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“You are too friendly!” The negative effects of social media marketing on value perceptions of luxury fashion brands

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ABSTRACT

In light of the growing concern about brand dilution of luxury brands on social media, the purpose of this research was to examine the impact of brand-consumer engagement on value perceptions of luxury fashion brands within the context of social media marketing. The result of Study 1 demonstrated that luxury brands were inherently psychologically distant than mainstream brands. The results of Study 2 and Study 3 showed that a luxury brand with a high level (vs. low level) of brand-consumer engagement resulted lower value perceptions (i.e., social, uniqueness, and quality value perceptions) of the brand, and such relationships were mediated by decreased psychological distance. This research provides important implications for luxury brand managers and scholars that luxury fashion brands should maintain psychological distance on social media to protect the core value perceptions of the brands.

1. Introduction

Social media refers to Internet-based platforms which aim to enable user interactions such as creating and sharing information and discussing ideas (Kaplan & Haenlein, 2010). Social media has become a powerful marketing tool for brand managers because of its interactive nature. Brands engage with consumers on social media by responding to consumers' posts and encouraging user-participation. According to a report by Schneider (2015), leading brands respond to about 60% of consumers' tweets on Twitter. Luxury brands also have increasingly utilized social media to engage in two-way communications with consumers (Kim & Ko, 2012). Among luxury brands, Coach and Karen Millen encourage consumers to upload photos of their products with hashtag on social media and feature consumer photos on their websites. Also, Cartier actively responds to consumers' questions and engages in conversations with consumers on its Facebook brand page.

A growing number of general brand studies have documented positive outcomes of brand-consumer engagement on social media. For example, Schivinski and Dabrowski (2016) found that user-generated social media brand communications positively influenced brand loyalty and perceived brand quality. Similarly, Labrecque (2014) found that brand-user engagement increased loyalty intentions and willingness to provide information to the brand.

Despite the positive outcomes of brand-consumer engagement on

social media documented in the literature, an important question still remains: Is a high level of brand-consumer engagement always beneficial to luxury brands? It is clear that the fundamental concepts of social media and luxury contradict each other: social media is inclusive, interactive, accessible, and designed for the masses, while luxury is exclusive, controlled, and intended for a selected group of wealthy consumers (Desai, 2016; Reed, 2015). Therefore, social media, characterized by interactivity and accessibility, may damage the core meaning of exclusivity inherently embedded in a luxury brand. In line with this perspective, previous researchers have raised concern about the risks of brand dilution of luxury brands on social media (Blasco-Arcas, Holmqvist, & Vignolles, 2016; Tungate, 2009).

However, most of empirical studies have focused on the positive effects of social media on luxury brands (e.g., Chu, Kamal, & Kim, 2013; Kim & Ko, 2012), and the critical issue of how social media may backfire in the context of luxury brands has received little attention. Considering the possible long-term impact of brand dilution, it is imperative to investigate the possible negative impact of social media marketing on value perceptions of luxury brands and the underlying mechanism of the effect. This information could deepen our understanding of the factors that influence luxury brands on social media and generate strategic guidelines for luxury brand managers to protect their brand reputation while taking advantage of social media marketing.

The current study builds on the contention that active brand-

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consumer engagement on social media may damage the core value perceptions (i.e., social, uniqueness, and quality value perceptions) of luxury brands because the brands feel too close and accessible to the general consumers. As mentioned earlier, luxury brands are intended to cater to only a privileged class of consumers, and they should maintain distance from the masses to stay desirable and valuable (Fuchs, Prandelli, Schreier, & Dahl, 2013; Kapferer & Bastien, 2012). Drawing upon construal level theory of psychological distance, this study aims to illustrate maintaining psychological distance to the masses on social media is essential for luxury brands to protect their important value perceptions. In the current research, psychological distance is defined as consumers' subjective perception about the distance between a luxury brand and the mass market consumers.

2. Literature review and hypotheses

2.1. Construal level theory of psychological distance

Construal level theory of psychological distance (CLT) (Liberman & Trope, 2008) is a theory that explains the relationship between a person's subjective experience of distance and the person's way of thinking. CLT posits that the more distant (vs. closer) an object is from the self, the more abstractly (vs. concretely) the object is construed, leading to high-level construals (vs. low-level construals). Therefore, CLT posits that as the distance between an object and the self increases (vs. decreases), people perceive the object at high-level construals (vs. low-level construals).

According to CLT, psychological distance can be determined by four dimensions: 1) temporal distance (i.e., the perceived distance in time between the perceiver's present time and the event); 2) spatial distance (i.e., the perceived distance in physical space between a person's location and the object); 3) social distance (i.e., the extent to which a target person or object is related to the self); and 4) hypothetical distance (i.e., the extent to which an object is perceived to be real or imaginary) (Liberman & Trope, 2008). An event is perceived as psychologically distant if it happens in the far future (vs. near future), occurs in physically remote places (vs. near places), is less (vs. more) related to the self, and is less (vs. more) likely to occur.

Research has shown that the four dimensions of psychological distance are interrelated and can be integrated into a single psychological distance (Darke, Brady, Benedicktus, & Wilson, 2016; Kim, Zhang, & Li, 2008; Trope & Liberman, 2010). According to Trope and Liberman (2010), although each dimension of psychological distance is not directly related, people regard these dimensions as having a common meaning and able to access all dimensions automatically. As a result, one dimension of distance affects other dimensions of distance. For example, Darke et al. (2016) found that physical distance of a retailer influences the overall psychological distance of the retailer which subsequently affects trust and purchase intentions.

2.2. Psychological distance of luxury brands

According to a widely accepted definition in consumer research, a luxury brand refers to a brand that is characterized by a set of unique factors including exclusivity, high price, quality, and symbolic attributes (Heine, 2012; Riley, Lomax, & Blunden, 2004). One of the core principles of luxury brand management is creating psychological distance between luxury brands and the mass-market (Kapferer, 1997; Kapferer & Bastien, 2012; Wiedmann, Hennigs, & Siebels, 2009). In the current research, psychological distance of a luxury brand is defined as consumers' subjective perception of the distance between a luxury brand and the mass-market consumers. Luxury brand consumption is driven by the desire to enhance one's social status and to own an exclusive product that only a small number of people can possess (Kapferer & Bastien, 2012; Wiedmann et al., 2009).

Luxury brands evoke perceptions of rarity and exclusivity due to the

difficulty of attaining them (Miyazaki, Grewal, & Goodstein, 2005), which enlarges the perception of psychological distance between the luxury brands and the average consumers. Luxury brands strategically limit attainability of the brand by tightly controlling many aspects of their business practices such as the price of products, distribution channels, aesthetic dimensions of products (Kapferer, 1997) to maintain the perception of exclusivity among consumers. In addition, luxury brand advertisements communicate superiority, exclusivity, and distance by invoking social segregation, and exclusion (Jiang, Gao, Huang, DeWall, & Zhou, 2014). Therefore, the following hypothesis is proposed.

