Atwal & Williams, 2009), which theoretically increases the number of consumers that are able to purchase Luxury Brands. However, our society still needs for social differentiation and the luxury industry has an important role in it. The process named “democratization of luxury” explains that brands are nowadays seen as social indicators for stratification being people’s financial constraints the only barrier to reach the desired goods (Kapferer & Bastien, 2009).

Luxury is a subjective idea that differs from person to person, according to Bian and Forsythe (2012), therefore, as previously mentioned, it can be challenging to conceptualize Luxury Brands for large groups of people at once, particularly for clothing and personal products. Luxury clothing is more affordable than other categories and is growing in popularity among people all around the world. (Kautish et al., 2021; Septianto et al., 2020).

Purchasing luxury products has always been associated with social status (Ko et al., 2019) however, this concept is changing (Kapferer & Bastien, 2012) and while in the past consumers bought expensive product to showcase brands and express social status, (Yang & Mattila, 2014) today's consumers look to these products for self-indulgent hedonistic experience (Nwankwo et al., 2014). Still, this symbolic value assigned to the product does not seem to end in the consumer, the latter wants to project this value onto others (Ko et al., 2019). While buying luxury products, consumers tend to be influenced by their own perceptions origins and needs for attributes such as the "need for uniqueness, self-confidence and pride" as stated by Ko et al. (2019).

2.1.1 Luxury Consumers

Since the early 1990's, with the rising concerns of environmental problems and risks, responsible environmental attitudes from consumers and society have increased, and the older consumers are no longer the only ones who are part of the luxury market. In 2018, Generation Y and Z both represented 100% of the total luxury market growth (Bain & Company Media Center, 2018). By 2025, Gen Z and Millennials are expected to account for 50% of the market, making them important players in the sector. Gen Z and millennial luxury purchases from February 2021 to February 2022 accounted for 60% and 63% of the entire luxury market sales, respectively (Zahair, 2022).

Millennials, or Generation Y, people born between 1977 and 1994, have a high degree of independence and autonomy (Hawkins & Mothersbaugh, 2012). For them life must be fun but always with success in their professional career (Nowak et al., 2006). They are interested in status products (Eastman & Liu, 2012) and materialism (Aruna & Santhi, 2015). They create strong feelings towards brands and are brand loyal (Pitta, 2012). Millennials are the first generation globally connected and that made them more sophisticated consumers, interested in investing in experiences and status associated with products. They have the need to keep up with trends and to remain fashionable among their peers (Morton, 2002). Generation Y is a very important segment for the luxury market since they are not only status consumption-oriented, but they also have a high level of purchasing power (Kim, 2019).

Generation Z, represented by people who were born between the mid-1990s to the late 2000s, are highly educated, creative and technologically inclined people (Priporas et al., 2017). They are hard-working and conscientious people but are also considered to be tendentially nervous (Shin et al., 2021). Even though they share technological knowledge and multiculturalism with millennials (Williams, 2015), Generation Z does not have the same propensity to spend as this one, as it has been exposed to several financial insecurities. They place greater importance on experience (Schlossberg, 2016) and on how retailers bring products to them, have high expectations and little loyalty towards brands. According to Wood (2013), there are 4 major concerns that describe the Generation Z consumers: new technologies, ease of use, security, and the need every now and then to escape reality (Priporas et al., 2017). This generation is now having a greater access to income (Sanyal et al., 2021) and has become a more important segment in the luxury market (Bakir et al., 2020).

2.1.2. Luxury and the Internet

The internet has come to play an important role in the decisions of the consumers from wealthier segments (Dauriz et al., 2014) who, while still having the purchasing power, have little time available for shopping (Clark, 2014). Luxury Brands were reluctant to go digital since there is a discrepancy between the authenticity, exclusivity, high price and hedonic attributes of luxury and the attributes of the internet, which aims to reach everyone, at low prices and without any sensory experience. However, the situation has changed not only due to the increasing share of Millennials and Generation Z consumers (Athwal et al., 2019) but also the rise of more appealing online experience offers (Petit et al., 2019).

Internet is a complementary tool in the communication strategy of all brands which, according to Nyeck (2004), has the purpose of informing, reminding, and persuading consumers, allowing the establishment of dual relations and interactions between the brand and the consumer (Nyeck, 2004). Digital media has had a major impact on how marketer reaches their consumer and how information is disseminated through various digital formats (Smith, 2011). In short, the e-market can mean a great opportunity for Luxury Brands, as it provides development and distribution opportunities (Seringhaus, 2005) but also a real threat since it brings together "high class" and "mass class" (Geerts & Veg-Sala, 2011).

Currently, Luxury Brand managers prioritize customer experiences to increase revenue (Pentina et al., 2018). Diverse types of social media commercials go viral, and social networking relationships develop into a personal networking area for brand communication and electronic word-of-mouth (Libai et al., 2010). On social networking sites and several online

social networks, their users frequently submit messages and comments about luxury goods (Romão et al., 2019). The introduction of social media has caused a significant revolution for luxury companies in the present day, giving them a new platform to demonstrate cutting-edge methods of apprehension and gratifying the public (Gupta et al., 2019; Husain et al., 2020; Park et al., 2021; Paul, 2019). Social media quickly increases the length and breadth of the marketing channel that reaches many internet users and offers unmatched opportunities and prospects for forming a brand's reputation and image (Correa et al., 2010; Kautish & Sharma, 2019). Evaluating the impact of social media advertising campaigns on the variable of brand achievement methods is one of the most difficult challenges (Schultz & Block, 2012; Schultz & Peltier, 2013).

Consequently, the need for this study arises and some conclusions are expected to be taken on how the investment in online games can be beneficial for Luxury Brands and its consumers. To understand if the entrance in this new market poses a positive impact on the Brand Coolness of Luxury Brands, it is first necessary to address the online game's industry.

2.2. Game Advertising

Due to technological advances online gaming has become a major form of entertainment and therefore a source of attraction for companies. Consumers have less and less time to decide from an increasing offer of options. Therefore, the need for brands to be strong and facilitate this process, reducing the risk of choice and meeting expectations is increasingly important (Keller, 1998).

The modern gamer is more likely to be fully absorbed in a virtual multiplayer environment that offers complex sensory and auditory qualities through a steady stream of activity and engagement (Griffiths et al., 2004). Massive Multiplayer Online Games (MMOGs) are the name given to immersive settings where users from around the globe can interact and socialize while maintaining a character that is always changing (Griffiths et al., 2004; Williams et al., 2007), with Massively Multiplayer Online Role-Playing Games (MMORPGs) being the most well-known (Woodcock, 2008). Beyond simple amusement, MMOG users claim that these virtual worlds are supportive and sociable spaces that foster a sense of affiliation, achievement (Ko et al., 2005; Yee 2006), and community (Williams et al., 2008).

In this study we will evaluate the impact of Game Advertising on the Brand Equity of Luxury Brands. Game Advertising is, according to Smith et al., (2014, p.97), "The association of marketing communications messages with video and computer games to target consumers through Advergaming, Around-Game Advertising or In-Game Advertising activities".

According to M. Smith and Sun (2016), the Game Advertising concept can be divided in Advergame, Around-Game Advertising and In-Game Advertising. Smith et al (2014, p.98) defined Advergame as “A digital game specifically designed for the primary purpose of advertising and promotion of an organizations’ product, service or brand played via the Internet or on a compatible medium via a games disc or digital download”. These types of games can be categorized as Experiential and as of Direct Response. On the one hand they can be Experiential when they are created to support favourable customer attitudes through associations with specific lifestyle or social choices and they are meant to be stronger reinforcing tools for fostering consumer loyalty and retention. On the other hand, advergames can generate leads for the promoted brand by collecting customer information during play or by generating income from the sale of the game or in combining other goods, being a Direct Response medium (Smith et al., 2014). These types of games are developed to promote the brand, product, service, or idea for which they were created. They aim to strongly convey the brand's message and generate traffic to its website. To achieve this, they are usually games that can be found on the brand's website, free and relatively easy, offering quick prizes. (Redondo, 2012).

Smith et al (2014) also defined Around-Game Advertising as a promotion linked to the video and associated to the brand (Smith et al., 2014). In this type of game, the message to be spread should not get in the way of the game and is mainly passed on through 4 tools: Banners, Cross Promotion (including Cross-Media Promotion); Interstitials; or Sponsorship (Smith et al., 2014).

In-Game Advertising (IGA) was defined as “The integration of unofficial products and brands into the video game and computer game environment through marketing communication mechanisms simulated in real life” (Smith et al., 2014, p.99). In this case, the IGA is integrated into the game play, with the aim of entertaining the player, also including products and/or the brand within the game (Yang et al., 2006). IGA can be placed in the game prominently or in a more subtly way and are not dependent on ad placements for a cohesive experience (Terlutter & Capella, 2013). It can be split into Static or Dynamic and into Marketing Displays or Product Placement (Smith et al., 2014). Static IGA is a fixed placement before the game is launched, that cannot be modified afterwards, and does not need online connection to broadcast the graphics within the game. Contrarily, in dynamic IGA, Internet access is required, and the advertising spaces placed in the game can be occupied at any time, by different agents and brands and in a flexible way (Terlutter & Capella, 2013). Finally, depending on how the message is to be delivered, In-Game Advertising can also be divided into “Static or dynamic

displays, which can be either associative or interactive simulations of real-world media.” (Marketing Displays) (Terlutter & Capella, 2013, p.7), or into Product Placement, which are “The integration of branded non-fictional products embedded within the gaming environment as either a passive implicit background element or as a contextually active, explicit and interactive element, which can be static or dynamic in nature” (Terlutter & Capella, 2013, p.7).

Terlutter and Capella (2013) also highlighted another growing type of Game Advertising: Advertising in social network games, where is “the placement of brands or products in digital games that are played via major social networks” (Terlutter & Capella, 2013, p.3). They share many traits with traditional IGA and advertisement gaming. However, they are mostly casual games where participants have interactions in social network gaming such as engaging with friends, building relationships, teamwork and/or competitive play, role-play identity, and escapism from reality (Yee, 2006). Given the large reach and popularity of social networks as well as the focus on social interactions in the games, Terlutter and Capella (2013) believed that a distinct category for studies is necessary (Terlutter & Capella, 2013).

2.3. Brand Credibility

High degrees of market heterogeneity, socio-political governance, unbranded competition, and underdeveloped infrastructure are common characteristics of emerging economies (Sheth, 2011). This causes consumers to feel uncertain, which negatively affects their decision-making process due to increasing amounts of asymmetric information (Erdem et al., 2006). Businesses commonly incorporate signals in these circumstances to provide information about brand performance (Erdem & Swait, 2004).

2.3.1. Signaling Theory

The concept of Brand Credibility was generated through Signaling Theory, created by Erdem and Swait (1998), when developing the study on consumer-based Brand Equity. This theory states that different levels of information about products flow between consumers and brands, creating an asymmetry in existing information (Kirmani & Rao, 2000).

A common practice of companies to reverse the fact that information asymmetry causes uncertainty about the quality of a product or service, is to use brands as signals (Washbun et al., 2004; Gammoh et al., 2006). Signals are "an action that the seller can take to convey information credibly about unobservable product quality to the buyer” (Rao et al., 1999, p. 259). Brand signal is related and is a representation of the mix of the old and present marketing strategies and actions of that same brand (Erdem & Swait, 1998).

According to the signaling theory, credibility is a major factor in a brand signal's ability to effectively communicate information (Tirole, 1988). Since brand signals represent the culmination of earlier marketing communication strategies, the theory suggests that brands can act as credibility signals of quality to the consumers. Therefore, Brand Credibility is the fundamental component of brands as signals (Baek et al., 2010).

2.3.2. Brand Credibility

Erdem and Swait (2004) described Brand Credibility as the ability and willingness of a brand to consistently deliver on its promises, as determined by consumers' views of the product position information encoded in the brand. Trustworthiness and knowledge are its two essential components (Erdem & Swait, 1998, 2004; Erdem et al., 2002; Erdem et al., 2006; Sweeney & Swait, 2008). Trustworthiness is correlated with a brand's readiness to fulfil its promises, whereas expertise is correlated with its capacity to carry them out. Since the two components reflect the various impacts generated by all previous marketing actions, Brand Credibility is demonstrated through the consistency of these efforts (Baek et al., 2010).

As well as consistency, brand investments and clarity are also antecedents to Brand Credibility. Brand Credibility can be established and shaped by greater consistency, greater clarity, and greater brand investments over time (Baek et al., 2010). Consistency represents the level of harmony and convergence among the marketing mix strategies of the brand, as well as in its marketing actions, for example in advertising, (Erdem et al., 2006), and also how they continue consistent over time (Erdem et al., 2006). Brand investments, on the other hand, relate to the long-term spending by the brand to assure consumers that what has been promised will be delivered. (Klein & Leffler, 1981). Finally, clarity is the effort to ensure that information about the brand is unambiguous (Erdem et al., 2002) and free from bias (Erdem et al. 2006). According to Erdem and Swait (1998), and based on the clarity of the information, brands with high investment levels in consistent marketing-mix strategies are the ones that also have the greatest credibility rates. In this way, and through the several communication mechanisms such as brand image advertising, sponsorship, or product placements, Brand Credibility will be the bridge of the communications between the consumer and the brand (Sweeney & Swait, 2008).

2.4. Brand Coolness

Throughout history, the word "cool" and concepts related to it have been used (Budzanowski, 2017). The Cambridge dictionary defines Brand as "the set of qualities that people attach to a particular person, or the idea of themselves that the person tries to present to others" (Cambridge

Dictionary, n.d.-a). The same dictionary describes Cool as “fashionable in a way that people admire”, “excellent; very good” (Cambridge Dictionary, n.d.-b). The majority of dictionaries define cool as an interjection intended to convey admiration, acceptance, and approval (Warren et al., 2019).

However, due to the numerous meanings that the word “cool” can have, the literature has not yet established a definition for cool (Warren et al., 2019). In their pursuit to differentiate cool from uncool brands, Warren et al. (2019), in their article “Brand Coolness”, followed Warren and Campbell’s (2014, p. 544) definition of coolness as “a subjective and dynamic, socially constructed positive trait attributed to cultural objects inferred to be appropriately autonomous”

Anik et al. (2017) has identified 4 features of cool (subjective, positive valence, autonomy, dynamic) being one that it is subjective, which means that brands are only cool if consumers consider them to be (Connor, 1995; Gurrieri, 2009; Pountain & Robins, 2000). Coolness is not a quality that an object or person is born with; rather, it is an impression or attribution placed on it by the audience (Connor 1995; Gurrieri 2009; Leland 2004; Belk et al., 2010).

The second feature is that it is more than something positive or desirable (Leland 2004; MacAdams 2001) it has a positive valence (e.g., Dar-Nimrod et al. 2012; Mohiuddin et al. 2016). Additionally, Warren & Campbell (2014, p.544) stated that “Consumers perceive some quality that sets cool things apart from other things that they merely like or evaluate positively”.

