Navigating the luxury goods market through the REPUTATION RENAISSANCE

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Context

Since 2018, personal luxury brands have faced a reputation recession, marked by declining reputation scores, followed by an uneven reputation renaissance. Shifting consumer values, driven by Millennials' growing influence, have reshaped brand perception. With Instagram engagement emerging as a key digital touch point. While some brand have successfully adapted, others continue to struggle, highlighting the need for a structured approach to managing brand reputation and understanding the new luxury consumer.
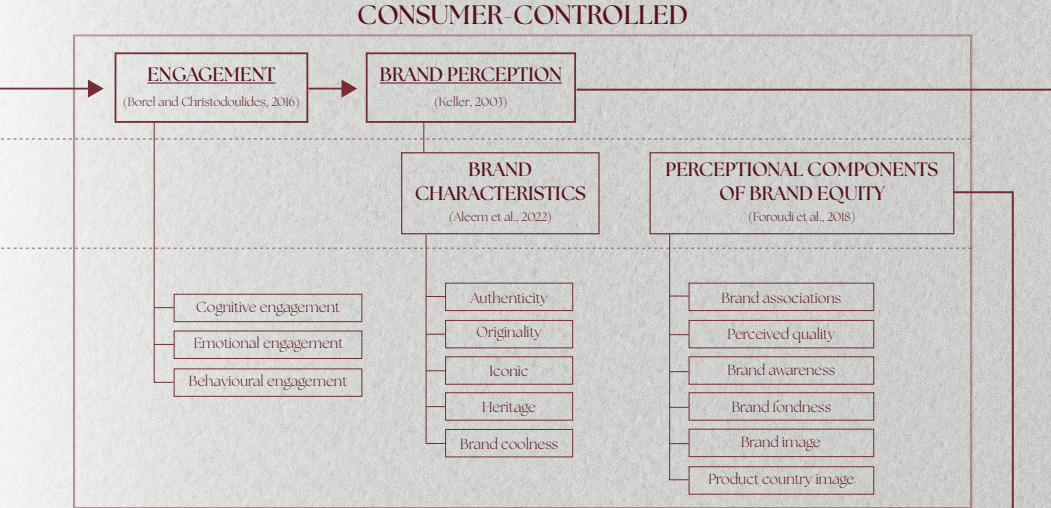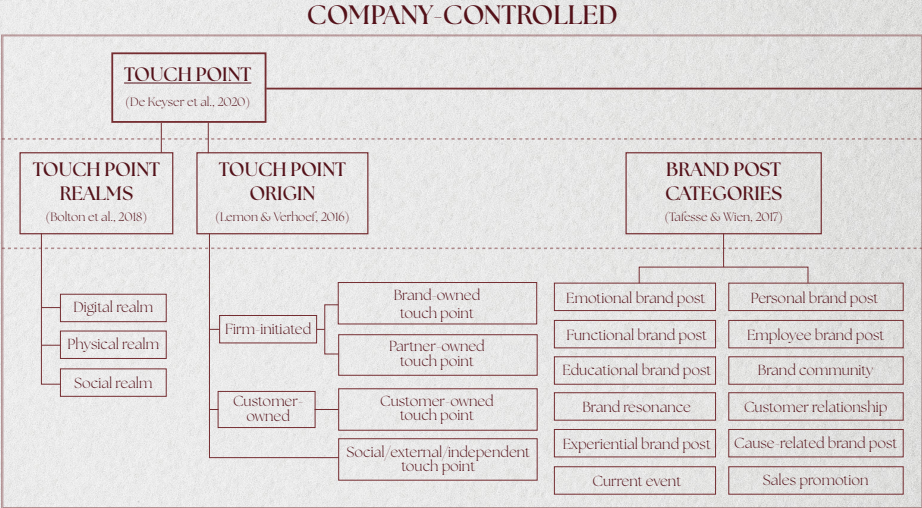
Research design

This study used a hybrid approach, combining quantitative engagement metrics with qualitative multimodal thematic analysis. By analysing the most and least liked Instagram posts (2021-2023) from three high-reputation brands (Dior, Chanel, Rolex) and three low-reputation brands (Burberry, L'Oréal, Hugo Boss), it explored the digital engagement trends shaped by the preferences of the new luxury consumer. An integrative framework based on existing reputation literature was developed to guide the exploratory nature of this study, providing a structured approach to understanding the factors influencing brand perception.

Findings

High-engagement posts featured celebrities endorsing products, while low-engagement posts focused on corporate initiatives or lesser-known individuals. High-reputation brands leveraged the cultural capital by collaborating with celebrities with a strong subcultural following to enhance brand coolness. In contrast, struggling brands relied on Western-oriented celebrities lacking subcultural appeal. These findings emphasize the strategic role of cultural capital and brand coolness in shaping brand reputation.

Research contributions

COMPANY-CONTROLLED

TOUCH POINT (De Keyser et al., 2020)

TOUCH POINT REALMS (Bolton et al., 2018)

TOUCH POINT ORIGIN (Lemon & Verhoef, 2016)

BRAND POST CATEGORIES (Tafesse & Wien, 2017)

- Digital realm
- Physical realm
- Social realm

- Firm-initiated
  - Brand-owned touch point
  - Partner-owned touch point
- Customer-owned
  - Customer-owned touch point
  - Social/external/independent touch point

- Emotional brand post
- Functional brand post
- Educational brand post
- Brand resonance
- Experiential brand post
- Current event

- Personal brand post
- Employee brand post
- Brand community
- Customer relationship
- Cause-related brand post
- Sales promotion

CONSUMER-CONTROLLED

ENGAGEMENT (Borel and Christodoulides, 2016)

BRAND PERCEPTION (Keller, 2003)

BRAND CHARACTERISTICS (Aleem et al., 2023)

PERCEPTUAL COMPONENTS OF BRAND EQUITY (Foroudi et al., 2018)

- Cognitive engagement
- Emotional engagement
- Behavioural engagement

- Authenticity
- Originality
- Iconic
- Heritage
- Brand coolness

- Brand associations
- Perceived quality
- Brand awareness
- Brand fondness
- Brand image
- Product country image

THE REPUTATION DASHBOARD

The integrative framework functions as a dashboard, allowing brands to monitor and adjust key reputation factors. By combining company-controlled, consumer-controlled and co-created elements, the reputation dashboard provides a structure overview to evaluating engagement strategies and benchmark against competitors. It also unifies previously isolated findings within the literature, creating a foundation for future research while bridging the gap between academic insights and practical applications. Ultimately, transforming reputation from an abstract concept into a strategic business tool.

CO-CREATED

INTANGIBLE ASSETS (Rust et al., 2021)

REPUTATION DIMENSIONS (Doreàk et al., 2007)

BRAND REPUTATION (Rust et al., 2021)

- Corporate reputation
- Customer equity
- Brand equity

- Primary reputation
- Secondary reputation
- Cyclical reputation