H1. Luxury brands, compared to casual brands, will be perceived as more psychologically distant.

2.3. Luxury brand-consumer engagement on social media

Social media often becomes a place for socialization and building potential friendship through repeated conversations and exchanges among users (Tsimonis & Dimitriadis, 2014). Similarly, brands often build relationships with consumers on social media by engaging with them. In this study, brand-consumer engagement is defined as a brand's motivational state to connect and build social relationships with all consumers. For example, brands engage with consumers through responding to consumer comments, publishing user-generated contents on the brands' social media page (Peterson, 2015), and posting interactive content such as clickable icons or a quiz that consumers can take (Heavey, 2017).

An engagement level between a brand and consumers on social media can range from high to low (Gilbert & Karahalios, 2009). An active, high level of brand-consumer engagement will focus more on building an intimate, close relationship between a brand and all consumers. For instance, luxury brands may actively engage with consumer by responding to all consumers' comments in a friendly way or encouraging them to engage in the brand's social media events. On the contrary, luxury brands with a low level of brand-consumer engagement may selectively respond to consumers' comments and just focus on communicating their brand messages on social media.

This study argues that a level of brand-consumer engagement is an important determinant of psychological distance, specifically social distance of luxury brands. According to Akerlof's (1997) model of social distance, socially closer individuals are more likely to interact with each other while those who are distant have little interaction. Likewise, Bourdieu (1989) argues that social distance represents a symbolic space between status groups with different lifestyles, and people who are socially distant rarely interact. Therefore, an extensive engagement between a brand and consumers can lead to greater intimacy and closeness between the brand and the consumers (Hudson, Huang, Roth, & Madden, 2016) and give consumers feelings of friendship (Gummerus, Liljander, Weman, & Pihlström, 2012). In this sense, a high level of brand-consumer engagement on social media is likely to reduce psychological distance of luxury brands. Therefore, the following hypothesis is proposed.

H2. A luxury brand with a high (vs. low) level of brand-consumer engagement on social media, will be perceived as less (vs. more) psychologically distant.

2.4. Psychological distance and value perceptions of luxury brands

Researchers have proposed that there are multiple dimensions that constitute consumers' value perceptions of luxury brands (Hennigs, Wiedmann, Behrens, & Klarmann, 2013; Kapferer, 1997; Vigneron & Johnson, 2004). That is, consumers seek multifaceted values through consumption of luxury brands (Hennigs et al., 2013). The consensus is that there are three key dimensions that create value perceptions of

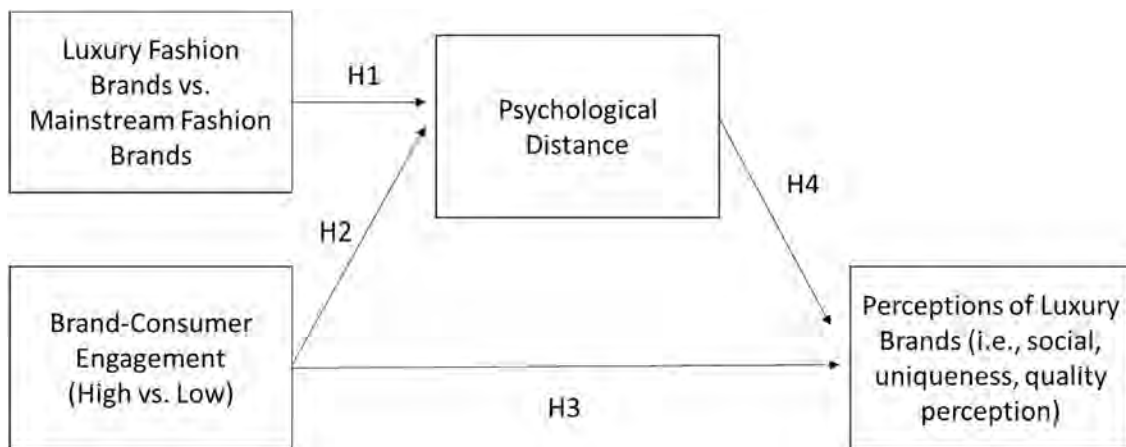


Fig. 1. The research model.

luxury brands: social, uniqueness, and quality value perceptions. These key value dimensions should be ensured to create a lasting luxury brand (Vigneron & Johnson, 2004).

Social value perception refers to the perceived utility of a luxury brand for enhancing social status (Vigneron & Johnson, 2004; Wiedmann et al., 2009). This social value dimension is an outer-directed value which aims to create a favorable social image within consumers' social groups or to fit into groups consumer aspire to through the acquisition of conspicuous products (Park, Rabolt, & Jeon, 2008; Wiedmann et al., 2009). Consumers use products to integrate the symbolic meanings of the products into their identities and to communicate how they define themselves to others (Holt, 1995). Because luxury brands symbolize an affluent lifestyle (Dittmar, 1994), consumers use luxury brands as an important tool to signal wealth, high status, and a group membership to upper socio-economic class.

Uniqueness perception is concerned with the perceived exclusivity and rarity of a luxury brand (Wiedmann et al., 2009). Scarcity is an important aspect of luxury brands as it helps consumers feel unique and special (Tsai, Yang, & Liu, 2013) and it increases the value and dream of the brands (Brock, 1968; Dubois & Paternault, 1995). Empirical evidence confirmed that consumers regarded a scarce luxury brand as being valuable and desirable because it could enhance their image by signifying that they are unique and different from the rest of the others (Verhallen, 1982; Verhallen & Robben, 1994; Vigneron & Johnson, 2004). Thus, when a luxury product becomes available to everyone, it would no longer be regarded as luxury because it loses exclusive value (Wiedmann et al., 2009).

Lastly, quality value perception is defined as a consumer's subjective belief that products of a luxury brand are of superior quality and performance (Wiedmann et al., 2009). Luxury brands are made of the best materials and hand-finished to ensure high quality (Fionda & Moore, 2009). Consumers regard this superior quality as a fundamental aspect of a luxury brand (Quelch, 1987). In addition, because high price is often linked to high quality (Rao & Monroe, 1989), consumers expect expensive luxury brands to have a high perceived quality value (Shukla & Purani, 2012).

This research proposes that one important determinant of value perceptions of luxury brands (i.e., social perception, uniqueness perception, quality perception) is psychological distance of the brands. As discussed earlier, luxury brands are built on the concept of distance, meaning not everyone can own or have access to the brands. Researchers demonstrate that the core perceptions of luxury brands can be diluted when the brands become close to undesirable groups of consumers (e.g., mass market consumers) and when overdiffused into the mass market (Bellezza & Keinan, 2014; Kapferer & Bastien, 2012). In other words, increasing the accessibility of luxury brands for less affluent mass market consumers reduces psychological distance of the

brands, which subsequently damages the high-status, symbolic character of the brands.