Autonomy is another feature of cool and is defined as “being willing and able to follow your own path rather than conform to the expectations and desires of others” (Warren et al., 2019, p.2). It helps distinguish what it is cool from what it is desirable (Warren et al., 2019) and even though according to Warren et al. (2019) it cannot be directly observed, it “refers to a willingness to pursue one’s own course irrespective of the norms, beliefs, and expectations of others.” (Warren & Campbell, 2014, p. 544)”.

Lastly, cool is also defined by being dynamic (Anik et al., 2017) since what is considered cool changes over time and across costumers (Danesi, 1994; MacAdams, 2001; O’Donnell & Wardlow, 2000). Brands normally start as being niche cool brands – they are cool for a specific subculture but are not yet acknowledged by the masses - before they spread to a broader audience being considered mass cool brands – recognized as cool for the general population (Belk et al., 2010; Gladwell, 1997). Warren et al. (2019) studies this on the Life Cycle of Coolness and explains how brands initially considered cool by small groups extend to larger groups, becoming more familiar and profitable but also needing to work harder, because as they become

more popular and mainstream, they can start to lose the characteristics that initially made them cool, desirable and differentiated (Warren et al., 2019).

However, what is a Cool Brand? Warren defined “cool brands are extraordinary, aesthetically appealing, energetic, original, authentic, rebellious, high status, subcultural, iconic and popular.” (Warren et al., 2019, p. 17). They are extraordinary because they are more than its high quality or the usefulness of its tangible benefits, they push the limits and offer the unknown and unheard. Cool brands have an aesthetic design and “feel” (Aesthetically Appealing) and are associated with remarkable experiences, with being active, youthful, and exciting (Energetic). They are defined as being brands that always reinvent themselves and innovative (Original) but also true to themselves (Authentic). Respondents to Warren's study stated that they consider "Something controversial is in many cases the coolest." (Warren et al., 2019, p.5) and identified brands they consider cool as "rule breakers," "irreverent," or "revolutionary” (Rebellious) (Warren et al., 2019, p.5). Consumers associate cool brands with brands that make them connect and feel part of something differentiated (Subcultural) and consider them to be exclusive and elegant (High-Status). They also consider them to have a strong symbolism that translates its values and beliefs (Iconic) and hyped, appreciate it by a large group of people (Popular) (Warren et al., 2019). Although the authors do not consider that it is imperative that all characteristics are identified simultaneously in a brand, they state that the more of them there are, the more likely it is to be considered cool by consumers (Warren et al., 2019).

In the same article it was further established the characteristics of Iconic, Subcultural, Popular, High Status, Rebellious, Positive Autonomy and Desirability as high order factors. Original and Authentic are first-order factors that influence the dimension Positive Autonomy. Exciting, Exceptional and Aesthetic Appeal are first-order factors that weigh in on the second-order factor Desirability (Warren et al., 2019).

The authors also propose a measurement scale that can be extremely helpful for managers to create brands or to understand if their consumers consider the brand cool or uncool and which dimensions need to be improved in order to be more appreciated by them. If the brand is seen as uncool, the managers will need to build close relationships with its consumers and a sense of community and rebellion to become a niche cool brand. Later, to become a sustainable mass cool brand, they must “boost their popularity” but with never losing their connection with a subcultural nor what makes it authentic and itself (Warren et al., 2019).

2.5. Brand Equity

Brand Equity has several definitions (Rangaswamy et al., 1993) whereby according to Keller (1993, p.2) it is defined as "the differential effect of brand knowledge on consumer response to the marketing of the brand." This value must be created through brand management, not only through superior quality but also through the trust and identification it passes on to the consumer (Keller, 1993, 2013; Schiffman & Kanuk, 2007). Brand Equity can bring great competitive advantages to the company (Lassar et al., 1995), being one of the most important parts of the intangible side of the brand (Kim & Ko, 2012; Simon & Sullivan, 1993).

According to Aaker (1991) there are 4 dimensions to Brand Equity: Brand Recognition, Brand Loyalty, Perceived Brand Quality, and Brand Associations. Aaker (1991, p. 61) defined Brand Awareness as "the ability for a buyer to recognize or recall that a brand is a member of a certain product category".

The author also defined Brand Associations as anything related to a brand in a consumer memory (Aaker, 1991). Since the image that a consumer has of a brand is connected to the associations to it, (Aaker, 1991) it is critical to understand all levels of consumers' perceptions when adopting a multi-channel strategy. A link to a brand is stronger the more stimulus the consumer is exposed to (Aaker, 1991).

Another dimension of Brand Equity is the Perceived Brand Quality the consumer has of the brand, which is based on the consumer's appraisal of quality (Zeithaml, 1988, p. 3). The consumer's perception is subjective and can be wrong, regardless of whether the product is real or virtual.

The last dimension to analyse is Brand Loyalty which is related to the attachment and the intention to buy that a consumer has with a specific brand (Oliver, 1997). The more positive emotions consumers associate with the brand during the game, the more they will trust it and, consequently, the more loyal they will be (Yang et al., 2015).

CHAPTER 3

3. Empirical Study and Methodology**3.1. Conceptual Model and Hypothesis**

The following conceptual model was developed using the data gathered in the Literature Review and considers the dissertation's main research questions and hypothesis (Figure 3.1).

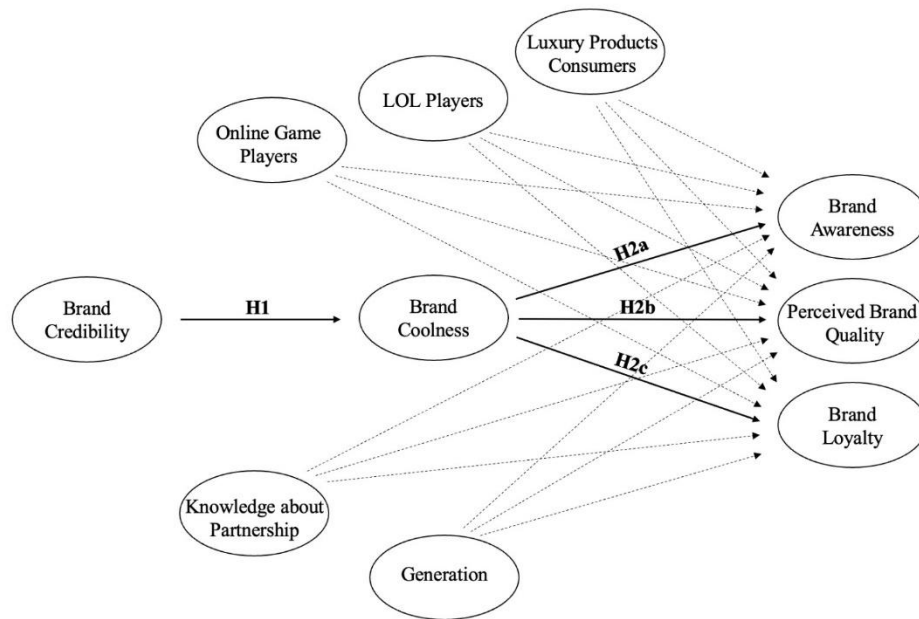


Figure 3.1: Proposed Research Model

Source: Own elaboration using the outputs of SmartPLS.

This research aims to study the impact that Brand Credibility and the use of Game Advertising has on the perceived Coolness of Luxury Brands and, subsequently, on their Equity. It aims to contribute to marketing studies in the field of Game Advertising and to add knowledge to previous studies on Luxury Brands. Having the original credibility of Luxury Brands as a starting point, the model tests how the concept of Brand Coolness attributes impact on those of Brand Equity of Luxury Brands and how they are related. Thus, the model presented aims to illustrate the variables that possibly measure the relationship between the indicated concepts.

According to Keller (1998), a product's brand is crucial because it enables consumers to recognize and distinguish between similar goods and services. A brand can be a name, term, sign, or symbol that conjures up the qualities, worth, and culture of a product or service that

constitutes the brand (Kotler, 1997). There are many brands on the market and as such, companies need to adopt marketing strategies that reduce consumer uncertainty to attract them (Erdem et al., 2002), by using signals. A form of implicit agreement explains the connection between a brand and its customers, who pledge their loyalty in exchange for the company's promise to meet their requirements (Keller, 1998). Consumers really prefer to give branded goods with superior quality more credit than unbranded goods because they believe in the signals those brands have been sending out over time (Rao et al., 1999). Credibility is crucial in the creation of a strong brand (Baek et al., 2010) since it represents faith in the brand's capacity to deliver what it promises (Erdem & Swait, 2004). As stated in the previous chapter, the two dimensions of Brand Credibility represent the overall impressions of the brand and customer relationships, which are correlated with larger brand investments and consistency in the marketing mix across time (Erdem & Swait, 1998).

Brand Credibility has already been studied by several authors and its impact analyzed in several other concepts. It affects consumers' brand purchase intentions (Wang & Yang, 2010) and it is considered one of the elements that can affect how consumers make decisions (Spry et al., 2011). Clear and credible signals emitted by brands through their marketing strategies are received by consumers as factors that decrease perceived risk and information costs (Maathuis et al., 2004), increasing perceived quality (Aaker, 1991), brand value (Maathuis et al., 2004) and, consequently influencing consumer choice for that same brand in the case of having two equal offers in the remaining attributes (Erdem & Swait, 1998). According to Maathuis et al. (2004), Brand Credibility has a positive influence on consumer decision-making and Goldsmith et al. (2000) stated that a strong and positive credibility source enhanced brand image and brand value, resulting in higher purchase intentions. On the other hand, has also been stated that low levels or a complete lack of Brand Credibility were found to reduce consumers' quality perceptions and purchase intentions (Goldsmith et al., 2000). Sweeney and Swait (2008) have also found that Brand Credibility has an impact on satisfaction, commitment, and word-of-mouth (WOM) recommendations. Price sensitivity (Erdem & Swait, 2004; Owens et al., 2001), brand choice (Erdem & Swait, 2004; Wang & Yang, 2010), consumer loyalty (Sweeney & Swait, 2008) and Brand Equity (Erdem & Swait, 1998; Spry et al., 2011) are other concepts where research found that Brand Credibility might have implications.

In more recent studies, it has also been found that Brand Credibility can predict brand preference and purchase intentions in the context of Luxury Brands, particularly in luxury restaurants (Jin et al., 2014), and act as a moderator between online brand experience and behavioral intentions in a destination context (Jiménez-Barreto et al., 2020; Wang et al., 2020).

In brief, Brand Credibility has been demonstrated to be a significant predictor of purchase intentions (Baek et al., 2010) and attitudes toward the advertised good or service (Lutz et al., 1983). In this study, we will analyze the relationship between Brand Credibility and Brand Coolness of Luxury Brands, which has not been yet analyzed.

Coolness is not solely determined by how something looks or its aesthetics. People's reactions to cool things are often influenced by deeply held values. It is a subjective, social, and dynamic construct, for which literature does not have a definition (Budzanowski, 2017).

There have been identified several antecedents for coolness: authenticity (Southgate, 2003), aesthetic appeal, originality, creativity, and innovativeness (Bird & Tapp, 2008), popularity (Wooten & Mourey, 2013), and fashionable, eye-catching, and entertaining (Rahman, 2013). However, more recently, Warren et al. (2019) identified in their study about Brand Coolness, ten dimensions of the Brand Coolness concept. This study will consider the dimensions of Useful, Subcultural, Popular, and High-Status, as these were the attributes identified by Loureiro et al. (2020) in “Enhancing brand coolness through perceived luxury values: Insight from luxury fashion brands”, and Authentic, which is an attribute of the desired luxury products (Khamwon & Kularbkaew, 2021).

As previously stated, and tested by Maathuis et al. (2004), perceived Brand Credibility influences the increase of the brand value (Useful), and accordingly to Morhart et al. (2015), one potential pillar for building Brand Credibility has been the degree to which the brand is viewed as genuine and honest (Authentic). Additionally, several authors connected coolness to cultural capital, which is made up of a collection of socially uncommon and distinctive cognitions (such as tastes, talents, and knowledge) and behaviors (Holt, 1998). Furthermore, Özsomer and Altaras (2008) suggested that Brand Credibility may be influenced by imbued cultural capital.

To lower perceived risk, consumers research products and reach for outside sources before making a purchase. One of the outside sources is word-of-mouth (WOM) from relatives and friends (Money, 2004). WOM is described by Westbrook (1987) as unofficial consumer communication directed at other consumers regarding the ownership, use, or qualities of specific goods, services, or brands. Pleased customers are more likely to make repeat purchases, have a favorable perception of the brand, and are eager to tell other customers about their great shopping experience (Carroll & Ahuvia, 2006). According to Alam and Yasin (2010) and El-Baz et al. (2018), one of the factors that most helps to boost brand confidence is word-of-mouth. A trustworthy brand is credible, with a significant correlation between the brand's WOM and its credibility (Ghorban & Tahernejad, 2012).

Cool Brands are seen as admired by the generality of consumers. They started by belonging to a subculture or a “niche” and being viewed as cool within the niche, until they are finally seen and liked by a larger group of people and become “Fashionable” and “Trendy” for a broader audience (Dar-Nimrod et al., 2012; Heath & Potter, 2004; Rodkin et al., 2006), becoming popular. Although there are doubts about how luxury and mass can make sense together (Suzuki & Kanno, 2022), the truth is that some cool mass brands manage to fight with the luxury ones, mainly through hedonic consistency (Newmeyer et al., 2013). Therefore, it is theorized whether a Luxury Brand's perceived Brand Credibility has a significant impact on consumers' perceptions of its coolness, and if so, whether that impact is positive and reinforces the brand's already-present characteristics or if it is negative and results in a drop in perceived coolness. Thus, the following hypothesis is suggested:

H1a: Perceptions of Brand Luxury Credibility in Game Advertising may impact the Brand's Coolness.

With increasing exposure to luxury products, it is necessary to understand what drives consumers to associate themselves with these brands (Khamwon & Kularbkaew, 2021). For consumers to identify with the brand it is necessary to create meaning in these interactions (Grayson & Martinec, 2004), and connect with consumers on an emotional level (Warren et al., 2019), so that they become unique experiences (Grayson & Martinec, 2004). A part of the literature states that the main factor to distinguish luxury products from non-luxury products is that the purchase of the first ones is related to psychological benefits (Nia & Zaichkowsky, 2000). These products are not needs, they satisfy desires, since luxury is emotional (Kapferer, 1997; Berry, 1994).

Customers also show a preference towards cool brands (Warren & Campbell, 2014). Cool brands generate feelings of love in consumers and make them want to interact more with brands and feel the need to buy and interact with them again (Khamwon & Kularbkaew, 2021). The emotional attachment to the brand (Doorn et al., 2010) increases the relationship between the brand and the customer, improving the customer's perception of the brand and consequently its Brand Equity (Khamwon & Kularbkaew, 2021).

