

# How Brand Ambassador and Social Media Marketing of Luxury Brand Affect Purchase Intention of Generation Z in Jakarta

Pravinindya Zayyan Arundati<sup>1\*</sup>

<sup>1</sup> School of Business and Management, Institut Teknologi Bandung, Bandung, Indonesia

\*Corresponding Author: [pravinindya\\_zayyan@sbm-itb.ac.id](mailto:pravinindya_zayyan@sbm-itb.ac.id)

Received: 20 August 2023 | Accepted: 15 October 2023 | Published: 31 October 2023

DOI: <https://doi.org/10.55057/ajrbm.2023.5.3.18>

---

**Abstract:** *The growth of fashion luxury brands has been remarkable in recent years. Indonesia has emerged as a prominent market for luxury goods, witnessing an 84% surge in sales, making it the leading online luxury goods sales market in Asia. This research focuses on Generation Z consumers in Jakarta due to their increasing economic influence and potential to account for a substantial portion of luxury goods sales by 2025. As social media becomes a ubiquitous platform for communication and marketing in Indonesia, businesses increasingly utilize Social Media Marketing to engage with consumers. Luxury brands have also embraced social media to transform their communication strategies, shifting the balance of power from marketers to consumers. The role of a brand ambassador goes beyond mere endorsement, as they actively promote the brand on their platforms, fostering trust and imitation. However, previous research on brand ambassadors' impact on purchase intention yields contradictory results. Therefore, this study aims to investigate the specific relationship between luxury brand ambassadors and purchase intention. The research objectives are to examine the positive effects of luxury brand marketing campaigns, specifically Brand Ambassador and SMM, on the purchase intention of Generation Z consumers in Jakarta. The findings of this research will benefit the marketing departments of luxury brands preparing strategies for the Indonesian market. Furthermore, it will contribute valuable insights to future studies on luxury brand purchase intentions, with potential applications for marketing strategists targeting the Indonesian luxury market, particularly Jakarta. Ultimately, this study aims to shed light on the impact of brand ambassadors and social media marketing on luxury brand purchase intentions among Generation Z consumers in Jakarta. Based on the statistical data analysis, the research concludes that both brand ambassador and social media marketing exert significant and positive influences on luxury brand purchase intention.*

**Keywords:** Luxury Brand, Purchase Intention, Generation Z, Social Media Marketing, Marketing Strategy

---

## 1. Introduction

### 1.1 Background

The growth of fashion luxury brands has been significant for the past years, and it is expected to reach USD 153.97 billion by 2026 with 5.66% CAGR (Business Wire, 2021). Moreover, according to the 2016 Asia Luxury Index, luxury goods sales in Indonesia have increased by 84 percent, making the archipelago country the top online luxury goods sales market in Asia for growth. Despite the growth that Indonesia is experiencing, this growth seems centralized

since most luxury brands open their retail store only in Indonesia's capital city Jakarta. Therefore, this research is specifically for Generation Z consumers in Jakarta. With the economical growth that has been happening in Indonesia. Consequently, it causes a consumer shift in luxury goods. There is a prediction that Generation Z will take half of luxury goods sales by the year 2025 since Consumers' readiness to purchase luxury goods are starting at the age 21 years old (Salpini, 2017 & Fitzgerald, 2016). These days, it is not only the older generation that is able to afford luxury goods, but Generation Z has become the primary consumer for the luxury goods sector. Compared to the millennials Generation Z are 3 to 5 years earlier to be able to purchase luxury goods (CNBC, 2023).

Moreover, Numbers of researchers attempt to define the terms of "luxury brand" but clear consensus yet not found due to its relative concept (Mortelmans, 2005). Unlike other goods, luxury goods have a certain appeal to the customer by giving the sense of wealth, power, and status to the owner (Veblen, 2019). The idea of luxury brands can be perceived differently, but for most people, purchasing luxury goods is a reward that soon becomes habitual (Brexendorf et al., 2017). In this digital era, the majority of people in Indonesia are already exposed to social media. In 2022 the number of social media users in Indonesia reached 191.4 million users. Necessarily, to communicate and market for the advantage of their business. According to research, 38% of the businesses polled intended to spend more than 20% of their overall advertising budgets on social media, while 79% of the businesses surveyed had social media presence that \$1268.7bn is expected to be spend on social media advertising in 2023 (Baird & Parasnis, 2013) and (Tsvetkova, 2023). By using Social Media Marketing and keeping an active social presence, it can generate ongoing benefits for the entity or business being marketed (Choudhury & Schmid). This is also proven by prior studies, social media is a powerful channel for luxury brands to communicate, changing how messages are created, disseminated, and received. It also shifts power and control away from marketers and into the connections and messages generated by consumers (Dobre et al., 2021). According to Deloitte, luxury brand consumers are socially engaged, 84% of the customers use at least 3 different social media platforms. The consumers of luxury brands use social media to generate ideas around the latest trends and new collections (Deloitte, 2015). The studies that were conducted by (Kim & Ko, 2010) revealed that social media marketing has a positive impact on purchase intention of luxury brands. Hence, social media marketing is a variable that arguably affects purchase intention.