Recent studies provide supports for the negative effects of reduced psychological distance on luxury brand perceptions (e.g., De Barnier, Falcly, & Valette-Florence, 2012; Fuchs et al., 2013). For example, Fuchs et al. (2013) found that user-designed luxury products, compared to company-designed products, decreased consumer demands for the products. When products were designed by users who were average consumers not by the luxury brands' elite experts, the brand was perceived to be close to mass market consumers which undermined perceived social value. Similarly, De Barnier et al. (2012) found that accessible luxury brands, which are psychologically closer to mass-market consumers than other luxury brands, were associated with lower perceived social value.

In line with this finding, this research argues that reduced psychological distance prompted by a high level of brand-consumer engagement may make an impression that the luxury brand is for every day consumers rather than a selective group of people. In turn, it will undermine the core value perceptions of luxury brands. Therefore, the following hypotheses are formulated.

H3. A luxury brand with a high level of brand-consumer engagement on social media, compared to one with a low level of engagement, will lead to lower brand perceptions (i.e., social perception, uniqueness perception, quality perception).

H4. The effect of brand-consumer engagement on perceptions of luxury brands is mediated by reduced psychological distance.

The Fig. 1 illustrates the research model.

3. Study 1

The objective of Study 1 was to provide a preliminary test of the prediction that luxury brands, compared to mainstream brands, will be perceived as more psychologically distant (H1).

3.1. Study design

The study used a 2 (brand category: luxury vs. mainstream) × 2 (brand replicates) mixed-model design in which the brand category was a between-subject factor and the brand replicates were a within-subject factor. Following previous research on categorizing apparel brands based on brand associations (Dew & Kwon, 2010; Fuchs et al., 2013), Versace and Prada were used as the luxury brand replicates and American Eagle and Old Navy were used as the mainstream brand replicates.

3.2. Instruments

The measurement items of psychological distance and brand awareness were adopted from previous research. The measures of psychological distance were adapted from Darke et al. (2016). They were a three-item semantic differential scale that measure various dimensions of psychological distance (i.e., when I think about brand X and its characteristics, I think it is... social close/distant, temporally close/distant, physically close/distant).

In order to rule out the possible confounding effects of brand awareness on the results of the study, a three-item scale of brand awareness adopted from Aaker (1996) was included (e.g., I have heard of this brand; 1 = Strongly disagree to 7 = Strongly agree).

3.3. Data collection and experimental procedure

Participants were recruited from Amazon MTurk. The study was advertised as a consumer brand perception study. Participants were told that the researcher was interested in their perception of two apparel brands. Next, participants were randomly assigned to one of the two brand category conditions (i.e., luxury vs. mainstream) in which two different brands for each category were presented in a random order. The participants were provided with the name of each brand and then asked to complete the measures of psychological distance and brand awareness. Lastly, they answered questions related to demographic information such as gender and income.

3.4. Results

3.4.1. Participant characteristics

Fifty-nine MTurk workers (male = 65%, mean age = 28 years) participated in the study. The median household income of participants ranged from \$30,000 to \$49,999.

3.4.2. Hypothesis testing

Prior to testing H1, the mean score of brand awareness for each of the four stimuli brands was compared using an Independent sample *t*-test. The results revealed that there were no significant mean differences among the four brands ($p > .05$). Therefore, the data across the brand replicates were collapsed. The results of Independent sample *t*-test showed that luxury brands, compared to mainstream brands, were perceived as more psychologically distant, as predicted in H1 ($M_{\text{luxury}} = 4.66$ vs. $M_{\text{mainstream}} = 3.63$; $t(116) = 4.59$, $p = .00$). Therefore, hypothesis 1 was supported.

3.5. Discussion

The results of Study 1 provide supports for our initial prediction that luxury brands are inherently psychologically distant than mainstream brands (H1). This was a condition that needed to be met to continue with other hypotheses, as the research is built on the argument that luxury brands need to maintain psychological distance from the mass market consumers. Also, the results rule out the possible effect of brand awareness, as there were no significant mean differences among the four stimuli brands.

4. Study 2

The objectives of study 2 were to test the effect of brand-consumer engagement on psychological distance of luxury brands (H2) and the value perceptions of luxury brands (H3) and the mediating role of psychological distance (H4).

4.1. Study design and stimuli development

A single factor (brand-consumer engagement level: High vs. Low)

between-subjects design was used. To manipulate the level of brand-consumer engagement, two versions of a relatively unknown luxury watch brand (i.e., Vacheron Constantin's) mock Facebook pages, varying the degree of responsiveness to consumers' comments and consumer participations, were created. Compared to a very famous luxury watch brand such as Rolex, Vacheron Constantin has significantly less followers on social media (6 M vs. 510 K on Facebook), implying a relatively lower level of brand awareness. Using a relatively unknown luxury brand can minimize possible confounding effects resulting from previous perceptions about the brand.

For the high brand-consumer engagement condition, the luxury brand responded to consumers' comments on the brand's Facebook posting in a friendly way with use of emojis. Also, the brand encouraged consumers to share their photos using a brand hashtag and displayed consumers' photos wearing the brand's products on its Facebook page. For the low brand-consumer engagement condition, the luxury brand did not respond to any consumers' comments on its Facebook posting. Also, it only displayed the images of their products and did not show any images of consumers wearing their products (see Appendix A for the stimuli).

4.2. Instruments

In study 2, to better apply psychological distance to the context of relatively unknown luxury brand evaluation, perception of formality (i.e., I think this brand is... casual-formal) and unattainability (i.e., I think this brand is... attainable-unattainable) were measured for psychological distance. Previous research suggests that formality (Slepian, Ferber, Gold, & Rutchick, 2015) represents a form of psychological distance and attainability of a target object determines psychological distance of the object (Gjesme, 1981) (see Table 1).

Social value perception was measured with six items that assess conspicuousness and status of the brand (e.g., To what extent can this brand indicate a person's social status? 1 = Not at all, 7 = Very much) adopted by Truong, Simmons, McColl, and Kitchen (2008). Quality value perception was measured by four items that assess perception of the brand's product quality (e.g., This brand's product has the best quality; 1 = Strongly disagree, 7 = Strongly agree) (Hennigs et al., 2013; Hung et al., 2011), and uniqueness value perception was measured by two items that measure rarity and exclusivity of the brand (e.g., This brand's product is exclusive; 1 = Strongly disagree, 7 = Strongly agree) (Hung et al., 2011; Lee, Chen, & Wang, 2015).

The same measures of brand awareness (Aaker, 1996) from Study 1 were used for Study 2.

The manipulation of brand-consumer engagement level was checked by one item, "The brand I just saw actively interacts with consumers on Facebook; 1 = Strongly disagree, 7 = Strongly agree".

