

Ahmed, Rizwan Raheem; Zaidi, Erum Zahoor; Alam, Syed Hasnain;
Streimikiene, Dalia; Parmar, Vishnu

Article

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EFFECT OF SOCIAL MEDIA MARKETING OF LUXURY BRANDS ON BRAND EQUITY, CUSTOMER EQUITY AND CUSTOMER PURCHASE INTENTION

Rizwan Raheem Ahmed¹ , Erum Zahoor Zaidi² , Syed Hasnain Alam³ ,
Dalia Streimikiene^{4*}  and Vishnu Parmar⁵ 

¹Faculty of Management Sciences, Indus University, Karachi, Pakistan

²Faculty of Management Sciences, Shaheed Zulfiqar Ali Bhutto Institute of Science and Technology, Karachi, Pakistan

³Karachi Institute of Economics and Technology, Karachi, and Karachi University Business School, University of Karachi, Karachi, Pakistan

⁴Lithuanian Sports University, Kaunas, Lithuania

⁵Institute of Business Administration, University of Sindh, Jamshoro, Pakistan

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Abstract

The study conducted primarily examined the effect of Social Media Marketing Effect on Brand equity in creating Purchase Intention and Customer equity. For this purpose, we employed structural equation modeling using Smart-PLS 3.0, the data of 312 respondents were collected through structured questionnaire. The findings show a significant positive relationship between Social Media Marketing and Brand Equity. The role of social media marketing efforts through Brand equity directly affects customer equity: The role of social media marketing efforts through Brand equity has a direct significant effect on Purchase Intention. Brand equity relates positively to customer equity. Brand equity relates positively and significantly to purchase intention. Brand equity has a significant and positive mediating effect on the relationship between marketing efforts on social media (SMMEs) and consumer equity. The study unfolds an exciting dimension that social media marketing, a hype in the haute couture and Preto Porte have a significant impact on purchase intention and Customer Equity in the Pakistani market. A more comprehensive marketing strategy has to be adopted in the Pakistani market. The Pakistani customer is more influenced to purchase haute couture by testing and trial sessions besides purchasing online. There are few online Brand communities in the Pakistani market where customers can interact with other users who share common interests and can talk about luxury brands. Theoretically, this study ascertains the customer lifetime value of luxury brands. The intense competition in luxury fashion brands also leads to strong customer equity created by Social Media Marketing.

Keywords: social media marketing efforts, brand equity, purchase intention, customer equity, brand satisfaction, haute couture, structural equation modeling.

JEL Classification: C12; L6; L67; M3.

* Corresponding author, **Dalia Streimikiene** – e-mail: dalia.streimikiene@lei.lt



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Introduction

Consumer awareness and engagement through social media marketing have made the consumer more influential and informed in making pragmatic decisions for their purchase preference (Brogi et al., 2013). In the case of Luxury Brands, the dyadic relationship is essential in creating Brand equity, enhanced consumer perception, and purchasing behavior (Wu, 2021; Godey et al. 2016). It is also a cost-effective and efficient customer care service medium that accelerates business operations and disseminates the right message to the right target audience for the reputation of brand image building (Kapferer and Valette-Florence 2018). Brogi et al. (2013) identified the dynamics of Online Brand Communities (OBC) and their effect on the brand equity of the Luxury fashion industry. The researchers proposed the spontaneous OBC model, which has two aspects: Official OBC and Spontaneous OBC expedites creating Brand Equity and consumer's Brand preference, particularly in the Luxury Brand category. As the term suggests, the official OBC is initiated by the brand itself, and the Spontaneous OBC is a platform where the participants voluntarily join in and give their opinions and learn about the various brand offerings. However, this phenomenon is recent, and not much is researched on the impact of brand success either in Return on Investment or in creating Brand Equity (Hyun et al., 2022). Godey et al. (2016) has explicitly spelled out a gap in culture, which determines the consumer mindset. It should be considered to ascertain the contribution of Social Media marketing in building up brand equity in the Pakistani market (Ahmed et al., 2020).

Social media marketing has emerged as a powerful tool in disseminating meaningful and effective communication (Li et al., 2021), i.e., a dyadic relationship between the brand and the consumer, thereby underpinning the foundation in terms of Brand equity via effective two-way interaction (Aggarwal and Mittal, 2022; Youn and Jin, 2017). The organic shares product endorsements by the brand ambassadors and celebrities, including Vloggers, Online celebrities by wearing and endorsing Luxury Brands by using Pinterest, Snapchat, Instagram, and Facebook, have given a new life to brand equity, which positively influences the attitude of the consumer thereby generating advertising efficacy (Youn and Jin 2017). Hyun et al. (2022) have contributed to measuring brands' social media marketing efforts by providing the holistic approach by using constructs like interaction, entertainment, word of mouth, customization, and trendiness. According to Wu (2021) and Jeon (2017), the term Brand equity displays the level and impact on Brand loyalty along with the financial worth of the organization. Social media marketing gives a complete promotional mix in the paradigm of brand communication, through which Luxury brands are getting benefit out of it (Liu and Wang, 2019). The expansion in globalization, emerging markets, and exposure through internet Luxury Brands has grown into a vast revenue-generating sector (Hussain and Ahmed, 2020). Consumer-generated marketing via social media platforms has given control to the public outside of the companies creating Online Brand Communities OBC with unique content (Gautam and Sharma, 2017). The leading social media sites used in Luxury Brand marketing are Facebook, Instagram, Twitter, Snap Chat, and Pinterest (Ahmed et al., 2019). Luxury customers are primarily tech-savvy; therefore, Luxury brands have to be proactive on social media to communicate and engage the customers, and increased accessibility globally increases the brand equity and consumer perception about the brand (Kapferer and Bastien, 2012).