Furthermore, social media has changed how businesses interact with their customers, and the rate of change doesn't seem to be slowing down any time soon, and one of the ways to communicate with their customer is through their interest by using popular celebrities as the brand ambassador. In contrast to other affiliations like sponsorship, the brand ambassador connection is unique. They are brand ambassadors who can talk about the company and actively promote it on their platforms, not just those who wear or market the goods (Walker, 2022). A suitable brand ambassador can help a company enter a new age of success by increasing awareness, cultivating factors that lead to trust, and motivating imitation (Royan, 2004). Various previous research regarding brand ambassadors such as (Putri et al., 2021) found that that brand ambassador has partial influence on the purchase intention. However, a study conducted by (Nisa & Pramesti, 2019) found that brand ambassadors do not have a positive impact on purchase intention. Therefore, this contrasting result from the previous research needs to be investigated with a different objective which is luxury brand's brand ambassador.

## 1.2 Problem Statement

These days, social media marketing has become essential for luxury brands in conducting their marketing agenda. This is also followed by many luxury brands hiring brand ambassadors for their marketing campaign. Hiring brand ambassadors is not a new marketing strategy for luxury brands, for many years brand ambassadors have been the main strategy to gain brand awareness and attract consumers to purchase the goods. Furthermore, luxury brands are also considered as the leader of fashion industries for many years due to the high valued products that they offer. However, the new competitors' entry caused luxury brands to struggle to secure and increase their profit. Not only that the economic downturn due to covid also affected the purchase intention of luxury brands. Thus, it is essential to investigate whether social media marketing and brand ambassadors affect the purchase intention of Generation Z in Jakarta.

## 1.3 Research Question

- How does brand ambassador have a positive affect with purchase intention?
- How does social media marketing have a positive affect with purchase intention?

## 1.4 Research Objective

In this regard, the purpose of this research is to identify the effect between marketing campaigns of luxury brands that specify in Brand Ambassador and Social Media Marketing with purchase intention of Generation Z in Jakarta by positioning SMM and brand ambassador as independent variable meanwhile purchase intention as the dependent variable. This research will be beneficial for the marketing department for luxury brands that are planning to prepare a strategy for the Indonesian market. Further research that revolves around brand ambassador, social media marketing, and purchase intention will be benefited as well.

## 2. Literature Review

### 2.1 Luxury Brand and Marketing

Delivering compelling and satisfying experiences is now more important than ever for luxury brand success (Atwal & William, 2009). Utilizing social media, cutting-edge technology makes it possible to tell customers about exclusivity and originality.

Despite that, Luxury brands have resisted integrating their operations into the online world, selling their goods in multi- or mono-brand online stores, and engaging with customers through social media channels (social networking sites, blogs, vlogs, virtual communities, etc.) for a long time. However, eventually luxury companies are now using social media, a platform that allows for two-way communication and enables customers to connect with brands, share information and ideas with other members of social communities, and forge relationships with brands (Kim & Ko, 2010).

### 2.2 Generation Z

People of Generation Z were born between 1997 and 2012 (BPS, 2021), the oldest Generation Z now at the age of 27 years old. They are the first generation to ever grow up with the internet or the term “digital natives” is one way to describe them. Three to five years earlier than millennials, Gen Z consumers begin to purchase luxury goods at the age of 15, including watches, jewellery, clothes, and beauty products in addition to designer handbags, shoes, and garments. Younger generations (Generations Y, Z, and Alpha) will account for 80% of worldwide luxury purchasing by 2030, making them by far the biggest consumers (CNBC, 2023).

### **2.3 Brand Ambassador and Luxury Brand**

According to Jared Watson, assistant professor of marketing at NYU Stern School of Business, global ambassadors play a significant marketing role for luxury goods because of their capacity to promote a brand without coming across as overt advertising.

To ensure that the brand ambassador is credible to hire, the VisCap model that developed by (Royan, 2004) can be implemented. There are four elements in the model namely:

- i) **Visibility:** The extent to which a celebrity is popular can be measured by visibility. When connected in popularity, it can be established by how many fans a brand ambassador has (popularity) and how frequently they appear in front of an audience.
- ii) **Credibility:** Expertise and objectivity are more important factors in determining a celebrity's trustworthiness. The understanding of the product that will be advertised by celebrities will be related to this competence. The ability of celebrities to inspire confidence or trust in consumer goods is being criticized by objective. Celebrities with the talent thought to symbolize the promoted brand reputation.
- iii) **Attraction:** A brand ambassador has two qualities that make them appealing. Charm is the allure of one's personality and outward appearance. The greatest influence on shifting views towards the brand is preference. Also, similarity of the target audience must match the emotional image in advertising, and this is strengthened by featuring a person who shares the target audience's sense of style.
- iv) **Power:** The fourth quality of a Brand Ambassador is power, which is a quality of power. Even if they don't change their mindset, power can boost buy intensity by just appearing and ordering the target to do something.