4.3. Data collection and experimental procedure

Participants were recruited from Amazon MTurk. The study was advertised as a study about a luxury brand's social media pages. Participations were randomly assigned to one of the two brand-consumer engagement conditions. They first viewed the corresponding Facebook pages for their condition and then responded on questionnaire items measuring brand perceptions (i.e., social, uniqueness, quality value perceptions), psychological distance of the brand (i.e., formality and unattainability), brand-consumer engagement level (manipulation check item), brand awareness to control for previous knowledge and perception, and demographic information.

4.4. Results

4.4.1. Participant characteristics

A total of 74 participants (male = 59.5%) were recruited from Amazon MTurk to a luxury brand evaluation study. The median annual

Table 1
Measurement items of variables in Study 2.

Variables	Items	Scale
Psychological distance	When I think about the brand and its characteristics, I think it is.... Casual – formal Attainable – unattainable	7-Point semantic differential scale
Social value perception	To what extent can this brand indicate a person's social status? To what extent is this brand a symbol of achievement? To what extent is this brand a symbol of wealth? To what extent is this brand a symbol of prestige? To what extent does this brand attract attention? To what extent can this brand impress other people?	1 = not at all, 7 = very much
Uniqueness value perception	This brand's product is rare This brand's product is exclusive.	1 = strongly disagree, 7 = strongly agree
Quality value perception	This brand's product has the best quality. This brand's product has rich workmanship. This brand's product lasts a long time. This brand's product is crafted.	1 = strongly disagree, 7 = strongly agree
Brand awareness	I know what this brand stands for. I have an opinion about this brand. I have heard of this brand.	1 = strongly disagree, 7 = strongly agree
Manipulation check	The brand I just saw actively interacts with consumers on Facebook.	1 = strongly disagree, 7 = strongly agree

household income of participants was \$30,000–49,999.

4.4.2. Manipulation checks

The manipulation of the level of brand-consumer engagement was successful. Participants in the high-level brand-consumer engagement condition rated significantly higher on brand-consumer engagement than those who were in the low-level interaction condition ($M_{\text{high}} = 5.12$ vs. $M_{\text{low}} = 2.31$; $t(72) = 11.34$, $p < .00$).

4.4.3. Hypothesis testing

To test the effect of brand-consumer engagement on psychological distance of luxury brands (H2) and the value perceptions of luxury brands (H3), a one-way MANCOVA analysis was performed. Brand awareness was entered as a covariate to prevent possible confounding effects. As predicted, the results showed that the participants in the high brand-consumer engagement condition (vs. low) indicated lower psychological distance of the brand (formality: $M_{\text{high}} = 4.62$ vs. $M_{\text{low}} = 5.51$; $F = 3.96$, $p = .05$, unattainability: $M_{\text{high}} = 3.32$ vs. $M_{\text{low}} = 4.30$; $F = 6.67$, $p < .05$), thereby supporting H2. Also, as predicted in H3, the results revealed that the participants in the high brand-consumer engagement condition (vs. low brand-consumer engagement condition) showed lower value perceptions (i.e., social,

uniqueness, and quality value perceptions) of the luxury brand ($p \leq .01$) (see Fig. 2).

Furthermore, a mediation analysis was conducted to examine the mediating role of psychological distance on the relationships between brand-consumer engagement on brand perceptions (H4). The procedure suggested by Zhao, Lynch, and Chen (2010) was followed using the Preacher and Hayes (2008) macro for mediation analysis. Brand awareness was entered as a covariate to control possible confounding effects. The results showed that formality (psychological distance) partially mediated the relationships between brand-consumer engagement and social and quality perceptions, but not for uniqueness perception. Specifically, when social perception was regressed on brand-consumer engagement, including formality decreased the beta weight for brand-consumer engagement from 0.92 ($t(70) = 3.49$, $p < .01$) to 0.70 ($t(70) = 2.72$, $p < .01$) (see Fig. 3). The bootstrapping technique also supported the proposed mediation relationship. When 1000 bootstrapped samples were used, 95% BCa (bias corrected and accelerated) bootstrap confidence interval did not include zero (indirect effect: $\beta = 0.22$, $SE = 0.13$, 95% CI = 0.02 to 0.51). Similarly, when quality perception was regressed on brand-consumer engagement, including formality decreased the beta weight for brand-consumer engagement from 0.87 ($t(70) = 3.25$, $p < .05$) to 0.64 ($t(70) = 2.46$, $p < .05$) (see

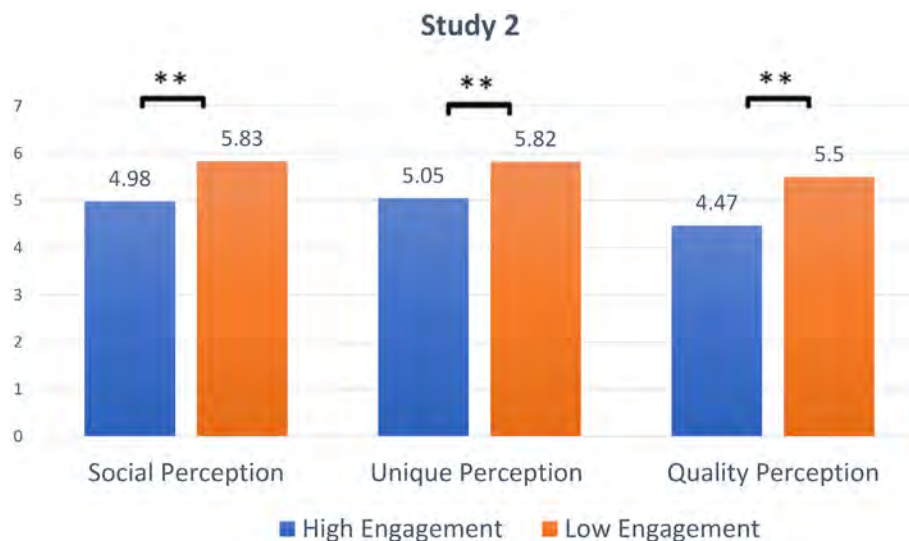


Fig. 2. The mean differences in the outcome variables (Study 2).

Note. * $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$.

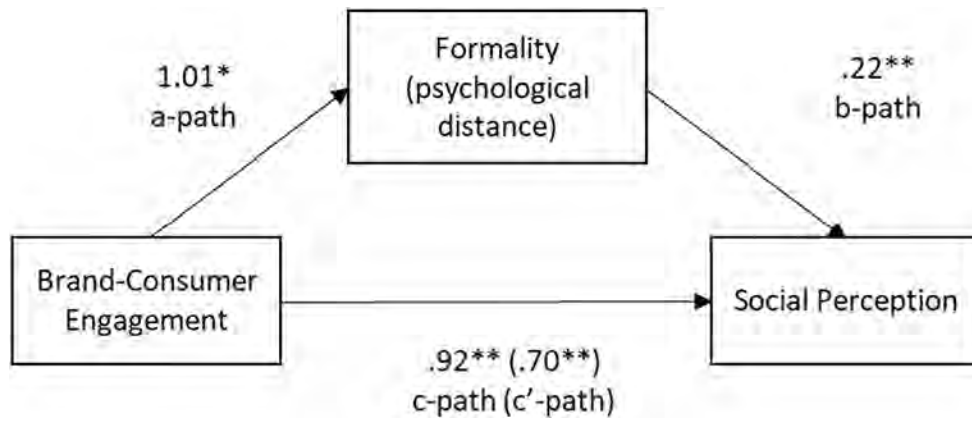


Fig. 3. The mediation effect of formality on social perception
Note: * $p \leq .05$ ** $p \leq .01$ *** $p \leq .001$.

