2023 Proceedings



Utilizing ChatGPT in the Creation of Social Media Marketing Communications for Luxury Brands: An Investigation into Lovemarks and Follow Intention

Kelcie Slaton and Sanjukta Pookulangara, Department of Merchandising and Digital Retailing, University of North Texas

Keywords: luxury, artificial intelligence, ChatGPT, lovemarks, social media

Background. The emergence of artificial intelligence (AI) has facilitated greater emphasis on consumer preferences and overall heightened the consumer experience (Roozen & Katidis, 2019). AI technologies can allow luxury brands the ability to transform their business operations by being able to serve their current and potential target markets (Ransbotham et al., 2017). Furthermore, luxury brands can leverage AI technologies in creating innovative marketing strategies for both targeting and positioning their brand in a "smarter" way (Pantano et al., 2018). One type of AI technology that is increasing in popularity is ChatGPT. ChatGPT is defined as "a natural language processing tool driven by AI technology that allows you to have human-like conversations and much more with the chatbot. The language model can answer questions and assist you with tasks like composing emails, essays, and code" (Ortiz, 2023, para 1). While ChatGPT can be utilized in many ways, retailers and brands are finding that ChatGPT can be a great tool for creating marketing communications that can increase both brand awareness and purchase intention. (Marr, 2023). Retailers such as Sephora, Coco Cola, and Carrefour have already started using this AI tool to better market to their customers by creating personalized messages to promote products and services that align with the consumer's interests (Marr, 2023; Choudhary, 2023).

Significance of Study. Studies have indicated that luxury brands are typically relucent to embrace advances in digital technologies (Okonkwo, 2009). It is also argued that AI technologies, such as ChatGPT, can help luxury brands improve consumer engagement through marketing communications in an efficient way (Prentice & Nguyen, 2020). Given the importance of how a technology such as ChatGPT can shape the industry, it is critical for the luxury brand to embrace this technology to better engage with their customers. Current literature focusing on AI and luxury involves product development (Xu & Mehta, 2022) and online experience (Rahman et al., 2023), however, there are no studies investigating the use of AI technologies for creation of social media posts for luxury brands' marketing strategy. Thus, the purpose of this conceptual paper is to propose a study that investigates social media marketing communications created by the luxury brand and the AI technology, ChatGPT, and to determine if there is a difference in consumer lovemarks and overall follow intention.

Theoretical Framework. The proposed study will be guided by a modified version of the Stimulus-Organism-Response (S-O-R) framework (Mehrabian & Russell, 1974). The researchers will suggest that the social media marketing communications created by the luxury brand and the AI technology, ChatGPT, will act as the Stimulus. The elements that will be investigated include sensory, affect, intellectual, and behavioral aspects as conceptualized by Brakus et al. (2009). The evaluation of lovemarks will act as the Organism. Lovemarks is the combination of brand love and respect that was conceptualized by Cho et al. (2015). Lastly, based on the social media communication and consumer emotions, follow intention, or the Response, will be evaluated. The researchers propose to investigate if

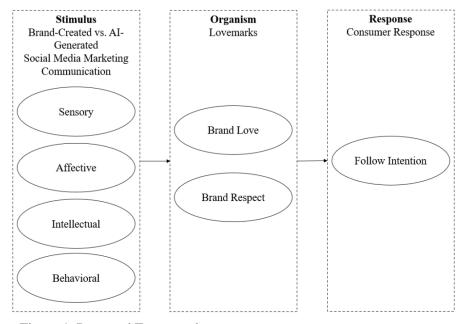


Figure 1. Proposed Framework.

the sensory, affect, intellectual, and behavioral elements of the two types of social media marketing communications (luxury brand vs. AI) will have a similar or different effect on the consumer's emotional and behavior responses. Thus, the researchers will seek to determine if luxury brand created content will be significantly different from AI generated content and how different, if at all, the consumer would behave when viewing these different social media communications. The framework can be viewed in Figure 1.

Proposed Methods. The researchers recommend using an experimental quantitative method for the proposed study. The researchers will adopt a luxury brand created social media post and an AI-generated social media post using ChatGPT for the same luxury brand to be used as the two stimuli. These social media posts will be embedded in an online consumer survey. The researchers will recruit a minimum of 300 consumers who are active on social media and randomly assign them to one of the two stimuli (150 participants in each group). Reliable scales will be used to test the variables. Additionally, the survey will consist of screener questions, demographic questions, and attention checks. SPSS will be used to conduct an exploratory factor analysis (EFA) and structural equation modeling (SEM) will be used to perform a confirmatory factor analysis (CFA) and to test the overall model and hypotheses. Furthermore, multi-group analysis in SEM will be used to determine the differences, if any, between the two groups.