Operationally, Brand Equity is viewed as a modulator of the effect of marketing efforts on consumers' actions (consideration, purchase, etc). These are either more or less effective due to Brand Equity than they would be without (Raggio & Leone, 2007). The degree to which a consumer's input-outcome link is regulated, and thus, the impact of equity on observable

outcomes, depends on both the prominence of the promise and the level of equity. A brand with a strong equity position and a clear promise should have a positive impact on outcomes (Raggio & Leone, 2007). A consumer who trusts a brand's high promise in a category for which he is not a prospect will not be much impacted by a significant quantity of equity. Accordingly, to Raggio and Leone (2007), brand managers should shift their attention from managing Brand Equity to exploiting the equity that exists with individuals to maximize brand value, which calls for a shift from a business to a consumer-focused mindset (Raggio & Leone, 2007).

A recently released bibliometric analysis demonstrates that one of the crucial components of the purchase intention of a Luxury Brand product is Brand Equity (Husain et al., 2021). According to Aaker (1991), Keller & Lehmann (2006) and Keller (2009), social media advertising amplifies brand preference, willingness to pay, and client loyalty in cases where Brand Equity is stronger. A single, individual-level, objective measure of "real" Brand Equity can be identified since individuals, not the brand, is where Brand Equity resides, according to Raggio and Leone (2007), Brand Equity is specific to each consumer. The relationship between Brand Equity and market outcomes ignores any potential shifts in consumer attitudes, perceptions, beliefs, etc., as it is determined by what happens in the consumer's mind. Even real purchases cannot prove that Brand Equity explains the observed effect. Furthermore, Brand Equity may be built on perceptions that relate to certain attributes for one consumer or those that correspond to some general brand impression for another, and perceptions can exist at either a detailed attribute level or an overall brand level (Raggio & Leone, 2007).

Just as Brand Equity resides in consumers, so does Brand Coolness, since it is subjective (Warren et al., 2019). Brands are only considered cool to the level that individuals think so (Connor 1995; Gurrieri, 2009; Pountain & Robins, 2000). According to Aaker (1991), Brand Awareness exists when the consumer has the capacity to recognize or recall that a brand belongs to a given product category. It is evaluated by asking people which brands from a selection of brands they prefer (Singh et al., 2020). As long as it pleases the consumers, Brand Awareness has a favorable impact on Brand Equity. Additionally, interaction has a favorable effect on people, therefore communication increases consumers' awareness of a business (Bruhn et al., 2012).

By Warren and Campbell (2014), "coolness" can be a quality of mass brands. Mass cool companies are those that appeal to a large audience as being cool (Warren et al., 2019). Brands originally become cool when they are connected to a subculture, but successful cool brands are those that are found by a larger audience and go on to become popular and trendy. Although old studies indicate that cool brands are scarce (Bird & Tapp 2008; Nancarrow et al. 2003;

Pountain & Robins 2000), the research conducted by Warren et al. (2019) identifies popularity as being one attribute for a brand to be perceived as cool, with one of them mentioning that “It has to be recognized all over the world” (Warren et al., 2019 p.5).

Therefore, it is theorized if Luxury Brand's awareness is considerably influenced by its perceived brand coolness, and if so, whether that impact is positive - reinforcing the traits already present or is negative - resulting in a decrease in equity perceptions. Thus, the following hypothesis is proposed:

H2a: Perceptions of Brand Luxury Coolness in Game Advertising may impact the Brand's Awareness.

Luxury Brand purchases are primarily driven by two factors: hedonism and the status of success and accomplishment they symbolize (Kapferer & Bastien, 2009). In the context of marketing expenses, researchers have shown a favorable relationship between marketing and Brand Equity (Villarejo-Ramos & Sanchez-Franco, 2005). People generally believe that brands with more advertising are of greater quality (Husain et al., 2022).

One of the Brand Equity dimensions is Perceived Brand Quality, which is based on the quality assessment made by the customer (Zeithaml, 1988). Numerous studies indicate that status-conscious consumers are concerned with the brand's prestige (Eastman et al., 1999) and believe that the product they purchase has social significance (Husain et al., 2021; Paul, 2019). A product's benefits are highlighted when they are categorized as cool (Bird & Tapp, 2008). In general, existing work has examined the idea of coolness as both a personality attribute (Southgate, 2003) and a feature of products (Sundar et al., 2014). According to the studies elaborated by Warren et al. (2019), Cool Brands are those that are of top quality, provide demonstrable advantages, or otherwise benefit consumers. The idea that Cool Brands are beneficial is supported by research showing a substantial correlation between perceived coolness and desirable or valued attributes (Dar-Nimrod et al., 2012; Im et al., 2015).

Therefore, it is theorized if Luxury Brand's Quality is considerably influenced by its perceived brand coolness, and if so, whether that impact is positive, reinforcing the traits already present, or is negative, resulting in a fall in equity perceptions. In this way, it is suggested the following hypothesis:

H2b: Perceptions of Brand Luxury Coolness in Game Advertising may impact the Perceived Brand's Quality.

One of the most significant and obvious characteristics that a successful brand exhibits is Brand Loyalty. In short, Brand Loyalty is when a person sticks to a specific brand or brands that enjoys, even when the market offers several other options in the same category (Kaur et al., 2020). Brand attention, purchase intention, and brand choice are three behaviors that are of concern to businesses by Brand Equity (Priester et al., 2004).

According to the studies carried out by Choi et al. (2014), Brand Loyalty is positively impacted by brand authenticity, which was one of the most mentioned attributes of coolness in the findings of the research conducted by Warren et al. (2019). Brand authenticity is a multidimensional (Yas, in et al., 2017) and difficult to define concept. According to Morhart et al.'s (2015) study, a brand's integrity and continuity are what define it as authentic. They define the brand's timeless quality as its capacity to transcend historical precedents, fads, and trends. Schallehn et al. (2014) link consistency to brand authenticity, and Coary (2013) defines authenticity as upholding tradition without sacrificing the company's sincerity. On the other side, Boyle (2011) defines brand authenticity as the quality of being genuine and not being manufactured or manipulative.

Therefore, it is theorized if Luxury Brand's Loyalty is considerably influenced by its perceived Brand Coolness, and if so, whether that impact is positive, reinforcing the traits already present, or is negative, resulting in a fall in equity perceptions. As a result, it is proposed the following hypothesis:

H2c: Perceptions of Brand Luxury Coolness in Game Advertising may impact the Brand's Loyalty.

3.2. Research Approach

In this part of the study, the previously mentioned hypotheses will be tested, with the aim of drawing general conclusions, through a quantitative methodological approach. To generate quantitative predictions, the information will be gathered from a large sample of consumers and "gamers", measured, and the patterns related with the relationship between the use of Game Advertising and Brand Equity of Luxury Brands will be observed through the generalized results. (Malhotra et al., 2007).

Since the primary objective of the study is the consumer perception, to collect the primary information an online survey was conducted. According to Freitas et al. (2000) survey is the act of obtaining data on "characteristics, actions or opinions of a certain group of people" and is appropriate to understand what is happening (Freitas et al., 2000, p.1) when it comes to

consumer perception of Luxury Brands. In this survey, a concrete case of the use of Game Advertising is presented and the perception that the consumer has of the specific brand and the game is evaluated. The purpose of this inquiry is to examine the provided hypothesis based on the literature to identify trends and draw broad conclusions. Thus, a quantitative study will be done, making it possible to measure data, generalize outcomes, and identify patterns by collecting information from a bigger sample (Malhotra et al., 2007). The questionnaire survey method was chosen to investigate the proposed hypotheses since the customer and its behavior served as the analytic unit in this study. In order to determine whether the conclusions of this study would apply to various levels of product participation, the analysis uses the case of Louis Vuitton's partnership with the video game League of Legends.

3.2.1. Questionnaire Development

Since the goal of the questionnaire was to evaluate the use of Game Advertising in the perception of Luxury Brands, it was elected as an evaluation case a specific partnership between a Game and a Luxury Brand. Thus, we will present as an example the partnership between Louis Vuitton (LV) and Riot Games, in the game League of Legends (LOL). It was considered that this would be the most suitable partnership for the study since it was one of the first partnerships between a luxury brand and an online game with the purpose of advertisement (Park, 2019). The brand's products are part of the game itself, therefore the exposure of the brand to the consumer is made through interaction with them.

For a few years now we have observed some types of brands having ads such as banners and pop-ups in video games and we could even observe certain brands building their own games in order to increase consumer interaction (Kobuz, 2019). However, it was from 2019 and especially from 2020, with the emergence of Covid-19 and the closure of physical shops, that brands, including luxury ones, had to bet even more on digitalization (Marcela, 2021) but also to do so in a "premium" way to continue to maintain their Brand Equity (VERB Brands, n.d.). Thus, they began to invest in In-Game Advertising with product placement, which although it has also existed, was explored by this partnership with a much more immersive side and as a brand experience (Kobuz, 2019). Louis Vuitton offers League of Legend players the opportunity to create authentic outfits for their characters, delivering a true brand storytelling and creative experience, removing the more superficial or commercial side associated with In-Game Product Placement (Gilliland, 2020). The brand's main objective is not to sell the NFTs associated with the Skins but to interact and strengthen the relationship with its consumer (Kobuz, 2019).

Additionally, LV is the world's most valuable luxury brand and also one of the oldest – having been founded in 1854, in Paris (Deisi, 2021). LOL is a multiplayer online battle arena game, considered the world's largest "e-sport", and with over 180 million monthly active players as of November 2021. In this game, there is a battle between two teams, each with 5 players and where each player controls a character with unique skills and characteristics and can buy accessories for them (including Skins). Given the discrepancy, in a first instance, between consumer profile and positioning between the two industries and brands, it was also considered relevant to study this case and understand its implications on consumer perception (“League of Legends”, 2022).

The survey was created on Google Forms and then shared on social networks, such as Instagram and Facebook groups, on platforms with gaming communities such as Reddit and Discord and on a Portuguese university and high school. It was divided into 3 parts: consumer profile, the Louis Vuitton brand, and the Game Advertising case study. The first part – consumer profile – is focused on collecting demographic and behavioural information that could affect the respondents' opinions and perceptions. First, questions about demographic data are addressed, serving as the control variables. These are followed by questions related to consumer behaviour and habits, regarding Luxury Brands and the time they spend playing online games. In the second part of the questionnaire, and after a brief presentation of the Luxury Brand, the perception that consumers have of it is evaluated. Initially consumers were asked to rate from 1 (strongly disagree) to 7 (strongly agree) questions associated with Brand Credibility. In the third part of the questionnaire, the specific example of the LV skins in the LOL game is shared and demonstrated, through an explanatory text and images. First, questions about demographic data are addressed, once again functioning as the control variables. Secondly, they are asked to rate from 1 (strongly disagree) to 7 (strongly agree) questions related to Brand Coolness and Brand Equity, to be able to observe the impact that the use of this type of communication has on consumer brand perception (Appendix A). Afterwards, it will be possible to evaluate the impact of the use of Game Advertising in the perception of Brand Coolness and, consequently, in the Brand Equity of Luxury Brands.

3.2.2. Data Measurement and Scales

To measure each of the model's variables, the questionnaire's questions were constructed based on scales, discovered in the literature. The Table 3.1. lists the total number of items on each scale and links each variable to the author of that scale.

Table 3.1: Measurement Scales and Number of Items

Variable	Scale's Author	No. of Items
Brand Credibility	Erdem and Swait (1998)	6
Brand Coolness	Warren et al. (2019)	20
Brand Equity	Washburn and Plank (2002)	12

Source: Own elaboration.

Each component of the preceding measurements was evaluated on a 7-point Likert scale, with 1 being “strongly disagree” and 7 being “strongly agree”. Gender, age, greatest level of schooling completed, current employment status, and country were the demographic variables used. Gender was measured with “female”, “male” and “other / prefer not to say” and Age was divided into the following age groups: “under 18 years old”, “18-24 years old”, “25-34 years old”, “35-44 years old”, “45-54 years old” and “Over 55 years old”. Education was measured and divided in “Less than High school degree”, “Technical Professional degree”, “Bachelor Degree”, “Master Degree”, “PhD or higher”. Lastly, Nationality was divided between the various existing nationalities. As control variables it was also used whether the respondents play online games and whether they buy luxury goods, as well as the type and frequency with which they do so.

To measure Brand Coolness the following scales were used: Useful, High-Status, Popular, Subcultural and Authentic. The indicated measures were first chosen based on Loureiro et al. (2020) which elected the first four measures. Additionally, the attribute of Authentic was also added, since according to (Ko et al., 2019) is one of the values of a Luxury Brand. Most of the respondents in the Warren et al. (2019) tests identify Cool Brands “as being exclusive, upper class, glamorous, and sophisticated”. It is associated as well with esteem, social class, and sophistication (Belk et al., 2010; Connor, 1995; Heath & Potter, 2004; Nancarrow et al., 2003; Warren, 2010). Another characteristic identified in cool brands is their authenticity, “the brand behaving consistently and remaining true to its roots” (Warren et al., 2019, p.5).

To measure Brand Equity, the measurement scales proposed by Washburn and Plank (2002) were used; however, only the Perceived Brand Quality, Brand Awareness and Brand Loyalty dimensions were considered. The Brand Associations dimension is not represented in the model as it decreased its quality and was removed to increase validity (Appendix B).

All the information gathered through the questionnaires was imported into IBM SPSS 28 Statistics, allowing for the first analysis of the sample and the model descriptive. It was then

transferred into SmartPLS4 to generate a partial least square structural equation modelling (PLS-SEM) to verify and analyse it. The PLS-SEM provides a more suitable causal-predictive analysis among all of the constructs to analyse complicated models (Henseler et al., 2009; Hair, et al., 2012).

3.2.1. Pre-test

Before launching the questionnaire, a pre-test survey was conducted. The questionnaire can be improved through a pilot test, so that respondents have no trouble comprehending or responding to the items (Saunders et al., 2009). The implementation of this pilot test aimed to determine whether the questionnaire needed any revisions or changes before it was actually and widely shared. It tested if the concepts were adequately explained, if there were uncertainties regarding a particular question or topic and if there were any redundant questions.

3.2.4. Sample

The questionnaire was shared in places like on social networks, online communities and schools, where it could reach as many respondents as possible, but also ensuring that it reached both online game players and consumers of luxury products, namely individuals belonging to Gen Y and Gen Z (Bain & Company Media Center, 2018). From the shared survey, 417 responses were obtained, all considered valid. Of those responses, 59.2% were female and 38.6% were male. Most of the respondents belonged to the 18-24 age group (78.2%), followed by participants aged between 25 and 34 (15.8%). In total, 46.6% of the participants were university graduates, while 24.7% have finished secondary school and 20.4% have completed a master's degree. Additionally, 36.2% of the individuals work full time, 21.10% are working students and 38.10% are students. Only 18 of the individuals who answered the questionnaire were not Portuguese, having Angolan, Brazilian, Chinese, German, Greek, Italian, Luxembourgish, Mozambican, Spanish, Turkish and American nationality (Appendix D).

Regarding Online Gaming, 74.6% of the participants play or have played some type of online game, from these, 36% play Massively Multiplayer Online Games, 20% single-player games and 44.4% play or have played both types of games. Furthermore, 37.6% of these individuals play less than once a month, 18% play from 2 to 4 times a week and 10.3% every day. Additionally, 43% of players have played or played the game League of Legends, with 33.6% doing so less than once a month, 20.1% from 5 to 7 times a week and 9.7% every day. (Appendix E).