### **2.4 Social Media Marketing and Luxury Brand**

Social media has gained prominence as a significant and crucial marketing aspect influencing the success of a product, service, or business in recent years. Using SMM and keeping an active social presence that can generate ongoing benefits for the entity or business being marketed (Choudhury & Schmid). The history between digital platforms and luxury brands, research that was conducted by (Kim & Ko, 2010) eventually found that Social Media Marketing has a positive impact on luxury brands purchase intention. Additionally, there are four aspects of measurements established by (Kim & Ko, 2010) which are: Entertainment, Interaction, Trendiness, Customization and Word of Mouth.

### **2.5 Purchase Intention**

Intentions are influenced by behaviours, which are influenced by attitudes, subjective standards, and perceived behavioural control, respectively (Ajzen, 1991). Hence, an increase in purchase intent indicates a rise in the likelihood that a purchase will be made. Based on the Ferdinand study, there are four dimension of purchase intention:

- i) **Transactional:** when customers are showing buying interest or when they already want to purchase the good because they want the good.
- ii) **Referential:** when a consumer actively references or suggests a good or service to another consumer or potential consumer, or when they have a buying interest.
- iii) **Preferential:** When consumers have made purchasing the product their top priority, or if it runs out or disappears, a replacement can be provided.
- iv) **Explorative:** when customers are considering purchasing a product or service before conducting independent research or seeking explanations.

### 3. Research Methodology

#### 3.1 Conceptual Framework

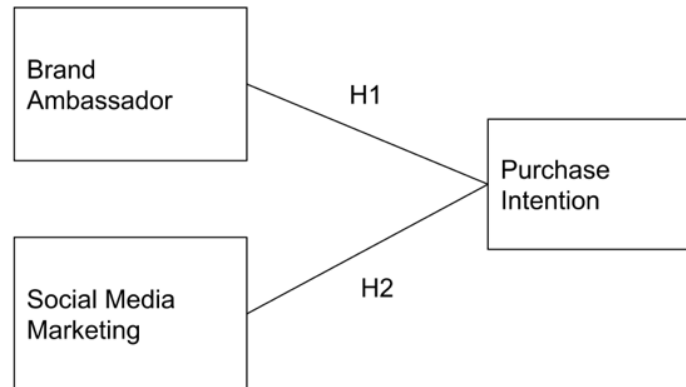


Figure 1: Conceptual Framework (Source: Author)

**H1** : Brand ambassador has a positive effect on purchase intentions.

**H2** : Social media marketing has a positive effect on purchase intentions.

#### 3.2 Reaserch Method

The research objective of this study is to see how significant the effect of marketing campaigns of luxury brands and purchase intention of Generation Z in Jakarta. The research method that will be used is a quantitative method. Furthermore, Multiple Regression test will be used to measure the best prediction of dependent variables from several independent variables. A statistical method known as multiple linear regression is used to forecast the result of a variable based on the values of two or more other variables (Taylor, 2023).

#### 3.3 Data Collection Method

In this research, a questionnaire was made in a form of Likert scale method. The survey was conducted virtually with Google Forms, the link of the survey was distributed through different media namely researcher’s personal Instagram story, Direct Messages, and Email. Moreover, the criteria for this research are: Generation Z (age 15 - 26), live in Jakarta or from Jakarta, had an experience in purchasing luxury brands, and have social media accounts. This research targeted Jakarta because Jakarta is the capital city of Indonesia, and it is the most advanced city compared to other cities. Therefore, most luxury brands only open their retail stores in Jakarta. Therefore, it is appropriate to target consumers that are based in Jakarta only.

#### 3.4 Measurement

The questionnaire will be divided into four parts, the first part is asking for the consent of the respondents and stating that this questionnaire is for study purposes only that will remain anonymous. The second part will be measuring the brand ambassador aspect. In this part visibility, credibility, attraction, and power will be the indicators (Royan, 2004). The third part of the questionnaire will be measuring the social media marketing aspects, the indicators that were developed by (Kim & Ko, 2010) are entertainment, interaction, trendiness, customization, and word of mouth. For the last part, indicators that were developed by (Ferdinand, 2002) are used. Namely, transactional, referential, preferential, and explorative. All statements were measured by a five point Likert scale (1 = Strongly disagree and 5 = Strongly agree). Every question in the questionnaire is based on the indicators mentioned above to make sure the reliability and validity of this research.

## 4. Data Analysis

### 4.1 Demographic Profile

Respondents for this research required specific criteria, the criteria are the respondents have to be born between 1997 to 2012 to be classified as Generation Z. The respondents could be female or male since gender would not be the main issue for this research. Other than that, the respondents have to have had an experience purchasing luxury goods and are interested in purchasing luxury goods in the future. Respondents that were gathered and qualified for the research are 123 respondents.

### 4.2 Validity and Reliability Test

Validity test is necessary because validity guarantees that the scale measures the construct and that all of its items measure what the scale is supposed to measure. Meanwhile, the consistency or reproducibility of the measurement is referred to as reliability. This is crucial, especially if the measure is intended to be used continuously to monitor change. Therefore, reliability and validity are examined to make sure the measuring scale is suitable for use with the specific sample (Data Analysis Australia, 2007).