Countries includes emerging. Mature markets' impact is negative here again culture may play an important role, which is a gap that needs to be identified. However, the detailed effect of

cultures across the countries among the luxury brand purchasers has not been ascertained (Gutsatz and Heine, 2018). Consequently, it is imperative to differentiate between brand awareness activities and brand penetration activity to create the dream factor among luxury brands. (Husain et al., 2022; Kapferer and Valette-Florence, 2016). Thus, bandwagon effects exist, and marketers must exert an effective marketing strategy to inculcate the snob effect. However, a reverse situation exists in Brazil, where conformity is neither essential nor a strong demand for luxury brands. Brand awareness is the most decisive factor in such a marketing environment. The academic literature available on the subject proposes that social media marketing is a reality, no matter the brand is FMCG or Luxury, or SMCG, its marketing viability is enormous and has to be explored and explain how it can impact a business in terms of brand equity and consumer behavior as in large scale or SME. Also, another factor is evolved in social media marketing is the importance of a local culture which can determine the typology of social media marketing which will be adequate to enhance the consumer behavior and the magnitude of the brand equity. Hence, research is suggested to be carried out in Pakistan to examine the effect of social media in studying the brand equity for luxury brands in the Haute Couture category (Ahmed et al., 2019; Kapferer and Valette-Florence, 2018). The main objectives of this research are to ascertain the relationship between social media marketing in creating brand equity, moreover, to establish does social media marketing is more effective in creating Brand equity, Brand Awareness, Brand Satisfaction, Brand loyalty, and Brand Image, and finally, to establish the relationship of SMM on Purchase Intention through Brand equity.

1. Theoretical review and hypotheses development

1.1. Influence of social media marketing efforts on brand equity

Social media marketing is reinventing marketing practices, which is altering internet usage. The axiom, "If a company cannot be found in Google, it does not exist" (Yu and Yuan, 2019). Social media is still perceived as an informal communication channel. The increase in usage is primarily due to the cost-effectiveness of the media and for searching the brand reviews (Arshad and Ahmad, 2019). According to Ahmed et al. (2020), Zhu and Chen (2015) and Jeon (2017), there are two social media groups, namely Profile-based and Content-Based. Profile-based is the individual digitization by using the user's profile and Content-based in the comments discussion shared on social media (Bazi et al., 2020; Godey et al., 2016).

Social media marketing efforts. Social Media Marketing has a two-prong impact on the consumers' purchase intention and reaching out to social communities in building customer relationships (Lee and Park, 2022). The power of shaping the brand image has significantly been transferred to the online connections of the consumers from the marketers (Onamusi and Ayo, 2021). The brand success is highly dependent on the role of social media in the sector for luxury goods. Social media marketing efforts consist mainly of five dimensions: interaction, customization, entertainment, interaction, and word of mouth (Onamusi and Ayo, 2021).

Entertainment. Entertainment results from the fun and plays emerging from the social media experience (Godey et al., 2016). Entertainment has been presented as a strong motive for using social media (Muntings, 2011). Shao (2009) has concluded that entertainment is a strong motivation in generating consumer user content. Entertainment also drives participation in social networks to a varying degree (Park et al., 2009). Muntinga et al. (2011) concluded that the brand-related content is consumed mainly by the social media users

primarily for relaxation, enjoyment, and past time. The main reasons for seeking entertainment are mainly relaxation and escapism and drive the content loading on social media (Lee and Park, 2022; Kapferer and Valette-Florence, 2018).

Interaction. The word Interaction means changing the communication between the brand and the consumers (Castillo et al., 2022). According to Sriyani, (2019), social interaction can be described through the users who contribute to the platforms related to social media brands where like-minded can meet, interact and discuss the specific products or the brands. Zhu and Chen (2015) divide social media into two groups: content-based and profile-based. The profile-based encourages the connection as they are more interested in the user behind the profile (e.g., Facebook, WhatsApp, Twitter). The dialog between the social media users is more active, and they conceptualize this with the magnet, monitor, and the megaphone (3-M framework) (Castillo et al., 2022).