Fig. 4). The bootstrapping technique also supported the proposed mediation relationship (indirect effect: $\beta = 0.23$, $SE = 0.14$, 95% $CI = 0.02$ to 0.57). On the other hand, another measure of psychological distance, unattainability, did not mediate any relationships. Therefore, H4 was partially supported.

4.5. Discussion

Study 2 empirically demonstrated the impact of brand-consumer engagement on psychological distance and value perceptions of the luxury brand. As hypothesized, the study revealed that a high (vs. low) level of brand-consumer engagement shortened psychological distance between the luxury brand and the consumers. This result is consistent with previous research that found a positive relationship between the level of engagement and psychological distance (Hudson et al., 2016).

Importantly, participants indicated lower value perceptions when the luxury brand's social media page displayed a high level of brand-consumer engagement than a low level of engagement. Moreover, formality, a measure of psychological distance, partially mediated the relationship between brand-consumer engagement and social and quality value perceptions. Specifically, a high level of brand-consumer engagement decreased formality of the luxury brand, which in turn decreased the value perceptions of the brand.

5. Study 3

The primary objective of Study 3 was to replicate, extend, and increase generalizability of the findings of Study 2. To do so, Study 3 manipulated the level of brand-consumer engagement in a different

way, controlled the effect of brand awareness using a hypothetical luxury brand, and collected samples that are more representative of the U.S. consumers.

Regarding the measures, Study 3 focused on measuring the social distance dimension of psychological distance to better reflect the research context of brand-consumer engagement on social media. Additionally, participants' attitudes toward the luxury brand's social media engagement strategy were measured in the study. This item was included to examine whether attitude is a good measure to capture the full impact of brand-consumer engagement of the luxury brand.

5.1. Study design and stimuli development

Similar to Study 2, a single factor (brand-consumer engagement level: High vs. Low) between-subjects design was used.

A fictitious luxury watch brand called "Suisse Majestät" was created to control prior knowledge and perceptions of brands (Shin, Eastman, & Mothersbaugh, 2017). The brand was described as a leading luxury brand made in Switzerland and the brand's watches are the symbols of excellence and performance (Shin et al., 2017).

Study 2 decided to provide written scenarios to manipulate brand-consumer engagement to control possible confounding factors resulting from the attractiveness of stimuli photos and different levels of visual information. For the high level of brand-consumer engagement condition, it was described that Suisse Majestät has decided to increase engagement with all social media users as a social media strategy. Then, it was described that Suisse Majestät will follow back every social media user who follows or likes Suisse Majestät on social media. Also, Suisse Majestät will reach out social media users who tag the brand and leave

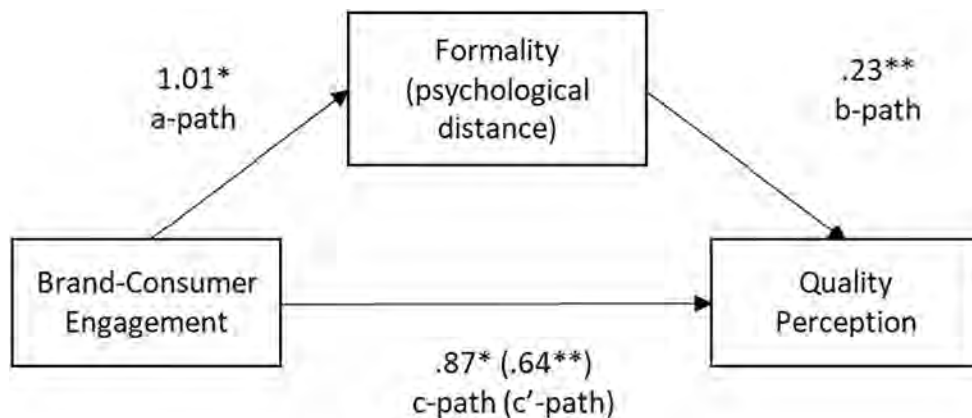


Fig. 4. The mediation effect of formality on quality perception
Note: * $p \leq .05$ ** $p \leq .01$ *** $p \leq .001$.

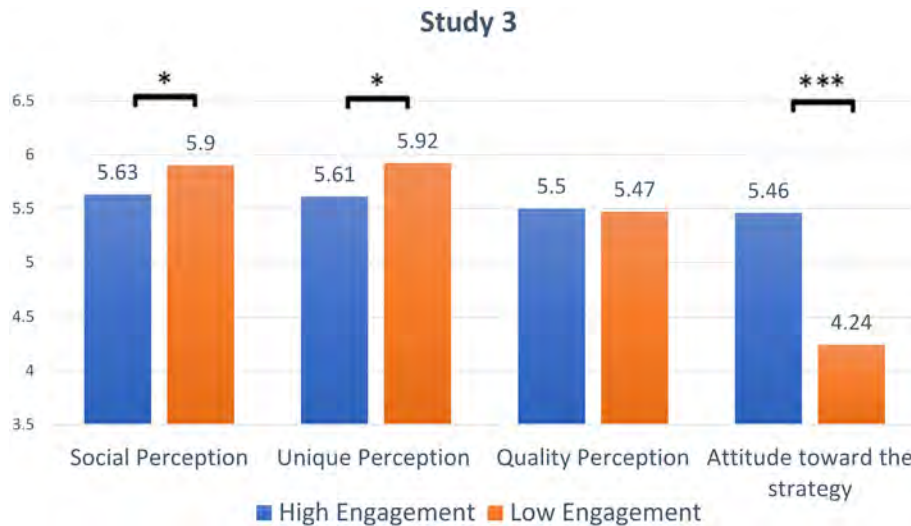


Fig. 5. The mean differences in the outcome variables (Study 3).
Note. * $p \leq .06$, ** $p \leq .01$, *** $p \leq .001$.

a friendly comment on the users' posts or walls. For the low level of consumer engagement condition, Suisse Majestät was described that it has decided to maintain the current level of engagement with social media users. Specifically, Suisse Majestät was described that they will only follow social media users who are celebrities or brand ambassadors. Also, it was mentioned that Suisse Majestät will selectively respond to few social media users' comments on the brand's social media page (see Appendix B for the stimuli).