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On the other hand, regarding the consumption habits of luxury products, 40.5% have never bought any product of Luxury Brands, 32.4% buys "rarely" and 12% buys "sometimes" (Appendix F). LongChamp, Dolce&Gabana, Dior, Michael Kors, Zadig&Voltaire and Burberry are among the brands most consumed by the respondents. In addition, 5.8% of individuals have bought Louis Vuitton. Finally, only 25.9% had previously been aware of a partnership like the one mentioned in the survey (Appendix G).

CHAPTER 4

4. Data Analysis**4.1. Descriptive Analysis**

Performing a descriptive statistical analysis for each element that compose the conceptual framework was the first stage in conducting the study of the gathered data (Figure 3.1). As a result, each item included in the analysis had its mean and standard deviation briefly examined. Subsequently to this analysis, and to develop the constructs, a new variable was created with each question in the survey by calculating the mean of each mean linked to that variable.

4.1.1. Brand Credibility

The independent variable “Brand Credibility” (BC) comprises six items, presented in Table 4.1. From the items listed, the one that scores the highest mean among the other items is BC_5, “Louis Vuitton has a name you can trust”. This item has a mean of 5.75. Since the scale of measurement of the items is a 7-point Likert-type, this would indicate that, on average, the respondents agree with the statement. Regarding the item that shows the greatest disparity between the answers, it is BC_3, “Over time, my experiences with Louis Vuitton led me to expect it to keep its promises”, having a standard deviation of 1.47. The new construct BC, “Brand Credibility”, has an average value of 5.33 and a standard deviation of 1.15.

Table 4.1: Brand Credibility – Descriptive Statistics

	Mean	Std. Deviation
BC_1: Louis Vuitton delivers what it promises	5.230	1.238
BC_2: Product claims from Louis Vuitton are believable	5.408	1.336
BC_3: Over time, my experiences with Louis Vuitton led me to expect it to keep its promises	4.873	1.469
BC_4: Louis Vuitton is committed to delivering on its claims	5.189	1.336
BC_5: Louis Vuitton has a name you can trust	5.748	1.341
BC_6: Louis Vuitton has the ability to deliver what it promises	5.511	1.332
BC: Brand Credibility	5.327	1.148

Source: Own elaboration using the outputs of SPSS.

4.1.2. Brand Coolness

Brand Coolness (BCO) is a construct of several dimensions, and in this study the following are being taken into account: Useful, Authentic, High-Status, Popular and Subcultural. The more

general higher-order construct BCO is composed of 20 attributes (BCO_1, BCO_2, BCO_3, BCO_4, BCO_5, BCO_6, BCO_7, BCO_8, BCO_9, BCO_10, BCO_11, BCO_12, BCO_13, BCO_14, BCO_15, BCO_16, BCO_17, BCO_18, BCO_19, BCO_20) and represented by 4 first-order constructs (BCO1, BCO2, BCO3, BCO4), as shown in Table 4.2.

The first-order construct "Useful" (BCO1) is composed by BCO_1, BCO_2, BCO_3, BCO_4, BCO_5 and BCO_6. Among the 6 items, the one with the highest average is BCO_3, "Louis Vuitton is valuable", with 5.30. On the other hand, the item which presents the highest deviation in the answers is BCO_1, "Louis Vuitton is useful", with a standard deviation of 1.57. The dimension Useful has a mean of 4.43 and a standard deviation of 1.19.

The second first-order construct dimension to be analyzed is "Authentic" (BCO_5, BCO_6, BCO_7, BCO_8), with a maximum mean of 5.37 in the item BCO_5, and a maximum standard deviation of 1.64 (BCO_7). The dimension Authentic has a mean of 4.98 and a standard deviation of 1.25.

Additionally, with a mean of 5.55 and a standard deviation of 1.30, the High-Status dimension was also analyzed. In this dimension, the item with the maximum average is BCO_9, meaning that on average, respondents strongly agree that the Louis Vuitton brand is chic (5.66). The item that created the most response disparity was "Louis Vuitton is Glamorous", with a standard deviation of 1.47. This construct consists of the items BCO_9, BCO_10, BCO_11, BCO_12.

In addition to these, the dimension "Popular" (BCO_13, BCO_14, BCO_15, BCO_16) was also analyzed, which is made up of the item with the highest average of all twenty constructs. The BCO_15 item, "Louis Vuitton is Popular" has a mean of 6.01, and on average the respondents agree with the statement. The maximum standard deviation of this construct is 1.51, with item BCO_13. The average of this dimension is 5.45 and its standard deviation 1.11 (Table 4.2).

Finally, we have the "Subcultural" dimension, with a mean of 4.23 and a standard deviation of 1.60. This construct consists of the items BCO_17, BCO_18, BCO_19, BCO_20 and, in this case, the item with the highest mean is BCO_19, with 4.48, and the one with the highest standard deviation is "People who use Louis Vuitton are unique", with 2.01. In short, the construct "Brand Coolness" presents a mean of 4.93 and a standard deviation of 1.01.

Table 4.2: Brand Coolness – Descriptive Statistics

	Mean	Std. Deviation
BCO_1: Louis Vuitton is useful	4.266	1.569
BCO_2: Louis Vuitton helps people	3.468	1.513
BCO_3: Louis Vuitton is valuable	5.300	1.432
BCO_4: Louis Vuitton is extraordinary	4.669	1.487
BCO1: Useful	4.426	1.187
BCO_5: Louis Vuitton is Authentic	5.374	1.400
BCO_6: Louis Vuitton is true to its roots	4.868	1.426
BCO_7: Louis Vuitton does not seem artificial	4.731	1.635
BCO_8: Louis Vuitton does not try to be something it's not	4.940	1.561
BCO2: Authentic	4.978	1.249
BCO_9: Louis Vuitton is Chic	5.662	1.451
BCO_10: Louis Vuitton is Glamorous	5.635	1.466
BCO_11: Louis Vuitton is Sophisticated	5.612	1.437
BCO_12: Louis Vuitton is Ritzy	5.271	1.361
BCO3: High Status	5.545	1.297
BCO_13: Louis Vuitton is liked by most people	5.038	1.508
BCO_14: Louis Vuitton is in Style	5.374	1.395
BCO_15: Louis Vuitton is Popular	6.012	1.226
BCO_16: Louis Vuitton is widely accepted	5.384	1.311
BCO4: Popular	5.452	1.105
BCO_17: Louis Vuitton makes people who use it different from other people	4.381	1.856
BCO_18: If I were to use Louis Vuitton, it would make me stand apart from others	4.331	1.816
BCO_19: Louis Vuitton helps people who use it stand apart from the crowd	4.480	1.681
BCO_20: People who use Louis Vuitton are unique	3.712	2.008
BCO5: Subcultural	4.226	1.604
BCO: Brand Coolness	4.925	1.014

Source: Own elaboration using the outputs of SPSS.

4.1.3. Brand Equity

The dependent variable "Brand Equity" (BE) is represented by the dimensions Perceived Brand Quality (BE1), Brand Awareness (BE2) and Brand Loyalty (BE4). Perceived Brand Quality was originally constituted by the first 6 items indicated in Table 4.3, and the item with the

highest mean value is BE_1, "Louis Vuitton is of high-quality", with 5.72. The maximum value of standard deviation belongs to item BE_6, with a value of 1.90. This dimension presents a mean of 5.1 and a standard deviation of 0.96. However, since item BE_6 had loadings below 0.40, it was removed from the analysis (Table 4.4).

The construct Brand Awareness, composed by BE_7, BE_8 and BE_9, presents a mean of 5.48 and a standard deviation of 1.25. The maximum mean value of the items is 5.70 and the standard deviation 1.55, belonging to items BE_9 and BE_8, respectively.

Brand Loyalty is composed of items BE_13, BE_14 and BE_15 and has the smallest mean value of the first-order constructs representing Brand Equity, 2.83, and a standard deviation of 1.82. The item that presents a higher mean value is also the one that presents a maximum standard deviation value, 2.88 and 1.99 respectively. It means that, on average, respondents somewhat disagree that they consider themselves loyal to the brand. Finally, the Brand Equity construct presents a mean of 4.61 and a standard deviation of 0.97 (Table 4.3).

Table 4.3: Brand Equity – Descriptive Statistics

	Mean	Std. Deviation
BE_1: Louis Vuitton is of high-quality	5.717	1.268
BE_2: The likely quality of Louis Vuitton is extremely high	5.592	1.290
BE_3: The likelihood that Louis Vuitton would be functional is very high	5.149	1.352
BE_4: The likelihood that Louis Vuitton is reliable very high	5.357	1.312
BE_5: Louis Vuitton appears of very good quality	5.695	1.243
BE_6: Louis Vuitton appears to be of very poor quality	2.871	1.898
BE1: Perceived Brand Quality	5.064	0.961
BE_7: I know what Louis Vuitton looks like	5.302	1.448
BE_8: I can recognize Louis Vuitton among other Luxury Brands	5.451	1.554
BE_9: I am aware of Louis Vuitton	5.700	1.470
BE2: Brand Awareness	5.484	1.252
BE_13: I consider myself to be loyal to Louis Vuitton	2.880	1.988
BE_14: Louis Vuitton is my first luxury brand choice	2.835	1.965
BE_15: I would not buy other luxury brand if Louis Vuitton is available at the store	2.765	1.912
BE4: Brand Loyalty	2.827	1.815
BE: Brand Equity	4.610	0.970

Source: Own elaboration using the outputs of SPSS.

4.2. Model Estimation

The proposed model was investigated using the Partial Least Squares-Structural Equation Modeling (PLS-SEM) technique. This requires iteratively studying the interactions between different factors in order to comprehend the variation of the dependent variables (Hair et al.,

2017). The measurement model and the structural model are the two models that constitute the PLS-SEM approach, according to Hair et al. (2017). The connections between latent variables and the pertinent indicators can be found by examining the outer model. The structural model, on the other hand, is shown in the inner model and shows how the latent variables are connected.

After assessing the two models, we will also carry out an analysis of the moderating variables. These have the potential to change how dependent variables and independent variables are currently interdependent in the model (Hair et al., 2017). In this case, we will use as moderator variables the fact that respondents are gamers, have already bought luxury products, their previous knowledge of partnerships similar to the one presented in the survey and their age generation. The presented model is constituted by 5 first-order constructs: Brand Credibility, Perceived Brand Quality, Brand Awareness and Brand Loyalty, and by one second-order construct, which is Brand Coolness, being a reflective-formative construct.

4.2.1 Assessment of the Measurement Model

The measurement model, or the link between indicators and latent variables, is evaluated as the first stage in this methodology. For reflective and formative factors, the model evaluation procedures change (Hair et al., 2017).

4.2.1.1. Reflective Measurement Model

The evaluation of the reflective variables is done by examining the consistency and validity of the first-order constructs (Hair et al., 2017). The first step will be to assess the Individual Indicator Reliability of each of the first-order constructs of the variables. The higher the values of the outer loadings of the indicators, the greater their ability to assess the variables they are measuring. According to Hair et al. (2019), the values of the outer loadings should be bigger than 0.708 since the constructs should be able to account for at least 50% of the variation in the indicators. However, according to the same author, indicators with values of outer loadings between 0.40 and 0.70 can be kept in the model, as long as their exclusion does not increase the value of Average Variance Extracted (AVE) or Composite Reliability (CR). On the other hand, values below 0.40 should be removed (Bagozzi et al., 1991; Hair et al., 2011). Thus, after running the algorithm and obtaining the outer loadings of the first-order indicators (Table 4.4), it is possible to observe that all items have values higher than 0.7, except for the item BE_6. This item has a value of -0.148. Since it is below 0.40, it must be removed from the model. After removing the item BE_6, we can observe that there is no need to remove any further items from the model since all the remaining items have values higher than 0.70. Furthermore, besides

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BCO_2, all of them have values higher than 0.708. As this item is not decreasing the average variance explained, there is no need to worry about this value as well, meaning that the individual remaining items are considered reliable (Hair et al., 2017).

Table 4.4: Assessment of Measurement Model - First order construct's Outer Loadings

	Brand Credibility	Useful	Authentic	High Status	Popular	Subcultural	Perceived Brand Quality	Brand Awareness	Brand Loyalty
BC_1	0.866								
BC_2	0.857								
BC_3	0.792								
BC_4	0.902								
BC_5	0.847								
BC_6	0.870								
BCO_1		0.802							
BCO_2		0.701							
BCO_3		0.768							
BCO_4		0.870							
BCO_5			0.841						
BCO_6			0.845						
BCO_7			0.791						
BCO_8			0.842						
BCO_9				0.913					
BCO_10				0.934					
BCO_11				0.909					
BCO_12				0.872					
BCO_13					0.810				
BCO_14					0.841				
BCO_15					0.769				
BCO_16					0.824				
BCO_17						0.885			
BCO_18						0.887			
BCO_19						0.882			
BCO_20						0.835			
BE_1							0.900		
BE_2							0.911		
BE_3							0.828		
BE_4							0.872		
BE_5							0.886		
BE_6							-0.148		
BE_7								0.844	
BE_8								0.881	
BE_9								0.793	
BE_13									0.917
BE_14									0.938
BE_15									0.931

Source: Own elaboration using the outputs of SmartPLS.

Cronbach's Alpha (CA) and Composite Dependability (CR) scores were used as a second step to evaluate the model's internal reliability. Cronbach's alpha provides an estimation of reliability based on the intercorrelations of the observed item variables (Hair et al., 2017). Composite Reliability, which is also a measure of internal consistency and takes into account the various outer loadings of the item variables, is evaluated by Rho A values (Hair et al., 2017). As shown in Table 4.5, all the mentioned concepts have scores above the lowest limit of 0.7, making all constructs considered reliable.

Table 4.5: Assessment of Measurement Model - First order construct's Reliability and Convergent Validity

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Brand Credibility	0.927	0.930	0.943	0.733
Useful	0.799	0.826	0.867	0.621
Authentic	0.850	0.854	0.898	0.689
High-Status	0.928	0.930	0.949	0.824
Popular	0.827	0.830	0.885	0.658
Subcultural	0.896	0.899	0.927	0.762
Perceived Brand Quality	0.927	0.928	0.945	0.774
Brand Awareness	0.791	0.796	0.878	0.706
Brand Loyalty	0.920	0.921	0.950	0.862

Source: Own elaboration using the outputs of SmartPLS.

It can also be stated that the convergent validity of the model is verified since, in addition to the ability of the indicators to assess the variables they are measuring, the model explains at least 50% of the variation of the indicators. As it can be seen from Table 4.5, the value of the average variance explained (AVE) of the variables are all greater than 0.50, which means that there is convergent validity in the model.

Finally, Discriminant Validity is assessed to verify whether the constructs are statistically different from each other (Hair et al., 2019). First, the method of cross-loadings is used and, as we can see from Appendix H, according to this criterion, there is Discriminant Validity, since the correlation between the indicators of the construct is strong and is weak between indicators of different constructs. According to the Fornell-Larcker criterion, the Discriminant Validity is also assured because the square root of each construct's AVE is greater than its greatest correlation with the other constructs in the model (Fornell & Larcker, 1981). Through Appendix H and Table 4.6, we can state that the cross-loadings and Fornell-Larcker criterion are met, respectively.