Trendiness. The latest news and topics of hot discussion are provided by social media (Alavijeh et al., 2018). Consumers perceive social media to be a more trustworthy source of information than company-sponsored communication through traditional mediums (Ahmed et al., 2020). According to Sriyani, (2019), and Muntinga et al. (2011), four sub-motivations are covered by social media: surveillance, knowledge, pre-purchase information, and inspiration. Surveillance can be described as remaining updated by observing the social environment. Inspiration is related to the consumers following the brand-related information to obtain new ideas. Therefore, the brand-related information serves as the inspiration (Kapferer and Valette-Florence, 2018).

Customization. According to Ahmed et al. (2019), customization is the degree to which a service is customized to meet an individual's preference. By personalizing their websites, brands can express individuality which can help build strong brand loyalty and affinity (Godey et al., 2016). According to Zhu and Chen (2015), there are two types of posts depending on the level of the message customization: a broadcast and a customized message. A broadcast contains messages that target anyone interested (e.g., Twitter tweets) (Ahmed et al., 2020). This study has defined customization to how social media channels provide customized service and information search.

Word of mouth. The eWOM is associated with the online consumer-to-consumer interactions about brands by the social media (Muntinga et al., 2011). The past research has shown that thee WOM has a very high empathy, credibility, and relevance for the customers compared to the marketer-created sources of information on the Web (Ahmed et al., 2019). The ideal tools for WOM are social media because the consumers can generate and share brand-related information to their networks of friends, family, and acquaintances without constraints. The consumers with a high level of opinion-giving behavior will significantly influence the attitudes and behavior of the other consumers (Godey et al., 2016).

1.2. Cultural influence and practices of social media marketing

Social Media has evolved as a mixed media for the dissemination of messages exchange and electronic word of mouth, coming directly from the consumer, thereby creating an impact for both parties' sellers and buyers and an unparalleled reach (Anggraini and Hananto, 2020; Goodrich and De Mooij, 2014). The social Media usage pattern is different between East and West, i.e., Japan, South East Asia, Europe, and the USA (Alavijeh et al., 2018). Another

critical finding that affects Social Media Marketing is that the world is dominated by 70% of the collectivist population (Liu and Wang, 2019). Goodrich and De Mooij (2014) explain that the individualist, long-term orientation, and high uncertainty avoidance cultures use social media for facts and figures that are search engines rather than for purchase decisions. According to Goodrich and De Mooij (2014), a new nomenclature of WOM has been evolved, which is eWOM but how to use it effectively is still in a learning phase.

1.3. Luxury brands perspective

Luxury brands perspective comprise on defining a luxury products, and Dream equation and rarity principle in luxury brand.

Defining a luxury product. As defined by Wu (2021), and Kapferer and Bastien (2012), a luxury product is of superior quality, handmade frequently, based on heritage, hedonistic, sold at exclusive and selective outlets at a premium price well above their actual utility. Another nomenclature of branding is introduced, which is “democratization of luxury” that by virtue of the definition of luxury, a brand cannot be affordable or accessible by anyone and anytime (Aggarwal and Mittal, 2022; Gutsatz and Heine, 2018).

Dream Equation and Rarity Principle in Luxury Brand. Brand awareness is the most vital factor in such a marketing environment. The point to consider is that the snob effect works in the mature markets well, whereas in emerging markets where nouveau riches want to be unique and opt for brands that are not much renowned and less accessed (Liu and Wang, 2019). Gutsatz and Heine (2018) gave a new perspective about Luxury Brands: they support sustainability movements provided the brand is associated with a positive connotation and driven by passion. The demand for authentic products is increasing, human and environmentally friendly, like Lush Cosmetics (Gautam and Sharma, 2017). Another factor is that luxury consumers are disrupting the marketing model, and luxury brand owners' right to control the market has been narrowed (Gutsatz and Heine, 2018). Furthermore, technology has played a crucial role (in the digitalization of Luxury Brands due to E-commerce, M-commerce, and social media (Bazi et al., 2020; Arshad and Ahmad, 2019; Godey et al., 2016). The brand ceases to act as a signal of distinction or superiority to its owner; instead, it is a means for the followers to mimic the rich in their tastes (Hussain and Ahmed, 2020). Similarly, previous studies show that social media eWOM positively influences consumer luxury purchase intention (Ahmed et al., 2020; Park et al., 2021).

1.4. Luxury brand and entrepreneurship

Gutsatz and Heine (2018) stated that the industrial revolution 4.0 had given a breakthrough in life sciences digital channels by launching omnichannel world, high tech materials like 3D printing. Lee and Hur (2018) explain that luxury brand marketers should ascertain the complexity of social media images to the perceptions of the brands. When the brands were unfamiliar and the visual image was complex, the consumer re-counted a positive perception of the luxury brand compared to the simpler ones (Yu and Yuan, 2019). Heine et al. (2018) introduce the concept of personality-driven brand management by using brand anthropomorphizing and brand personalization as a single construct. This factor is more relevant in the emerging economies, mainly when the new wealthy socio-economic class is growing and they use the luxury brand to state their success stories (Ahmed et al., 2019). Heine et al.