#### 4.2.1 Validity Result

Questions	Sig Value	Pearson Correlation	Valid/Not Valid
Q1	0.000	0.688	Valid
Q2	0.000	0.790	Valid
Q3	0.000	0.734	Valid
Q4	0.000	0.798	Valid
Q5	0.000	0.556	Valid
Q6	0.000	0.521	Valid
Q7	0.000	0.636	Valid
Q8	0.000	0.531	Valid
Q9	0.000	0.591	Valid
Q10	0.000	0.579	Valid
Q11	0.000	0.614	Valid
Q12	0.000	0.688	Valid
Q13	0.000	0.639	Valid
Q14	0.000	0.570	Valid
Q15	0.000	0.738	Valid
Q16	0.000	0.551	Valid
Q17	0.000	0.559	Valid
Q18	0.000	0.607	Valid
Q19	0.000	0.614	Valid
Q20	0.000	0.771	Valid
Q21	0.000	0.577	Valid
Q22	0.000	0.768	Valid

Figure 2: Validity Result (Source: Author)

\*Pearson Correlation considered valid if the correlation value  $> 0.230$  (based on r table with 1% significance level).

\*Significance value  $< 0.05$  then it's considered valid.

According to the validity result, it can be concluded that all the questions given are considered valid since the value surpasses the 0.230.

#### 4.2.2 Reliability Result

Variable	Reliability Statistic Result
X1 (BA)	0.737
X2 (SMM)	0.850
X3 (Purchase Intention)	0.765

Figure 3: Reliability Result (Source: Author)

Based on the reliability test that were done, all the variable all valid since the value are bigger than 0.7

The result for validity and reliability analysis of the three variables are considered valid. Therefore, this research is consistent and the results do represent what it is supposed to measured.

#### 4.3 Classic Assumption

##### 4.3.1 Normality Test

The normality test is used to determine whether the data to be analyzed is normally distributed or not. The distribution of random and specific data in a population is tested using the Kolmogorov-Smirnov Normality Test (Chakravart, Laha, and Roy, 1967). The Kolmogorov-Smirnov test is appropriate for data sizes 20 to 1000, according to tests performed by the National Institute of Standards and Technology.

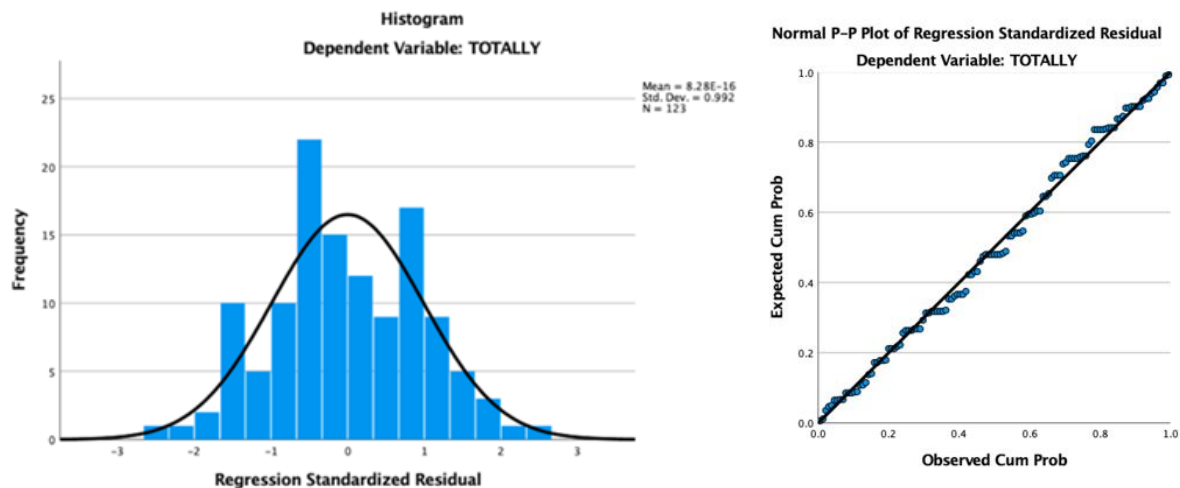


Figure 4 & 5: Normality Test Graph (Source: SPSS)

### One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	
N		123	
Normal Parameters <sup>a,b</sup>	Mean	.0000000	
	Std. Deviation	.96504732	
Most Extreme Differences	Absolute	.057	
	Positive	.049	
	Negative	-.057	
Test Statistic		.057	
Asymp. Sig. (2-tailed) <sup>c</sup>		.200 <sup>d</sup>	
Monte Carlo Sig. (2-tailed) <sup>e</sup>	Sig.	.411	
	99% Confidence Interval	Lower Bound	.398
		Upper Bound	.424

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.
- e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

**Figure 6: Kolmogorov Test (Source: SPSS)**

Based on the normality test that was conducted, The Asymp Sig (2 Tailed) value is 0.200 > 0.05 so that the data is normally distributed. A normality test was conducted to increase the objectivity of the assessment and minimize the bias of sample estimates against the population. Based on table 5 it can be concluded that the data are normally distributed.