Table 4.6: Assessment of Measurement Model – Fornell-Larcker

	Authentic	Brand Awareness	Brand Credibility	Brand Loyalty	High Status	Perceived Brand Quality	Popular	Subcultural	Useful
Authentic	0.830								
Brand Awareness	0.386	0.840							
Brand Credibility	0.590	0.451	0.856						
Brand Loyalty	0.277	0.217	0.244	0.929					
High-Status	0.677	0.398	0.518	0.192	0.907				
Perceived Brand Quality	0.646	0.513	0.610	0.244	0.729	0.880			
Popular	0.646	0.495	0.581	0.205	0.700	0.683	0.811		
Subcultural	0.397	0.204	0.384	0.430	0.378	0.402	0.347	0.873	
Useful	0.707	0.324	0.572	0.372	0.593	0.606	0.609	0.453	0.788

Source: Own elaboration using the outputs of SmartPLS.

According to Hair et al. (2019), the last two mentioned criteria have some limitations when the value of the loadings of the indicators present a slight difference. Thus, Henseler et al., (2015) suggested the use of the Heterotrait-Monotrait (HTM) ratio, which is defined as the average value of the correlations between the indicators of the construct in relation to the average of the average correlations of the indicators measuring that same construct, and which should be lower than 0.90. As in the other tests, the model also meets the requirements of the later assessment (Table 4.7), meaning that there is Discriminant Validity between the first-order constructs.

Table 4.7: Assessment of Measurement Model – HTM Ratio

	Heterotrait- monotrait Ratio (HTMT)
Brand Awareness -> Authentic	0.462
Brand Credibility -> Authentic	0.659
Brand Credibility -> Brand Awareness	0.524
Brand Loyalty -> Authentic	0.317
Brand Loyalty -> Brand Awareness	0.255
Brand Loyalty -> Brand Credibility	0.269
High-Status -> Authentic	0.758
High-Status -> Brand Awareness	0.462
High-Status -> Brand Credibility	0.554
High-Status -> Brand Loyalty	0.206
Perceived Brand Quality -> Authentic	0.724
Perceived Brand Quality -> Brand Awareness	0.596
Perceived Brand Quality -> Brand Credibility	0.655
Perceived Brand Quality -> Brand Loyalty	0.268
Perceived Brand Quality -> High-Status	0.783
Popular -> Authentic	0.763
Popular -> Brand Awareness	0.613
Popular -> Brand Credibility	0.660
Popular -> Brand Loyalty	0.235
Popular -> High-Status	0.795
Popular -> Perceived Brand Quality	0.776
Subcultural -> Authentic	0.447
Subcultural -> Brand Awareness	0.242
Subcultural -> Brand Credibility	0.420
Subcultural -> Brand Loyalty	0.464
Subcultural -> High-Status	0.413
Subcultural -> Perceived Brand Quality	0.442
Subcultural -> Popular	0.399
Useful -> Authentic	0.838
Useful -> Brand Awareness	0.382
Useful -> Brand Credibility	0.639
Useful -> Brand Loyalty	0.440
Useful -> High-Status	0.656
Useful -> Perceived Brand Quality	0.675
Useful -> Popular	0.717
Useful -> Subcultural	0.527

Source: Own elaboration using the outputs of SmartPLS.

4.2.1.1. Formative Measurement Model

Convergent validity, significance, and relevance of indicator weights, as well as the existence of indicator collinearity, are used to evaluate the formative variable (Hair et al., 2017). To equally validate the formative model, it is necessary to check for multicollinearity, through the outer model variance inflation factor (VIF) scores of all sets of the predictor constructs. These values are all below the lower limit of 5 proposed by Hair et al. (2014) and displayed in Appendix J. Therefore, it can be concluded that there are no inner collinearity issues.

As a next step, it will be necessary to assess whether the indicators are relevant to measure the second-order constructs. For this to happen, it is first necessary to validate that the values of the outer weights of the indicators are significant and that their outer loadings are greater than the value of 5. Otherwise, the indicators should be removed from the model (Hair et al., 2017). To analyse the outer weights of the indicators, it was performed a bootstrapping analysis in SmartPLS4. From Appendix K, we can infer that all the indicators have significant outer weights and present outer loadings greater than 5 (Appendix L). Therefore, we can conclude that all are relevant and significant for the measurement of the constructs.

4.2.2. Assessment of the Structural Model

After analysing the validity and reliability of the model, we can proceed to the assessment of the structural model, or inner model. It entails looking at the construct relationships as well as the model's predictive ability. Evaluating the determinant coefficient, Effect Size and Predictive relevance coefficients are the criteria used for assessing the structural model. In last place, also to assess the structural model and to conclude if we can either accept or reject the tested hypotheses, the path coefficients will be also analysed (Hair et al., 2017).

The first step, before describing the several analyses needed, is to examine the structural model for collinearity. VIF scores over 5 are regarded as critical levels of collinearity in the predictor constructs (Hair et al., 2017). All the values are under the cutoff, as shown in Appendix M, proving that the independent variables in the model are not multicollinear.

After concluding that there is no collinearity in the model's variables, we can analyse its fit and quality. The Coefficient of Determination examines the independent variables' ability to explain dependent ones (Shmueli & Koppius, 2011) and its scores range from 0 to 1. Higher values suggest greater forecasting accuracy (Hair et al., 2017). The values of 0.25, 0.50, and 0.75 represent weak, moderate, and substantial explanation values, respectively, according to Hair et al. (2011). In the case of the model under study, all the variables present weak values,

with the exception of Perceived Brand Quality, which presents a moderate value (0.5599), as it can be seen in Appendix N.

It was also evaluated the effect of each of the exogenous variables on the endogenous variable and how the removal of a given construct affects the value of the coefficient of determination, through the Effect size f^2 . The strength of the association between the variables is shown by this measure's higher values. (Cohen, 1988) defined those values of 0.02; 0.15; and 0.35 which present weak, moderate, and substantial explanation values, respectively. By analyzing Appendix O, we can conclude that all the variables have a substantial relationship with each other.

Additionally, it was used PLSPredict to analyze Stone Geisser's Q^2 . This indicator allows us to assess the predictive relevance of the model and its values should be greater than 0, so that it can guarantee that the constructs can predict the model's dependent variable (Hair et al., 2019). It is possible to state that there is predictive capacity or relevance of the model constructs since the model's Q^2 values are all greater than zero (Appendix N).

Finally, it will be analysed whether the relationships between the hypotheses are significant. To do so, we will analyse the path coefficients through bootstrapping with 5,000 sub-samples and a 95% confidence interval. We can observe, through Table 4.8, that there is statistical evidence to state that Brand Credibility positively influences Brand Coolness, since hypothesis H1 was supported. H2a, H2b e H2c were also supported, which means that Brand Coolness has a positive influence on Brand Awareness, Perceived Brand Quality and Brand Loyalty. We can also state that the variables that are more intensely related are Brand Credibility with Brand Coolness and Brand Coolness with Perceived Brand Quality. Lastly, it was also concluded that there is statistical evidence that Brand Credibility has a positive influence on Brand Awareness, Perceived Brand Quality and Brand Loyalty variables, as it can be seen in Appendix P.

Table 4.8: Assessment of Structural Model – Path Coefficients

	β	Sample Mean (M)	Standard Deviation (STDEV)	t- values	P- values	Decision
Brand Credibility -> Brand Coolness	0.664	0.668	0.036	18.224	0.000	H1 is supported
Brand Coolness -> Brand Awareness	0.474	0.479	0.048	9.852	0.000	H2a is supported
Brand Coolness -> Perceived Brand Quality	0.774	0.776	0.026	29.700	0.000	H2b is supported
Brand Coolness -> Brand Loyalty	0.343	0.343	0.050	6.921	0.000	H2c is supported

Source: Own elaboration using the outputs of SmartPLS.

4.2.2.1. Moderation Analysis

Additionally, it was considered as moderating variables, the fact that respondents were gamers (PL), the fact that they were players of the game represented in the survey (LOLPL), the fact that they were consumers of luxury products (LC), the fact that they already had prior knowledge of this type of partnership between Luxury Brands and online games (KP) and its age generation. In order to assess the impact that consumers' generation has on their perception of Coolness and Equity, a multi-group analysis was carried out - as it is the only non-binary moderator variable in the study and given its categorical variability. For this analysis we used the groups "Gen Y" and "Gen Z", the only age ranges in the study with enough sample for SmartPLS4 to draw statistical conclusions. Prior to examining the moderating impact of the age generations, it was critical to quantify measurement invariance. The Measurement Invariance of Composite Models (MICOM) is the three-step evaluation technique designed to assess it (Henseler et al., 2016).

Confirming that the variables under consideration exhibit configurational invariance, which is understood as a homogenous parameterization system and method of estimate, is the first phase of this analysis. For the integrity of each sample and for each group, it is necessary that the measurement model, the structural model, and the remaining estimates to be equal. In this instance, configuration invariance may be inferred from the questionnaire's development (Appendix A) and the conceptual framework employed (Figure 3.1).

The second phase is investigating compositional invariance, which was assessed utilizing a MICOM procedure that was incorporated into the SmartPLS4 program and involved a total of 5,000 permutations. When composite scores are generated evenly across groups, compositional invariance occurs (Dijkstra and Henseler, 2011). Table 4.9's results for the second phase demonstrate that compositional invariance has been established for all of the structures under consideration. A permutation test has further demonstrated that none of the correlation coefficient values differ appreciably from the 5.00% threshold. As a result, it can be argued that all of the constructs that were taken into account for the model show composite invariance.

Table 4.9: Moderation Analysis – Compositional Invariance

	Original Correlation	Correlation Permutation Mean	5.0%	Permutation p value
Brand Credibility	1.000	0.999	0.998	0.880
Brand Coolness	0.942	0.964	0.916	0.168
Perceived Brand Quality	1.000	1.000	0.999	0.927
Brand Awareness	0.988	0.995	0.985	0.074
Brand Credibility	1.000	0.999	0.998	0.880
Brand Loyalty	1.000	0.999	0.997	0.503
KP	1.000	1.000	1.000	0.076
LC	1.000	1.000	1.000	0.542
LOLPL	1.000	1.000	1.000	0.376
PL	1.000	1.000	1.000	0.201

Source: Own elaboration using the outputs of SmartPLS.

Lastly, it was taken into consideration the third step of the MICOM analysis, which is divided into two phases. Firstly, it assesses the equality of mean values across the groups, and then the equality of variances. For both analyses, the original value difference needs to fall inside the 95% confidence interval, or the range between the lower and higher bounds, in order for invariance to be proven. As can be seen from Table 4.10, and since the mean original difference value for all constructs falls within the 95% interval, the equality mean values is guaranteed. The values in Table 4.11 also guarantee the equality of variances. It is possible to conclude the full measurement invariance for the model since all constructs fall within the 95% confidence interval (Henseler et al. 2016).

Table 4.10: Moderation Analysis – Equal Means

	Original Correlation	Correlation Permutation Mean	2.5%	97.5%	Permutation p value
Brand Credibility	-0.191	0.001	-0.270	0.266	0.160
Brand Coolness	-0.096	0.003	-0.264	0.260	0.484
Perceived Brand Quality	-0.084	0.001	-0.265	0.261	0.531
Brand Awareness	-0.065	0.000	-0.273	0.253	0.632
Brand Loyalty	0.104	-0.002	-0.262	0.270	0.441
KP	0.042	-0.000	-0.103	0.115	0.529
LC	0.008	0.000	-0.119	0.136	1.000
LOLPL	-0.009	-0.000	-0.114	0.118	0.885
PL	0.001	-0.000	-0.127	0.110	1.000

Source: Own elaboration using the outputs of SmartPLS.

Table 4.11: Moderation Analysis – Equal Variances

	Original Correlation	Correlation Permutation Mean	2.5%	97.5%	Permutation p value
Brand Credibility	-0.010	-0.033	-0.488	0.426	0.963
Brand Coolness	-0.248	-0.031	-0.457	0.382	0.256
Perceived Brand Quality	0.145	-0.033	-0.527	0.450	0.573
Brand Awareness	-0.135	-0.024	-0.420	0.351	0.502
Brand Loyalty	-0.095	-0.026	-0.384	0.274	0.562
KP	0.102	-0.022	-0.350	0.239	0.529
LC	-0.006	-0.013	-0.153	0.044	1.000
LOLPL	-0.006	-0.016	-0.221	0.148	0.950
PL	0.001	-0.021	-0.404	0.270	1.000

Source: Own elaboration using the outputs of SmartPLS.

Once finalised the three procedures mentioned above, it is possible to perform the application of a multigroup analysis protocol (Henseler et al., 2016). Using Bootstrap multigroup analysis it was possible to achieve the values in Table 4.12 and conclude that there is no difference between the two groups: Gen Y and Gen Z.

Table 4.12: Moderation Analysis – Bootstrapping Results

	Difference (Gen Y - Gen Z)	1-tailed (Gen Y vs Gen Z) p value	2-tailed (Gen Y vs Gen Z) p value
Brand Credibility -> Brand Coolness	-0.029	0.622	0.755
Brand Coolness -> Perceived Brand Quality	-0.003	0.496	0.992
Brand Coolness -> Brand Awareness	0.252	0.262	0.524
Brand Coolness -> Brand Loyalty	-0.110	0.592	0.817
KP -> Perceived Brand Quality	-0.101	0.707	0.587
KP -> Brand Awareness	-0.030	0.546	0.908
KP -> Brand Loyalty	0.087	0.390	0.780
LC -> Perceived Brand Quality	0.011	0.494	0.987
LC -> Brand Awareness	-0.104	0.650	0.700
LC -> Brand Loyalty	-0.416	0.918	0.165
LOLPL -> Perceived Brand Quality	0.093	0.318	0.635
LOLPL -> Brand Awareness	0.280	0.220	0.440
LOLPL -> Brand Loyalty	-0.088	0.604	0.793
PL -> Perceived Brand Quality	0.057	0.380	0.759
PL -> Brand Awareness	0.605	0.032	0.064
PL -> Brand Loyalty	-0.092	0.611	0.777
LC x Brand Coolness -> Perceived Brand Quality	-0.189	0.808	0.385
LC x Brand Coolness -> Brand Awareness	-0.109	0.626	0.749
LC x Brand Coolness -> Brand Loyalty	0.053	0.440	0.881
KP x Brand Coolness -> Perceived Brand Quality	0.268	0.123	0.246
KP x Brand Coolness -> Brand Awareness	0.189	0.317	0.635
KP x Brand Coolness -> Brand Loyalty	-0.173	0.684	0.632
LOLPL x Brand Coolness -> Perceived Brand Quality	0.058	0.402	0.805
LOLPL x Brand Coolness -> Brand Awareness	-0.297	0.739	0.521
LOLPL x Brand Coolness -> Brand Loyalty	0.649	0.054	0.108
PL x Brand Coolness -> Perceived Brand Quality	0.065	0.388	0.775
PL x Brand Coolness -> Brand Awareness	-0.204	0.734	0.533
PL x Brand Coolness -> Brand Loyalty	-0.240	0.761	0.478

Source: Own elaboration using the outputs of SmartPLS.