(2018) state that Hermes limits the exclusive leather bags, namely Birkin, to create its demand, and Rolls Royce produced only 4011 cars in 2016.

1.5. Hypotheses development

Thus, based on the above discussions and previous literature review, we have formulated the following direct and mediating hypotheses:

Hypothesized direct relationship:

H1: Social Media Marketing Efforts have a positive influence on brand equity.

H2: Brand Equity has a significant relationship with customer equity.

H3: Brand equity has a significant relationship with purchase intention.

H4: Brand awareness has a significant relationship with brand equity.

H5: Brand image has a significant relationship with brand equity.

H6: Brand loyalty has a significant relationship with brand equity.

H7: Brand satisfaction has a significant relationship with brand equity.

Hypothesized mediating relationship:

H8 (a): Brand equity has a significant positive mediating effect between brand awareness and customer equity.

H8 (b): The brand equity has a significant positive mediating effect between brand image and customer equity.

H8 (c): Brand equity has a significant positive mediating effect between brand loyalty and customer equity.

H8 (d): The brand equity has a significant positive mediating effect between brand satisfaction and customer equity.

H8 (e): Brand equity has a significant positive mediating effect on social media marketing efforts and customer equity.

H9 (a): The brand equity has a significant positive mediating effect between brand awareness and purchase intention.

H9 (b): The brand equity has a significant positive mediating effect between brand image and purchase intention.

H9 (c): The brand equity has a significant positive mediating effect between brand loyalty and purchase intention.

H9 (d): The brand equity has a significant positive mediating effect between brand satisfaction and purchase intention.

H9 (e): The brand equity has a significant positive mediating effect on social media marketing efforts and purchase intention.

2. Research methodology

2.1. Research design

The research argues for an explanatory method, i.e., a quantitative deductive research approach to quantify and investigate the social media marketing impact on the luxury brand (Haute Couture) purchase in Pakistan regarding brand equity and the impact of culture as a moderating variable. The research is designed by considering the research methodology of Ahmed et al. (2020), Godey et al. (2016), and Kapferer and Valette-Florence (2018), which will be replicated in the Pakistan situation. The quantitative study will target the consumers and followers of prominent luxury brands in the Haute Couture segment who have invested heavily in social media marketing, are present on Facebook, Instagram, and other social media networks, and are connected with their customers' vast follower base. Therefore, five leading luxury brands of Pakistan are taken into the study. The criteria for choosing these Haute Couture luxury brands are the number of followers on Facebook and Instagram. The given research approach comes under the Pragmatic paradigm, which is not restricted to any one philosophy approach (Sharma, 2017). It keeps the importance of "the research problem" central and applies all approaches to understanding the problem (Creswell and Creswell, 2017). Primarily for this study, tools from both positivist paradigms are used, e.g., testing and experiments. The questionnaire provided by Godey et al. (2016), and scales identified by Kapferer and Valette-Florence (2018) based on the dream equation with culture as moderating variable are taken.

2.2. Population and sampling

Since the Pakistani market is an emerging economy, the purchase pattern of a particular SEC A and B plus has increased in the last two decades (Ahmed et al., 2019). The population is ascertained based on the socio-demographic variables and the purchasing pattern of Luxury Brands. Therefore, a non-probability convenience sampling is used to explain the phenomenon, which is to investigate the cultural influence on social media marketing of Luxury brands in creating brand equity. An approximate number of 384 respondents are taken for the quantitative survey. The exact population will be taken from the Federal Board of Revenue (FBR) significant taxpayer department Commissioner, and the sample size can be varied. The inclusion and exclusion criteria of the sample for the study are based on the sharing of the commonality in terms of the purchase pattern of Luxury brands original, not the first copy. The SEC belongs because in Pakistan, the Luxury Brand purchase is in a particular segment belonging to the business class who have at least Rs.180 million income annually Ahmed et al. (2019) and should be a resident of the posh areas. We will take only those consumers who have purchased luxury brands in the last year and spend two hours per week. The average expenditure on luxury brands will be ascertained through the questionnaire based on their tax base if they belong to a large taxpayer's network. The country's population in SEC. A segment is very diverse in terms of ethnicities and religions (Ahmed et al., 2019).

2.3. Procedure

The research design is based on quantitative analysis with a deductive approach. The questionnaire was administered through pilot testing for content validity and reliability by

checking the alpha Cronbach. The structured questionnaire is used as given by Godey et al. (2016), and Kapferer and Valette-Florence (2018) because they are tested and validated in other collectivist cultures. The questionnaire is made on Google Docs to collect the responses from the respondents and will be sent to them through WhatsApp, and Facebook Messenger uses Instagram and Facebook. Only those respondents were taken in the sample who are active in social media because they will be suitable to help in understanding the impact and its benefits. The average amount spent on social media purchases is taken into consideration. The social media to be examined are Facebook and Instagram. Smart-PLS is used to analyze the Structure Equation Model to attain conclusions regarding the relationships between the stated variables (Ahmed et al., 2022).