### 4.3.2 Multicollinearity Test

In a multiple regression model, multicollinearity is the occurrence of substantial intercorrelations between two or more independent variables. When a researcher or analyst tries to figure out how each independent variable in a statistical model may be utilized to predict or understand the dependent variable, multicollinearity can result in skewed or misleading results. If the correlation coefficient between two variables is +/- 1.0, they are said to be perfectly collinear (Scott, 2023).

		Coefficients <sup>a</sup>					Collinearity Statistics	
Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF
1	(Constant)	6.110	1.922		3.180	.002		
	TOTALQ1	.412	.096	.345	4.297	<.001	.982	1.018
	TOTALQ2	.142	.038	.303	3.771	<.001	.982	1.018

a. Dependent Variable: TOTALLY

**Figure 7: Multicollinearity Result (Source: SPSS)**

The toll value at q1 is 0.982 > 0.1 and the VIF value is 1.018 <10 and the toll value at q2 is 0.982 > 0.1 and the VIF value is 1.018 <10 so there are no symptoms of multicollinearity. Which means that there is no correlation between the independent variables.

### 4.3.3 Heteroscedasticity Test

Disparate scatter is referred to as heteroscedasticity. Heteroscedasticity is discussed in relation to the residuals or error term in regression analysis. Heteroscedasticity, in more precise terms, is a systematic alteration in the spread of the residuals over the range of measured values.



**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.604	1.091		.554	.581
	TOTALQ1	.053	.054	.088	.973	.333
	TOTALQ2	-.034	.021	-.146	-1.605	.111

a. Dependent Variable: RES2

**Figure 8: Heteroscedasticity Result (Source: SPSS)**

It is illustrated that the sig value on q1 is  $0.333 > 0.05$  and the sig value on q2 is  $0.111 > 0.05$  so there is no heteroscedasticity. Which means there is no difference in variance from the residual in one observation to another.

#### 4.3.4 Linearity Test

For the linear regression of k outcome observations for each level of the predictor variable, linearity is examined using analysis of variance (Armitage, 1994). When a regression is linear, the connection between the predictor variables and the outcome variable is linear. You do not need to be concerned with linearity if your residuals are normally distributed and homoscedastic.

**ANOVA Table**

			Sum of Squares	df	Mean Square	F	Sig.
TOTALLY * TOTALQ1	Between Groups	(Combined)	22.775	4	5.694	5.309	<.001
		Linearity	22.250	1	22.250	20.746	<.001
		Deviation from Linearity	.525	3	.175	.163	.921
	Within Groups		126.558	118	1.073		
Total			149.333	122			

**Figure 9: Linearity Test Y and X1 Result (Source: SPSS)**

**ANOVA Table**

			Sum of Squares	df	Mean Square	F	Sig.
TOTALLY * TOTALQ2	Between Groups	(Combined)	30.963	12	2.580	2.398	.009
		Linearity	18.234	1	18.234	16.944	<.001
		Deviation from Linearity	12.729	11	1.157	1.075	.388
	Within Groups		118.370	110	1.076		
Total			149.333	122			

**Figure 10: Linearity Test Y and X2 Result (Source: SPSS)**

According to Figure 9, the value of deviation from linearity is  $0.921 > 0.05$  so there is a linear relationship between X1 and Y. Furthermore, Figure 10 indicates that the deviation from linearity value is  $0.388 > 0.05$  so that there is a linear relationship between X2 and Y. The linearity test indicates that the independent and dependent variables are linear.

#### 4.4 Regression Analysis

This study seeks to investigate the effect of brand ambassador and social media marketing on purchase intention. Following hypotheses were proposed.

**H1** : Brand ambassador has a positive effect on purchase intentions.

**H2** : Social media marketing has a positive effect on purchase intention.

According to Figure 12 below, the coefficient of determination (Adjusted R Square) = 0.226 this means that the variable brand ambassador and social media marketing 22.6% affect purchase intention of luxury brands. Whereas the 77.4% remaining was affected by other aspects that were not examined in this study.

Additionally, coefficients were further assessed to ascertain the influence of each of the factors on the criterion variable (purchase intention). H1 evaluates whether brand ambassadors significantly and positively affect purchase intention. The result revealed that brand ambassadors of luxury brands have a significant and positive impact on purchase intention (B= 0.345 and  $p < .001$ ). Hence, H1 was supported. H2 evaluates whether Social Media Marketing (SMM) has a significantly positive impact on purchase intention. The result shows that SMM has a significantly positive impact on purchase intention (B=0.303 and  $p = 0.001$ ). Therefore, H2 was supported. ( All the results are presented in Figure 10)

Dependent Variable	Independent Variable	R <sup>2</sup>	$\beta$	ANOVA	Sig.	Acceptable Alpha	Conclusion
Purchase Intention	$\beta_0$ Constant					0.05	
	BA	0.226	0.345	0.000	0.000		H1 Supported
	SMM		0.303	0.000	0.001		H2 Supported

Figure 11: Regression analysis Result (Source: SPSS)

#### 4.5 Discussion

Furthermore, according to the regression analysis on Figure 11, all the three variables tested in this research which are brand ambassador ( $0.000 < 0.05$ ), social media marketing ( $0.001 < 0.05$ ) have significant and positive linear relationship towards purchase intention. Consequently, all the hypotheses are supported with significant relationships between variables.