Regarding the remaining moderating variables previously mentioned, it was also not possible to conclude that there is statistical evidence between any of the influence of these variables and the relationship between Brand Coolness and Perceived Brand Quality and between Brand Coolness and Brand Loyalty. Therefore, it was possible to conclude that being a gamer, being a LOL player, buying luxury products and having previous knowledge of this type of partnership do not provoke more intense relationships between Brand Coolness and Perceived Brand Quality and between Brand Coolness and Brand Loyalty. On the other hand, it can be observed that both KP and LC have an influence on the relationship between the dependent variable Brand Coolness and Brand Awareness (Appendix Q).

CHAPTER 5

5. Discussion

5.1. General Discussion

The aim of this study is to understand the effect that Brand Credibility of Luxury Brands has on their Brand Equity, using Game Advertising. The first hypothesis intends to evaluate if there is a positive influence between Brand Credibility and Brand Coolness. According to the results obtained in the PLS4 Bootstrapping program, this hypothesis was supported, indicating that there is (a strong) statistical evidence that (luxury) brands are positioned in the consumer's mind as being credible, positively influence their perception that they are cool. The literature states that what makes the difference between Brands' Credibility is their willingness and ability to perform consecutive brand investments to offer what they promise (Erdem & Swait, 2004). Having this ability and willingness to consecutively perform actions on behalf of the brand promises and what consumers seek and expect, will give the possibility to transform the brand into a dynamic brand, one of the precise and intrinsic characteristics of cool (Warren et al., 2019).

Thus, since the individuals in our analysis consider the Luxury Brand as credible, we can conclude that the use of Game Advertising worked as a positive brand investment, positively influencing the way it is perceived as cool. By communicating through a platform that is increasingly used by the consumers that Luxury Brands want to reach, Gen Y and Gen Z (Bain & Company Media Center, 2018), the brand has the possibility to impact its audience in the way they want to be impacted by brands, through an experience, beyond the brand's products and services (Freedman, 2019). Literature shows that Brand Credibility has an impact on satisfaction, commitment, and word-of-mouth recommendations (Sweeney & Swait, 2008), which make it more likely that a brand will become popular, first in a niche and then to a larger population.

Morhart et al. (2015) stated that one potential pillar for building Brand Credibility has been the degree to which the brand is viewed as genuine and honest. Also, Luxury Brand's consumers tend to use their high purchasing power to maximize their well-being, being these desired and original products also associated with brands perceived as authentic (Khamwon & Kularbkaew, 2021), another of the characteristics of cool brands. Similarly, the use of Game Advertising will help perceiving authenticity and subjectivity as it is a form where the consumer is fully

immersed and involved (Kinard & Hartman, 2013), and where he projects in the game to achieve what he expects it to be in real life (Barton, 2021).

In the second part of the analysis, we intend to explore whether the perception of a Luxury Brand as being cool has an influence on its Brand Equity (H2). It was first concluded that the stronger the perception of cool that a consumer has of a brand, the stronger the consumer's awareness of it will be (H2a). This means that the player has an easier time remembering a cool brand in the game after playing it (Nelson et al., 2006), and this brand memory will influence the purchase at the moment of decision. According to J. Yang et al. (2015) product placement in In-Game Advertising seems to have a positive impact in consumer recall, even though this is sometimes higher as implicit and aided recall. According to Warren et al., (2019), cool brands are popular between a niche or even within a larger population, but they are also useful or even extraordinary. As previously stated, both its popularity and satisfaction will increase its WOM recommendations (Sweeney & Swait, 2008) and the frequency with which they are inserted into consumers' daily lives, making it easier for them to remember and recognize it.

There is also statistical evidence of the fact that consumers who were aware of partnerships between Luxury Brands and another game (or of the brand game itself) will influence their ability to recognize or recall cool brands. The fact that consumers are aware of other partnerships makes them more predisposed to recognize others and, since this knowledge positively influences brand awareness, they are probably already awake to the positive outputs they can take from them, being them emotional or more concrete.

According to the analysis, another indicator that will influence the relationship between Brand Coolness and Brand Equity is the fact that individuals are already consumers of luxury products. In short, consumers of luxury products consider that the adoption of this type of communication by brands they perceive as cool will have a positive impact on how they will recognize and remember them in the future.

The second hypothesis (H2b) tests if the consumers' perceived Coolness has a strong influence on their Perceived Brand Quality. From our analysis, we can also conclude that, as Tiwari et al. (2021) stated, the function cool and usability go hand in hand. Consumers tend to evaluate that after using the Game Advertising, the Perceived Brand Quality of the cool Luxury Brands increased. When consumers are looking for a game, they want to escape the stress and frustration of real life (Ko & Park, 2020). They create who they want to be by modifying game characters until they represent their own created identities (Vasalou & Joinson, 2009). As humans, they want to reduce the gap between their actual and ideal self (Higgins, 1989) and they use online games to do so (Ko & Park, 2020). According to Hsu et al. (2005), when a

player identifies with their character, they tend to enjoy the game more and when they have a positive emotional connection, they tend to perceive it as having a good quality (Yang et al., 2015).

Additionally, H2c proposes that brand coolness positively influences Brand Loyalty. The hypothesis was supported by the results, and therefore, the more a brand is perceived as cool, the more loyal the individual will be to that brand. Which is aligned with the fact that our study comprises mainly Gen Z individuals, who are tech inclined (Priporas et al., 2017) and with Gen Y individuals, who tend to be brand loyalists (Pitta, 2012). In online games, users are transported to a virtual environment where they can live several experiences. These experiences will influence their desire to consume, and companies invest in this type of game to create personal and lasting relationships that go beyond the characteristics of products and brands (Sheu et al., 2009). Furthermore, it has already been studied that brand authenticity (one of the characteristics of coolness) has a beneficial impact on loyalty (Choi et al., 2014). This communication turns its type of advertising into a fun and escapist experience (Refiana et al., 2005; Lu & Wang, 2008), which becomes more real (Martí-Parreño et al., 2013) and involving for the consumer (Kretchmer, 2004). An involved individual is more likely to engage with a brand (Beatty & Smith, 1987), and a more engaged consumer results in a consumer with higher levels of loyalty to that brand (Bowden, 2009; Roberts & Alpert, 2010). Therefore, these cool brands, as a result of the use of Game Advertising, will impact their consumers in a less perceptible way than traditional advertising media, which makes the relationship between the brand and the consumer much stronger and more lasting.

As presented by Washburn and Plank (2002), Brand Equity is composed of 4 dimensions: Perceived Brand Quality, Brand Awareness, Brand Associations and Brand Loyalty. Although the Brand Associations dimension was removed from this study, as previously mentioned, since the hypotheses H2a, H2b and H2c were supported, there is statistical evidence to conclude that Brand Coolness positively influences Brand Equity. That is, the more the consumer perceives a brand as cool, the stronger will also be its Brand Equity perception. Just like the perception of cool, Brand Equity also resides in the individual, being thus subjective (Raggio & Leone, 2007). Finally, we can also conclude through this study that the use of Game Advertising in brands considered credible has a positive impact on their Brand Equity. In fact, Erdem and Swait (1998) have already stated that Brand Credibility could have impacts on Brand Equity.

We can also conclude that there was no significant difference between the two groups in the multi-group analysis conducted as both types of consumers are likely to be oriented towards both luxury brands and online gaming. On the one hand, individuals from Gen Y are more

sophisticated consumers, interested in investing in experiences, and in product status, that like to keep up with trends (Morton, 2002), which probably might include the use of Game Advertising in Luxury Brands. On the other, Gen Z are creative individuals, inclined to technologically and with a need to escape reality (Priporas et al., 2017), which can be either by playing games or by purchasing luxury products.

In summary, we can state that the Hypotheses tested by the study were supported, meaning that we can infer that Brand Credibility, through the use of Game Advertising, positively influences Brand Coolness which in turn has an equally positive influence on Brand Equity of Luxury Brands.

5.2. Theoretical Implications

We can infer from the model's analysis that it has relevance for both theory and application. We can state that in a first instance it draws attention to three important concepts in the area of Marketing: Brand Credibility, Brand Coolness and Brand Equity. Brand Credibility is important in the sense that it helps us understand if the brand is seen as credible among so many others and its influence has already been proven in other important marketing areas such as consumer decision-making (Maathuis et al, 2004), higher purchase intentions (Goldsmith et al., 2000), satisfaction, commitment, and word-of-mouth (WOM) recommendations (Sweeney & Swait, 2008), price sensitivity (Erdem & Swait, 2004; Owens et al., 2001), brand choice (Erdem & Swait, 2004; Wang & Yang, 2010) and consumer loyalty (Sweeney & Swait, 2008). It had not, however, been assessed whether the fact that the brands' willingness and ability to deliver what they promise would impact how they are perceived as cool by their consumers. To this end, this study offers an important theoretical contribution since it demonstrates that there is empirical evidence about the positive relationship between Brand Credibility and Brand Coolness. This study also adds to the literature by confirming that Brand Credibility matters in Luxury Brands, having been considered a luxury fashion brand during our analysis, when previously it would only have been assessed in the case of luxury restaurants (Jin et al., 2014).

This study added theoretical discussion as well to the fact that Brand Coolness might have an impact on the Brand's Equity. The impact of coolness on some topics such as Brand Love and intention to buy has already been evaluated. However, being a relatively new, less explored theme and, such as Brand Equity, subjective, it made sense to explore the relationship between these variables. This study helped to explain that consumers considering a brand as cool has a positive impact in the way they perceive its quality, in the awareness they have of it, and in the loyalty, they will have to this brand. It also serves to demonstrate that, and being a subjective

concept, consumer characteristics can influence the awareness they have of cool brands, namely being luxury consumers. Finally, the study also helps to confirm what has been previously studied by some authors such as Erdem and Swait (1998) and Spry et al. (2011), that Brand Credibility could be related with Brand Equity. This study then proposes for discussion that both Brand Coolness and Brand Equity have a positive impact on Perceived Brand Quality, Awareness and Loyalty of Luxury Brands.

5.3. Management Implications

This study also brings important insights for marketers, especially for Luxury Brands. If nowadays the concept of cool is important for several individuals, it is also important for brands. This study shows that one way to obtain this cool characteristic is to be a credible brand, that performs brand investments to deliver what it promises. In a practical way, it shows that it can do so by taking advantage of the more digital world in which we find ourselves in and in line with the digitalization strategy of Luxury Brands. Contrarily to what was said by Julien Villedieu, the use of Game Advertising does not have a negative influence on Luxury Brands, because it is a less restricted channel (archyworldys, 2021). Actually, it can work as a brand investment in order to help the brand to be seen as more authentic, useful and help it to become popular.

Furthermore, this analysis shows that the fact that a cool Luxury Brand uses Game Advertising, it helps to increase brand recall. This will be more remembered and noticed the more the consumer is aware of the brand's actions, so it is recommended that the brand publicizes and also makes known the partnerships that it can make with the numerous types of online games. On the other hand, consumers of Luxury Brands will also find it easier to be aware of them after being impacted by this type of advertising, so it is also recommended to share and encourage them to join these communities.

Additionally, a brand that wants to increase its loyal consumer base should invest in personalized experiences that entertain, amuse and engage them. One of the ways to do so, and in accordance with this analysis, is through the use of Game Advertising, which involves and engages, and consequently makes consumers more loyal (Bowden, 2009; Roberts & Alpert, 2010).

CAPÍTULO 6

6. Conclusion

Luxury Brands, following the rest of the world, are finally making efforts to digitize themselves (Gilliland, 2020), as a way to communicate with their consumers. This study shows that one of the effective ways to do this is by using Game Advertising. This way they will be increasing the Perceived Quality and Awareness of their brand while entertaining consumers, becoming cooler and increasing the intangible value of the brand to the consumer, making them loyal. The present study also serves to demonstrate that it is important to talk about this type of initiatives with luxury consumers and let them know what is possible to do within the digital world with Luxury Brands. In this way, we hope that this study serves as an incentive to the use of Game Advertising, not only to digitize Luxury Brands, but also as a way to increase Brand Coolness and Brand Equity.

Although it has brought several theoretical and practical contributions to the discussion, like all studies, this one also presents some limitations. Firstly, to increase the quality of the model, the variable Brand Associations, a dimension of Brand Equity, which was removed from it, should be regarded. In a consumer's mind, a brand association is anything connected to that brand (Aaker, 1991) and according to Warren et al. (2019), cool companies were associated by individuals as having high social status or exhibiting characteristics that are indicative of high status, such as being exclusive, affluent, glamorous, and smart, just like Luxury Brands. Thus, we consider that, as a future recommendation, it would make sense to test the relationship between both Brand Associations and Brand Coolness.

Furthermore, it is observable from the sample that most respondents are Portuguese. Portuguese consumers might be more receptive to this kind of communication from Luxury Brands, so it would be interesting to evaluate the receptivity of consumers from other countries.

Additionally, and as explained at the beginning of the study, there are several types of brand advertising: Advergame, Around-Game Advertising and In-Game Advertising (Smith & Sun, 2016). All of them have different characteristics and possibly different impacts on consumers. Thus, a possible recommendation would be to conduct this analysis for the several types of Game Advertising and the positioning of the in-Game Advertising. Lastly, since this type of experience is very immersive, it would be interesting to observe during the analysis the behavior of the individual in this context of immersion and involvement, by including a game for it to play.

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Appendix

Appendix A - Questionnaire

Seção 1 de 12

Louis Vuitton VS League of Legends

This survey is conducted within the dissertation for the master's thesis in Marketing, at Iscte Business School.
All answers are collected only for academic purposes and are anonymous.
Thank you very much for your participation and time.

Please answer the following questions about yourself:

Escolha múltipla

Gender

- ☐ Female
- ☐ Male
- ☐ Non-binary
- ☐ Prefer not to answer
- ☐ Prefer to self-describe, below
- ☐ Adicionar opção ou [adicionar "Outra"](#)

Obrigatório

Please answer the following questions about yourself: *

Age Group

- ☐ Under 18 years old
- ☐ 18-24 years old
- ☐ 25-34 years old
- ☐ 35-44 years old
- ☐ 45-55 years old
- ☐ Over 55 years old

Please answer the following questions about yourself: *

Highest level of education completed

- ☐ Less than high school degree
- ☐ High school degree
- ☐ Technical Professional degree
- ☐ Bachelor's degree
- ☐ Master's degree
- ☐ Ph.D. or higher

Understanding the use of Game Advertising for Luxury Brands

Please answer the following questions about yourself: *

Current Employment Status

☐ Student

☐ Student Worker

☐ Full-time

☐ Part-time

☐ Retired

☐ Unemployed

☐ Outra opção...

Please answer the following questions about yourself: *

Nacionality

1. Afghanistan

2. Albania

3. Algeria

4. Andorra

5. Angola

6. Antigua and Barbuda

7. Argentina

Secção 2 de 12

Gaming ⌵ ⋮

Please answer the following questions about yourself.