5.2. Instruments

In terms of measurement, social, uniqueness, and quality value perception were measured using the same scale from Study 1. To better reflect the social distance dimension of psychological distance, two semantic differential measures, unapproachability (i.e., I think Suisse Majestät is very approachable (1) - unapproachable (7) to average consumers) and inaccessibility (i.e., I think Suisse Majestät is very accessible (1) - inaccessible (7) to average consumers) were used. Additionally, one item asking participants' attitude toward the brand's social media engagement strategy was measured on a semantic differential scale ranging from 1 (very negative) to 7 (very positive). As mentioned earlier, this item was included to examine whether the attitude is a good measure to capture the full impact of brand-consumer engagement.

5.3. Data collection and experimental procedure

Using TurkPrime, MTurk participants were collected and those who completed Study 1 were excluded from Study 2 to prevent multiple submissions from the same participant. To increase the representativeness of the sample, participants with a wide range of household income were recruited until the approximate median income if the sample reached to \$59,000, which is US median household income in 2016 (FRED, 2017).

Participants were first introduced to the brand, Suisse Majestät. In order to increase involvement in the scenario, all participants were asked to imagine that they are financially well-off and they are an owner of a top-end Suisse Majestät watch. This technique was used in previous studies using a fictitious brand (Mandel, Petrova, & Cialdini, 2006; Shin et al., 2017). Then, the participants were told that they would read about the brand's social media strategy and answer some questions about it. On the next page, one of the two scenarios was randomly shown to the participants. After reading one of the two

scenarios, participants completed a questionnaire.

5.4. Results

5.4.1. Participant characteristics

A total of 248 participants completed the experiment. Participants' ages ranged from 19 to 74 years, with the average age of 38 years. Hundred thirteen (46%) of participants were men. The median household income ranged from \$50,000 to \$59,000.

5.4.2. Manipulation check

The analysis of the manipulation check confirmed that the high level of brand-consumer engagement condition was perceived to have a higher consumer engagement level than the low level condition ($M_{high} = 5.53$ vs. $M_{low} = 2.42$; $t(246) = 16.13$, $p = .00$).

5.4.3. Hypothesis testing

Hypothesis 2 predicts that a luxury brand with a high level of brand-consumer engagement, compared to a low level of brand-consumer engagement, will be perceived as more socially close. The results the Independent *t*-tests confirmed that the high level of consumer engagement condition was perceived to be more socially close than the low level of consumer engagement condition (inaccessibility: $M_{high} = 4.43$ vs. $M_{low} = 5.58$; $t(246) = 5.26$, $p = .00$, unapproachability: $M_{high} = 3.98$ vs. $M_{low} = 5.58$; $t(246) = 7.23$, $p = .00$). Therefore, **H2** was supported.

To test **H3**, which predicts the effect of brand-consumer engagement on social, uniqueness, and quality perceptions, a series of *t*-tests were conducted. A significant effect of psychological distance was found on social value perception ($M_{high} = 5.63$ vs $M_{low} = 5.90$, $t(246) = -2.16$, $p < .05$), uniqueness value perception ($M_{high} = 5.61$ vs $M_{low} = 5.92$, $t(246) = -1.91$, $p = .06$), but not on quality value perception ($M_{high} = 5.50$ vs $M_{low} = 5.47$, $p > .05$).

Additional analysis showed that participants' attitude toward the brand's social media strategy was more positive when it had the high level of consumer engagement than the low one ($M_{high} = 5.46$ vs $M_{low} = 4.24$, $t(246) = 5.72$, $p = .00$) (see Fig. 5).

Following the same mediation procedure from Study 2, the mediating role of psychological distance on the relationship between consumer engagement and the outcome variables (**H4**) was tested. The results showed that inaccessibility and unapproachability, the measures of psychological distance, fully mediated the relationship between consumer engagement and social and uniqueness perceptions, but not

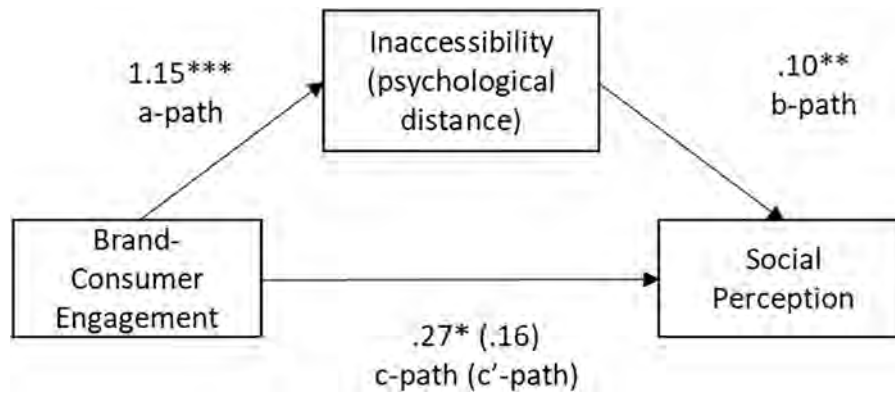


Fig. 6. The mediation effect of inaccessibility on social perception

Note: * $p \leq .05$ ** $p \leq .01$ *** $p \leq .001$.

for quality perception. Specifically, when consumer engagement and inaccessibility were entered together as predictor variables of social and uniqueness perceptions, the beta weight for brand-consumer engagement became insignificant (social perception: $c = 0.27$ ($t(246) = 2.16$, $p < .05$) to $c' = 0.16$ ($t(245) = 1.21$, $p > .05$); uniqueness perception: $c = 0.31$ ($t(246) = 1.91$, $p = .05$) to $c' = 0.11$ ($t(245) = 0.67$, $p > .05$)) (see Fig. 6). Also, the bootstrapping supported the proposed mediation relationships (social perception: indirect effect: $\beta = 0.11$, $SE = 0.04$, 95% CI = 0.04 to 0.20; uniqueness perception: indirect effect: $\beta = 0.20$, $SE = 0.06$, 95% CI = 0.10 to 0.34).

Similarly, when consumer engagement and unapproachability were entered together as predictor variables of social and uniqueness perceptions, the beta weight for brand-consumer engagement became insignificant (social perception: $c = 0.27$ ($t(246) = 2.16$, $p < .05$) to $c' = 0.16$ ($t(245) = 1.21$, $p > .05$); uniqueness perception: $c = 0.31$ ($t(246) = 1.91$, $p = .05$) to $c' = 0.11$ ($t(245) = 0.67$, $p > .05$)) (see Fig. 7). In addition, the bootstrapping supported the proposed mediation relationships (social perception: indirect effect: $\beta = 0.12$, $SE = 0.06$, 95% CI = 0.01 to 0.24; uniqueness perception: indirect effect: $\beta = 0.22$, $SE = 0.07$, 95% CI = 0.08 to 0.38). Therefore, H4 was partially supported.