2.4. Reliability and validity

Reliability which indicates an instrument's consistency in measuring responses, and validity which indicates an instrument's ability to measure what is intended to measure (Hair et al., 2019). For that reason, a reliability test was run on the 10% of data collected through the instrument to check if the instrument was reliable. Later that data was not used for further analysis against the research reliability and validity criteria. Thus, adequate steps were taken to ensure the study's reliability and validity and, consequently, to make the results so obtained trustworthy and credible (Creswell and Creswell, 2017).

2.5. Content and face validity

After getting approval from the experts (Sekaran, 2003) for accuracy on the measurement of the model, the instrument was administered to the respondents. As suggested by Sekaran (2003), the face validity was also checked by ten respondents to check the language and the length of the questionnaire. Their opinions were included to improve the quality of the pilot test.

2.6. Data analyses techniques

The research is designed by considering the research methodology of Godey et al. (2016) and Kapferer and Valette-Florence (2018), which is replicated in Pakistan. The quantitative study has targeted the consumers and followers of prominent luxury brands in the Haute Couture segment who have invested heavily in social media marketing, are present on Facebook and Instagram, and are connected with their customers and the vast followers base. Therefore, five leading luxury brands of Pakistan are taken into the study. The criteria for choosing these Haute Couture luxury brands are the number of followers on Facebook and Instagram. It keeps the importance of "the research problem" central and applies all approaches to understanding the problem (Creswell and Creswell, 2017). Primarily for this study, tools from both positivist paradigms are used, e.g., testing and experiments. The questionnaire provided by Godey et al. (2016) and scales identified by Kapferer and Valette-Florence (2018).

2.7. Data collection procedure

Data Collection was administered by a structured questionnaire which is attached in (Appendix A). The questionnaires were taken from the previous study of Godey et al. (2016), Ahmed et al. (2020), and Kapferer and Valette-Florence (2018). The questionnaire was sent to the customers of Fashion Pakistan Lounge and to online brand communities who are part of the blogging groups of the leading Pakistan haute couture designers. The respondents were selected based on having their accounts on Instagram and Facebook, and they have purchased the haute couture in the last three years. To ensure their usage of social media, the questionnaire was made on google docs and was sent via WhatsApp. It is also considered that the respondents are the respondents of Karachi, Lahore, and Islamabad to get the complete responses from the major cities of Pakistan to generalize the results.

2.8. Respondents demographic profiles

As the population was identified by (Ahmed et al., 2020), the customers' yearly purchases of Haute Couture were 14,927. However, since it is a consumer survey, we collect data from 380 consumers (Sekaran, 2003). However, out of 380 respondents target, 326 responses were received. Fourteen responses were discarded due to inadequate responses and incorrect demographic profiles; hence, the total utilized sample size is 312. The response rate is 82.10%. The respondent demographic profile has been evolved based on gender, age, income, and education. We have collected data from 61% females and 39% males. In Pakistani culture, female is more inclined to purchase haute couture brands. The age groups are diversified, including Baby Boomers (18.27%) who have a high purchasing power and Generation X (24.42%) and Generation Y (57.31%). As the research argues for the luxury brand customers, therefore the income bracket, they fall in the SEC B plus because 61.5% belongs to this category and out of which 46.47% belongs to SEC A category. This profile gives the validation of our data coming from the right resource. The education level of the respondents also that the respondents were well versed with the English language, and the face validity of the instrument was not an issue (Ahmed et al., 2019).

3. Empirical results and findings

3.1. Descriptive statistics

Descriptive Statistics explains the basic features of the data from the respondent's viewpoint and understands the standard deviation, mean, and variances. It was conducted mainly because the descriptive statistics of dimensions explained through mean, standard deviation, variance, skewness, and kurtosis, collectively seek to offer a researcher a general view regarding how the survey respondents have responded to the survey instrument used in the study (Ahmed et al., 2022; Sekaran, 2003). The findings of descriptive statistics demonstrated that the data is following a normally pattern because skewness and standard deviations are ranging from +1.5 to -1.5, and kurtosis are between ± 3.0 (Hair et al., 2019; Ahmed et al., 2022).

3.2. Measurement model and construct validity

As the theory of SEM suggests by (Hair et al., 2019), the primary purpose of the outer model is to identify the relationship between underlying constructs and observable constructs to get an in-depth understanding of the model. It further explains the estimation of Construct Validity which is explained by Content validity, convergent validity, and discriminant validity by using SEM (Ahmed et al., 2022; Ringle et al., 2015).