In line with the hypotheses created, brand ambassadors have a positive effect on purchase intention on luxury brands. Aligned with the previous literature that was conducted by (Putri et al., 2021) in the research it stated that brand ambassadors can influence the purchase intention in Indonesia. In addition, brand ambassadors have a significant impact on purchase intention for the Indonesia market according to (Putri et al., 2021) This is also supported by a statement from a professor of marketing at NYU Stern School of Business. Global ambassadors have a crucial marketing function for luxury goods because of their ability to advance a brand without coming across as overt advertising (Chitrakorn & Guilbault, 2021). Nonetheless, the result from this research contradicts the result from (Nisa & Pramesti, 2019)'s study regarding the effect of brand ambassadors on purchase intentions of younger respondents. The study shows that at this time, brand ambassadors are ineffective at persuading customers to purchase a product. Customers nowadays are more likely to believe product testimonials than brand advocates since they can simply access information about them online. However, research by (Nisa & Pramesti, 2019) objects are different from this research, the object of their research is cosmetic brands. Furthermore, with respect to the first research question, it was found that, compared to previous research, this research contribution reveals that brand ambassadors have a positive impact on luxury's brand purchase intention among Generation Z specifically in Jakarta. It can be concluded that the selection of the right brand ambassador by fulfilling several factors such as visibility, credibility, power, and attraction can be material considerations for consumers in having purchase intent to the luxury goods.

As well as that, prior research regarding Social Media Marketing and purchase intention shows that the two aspects have a positive impact towards each other even though in the past luxury brands and the term digital did not align (Geerts, 2013). As mentioned in the literature review, (Kim & Ko, 2010) findings proclaimed that luxury businesses are now utilizing social media, a platform that permits two-way communication and allows customers to engage with brands, share information and ideas with other users of social communities, and develop connections with brands. Indicators that were used in this research were developed by (Kim & Ko, 2010), one of the indicators is interaction. The idea of interaction is also supported by (Kim & Lee, 2019) because luxury brand managers must learn how to effectively express deeper values around their luxury businesses through their brand communities if they hope to successfully manage their brand communities in the face of a constantly evolving social media landscape. Consequently, social media marketing has a positive impact on luxury brand's purchase intentions. Another finding regarding this topic was found by (Gautam & Sharma, 2017) the research also indicated that social media marketing has a considerable beneficial impact on consumers' intent to purchase. Moreover, Prior research conducted by (Chu et al., 2019) have noted the importance of Positive attitudes towards social media advertising increased the likelihood that social media users would interact with brand messaging and look for information about luxury goods, which in turn increased the likelihood that they would decide to buy luxury goods.

## **5. Conclusion**

### **5.1 Conclusion**

The aim of this study is to analyse the effect of marketing campaign aspects which are brand ambassador and social media marketing on purchase intention of luxury brands. By conducting this research, it can create insight for future studies in marketing that analyse luxury brand's purchase intention. On top of that, these insights can be useful for marketing strategists planning to do their research on luxury brands for the Indonesia market, especially Jakarta. Based on research results and the result of the statistical data analysis regarding the effect of brand ambassador and social media marketing on customer purchase intention of luxury brands that specify for Generation Z consumers in Jakarta. As a result, the following conclusion can be drawn: 1) Brand ambassador has significant and positive influence on luxury brand purchase intention, 2) Social media marketing has significant and positive influence on luxury brand purchase intention.

This finding broadly supports the work of other studies in this area linking social media marketing and purchase intention. In this research it reveals that social media marketing has positive impacts on luxury's brand purchase intention of Generation Z consumers in Jakarta. Which answers the second research question. "Does social media marketing have a positive effect with purchase intention?".

### **5.2 Recommendation Future Research**

With the enormous growth of luxury brands experiencing, not only in the world in Asia especially Indonesia has high potential of consumers. These consumers of luxury brands nowadays are not only the older generation but also the younger generation such as Generation Z. The study's results are crucial for luxury businesses from a managerial standpoint since they offer ideas and suggestions for how they might use the information, not only businesses, but this research is also significant for future research. The outcomes of this research can create a few recommendations namely:

- Future studies could widen the scope of the study. For instance, not only analysing the Gen Z consumer, comparing different generations such as the millennial and Gen X consumer is very possible since luxury brand target customers are very wide.
- Future studies can create research that targets other demographics such as other cities in Indonesia or other countries in Asia since there is a lack of research in that area.