Have you ever played any type of online video games: *

☐ Yes

☐ No

Após a secção 2 Continuar para a secção seguinte ⌵

Secção 3 de 12

Gaming ⌵ ⋮

Please answer the following questions about yourself.

Which of the following types of games have you played? *

Choose all the applicables.

☐ Single-player games. Ex: Star Wars Jedi, Pokemon Legends Arceus, The Last Of Us 2, Super Mario Odys...

☐ Massively multiplayer online game (MMO). Ex: World of Warcraft, Fortnite, League of Legends, The Sims, ...

Understanding the use of Game Advertising for Luxury Brands

How often do you play?

- ☐ Everyday
- ☐ From 5 to 7 times a week
- ☐ From 2 to 4 times a week
- ☐ Once a week, every week
- ☐ Once or twice a month
- ☐ Less than once a month

Have you ever played the Game "League of Legends"? *

- ☐ Yes
- ☐ No

Seção 4 de 12

Gaming

Descrição (opcional)

How often do you play? *

- ☐ Everyday
- ☐ From 5 to 7 times a week
- ☐ From 2 to 4 times a week
- ☐ Once a week, every week
- ☐ Once or twice a month
- ☐ Less than once a month

Understanding the use of Game Advertising for Luxury Brands

Seção 5 de 12

Luxury Brands

⌵ ⋮

Please answer the following questions about yourself.

Have you ever bought from any of these Luxury Brands? *

Choose all the applicables

☐ Armani

☐ Audi

☐ BMW

☐ Burberry

☐ Cartier

☐ Chanel

☐ Chloé

☐ Dior

☐ Dolce & Gabbana

☐ Fendi

☐ Ferrari

☐ Gucci

☐ Hermès

☐ Jimmy Choo

☐ Lamborghini

Seção 6 de 12

Luxury Brands

⌵ ⋮

Please answer the following questions about yourself.

How often do you buy Luxury Brand products? *

☐ Never

☐ Only Once

☐ Rarely

☐ Sometimes

☐ Most times

☐ Often

Understanding the use of Game Advertising for Luxury Brands

Seção 7 de 12

Louis Vuitton
Descrição (opcional)

Louis Vuitton is a luxury fashion brand, founded in 1854 in Paris, France.

Louis Vuitton has several premium personalized service boutiques around the world, with the focus being on customer relations and the relationship between brand and consumer.

Based on your perception and experience with the brand please answer the following questions about Louis Vuitton.

Seção 8 de 12

Louis Vuitton Brand Credibility
Please answer the following questions based on your perception of the Louis Vuitton brand.

Louis Vuitton delivers what it promises: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Product claims from Louis Vuitton are believable: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Over time, my experiences with Louis Vuitton led me to expect it to keep its promises: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is committed to delivering on its claims: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Understanding the use of Game Advertising for Luxury Brands

Louis Vuitton has a name you can trust: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton has the ability to deliver what it promises: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Secção 9 de 12

Louis Vuitton Vs League of Legends

Since 2007 that the brand has had an online presence, having started its website.

In line with the brand's stated "Global Digital Strategy" it has partnered with Riot Games in 2019, creating "the first collaboration between a global eSport and a luxury fashion house". As a result of this partnership, it launched LVxLOL, a capsule collection of feminine cloth skins*, for the League of Legends* game.

*Skins: "A "skin" is a kind of item that players can acquire in games. They change the appearance of the players avatar (the character on the screen that represents the player)."

*League of Legends (LOL): is a multiplayer online battle arena game, considered the world's largest "e-sport", and with over 180 million monthly active players as of November 2021. In this game there is a battle between two teams, each with 5 players and where each player controls a character with unique skills and characteristics and can buy accessories for them (including skins).

One of the Skins created by Louis Vuitton for the League of Legends game (Senna's Skin).



One of the Skins created by Louis Vuitton for the League of Legends game (Qiyana's Skin).



Understanding the use of Game Advertising for Luxury Brands

Please answer the following questions, considering the partnership presented above. *

Louis Vuitton pioneered this type of partnership, but many other luxury brands and games have followed, eg: Gucci and Fnatic; Fortnite and Nike Air Jordans, Balenciaga and Minecraft, Valentino and Animal Crossing, etc.

Did you know about any of these partnerships?

☐ Yes

☐ No

Secção 10 de 12

Louis Vuitton Vs League of Legends



Please answer the following questions, considering the partnership presented above.

Which of the partnerships have you heard about previously? *

☐ Louis Vuitton and League of Legends

☐ Balenciaga and Minecraft

☐ Gucci and Fnatic

☐ Marc Jacobs and Animal Crossing

☐ Valentino and Animal Crossing

☐ Fortnite and Nike Air Jordans

☐ Outra opção...

Secção 11 de 12

Louis Vuitton Brand Coolness



Based on the images you have just seen, please answer your perception of the Louis Vuitton brand.

Louis Vuitton is useful: *

|||

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton helps people: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is valuable: *

	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Understanding the use of Game Advertising for Luxury Brands

Louis Vuitton is extraordinary: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Authentic: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is true to its roots: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton does not seem artificial: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton does not try to be something it's not: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Chic: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Glamorous: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Sophisticated: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Understanding the use of Game Advertising for Luxury Brands

Louis Vuitton is Sophisticated: *		:::						
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Ritzzy: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is <u>liked by most people</u> : *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is in Style: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is Popular: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton is widely accepted: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton makes people who use it different from other people: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

If I were to use Louis Vuitton, it would make me stand apart from others: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

Louis Vuitton helps people who use it stand apart from the crowd: *

1234567

Strongly DisagreeStrongly Agree

People who use Louis Vuitton are unique: *

1234567

Strongly DisagreeStrongly Agree

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Louis Vuitton Brand Equity

Based on the images you have just seen, please answer your perception of the Louis Vuitton brand.

Louis Vuitton is of high-quality: *

1234567

Strongly DisagreeStrongly Agree

The likely quality of Louis Vuitton is extremely high: *

1234567

Strongly DisagreeStrongly Agree

The likelihood that Louis Vuitton would be functional is very high: *

1234567

Strongly DisagreeStrongly Agree

Understanding the use of Game Advertising for Luxury Brands

The likelihood that Louis Vuitton is reliable very high: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

Louis Vuitton must be of very high quality: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

Louis Vuitton appears of very good quality: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

Louis Vuitton appears to be of very poor quality: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

I know what Louis Vuitton looks like: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

I can recognize Louis Vuitton among other luxury brands: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

I am aware of Louis Vuitton: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

...

Some characteristics of Louis Vuitton come to my mind quickly: *								
	1	2	3	4	5	6	7	
Strongly Disagree	☐	☐	☐	☐	☐	☐	☐	Strongly Agree

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...

I can quickly remember the symbol or logo of Louis Vuitton: *

1 2 3 4 5 6 7

Strongly Disagree ☐ ☐ ☐ ☐ ☐ ☐ ☐ Strongly Agree

...

I have difficulty in imagining Louis Vuitton in my mind: *

1 2 3 4 5 6 7

Strongly Disagree ☐ ☐ ☐ ☐ ☐ ☐ ☐ Strongly Agree

...

I consider myself to be loyal to Louis Vuitton: *

1 2 3 4 5 6 7

Strongly Disagree ☐ ☐ ☐ ☐ ☐ ☐ ☐ Strongly Agree

...

Louis Vuitton is my first luxury brand choice: *

1 2 3 4 5 6 7

Strongly Disagree ☐ ☐ ☐ ☐ ☐ ☐ ☐ Strongly Agree

...

I would not buy other luxury brand if Louis Vuitton is available at the store: *

1 2 3 4 5 6 7

Strongly Disagree ☐ ☐ ☐ ☐ ☐ ☐ ☐ Strongly Agree

Source: Own elaboration using Google Forms.

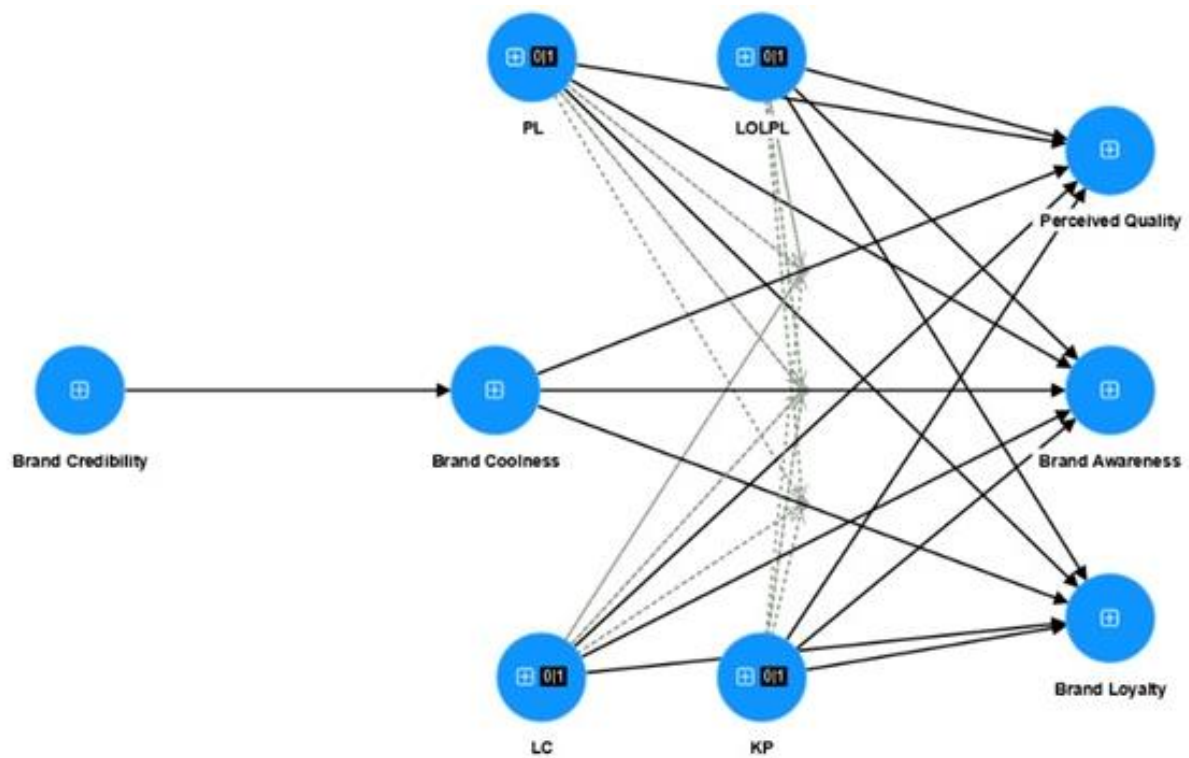
Understanding the use of Game Advertising for Luxury Brands

Appendix B - Estimation Model variables

2nd Order Construct	1st Order Construct	Item	Label/Measurement	Scale
	Brand Credibility (BC)	BC1	Louis Vuitton delivers what it promises	Brand Credibility (1=strongly disagree, 7=strongly agree)
		BC2	Product claims from Louis Vuitton are believable	
		BC3	Over time, my experiences with Louis Vuitton led me to expect it to keep its promises	
		BC4	Louis Vuitton is committed to delivering on its claims	
		BC5	Louis Vuitton has a name you can trust	
		BC6	Louis Vuitton has the ability to deliver what it promises	
Brand Coolness	Usefull (BCO_1)	BCO1	Louis Vuitton is useful	Brand Coolness (1=strongly disagree, 7=strongly agree)
		BCO2	Louis Vuitton helps people	
		BCO3	Louis Vuitton is valuable	
		BCO4	Louis Vuitton is extraordinary	
	Authentic (BCO_2)	BCO5	Louis Vuitton is Authentic	
		BCO6	Louis Vuitton is true to its roots	
		BCO7	Louis Vuitton does not seem artificial	
		BCO8	Louis Vuitton does not try to be something it's not	
	High-Status (BCO_3)	BCO9	Louis Vuitton is Chic	
		BCO10	Louis Vuitton is Glamorous	
		BCO11	Louis Vuitton is Sophisticated	
		BCO12	Louis Vuitton is Ritzy	
	Popular (BCO_4)	BCO13	Louis Vuitton is liked by most people	
		BCO14	Louis Vuitton is in Style	
		BCO15	Louis Vuitton is Popular	
		BCO16	Louis Vuitton is widely accepted	
	Subcultural (BCO_5)	BCO17	Louis Vuitton makes people who use it different from other people	
		BCO18	If I were to use Louis Vuitton, it would make me stand apart from others	
		BCO19	Louis Vuitton helps people who use it stand apart from the crowd	
		BCO20	People who use Louis Vuitton are unique	
	Perceived Quality (BE1)	BE_1	Louis Vuitton is of high-quality	Brand Equity (1=strongly disagree, 7=strongly agree)
		BE_2	The likely quality of Louis Vuitton is extremely high	
		BE_3	The likelihood that Louis Vuitton would be functional is very high	
		BE_4	The likelihood that Louis Vuitton is reliable very high	
		BE_5	Louis Vuitton appears of very good quality	
		BE_6	Louis Vuitton appears to be of very poor quality	
	Brand Awareness (BE2)	BE_7	I know what Louis Vuitton looks like	
		BE_8	I can recognize Louis Vuitton among other Luxury Brands	
		BE_9	I am aware of Louis Vuitton	
	Brand Loyalty (BE4)	BE_13	I consider myself to be loyal to Louis Vuitton	
		BE_14	Louis Vuitton is my first luxury brand choice	
		BE_15	I would not buy other luxury brand if Louis Vuitton is available at the store	

Source: Own elaboration.

Appendix C- Estimation Model



Source: Own elaboration using SmartPLS.

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Appendix D - Demographic characteristics of the sample

		N	%
Gender	Female	247	59.2
	Male	161	38.6
	Non-binary	3	0.7
	Prefer not to answer	6	1.4
Age Range	18-24 y/o	326	78.2
	25-34 y/o	66	15.8
	35-44 y/o	5	1.2
	45-55 y/o	7	1.7
	Over 55 y/o	4	1.0
	Under 18 y/o	9	2.2
Education	Less than High School degree	12	2.9
	High School degree	103	24.7
	Technical Professional degree	22	5.3
	Bachelor's degree	194	46.6
	Master's degree	85	20.4
	Ph.D. or Higher	1	0.2
Occupation	Student	159	38.1
	Student Worker	88	21.1
	Full-time	151	36.2
	Part-time	5	1.2
	Retired	3	0.7
	Unemployed	11	2.6
Nacionality	Angola	1	0.2
	Brazil	3	0.7
	China	1	0.2
	Germany	1	0.2
	Greece	1	0.2
	Italy	1	0.2
	Luxembourg	1	0.2
	Mozambique	1	0.2
	Portugal	399	95.7
	Spain	6	1.4
	Turkey	1	0.2
	USA	1	0.2
	Total	417	100

Source: Own elaboration using the outputs of SPSS.