3.2. Content validity

The content validity explains the ability of particular construct items to evaluate the model under study (Hair et al. 2019). In Smart-PLS 3.0 (Fornell and Larcker 1981; Ringle, Wende, and Becker, 2015) all the indicators must show higher loadings values on their respective constructs than other constructs but should be supported by theory from the literature to represent the same constructs. The loading values are moderately vigorous, explicitly explaining their respective constructs. Each loading of item is more than 0.70, also, each indicator loads are significant at a 0.01 level of significance which supports the validity through factor analysis. Thus, these results suggest that the model's overall measurement and content validity are established (Godey et al., 2016; Kapferer and Valette-Florence, 2018).

3.3. Convergent validity, composite reliability and average variance extracted

Another step for the validity of constructs is convergent validity, proven through the theory that they are related to each other and found related after the tests are conducted. Three types of estimations (Hair et al., 2019) are used to establish convergent validity: composite reliability, AVE: average variance extracted, and Factor loadings. The benchmark to establish this validity is based on Fornell and Larcker (1981), and Hair et al. (2019), which is given in the literature of multivariate data analysis. Table 1 exhibits that the items have loadings above 0.50, and the composite reliability is studied that explains the latent construct of the items, and the composite reliability value is above 0.7 as given by (Fornell and Larcker 1981). The values in the above table are between 0.884 and 0.931 which exceeds the benchmark values. Next, the AVE (average variance extracted) represents the shared variance among the latent constructs (Hair et al., 2019). The values should be more than 0.50, as suggested by (Fornell and Larcker, 1981). Therefore, in this table, the convergent condition validity is also achieved. The values range from 0.505 to 0.772 (Godey et al., 2016; Kapferer and Valette-Florence, 2018).

Table no 1: Convergent validity, composite reliability and average variance extracted

Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Brand Awareness	0.792	0.884	0.718
Brand Equity	0.877	0.938	0.505
Brand Image	0.799	0.898	0.689
Brand Loyalty	0.801	0.899	0.749
Brand Satisfaction	0.894	0.943	0.769
Customer Equity	0.792	0.890	0.618
Purchase Intention	0.791	0.876	0.772

Source: Authors' Estimation

3.4. Discriminant validity

The discriminant validity is used to ascertain the construct validity of the outer model, which ensures that the measures are not related after running the analysis, which explains that the items are more connected to their respective constructs than other constructs. The AVE is scrutinized with correlations among the constructs (Fornell and Larcker, 1981). The AVE square root should be more than 50% or 0.50. Table 2 exhibits the values in the diagonal position are higher than the values of rows and columns in which they are placed. Thus, it confirms the discriminant validity of the outer model and constructs. The results of the hypotheses will be taken reliable and valid, and the results can be generalizable. (Godey et al., 2016; Kapferer and Valette-Florence, 2018). Hence the Construct Validity is established by examining the content validity, convergent validity, and discriminant validity systematically (Ahmed et al., 2022; Ringle et al., 2015).

Table no 2: Discriminant validity: Fornell – Larcker Criterion

Variables	BAW	BE	BI	BL	BS	CE	PI	SMME
Brand Awareness	0.847							
Brand Equity	0.756	0.711						
Brand Image	0.467	0.811	0.830					
Brand Loyalty	0.479	0.748	0.502	0.865				
Brand Satisfaction	0.644	0.926	0.655	0.577	0.877			
Customer Equity	0.468	0.617	0.476	0.499	0.567	0.786		
Purchase Intention	0.491	0.74s	0.604	0.625	0.676	0.535	0.879	
Social Media Marketing Efforts	0.612	0.627	0.449	0.483	0.550	0.609	0.457	0.721

Source: Authors' Estimation

3.5. Predictive relevance of the model

The endogenous R^2 values of the constructs explain the strength of the model and their effectiveness in calculating the strength of an exogenous construct (Hair et al., 2019). Table 3 and Figure 1 also comply with the benchmark value greater than 0. Table 3 and Figure 1 exhibited that brand equity has changed 1.000 (second-order construct) due to its exogenous variable. Similarly, customer equity has a change of 0.380, and purchase intention has a change of 0.548 due to their respective exogenous variables (Ahmed et al., 2022).

Table no 3: R-Square values

Variables	R Square	R Square Adjusted
Brand Equity	1.000	1.000
Customer Equity	0.380	0.378
Purchase Intention	0.548	0.547

Source: Authors' Estimation

3.6. Structural model and path analysis

For Hypothesis testing, it is imperative to check the goodness fit test, which is already established by using Smart-PLS 3.0 by Ringle et al. (2015). In this technique, BootStrapping and Algorithm are used instead of t-test, and non-parametric sampling procedures were used to check the significance of path coefficients. Table 4 shows that all the path co-efficient of beta values are significant concerning Brand Equity and Purchase Intention, and the other is the Social Media Marketing effort concerning Brand equity and customer equity. Thus, it is finally concluded that brand awareness, brand image, brand satisfaction, and social media marketing efforts have a significant and positive impact on brand equity, and brand equity has a significant and positive direct impact on customer equity and purchase intention. Therefore, it is lastly concluded that hypotheses H1 to H7 are accepted ($T > \pm 1.96$ and $p < 0.05$).