### 5.3 Managerial Implications

Other than, future research recommendation there are several recommendation from managerial standpoint that can be used such as:

- Taking into consideration in selecting the appropriate brand ambassador for a luxury brand. VisCap (Visibility, Credibility, Attraction, and Power) indicator can be applied to help with the selection process and also make sure to hire brand ambassadors that align with the luxury brand image. Even though the indicator technique is already applied, issues are inevitable since there is a possibility of human error.
- Applied social media marketing strategy for luxury brands, since based on this research Generation Z purchase intention positively associated with social media marketing. Several indicators can be applied to maximize the outcome, those indicators are entertainment, interaction, trendiness, customization, and WOM.

Due to the relevance of the findings to both research and practice, I believe this study has earned a significant number of citations. The part covered a few of our study's main conclusions as well as its contribution to the field of research literature.

### References

- Arrigo, E. (2018). Social media marketing in luxury brands: A systematic literature review and implications for management research. *Management Research Review*, 41(6).
- Atwal, G., & William, A. (2009). Luxury brand marketing – The experience is everything! *Journal of Brand Management*, 16(5).
- Baird, C., & Parasnis, G. (2013). From social media to social customer relationship management. *IEEE Engineering Management Review*, 41(3).
- Chitrakorn, K., & Guilbault, L. (2021, May 24). *Forget Hollywood. There's a new global brand ambassador.* Vogue Business. Retrieved May 22, 2023, from <https://www.voguebusiness.com/companies/forget-hollywood-new-global-luxury-brand-ambassadors-bts-blackpink>
- Choudhury, P. K., & Schmid, L. S. (1974). Black models in advertising to blacks. *Journal of Advertising Research*, 14(3).
- Chu, S.-C., Kamal, S., & Kim, Y. (2019). Re-examining of consumers' responses toward social media advertising and purchase intention toward luxury products from 2013 to 2018: A retrospective commentary. *JOURNAL OF GLOBAL FASHION MARKETING*, 10(1), 81-92.
- CNBC. (2023, January 17). *Gen Z is driving luxury sales as wealthy shoppers get younger.* CNBC. Retrieved May 18, 2023, from <https://www.cnbc.com/2023/01/17/gen-z-is-driving-luxury-sales-as-wealthy-shoppers-get-younger.html>
- Coltrane, S., & Messineo, M. (2000). The Perpetuation of Subtle Prejudice: Race and Gender Imagery in 1990s Television Advertising. *Sex Roles*, 42.
- D'Arpizio, C., Levato, F., Kamel, M., & de Montgolfier, J. (2017, December 22). *Luxury Goods Worldwide Market Study, Fall–Winter 2017.* Bain & Company. Retrieved May 21, 2023, from <https://www.bain.com/insights/luxury-goods-worldwide-market-study-fall-winter-2017>

- Data Analysis Australia. (2007, September). *Questionnaire Validity*. Data Analysis Australia. Retrieved July 31, 2023, from <https://www.daa.com.au/articles/analytical-ideas/questionnaire-validity/>
- Deloitte. (2015). *The luxury opportunity*. Deloitte. Retrieved May 19, 2023, from <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/consumer-business/deloitte-uk-consumer-the-luxury-opportunity.pdf>
- Dimitrieska, S., Stamevska, E., & Stankovska, A. (2019). INCLUSIVE MARKETING – REALITY OR MAKE UP. *16*(2).
- Dobre, C., Milovan, A.-M., Dutu, C., Parada, G., & Agaphie, A. (2021). The Common Values of Social Media Marketing and Luxury Brands. The Millennials and Generation Z Perspective. *Journal Theoretical and Applied Electronic Commerce Science*, *16*(7).
- Dwivedi, Y. K., Kapoor, K. K., & Chen, H. (2015). Social Media Marketing and Advertising. *The Marketing Review*, *15*(3).
- Fandos, C., & Flavian, C. (2016). Intrinsic and extrinsic quality attributes, loyalty and buying intention. *PDO product, British food journal*, *108*(8).
- Ferdinand, A. (2002). Pengembangan Minat Beli Merek Ekstensi. *Badan Penerbit Universitas Diponegoro*.
- Ferdinand, A. (2003). *Structural Equation Modelling dalam Penelitian Manajem*. Semarang: FE UNDIP.
- Fitzgerald, B. (2016). *Indonesia is Asia's largest online luxury market for sales growth*. Fashion Network UK. Retrieved March 9, 2023, from <https://uk.fashionnetwork.com/news/Indonesia-is-asia-s-largest-online-luxury-market-for-sales-growth,728456.html>
- Gautam, V., & Sharma, V. (2017). The Mediating Role of Customer Relationship on the Social Media Marketing and Purchase Intention Relationship with Special Reference to Luxury Fashion Brands. *Journal of Promotion Management*, *23*(6). <https://doi.org/10.1080/10496491.2017.1323262>
- Geerts, A. (2013). CLUSTER ANALYSIS OF LUXURY BRANDS ON THE INTERNET. *INTERNATIONAL JOURNAL OF MANAGEMENT AND MARKETING RESEARCH*, *6*(2).
- Goenawan, N., Goenawan, F., & Monica, V. (2020). EFEKTIVITAS PENGGUNAAN BRAND AMBASSADOR LANEIGE DALAM MODEL VisCAP. *JURNAL E-KOMUNIKASI PROGRAM STUDI ILMU KOMUNIKASI*, *8*(2).
- Grilec, A., Vukusic, D., & Dujic, D. (2020). COMMUNICATION STRATEGIES OF LUXURY BRANDS DURING COVID-19 CRISIS. *63rd International Scientific Conference on Economic and Social Development – "Building Resilient Society"*, *11*(12).
- Horwell, V. (2011, April 1). Luxury Daily. *Luxury Daily*. <https://www.luxurydaily.com/using-celebrities-as-luxury-brand-ambassadors-for-better-or-worse/>
- Kauppinen-Räsänen, H., Björk, P., Lönnström, A., & Jauffret, M.-N. (2018). How consumers' need for uniqueness, self-monitoring, and social identity affect their choices when luxury brands visually shout versus whisper. *Journal of Business Research*, *84*.
- Kim, A. J., & Ko, E. (2010). Impacts of Luxury Fashion Brand's Social Media Marketing on Customer Relationship and Purchase Intention. *Journal of Global Fashion Marketing*, *1*(3).
- Kim, J., & Lee, K. H. (2019). Influence of integration on interactivity in social media luxury brand communities. *Journal of Business Research*, *99*.
- Ko, E., Costello, J. P., & Taylor, C. R. (2019, June). What is a luxury brand? A new definition and review of the literature. *Journal of Business Research*, *99*, 405-413. <https://doi.org/10.1016/j.jbusres.2017.08.023> Get rights and content
- Kotler, P., & Keller, K. L. (2012). *Marketing Management*. Prentice Hall.