Proposed Implications. The idea of using ChatGPT to develop social media content for luxury brands is a relatively new strategy but has the potential to heighten brand awareness and increase the luxury brand's profit (Marr, 2023). ChatGPT will also allow luxury brands to personalize brand messaging while using less resources such as employee's time and the brand's marketing budget (Prentice & Nguyen, 2020). The proposed study will investigate the consumer's emotional and behavioral responses to social media content generated by ChatGPT and potentially provide insights to consumer's intention to follow the brand based on the way the messaging was generated. The findings from this proposed study can provide empirical evidence on the use of AI technology such as ChatGPT by luxury brands for their marketing communications, specifically, social media. Finally, findings from this proposed study will add to the gap in literature especially as use of AI technology such as ChatGPT becomes the norm rather than an anomaly.

References

- Beauloye, F. (2019). *4 AI trends to grow your luxury ecommerce in 2019*. Luxe Digital. https://luxe.digital/business/digital-luxury-trends/how-personalisation-and-artificial-intelligence-are-transforming-luxury-retail-online/.
- Brakus, J.J., Schmitt, B.H. & Zarantonello, L. (2009). Brand experience: What is it? How is it measured? Does it affect loyalty? *Journal of Marketing*, 73(3), 52–68. https://doi.org/10.1509/jmkg.73.3.052
- Choudhary, V. (n.d.). Why retailers and platforms are rushing to incorporate AI and ChatGPT into online shopping. Modern Retail. https://www.modernretail.co/technology/why-retailers-and-platforms-rushing-to-incorporate-ai-and-chatgpt-into-online-shopping/
- Cho, E. Fiore, A.M., & Russell, D.W. (2015). Validation of a fashion brand image scale capturing cognitive, sensory, and affective associations: Testing its role in an extended brand equity model. *Psychology and Marketing*, 32(1), 28-48. https://doi.org/10.1002/mar.20762
- Marr, B. (2023, March 21). Revolutionizing retail: How ChatGPT is changing the shopping experience. Forbes https://www.forbes.com/sites/bernardmarr/2023/03/21/revolutionizing-retail-how-chatgpt-is-changing-the-shopping-experience/?sh=40935a4b2540
- Mehrabian, A. & Russell, J. A. (1974). *An approach to environmental psychology*. Cambridge, MA: MIT Press
- Okonkwo, U. (2009). Sustaining the luxury brand on the internet. Journal of Brand Management, 16(5), 302–310. https://doi.org/10.1057/bm.2009.2
- Ortiz, S. (2023, March 23). What is ChatGPT and why does it matter? Here's what you need to know. ZDnet. https://www.zdnet.com/article/what-is-chatgpt-and-why-does-it-matter-heres-everything-you-need-to-know/
- Pantano, E., Passavanti, R., Priporas, C.-V., & Verteramo, S. (2018). To what extent luxury retailing can be smart? *Journal of Retailing and Consumer Services*, *43*, 94–100. https://doi.org/10.1016/j.jretconser.2018.03.012
- Prentice, C. & Nguyen, M. (2020). Engaging and retaining customers with AI and employee service. *Journal of Retailing and Consumer Services*, 56, 102186. https://doi.org/10.1016/j.jretconser.2020.102186
- Rahman, M. S., Bag, S., Hossain, M. A., Fattah, F. A. M. A., Gani, M. O., & Rana, N. P. (2023). The new wave of AI-powered luxury brands online shopping experience: The role of digital multisensory cues and customers' engagement. *Journal of Retailing and Consumer Services*, 72, 103273. https://doi.org/10.1016/j.jretconser.2023.103273
- Ransbotham, S., Kiron, D., Gerbert, P., & Reeves, M. (2017). Reshaping business with artificial intelligence: Closing the gap between ambition and action. *MIT Sloan Management Review*, 59(1). https://libproxy.library.unt.edu/login?url=https://www.proquest.com/scholarly-journals/reshaping-business-with-artificial-intelligence/docview/1950374030/se-2
- Roozen, I. & Katidis, P. I. (2019). The importance of the service and shopping customer experience in a retail environment. *Journal of Relationship Marketing*, 18(4), 247-279. https://doi.org/10.1080/15332667.2019.1619064
- Xu, L. & Mehta, R. (2022). Technology devalues luxury? Exploring consumer responses to AI-designed luxury products. *Journal of the Academy of Marketing Science*, *50*, 1135–1152. https://doiorg.libproxy.library.unt.edu/10.1007/s11747-022-00854-x