Table no 4: Direct hypothesized relationship

Relationship	SRW Effect	T Statistics	P Values	Decision
H1: Brand Awareness → Brand Equity	0.208	19.211	0.000	Accepted
H2: Brand Equity → Customer Equity	0.617	13.867	0.000	Accepted
H3: Brand Equity → Purchase Intention	0.740	22.078	0.000	Accepted
H4: Brand Image → Brand Equity	0.292	22.869	0.000	Accepted
H5: Brand Loyalty → Brand Equity	0.232	18.309	0.000	Accepted
H6: Brand Satisfaction → Brand Equity	0.467	29.274	0.000	Accepted
H7: Social Media Marketing Efforts → Brand Equity	0.301	21.094	0.000	Accepted

Source: Authors' Estimation

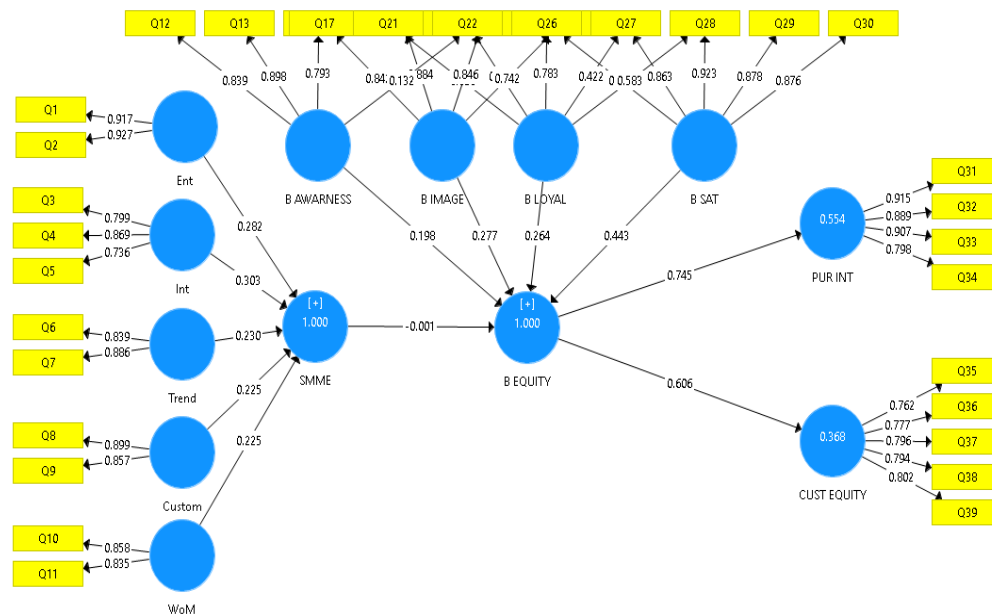


Figure no 1: Measurement model of the study

Source: Authors' Estimation for undertaken study

3.7. Mediating hypothesized relationship

As defined by (Hair et al., 2019), a mediating effect is created when a third construct intervenes between the two existing constructs, such as exogenous and endogenous variables. The findings of Table 5 demonstrated that brand equity has a significant and positive relationship between brand awareness, brand image, brand loyalty, brand satisfaction, social media marketing efforts, and customer equity. Similarly, Table 5 also exhibited that brand equity has a significant and positive relationship between brand awareness, brand image, brand loyalty, brand satisfaction, social media marketing efforts, and purchase intention. Hence hypotheses H8 (a) to H8 (e) and H9 (a) to H9 (e) are accepted ($T > \pm 1.96$ and $p < 0.05$).

Table no 5: Mediating hypothesized relationship

Hypotheses and Mediation	Coefficient	T Statistics	P Values	Decision
H8 (a): Brand Awareness → Brand Equity → Customer Equity	0.128	11.223	0.000	Accepted
H8 (b): Brand Image → Brand Equity → Customer Equity	0.180	13.160	0.000	Accepted
H8 (c): Brand Loyalty → Brand Equity → Customer Equity	0.143	12.251	0.000	Accepted
H8 (d): Brand Satisfaction → Brand Equity → Customer Equity	0.288	13.904	0.000	Accepted
H8 (e): Social Media Marketing Efforts → Brand Equity → Customer Equity	0.202	11.090	0.000	Accepted
H9 (a): Brand Awareness → Brand Equity → Purchase Intention	0.154	14.521	0.000	Accepted
H9 (b): Brand Image → Brand Equity → Purchase Intention	0.216	19.336	0.000	Accepted
H9 (c): Brand Loyalty → Brand Equity → Purchase Intention	0.172	16.714	0.000	Accepted
H9 (d): Brand Satisfaction → Brand Equity → Purchase Intention	0.346	18.422	0.000	Accepted
H9 (e): Social Media Marketing Efforts → Brand Equity → Purchase Intention	0.301	12.095	0.000	Accepted