- Kujur, F., & Singh, S. (2017). Engaging customers through online participation in social networking sites. *Asia Pacific Management Review*, 22(1), 16-24.
- Maguire, L. (2023, May 1). *Unlocking Gen Z's luxury spending power in 2023*. Vogue Business. Retrieved May 22, 2023, from <https://www.voguebusiness.com/consumers/unlocking-gen-zs-luxury-spending-power-in-2023>
- McKinsey. (2023, March 20). *What is Gen Z?* McKinsey. Retrieved May 18, 2023, from <https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-gen-z>
- Miller, K. D., Fabian, F., & Lin, S.-J. (2009). Strategies for online communities. *Strategic management journal*, 30(3), 305-322.
- Nisa, C., & Pramesti, D. A. (2019). How Do Effective Digital Marketing and Brand Ambassador Stimulate Purchase Intention Today? *Advances in Social Science, Education and Humanities Research*, 436(1).
- Paurav, S. (2012). The influence of value perceptions on luxury purchase intentions in developed and emerging markets. *International Marketing Review*.
- Peña-García, N. (2020). Purchase intention and purchase behavior online: A cross-cultural approach. *Heliyon*, 6(6).
- Phan, M., Thomas, R., & Heine, K. (2012). Social Media and Luxury Brand Management : The Case of Burberry. *Journal of Global Fashion Marketing*.
- Prastiwi, F., Ratnaningsih, C., Windhyastiti, I., & Khourouh, U. (2020). ANALISIS PENGARUH TREN BUDAYA, BRAND AMBASSADOR DAN HARGA TERHADAP PURCHASE INTENTION. *Jurnal Bisnis dan Manajemen*, 7(1).
- Putri, Y. I., Pradana, M., Utami, F. N., Nugraha, D. W., & Karnovi, R. (2021). The Influence of Brand Ambassador on E-Commerce Purchase Intention. *Proceedings of the International Conference on Industrial Engineering and Operations Management*.
- Royan, F. M. (2004). *Marketing Celebrities*. PT Elex Media Komputindo.
- Scott, G. (2023, February 25). *Multicollinearity: Meaning, Examples, and FAQs*. Investopedia. Retrieved July 31, 2023, from <https://www.investopedia.com/terms/m/multicollinearity.asp>
- Statista. (2023, February 13). *Number of worldwide social network users 2027*. Statista. Retrieved May 18, 2023, from <https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/>
- Taylor, S. (2023). *Multiple Linear Regression - Overview, Formula, How It Works*. Corporate Finance Institute. Retrieved May 21, 2023, from <https://corporatefinanceinstitute.com/resources/data-science/multiple-linear-regression/>
- Tsvetkova, R. (2023, March 8). *99 Amazing Social Media Statistics and Facts*. Brandwatch. Retrieved May 19, 2023, from <https://www.brandwatch.com/blog/amazing-social-media-statistics-and-facts/>
- Vigneron, F., & Johnson, L. W. (2004, July 1). Measuring perceptions of brand luxury. *Journal of Brand Management*, 11.
- Walker, A. (2022, August 2). *Managing reputational risk*. WTW. Retrieved May 19, 2023, from <https://www.wtwco.com/en-id/insights/2022/08/luxury-brand-ambassadors-how-to-manage-the-reputational-risks>
- Zhou, L., & Wang, T. (2014). Social media: A new vehicle for city marketing in China. *Cities*, 37.