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Appendix E - Games Consumption Habits of the Sample

		N	%
Gamer	No	106	25.4
	Yes	311	74.6
	Total	417	100
Type of Game	MMO	112	36.0
	Single-Player Games	61	19.6
	MMO + Single-Player Games	138	44.4
	Total	311	100
Playing Frequency	Every day	32	10.3
	From 2 to 4 times a week	56	18.0
	From 5 to 7 times a week	37	11.9
	Less than once a month	117	37.6
	Once a week, every week	29	9.3
	Once or twice a month	40	12.9
	Total	311	100
League of Legends Players	No	177	56.9
	Yes	134	43.1
	Total	311	100
League of Legends Frequency	Every day	13	9.7
	From 2 to 4 times a week	26	19.4
	From 5 to 7 times a week	27	20.1
	Less than once a month	45	33.6
	Once a week, every week	17	12.7
	Once or twice a month	6	4.5
	Total	134	100

Source: Own elaboration using the outputs of SPSS.

Appendix F - Luxury Consumption Habits of the Sample

		N	%
Luxury Product Consumption	Never	169	40.5
	Rarely	135	32.4
	Only Once	55	13.2
	Sometimes	50	12.0
	Most Times	6	1.4
	Often	2	0.5
	Total	417	100

Source: Own elaboration using the outputs of SPSS.

Appendix G - *Knowledge of the Sample About Other Partnerships*

		N	%
Knowledge About Other Partnerships	No	309	74.1
	Yes	108	25.9
	Total	417	100

Source: Own elaboration using the outputs of SPSS.

Understanding the use of Game Advertising for Luxury Brands

Appendix H - Assessment of Measurement Model - First order construct's Cross Loadings

	Brand Credibility	Useful	Authentic	High Status	Popular	Subcultural	Perceived Brand Quality	Brand Awareness	Brand Loyalty
BC_1	0.866	0.490	0.467	0.437	0.471	0.322	0.508	0.366	0.246
BC_2	0.857	0.495	0.493	0.446	0.521	0.324	0.506	0.359	0.189
BC_3	0.792	0.470	0.466	0.365	0.408	0.326	0.453	0.332	0.308
BC_4	0.902	0.504	0.548	0.449	0.482	0.354	0.514	0.369	0.240
BC_5	0.847	0.525	0.571	0.508	0.597	0.334	0.595	0.450	0.107
BC_6	0.870	0.448	0.473	0.440	0.483	0.311	0.546	0.431	0.184
BCO_1	0.398	0.802	0.514	0.383	0.421	0.353	0.429	0.198	0.305
BCO_2	0.293	0.701	0.449	0.275	0.295	0.322	0.284	0.111	0.333
BCO_3	0.516	0.768	0.558	0.575	0.588	0.310	0.556	0.353	0.156
BCO_4	0.534	0.870	0.667	0.557	0.545	0.434	0.566	0.300	0.396
BCO_5	0.537	0.643	0.840	0.600	0.609	0.381	0.587	0.406	0.197
BCO_6	0.513	0.584	0.845	0.541	0.509	0.334	0.505	0.301	0.268
BCO_7	0.418	0.548	0.791	0.479	0.484	0.273	0.486	0.248	0.266
BCO_8	0.481	0.564	0.842	0.616	0.530	0.319	0.558	0.311	0.197
BCO_9	0.443	0.498	0.618	0.913	0.636	0.335	0.635	0.349	0.133
BCO_10	0.493	0.565	0.634	0.934	0.642	0.358	0.684	0.364	0.173
BCO_11	0.448	0.528	0.610	0.909	0.650	0.291	0.646	0.340	0.136
BCO_12	0.489	0.557	0.593	0.872	0.615	0.383	0.675	0.387	0.246
BCO_13	0.457	0.552	0.538	0.511	0.810	0.327	0.542	0.344	0.252
BCO_14	0.462	0.557	0.596	0.691	0.841	0.361	0.655	0.417	0.243
BCO_15	0.453	0.391	0.426	0.542	0.768	0.173	0.486	0.470	0.021
BCO_16	0.515	0.467	0.524	0.515	0.824	0.252	0.523	0.378	0.137
BCO_17	0.375	0.436	0.384	0.357	0.328	0.885	0.390	0.157	0.357
BCO_18	0.317	0.326	0.276	0.310	0.271	0.887	0.313	0.161	0.307
BCO_19	0.342	0.416	0.362	0.364	0.352	0.882	0.370	0.205	0.291
BCO_20	0.303	0.393	0.350	0.289	0.258	0.835	0.324	0.189	0.519
BE_1	0.549	0.541	0.590	0.672	0.604	0.288	0.899	0.457	0.131
BE_2	0.529	0.512	0.564	0.651	0.594	0.319	0.911	0.440	0.186
BE_3	0.474	0.534	0.554	0.590	0.581	0.422	0.831	0.410	0.377
BE_4	0.574	0.530	0.527	0.591	0.592	0.432	0.873	0.439	0.252
BE_5	0.557	0.546	0.602	0.696	0.634	0.317	0.884	0.504	0.142
BE_7	0.391	0.292	0.325	0.325	0.389	0.188	0.412	0.844	0.254
BE_8	0.409	0.302	0.396	0.371	0.436	0.189	0.479	0.881	0.207
BE_9	0.334	0.221	0.244	0.304	0.420	0.137	0.396	0.793	0.085
BE_13	0.231	0.364	0.273	0.172	0.196	0.378	0.223	0.216	0.917
BE_14	0.243	0.366	0.280	0.212	0.231	0.383	0.265	0.235	0.938
BE_15	0.206	0.309	0.221	0.151	0.147	0.435	0.194	0.156	0.931

Source: Own elaboration using the outputs of SmartPLS.

Appendix I - Assessment of Measurement Model – HTM Matrix

	Authentic	Brand Awareness	Brand Credibility	Brand Loyalty	High Status	Perceived Brand Quality	Popular	Subcultural	Useful
Authentic Brand Awareness	0.462								
Brand Credibility	0.659	0.524							
Brand Loyalty	0.317	0.255	0.269						
High-Status	0.758	0.462	0.554	0.206					
Perceived Brand Quality	0.724	0.596	0.655	0.268	0.783				
Popular	0.763	0.613	0.660	0.235	0.795	0.776			
Subcultural	0.447	0.242	0.420	0.464	0.413	0.442	0.399		
Useful	0.838	0.382	0.639	0.440	0.656	0.675	0.717	0.527	

Source: Own elaboration using the outputs of SmartPLS.

Appendix J - Assessment of Formative Model – VIF Outer Values

	VIF
BC_1	2.953
BC_2	2.742
BC_3	2.177
BC_4	3.784
BC_5	2.514
BC_6	3.054
BE_1	4.427
BE_2	4.646
BE_3	2.388
BE_4	2.960
BE_5	2.988
BE_7	1.846
BE_8	1.978
BE_9	1.455
BE_13	2.997
BE_14	3.878
BE_15	3.482
Useful	2.319
Authentic	2.612
High-Status	2.411
Popular	2.297
Subcultural	1.293

Source: Own elaboration using the outputs of SmartPLS.

Appendix K - Assessment of Formative Model – Second order construct's Outer Weights

	β	Sample Mean (M)	Standard Deviation (STDEV)	t- values	p- values
BC_1 <- Brand Credibility	0.188	0.188	0.007	26.072	0.000
BC_2 <- Brand Credibility	0.198	0.197	0.009	22.344	0.000
BC_3 <- Brand Credibility	0.173	0.173	0.009	19.333	0.000
BC_4 <- Brand Credibility	0.200	0.200	0.007	29.196	0.000
BC_5 <- Brand Credibility	0.222	0.222	0.010	23.135	0.000
BC_6 <- Brand Credibility	0.187	0.187	0.008	24.798	0.000
BE_1 <- Perceived Brand Quality	0.228	0.228	0.006	36.850	0.000
BE_2 <- Perceived Brand Quality	0.223	0.223	0.005	41.521	0.000
BE_3 <- Perceived Brand Quality	0.224	0.224	0.007	30.231	0.000
BE_4 <- Perceived Brand Quality	0.224	0.224	0.007	34.036	0.000
BE_5 <- Perceived Brand Quality	0.237	0.237	0.007	33.260	0.000
BE_7 <- Brand Awareness	0.392	0.392	0.026	15.158	0.000
BE_8 <- Brand Awareness	0.438	0.438	0.025	17.790	0.000
BE_9 <- Brand Awareness	0.357	0.357	0.032	11.145	0.000
BE_13 <- Brand Loyalty	0.363	0.363	0.022	16.337	0.000
BE_14 <- Brand Loyalty	0.392	0.394	0.022	17.964	0.000
BE_15 <- Brand Loyalty	0.322	0.320	0.020	16.445	0.000
Useful -> Brand Coolness	0.204	0.201	0.062	3.311	0.001
Authentic -> Brand Coolness	0.226	0.227	0.063	3.609	0.000
High-Status -> Brand Coolness	0.222	0.221	0.077	2.886	0.004
Popular -> Brand Coolness	0.393	0.393	0.081	4.842	0.000
Subcultural -> Brand Coolness	0.184	0.181	0.053	3.474	0.001

Source: Own elaboration using the outputs of SmartPLS.

Appendix L - Assessment of Formative Model – Second order construct's Outer Loadings

	β	Sample Mean (M)	Standard Deviation (STDEV)	t- values	p- values
BC_1 <- Brand Credibility	0.866	0.865	0.016	53.104	0.000
BC_2 <- Brand Credibility	0.858	0.857	0.022	39.319	0.000
BC_3 <- Brand Credibility	0.791	0.791	0.028	28.024	0.000
BC_4 <- Brand Credibility	0.901	0.901	0.012	76.696	0.000
BC_5 <- Brand Credibility	0.848	0.848	0.021	40.905	0.000
BC_6 <- Brand Credibility	0.871	0.870	0.019	47.041	0.000
BE_1 <- Perceived Brand Quality	0.897	0.897	0.012	74.851	0.000
BE_2 <- Perceived Brand Quality	0.910	0.909	0.011	79.899	0.000
BE_3 <- Perceived Brand Quality	0.834	0.833	0.020	41.101	0.000
BE_4 <- Perceived Brand Quality	0.875	0.874	0.016	56.092	0.000
BE_5 <- Perceived Brand Quality	0.883	0.882	0.015	57.738	0.000
BE_7 <- Brand Awareness	0.852	0.852	0.024	35.710	0.000
BE_8 <- Brand Awareness	0.886	0.886	0.016	56.681	0.000
BE_9 <- Brand Awareness	0.778	0.778	0.034	23.013	0.000
BE_13 <- Brand Loyalty	0.919	0.919	0.011	81.075	0.000
BE_14 <- Brand Loyalty	0.944	0.944	0.007	135.705	0.000
BE_15 <- Brand Loyalty	0.922	0.921	0.013	68.422	0.000
Useful -> Brand Coolness	0.818	0.813	0.032	25.481	0.000
Authentic -> Brand Coolness	0.847	0.843	0.030	28.335	0.000
High-Status -> Brand Coolness	0.841	0.838	0.031	27.294	0.000
Popular -> Brand Coolness	0.883	0.879	0.032	27.684	0.000
Subcultural -> Brand Coolness	0.586	0.582	0.056	10.558	0.000

Source: Own elaboration using the outputs of SmartPLS.

Appendix M - Assessment of Structural Model – VIF Inner Values

	Brand Coolness	Brand Awareness	Brand Loyalty	Perceived Brand Quality
Brand Credibility	1.000			
Brand Coolness		1.000		
			1.000	
				1.000

Source: Own elaboration using the outputs of SmartPLS.

Appendix N - Assessment of Structural Model – Coefficient of Determination and Predictive Relevance

	R ²	Q ²
Brand Coolness	0.441	0.427
Perceived Brand Quality	0.599	0.359
Brand Awareness	0.225	0.182
Brand Loyalty	0.118	0.057

Source: Own elaboration using the outputs of SmartPLS.

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Appendix O - Assessment of Structural Model – F^2

	Brand Coolness	Perceived Brand Quality	Brand Awareness	Brand Loyalty
Brand Credibility	0.789			
Brand Coolness		1.495	0.290	0.134

Source: Own elaboration using the outputs of SmartPLS.

Appendix P - Assessment of Structural Model – Mediation Analysis

	β	Sample Mean (M)	Standard Deviation (STDEV)	t- values	P- values
Brand Credibility -> Perceived Brand Quality	0.514	0.518	0.036	14.460	0.000
Brand Credibility -> Brand Awareness	0.315	0.320	0.038	8.255	0.000
Brand Credibility -> Brand Loyalty	0.228	0.229	0.036	6.246	0.000

Source: Own elaboration using the outputs of SmartPLS.

Appendix Q - Assessment of Structural Model – Moderation Analysis

	β	Sample Mean (M)	Standard Deviation (STDEV)	t- values	P- values
KP -> Brand Awareness	0.223	0.227	0.101	2.203	0.028
KP -> Brand Loyalty	0.175	0.175	0.119	1.471	0.141
KP -> Perceived Brand Quality	-0.150	-0.150	0.080	1.865	0.062
LC -> Brand Awareness	0.211	0.210	0.087	2.418	0.016
LC -> Brand Loyalty	0.036	0.041	0.100	0.360	0.719
LC -> Perceived Brand Quality	-0.048	-0.044	0.064	0.750	0.453
LOLPL -> Brand Awareness	-0.077	-0.081	0.107	0.715	0.475
LOLPL -> Brand Loyalty	-0.098	-0.098	0.117	0.834	0.405
LOLPL -> Perceived Brand Quality	-0.002	0.000	0.080	0.022	0.983
PL -> Brand Awareness	-0.030	-0.032	0.109	0.280	0.780
PL -> Brand Loyalty	-0.080	-0.076	0.115	0.693	0.488
PL -> Perceived Brand Quality	-0.028	-0.025	0.072	0.387	0.699
PL x Brand Coolness -> Brand Awareness	0.179	0.178	0.117	1.534	0.125
PL x Brand Coolness -> Brand Loyalty	0.126	0.124	0.111	1.140	0.255
PL x Brand Coolness -> Perceived Brand Quality	0.006	0.004	0.091	0.069	0.945
LOLPL x Brand Coolness -> Brand Awareness	-0.098	-0.084	0.139	0.702	0.483
LOLPL x Brand Coolness -> Brand Loyalty	0.075	0.077	0.125	0.603	0.546
LOLPL x Brand Coolness -> Perceived Brand Quality	-0.027	-0.019	0.117	0.229	0.819
LC x Brand Coolness -> Brand Awareness	0.011	0.004	0.105	0.102	0.919
LC x Brand Coolness -> Brand Loyalty	0.058	0.057	0.098	0.596	0.551
LC x Brand Coolness -> Perceived Brand Quality	0.143	0.127	0.084	1.704	0.088
KP x Brand Coolness -> Brand Awareness	0.065	0.046	0.136	0.477	0.634
KP x Brand Coolness -> Brand Loyalty	-0.131	-0.135	0.123	1.072	0.284
KP x Brand Coolness -> Perceived Brand Quality	0.095	0.092	0.120	0.794	0.427

Source: Own elaboration using the outputs of SmartPLS.