Source: Authors' Estimation

3.8. Construct Cross Validated Communality – Stone-Geisser (Q^2)

Using PLS-SEM the study measures and explain the model's predictive strength to understand the model's quality. It is carried out by cross-validated redundancy measure Q^2 which is explained by (Geisser, 1974) a re-use sample technique. The redundant communality value should be more significant than zero for all dependent variables. If it is not present, then the model has no predictive relevance. The technique handles the data by treating some values as missing values, thereby creating general cross-validating metrics. Table 6 shows that the values are more significant than zero, establishing that the endogenous variables adequately reflect the predictive capabilities (Ahmed et al., 2022; Godey et al., 2016).

Table no 6: Construct cross validation – Stone-Geisser (Q^2)

Variables	SSO	SSE	$Q^2 (=1-SSE/SSO)$
Brand Awareness	936.00	552.36	0.410
Brand Equity	4,680.00	2,722.80	0.418
Brand Image	1,248.00	673.47	0.460
Brand Loyalty	936.00	508.65	0.457
Brand Satisfaction	1,560.00	605.39	0.612
Customer Equity	1,560.00	910.47	0.416
Purchase Intention	1,248.00	533.47	0.573
Social Media Marketing Efforts	1,872.00	1,252.42	0.331

Source: Authors' Estimation

Discussions and conclusion

The study conducted primarily examined the effect of Social Media Marketing Effect on Brand equity in creating Purchase Intention and Customer equity. The increasing number of followers and huge budget spent on Social Media Marketing has a positive and significant impact on the brand equity of luxury brands, thereby increasing sales as a target to achieve. The results show a significant positive relationship between Social Media Marketing and Brand Equity. Similar findings are demonstrated in previous literature. Brand equity of luxury brands came out to be positive. The role of social media marketing efforts through Brand equity directly affects customer equity: The role of social media marketing efforts through Brand equity has a direct significant effect on Purchase Intention. Brand equity relates positively to customer equity. Brand equity relates positively and significantly to purchase intention, and Purchase intention relates positively to customer equity are accepted. Brand equity has a significant and positive mediating effect on the relationship between marketing efforts on social media (SMMEs) and consumer equity.

The study unfolds an exciting dimension that social media marketing, a hype in the haute couture and Pret a Porte have a significant impact on purchase intention and Customer Equity in the Pakistani market. Since, Pakistan has a collectivist culture, the customers opt for the bandwagon effect (Husain et al., 2022; De Mooij et al., 2014). Industrialists and celebrities are affording the luxury brands purchasing them create the bandwagon effect (De Mooij et al., 2014) for others to follow suit (Godey et al., 2016). It has been identified in this research as well. There are two main reasons behind purchasing luxury brands first as a success symbol and second for pleasure (Hyun et al., 2022; Kapferer and Bastien, 2009).

The Pakistani customer is more influenced to purchase haute couture by testing and trial sessions besides purchasing online. Another essential aspect that the Pakistani luxury brands have a live chat facility on their social media, creating good customer equity. For instance, brands like Louis Vuitton (LV) post catwalk videos on Facebook, providing their customers enjoyment and creating awareness of their brands (Liu and Wang, 2019; Kapferer and Bastien, 2012). There are few online Brand communities in the Pakistani market where customers can interact with other users who share common interests and can talk about luxury brands (Gautam and Sharma, 2017; Muntinga et al., 2011). Theoretically, this study ascertains the customer lifetime value of luxury brands. The intense competition in luxury fashion brands also leads to strong customer equity created by Social Media Marketing. Pakistani customers resemble Indian Generation Y and Generation X consumers; they are

social media enthusiasts (Aggarwal and Mittal, 2022; Godey et al., 2016). The actions required to build brand equity via Social Media Marketing have to be adopted. Italian customers exhibited similar results, which are considering Social Media Marketing as a vital tool to purchase intention and brand equity (Wu, 2021; Godey et al., 2016).

Managerial implications

The undertaken study suggested several managerial implications to the industry practitioners and marketing professionals, for instance, The future of luxury brands is dependent on the customer experiences and the acceptance of luxury brands in their respective communities. Therefore, Online Brand Communities are essential to creating Brand Awareness and Brand Image through Social Media Marketing. Social Media Marketing has to be customized, trendy, interactive, and entertaining to create brand equity. As suggested by Ahmed et al. (2020), Zhu and Chen (2015), Pakistani luxury brand haute couture has two groups: content-based and profile-based. Creating a cost-effective emotional connection between the brands and consumers (Hyun et al., 2022; Godey et al., 2016; Kapferer and Valette-Florence, 2018).

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