5.5. Discussion

Study 3 provides additional support for the findings of study 2 while ruling out the potential effect of brand awareness and using more representative sample of U.S. consumers. Specifically, a high level of brand-consumer engagement resulted lower social distance and social and uniqueness value perceptions. Moreover, Study 3 demonstrated that social distance of luxury brands (i.e., approachability, accessibility) fully mediated the relationship between brand-consumer engagement

and social and uniqueness value perceptions of luxury brands. This suggests that social distance of luxury brands on social media is a critical variable that determines value perceptions of luxury brands.

The insignificant main effect of brand-consumer engagement on quality value perception might be understandable because of the nature of perceived quality value. As discussed earlier, quality value perception may be more strongly influenced by factors such as price and craftsmanship (Vigneron & Johnson, 2004) than social factors used in Study 3.

Interestingly, participants' attitude toward the brand's social media engagement strategy was more positive in the high brand-consumer engagement condition while brand value perceptions were higher in the low engagement condition. This implies that although consumers have positive attitude toward a luxury brand's high level of consumer engagement on social media, it does not necessarily lead to higher perceived values for the brand. Therefore, the results suggest that the attitude measure is not adequate in capturing the impact of a luxury brand's consumer engagement strategy on brand values.

6. General discussion

Across the experimental studies, this research highlights the impact of psychological distance of luxury brands triggered by a level of consumer-brand engagement on value perceptions of luxury brands. This research yields both theoretical and practical implications in the following ways.

6.1. Theoretical implications

From a theoretical point of view, this study contributes to a body of literature concerning brand dilution and social media marketing of

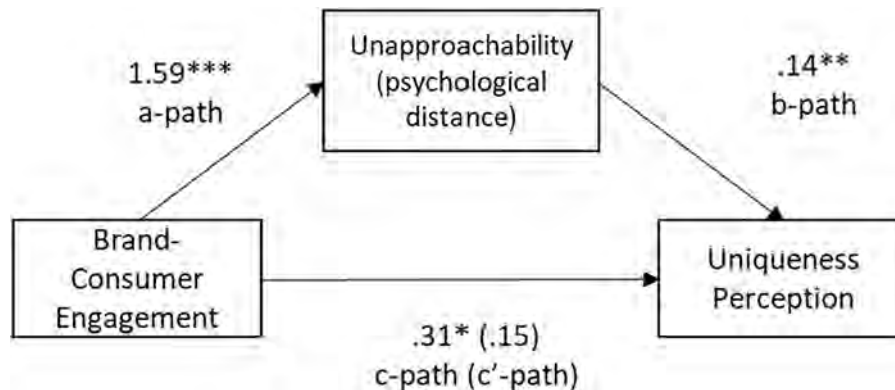


Fig. 7. The mediation effect of unapproachability on uniqueness perception

Note: * $p \leq .05$ ** $p \leq .01$ *** $p \leq .001$.

luxury brands, and to the theory of psychological distance. To date, the brand dilution literature has been dominantly examined from the aspects of brand extension strategies (e.g., Shin et al., 2017). On the other hand, this research demonstrates that brand-consumer engagement of luxury brands on social media can also dilute brand value perceptions. Therefore, this research's view on social media marketing as a source of brand dilution provides important insights and adds a new theoretical perspective to the literature on brand dilution.

Also, while most of literature in social media marketing of luxury brands has documented positive aspects of social media on luxury brands (e.g., Kim & Ko, 2012), the current research contributes to the literature by uncovering negative aspects of social media marketing on luxury brands. Specifically, this study provides empirical evidence that a high level of brand-consumer engagement on social media can damage perceptions of luxury brands by revealing the underlying mechanism. Through a mediation analysis, it was found that this effect is partly due to the decrease of psychological distance of luxury brands.

In regard to the theory, psychological distance has been examined and proved as a meaningful construct that is linked to strong consumer behavior outcomes such as product evaluations (Kim et al., 2008) and self-control (Kivetz & Simonson, 2002). This study also provides further support that psychological distance is an important construct that influences consumers' value perceptions of luxury brands on social media. While previous research has found that reducing psychological distance of online retailers is important for building trust (Darke et al., 2016; Edwards, Lee, & Ferle, 2009), the current study shows that, for luxury brands, it is vital to maintain the social distance dimension of psychological distance to protect value perceptions. Thus, this study offers insights concerning the applicability of the construal level theory of psychological distance to luxury brand perceptions on social media.

6.2. Practical implications

With regards to managing luxury brands, one of the most important goals is to sustain the myth and dream of luxury (Kapferer & Bastien, 2012). This research provides a strong warning for luxury brands who may stray from the goal due to their social media strategies. The findings suggest that luxury brands should maintain sacred psychological distance on social media; otherwise it will undermine important value perceptions of the luxury brands such as exclusivity, status signaling, and quality, which eventually damages the luxury dream. Specifically, overly active and friendly brand-consumer engagement on social media may backfire luxury brands because consumers may perceive the brands to be too accessible and approachable to everyday consumers. Therefore, it may be more beneficial for luxury brands to selectively engage with consumers and only follow a certain group of consumers (e.g., high-profile celebrities or artists) on social media to demonstrate that it is maintaining psychological distance to mass market consumers.

Moreover, as evidenced in Study 3, consumers' positive attitude toward the high level of brand-consumer engagement on social media

does not necessarily translate into higher value perceptions of luxury brands. That is, highly active brand-consumer engagement which may appear as positive can actually lower the core perceptions of luxury brands. As managers of luxury brands attempt to increase brand-consumer engagement on social media extensively, they must be mindful of the potential negative consequences on how the brand is perceived. However, it is possible that a high level of brand-consumer engagement may offer other potential positive outcomes (e.g., WOM, higher brand awareness) for luxury brands. Therefore, luxury brands must weigh the benefits of actively engaging with consumers against the cost of reducing core value perceptions of the brands.

6.3. Suggestions for future research

Among various dimensions of psychological distance, this study particularly focused on social distance of luxury brands in the context of social media marketing. Specifically, this study demonstrated that active brand-consumer engagement is an important antecedent of social distance of luxury brands that can damage important perceptions of the brands. Along with a social distance dimension, future studies should investigate other factors that may influence other dimensions of psychological distance of luxury brands, such as temporal and spatial distance. For example, some luxury brands on social media frequently provide direct links to their online stores along with product photos to increase both sales and consumer shopping convenience.

However, this social media marketing tactic may be another factor that negatively influences perceptions of luxury brands because it may reduce perceived spatial distance of the brands. In other words, because an online store symbolizes increased accessibility of products and brands due to its ubiquity (Okonkwo, 2009), consumers may perceive the luxury brands as being close, accessible, and within reach, which subsequently undermines exclusivity perceptions of the brands.

Moreover, future studies could investigate variables that may moderate the relationship between psychological distance and evaluations of luxury brands to show boundary conditions. Consumer-related variables such as power, social goals (i.e., competition, assimilation), and need for status may moderate such relationship because of the fit between the symbolism of luxury brands and consumers' needs. For example, consumers with high need for status may evaluate psychologically distant luxury brands more favorably than consumers with low need for status because such brands are perceived to be more conspicuous.

Lastly, the current research measured psychological distance of luxury brands using measures that are more focused on social distance aspects. Although previous research has confirmed that social distance is an indicator of psychological distance, future research could further develop and test other measures of psychological distance. For example, developing measures that assess temporal distance and spatial distance relevant to the luxury brands context will create more comprehensive measures of psychological distance of luxury brands.

Appendix A. Manipulations in Study 2

High brand-consumer engagement manipulation

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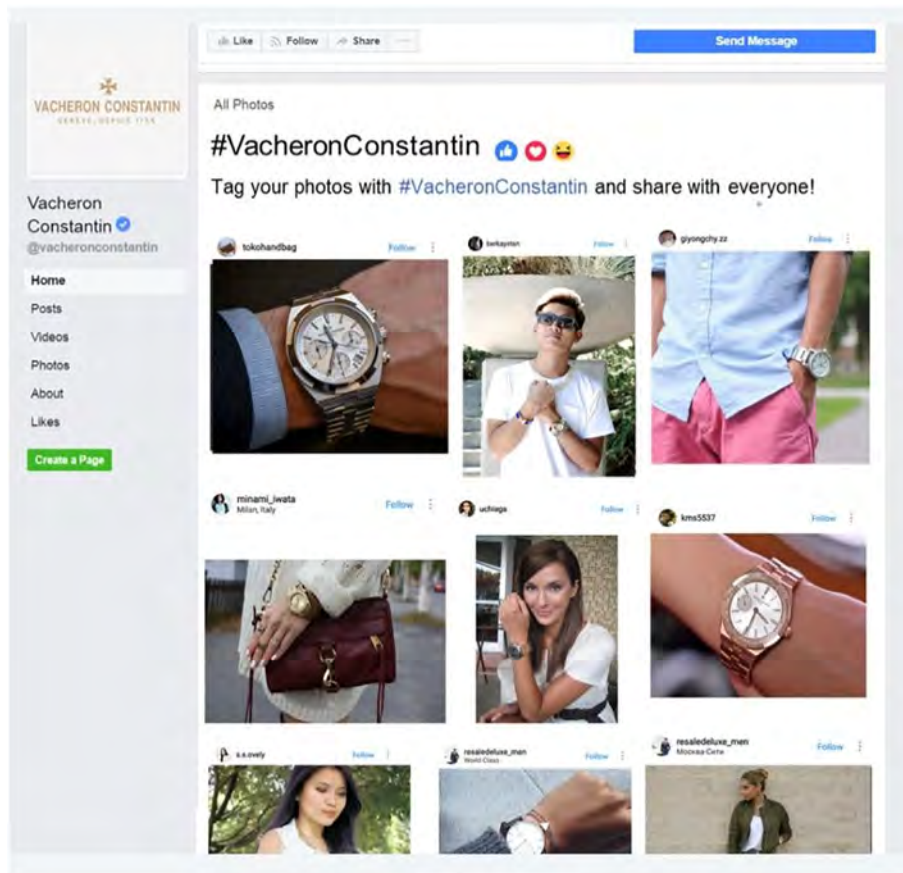
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Low brand-consumer engagement manipulation

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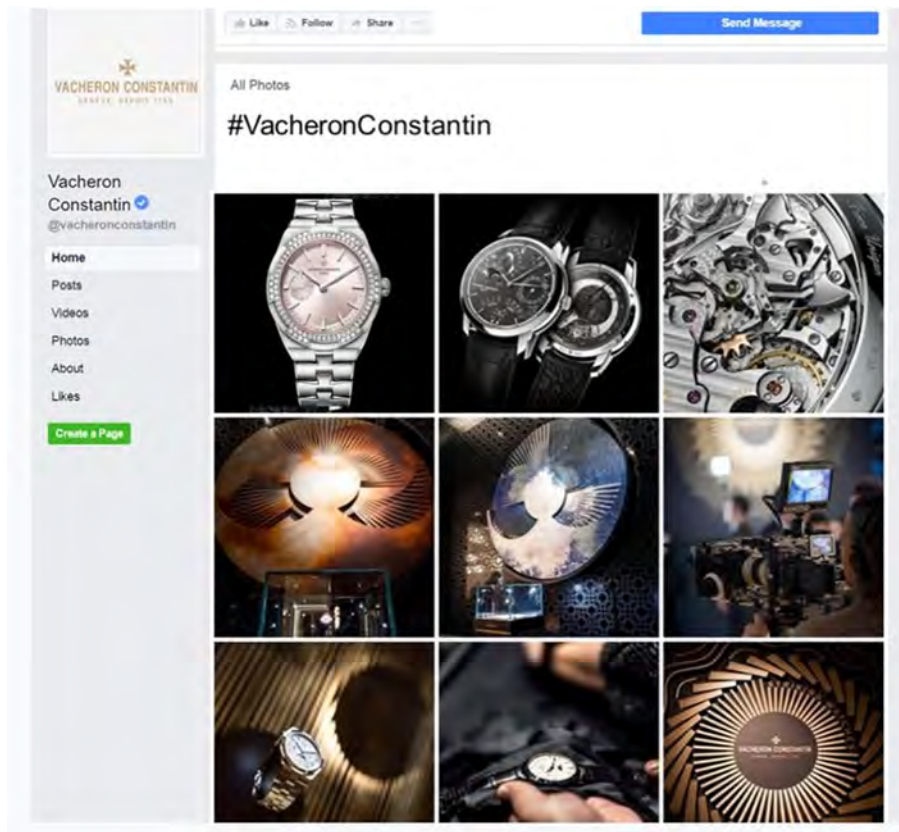
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Elle Been Wow, they look super nice!

Andrea Pachlipo I wonder how much they are?

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Appendix B. Scenarios and manipulations in Study 3

Base scenario

Suisse Majestät is a leading luxury watch brand founded by watch artisan Marco Müller in 1921 in Switzerland. Suisse Majestät produces one of the world's most finely crafted timepieces and its watches are the symbols of excellence and performance. Please imagine that you are financially well-off and you own the top-end Suisse Majestät watch.

High brand-consumer engagement manipulation

As a social media strategy, Suisse Majestät has decided to increase engagement with all social media users. Specifically, Suisse Majestät will follow back every social media user who follows or likes Suisse Majestät on social media. Also, Suisse Majestät will reach out social media users who tag the brand and leave a friendly comment on the users' posts or walls.

Low brand-consumer engagement manipulation

As a social media strategy, Suisse Majestät has decided to maintain the current level of engagement with social media users. Specifically, Suisse Majestät will only follow social media users who are celebrities or brand ambassadors. Also, Suisse Majestät will selectively respond to few social media users' comments on the brand's social media page.

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