

DIGITAL MARKETING AND THE IMPACT ON BRAND AWARENESS
ANSWERING THE ELUDING QUESTION OF CONSUMER BEHAVIOR IN
AZERBAIJAN'S LUXURY SEGMENT

by

Orxan Ismayilzade

DISSERTATION

Presented to the Swiss School of Business and Management Geneva

In Partial Fulfillment

Of the Requirements

For the Degree

DOCTOR OF BUSINESS ADMINISTRATION

SWISS SCHOOL OF BUSINESS AND MANAGEMENT GENEVA

2022

< Assessing the impact of digital marketing strategy on brand awareness and their impact
on consumer behaviour
A case study of International Luxury brands in Azerbaijan
>

by

Orxan Ismayilzada

APPROVED BY

taherhanadi

Hanadi Taher, Ph.D., Chair

Anna Provodnikova

Anna Provodnikova, Ph.D., mentor and Committee Member

Saša Petar

Saša Petar, Ph.D. Committee Member

RECEIVED/APPROVED BY:

<Associate Dean's Name, Degree>, Associate Dean

ABSTRACT

Assessing the impact of digital marketing strategy on brand awareness and their impact
on consumer behaviour
A case study of International Luxury brands in Azerbaijan

Orxan Ismayilzada

Dissertation Chair: <Chair's Name>
Co-Chair: <If applicable. Co-Chair's Name>

The purpose of this study is to investigate the performance of luxury brands in Azerbaijan as a function of their digital marketing strategies. The study uses consumer behavior as a moderator for the relationship. The method applied as quantitative in nature by utilize binary logistic regression and chi-square tests in order to assess the potential relationships between the variables. It has been found that there is a significant correlation between digital marketing and consumer behavior elements, there is a significant impact between consumer behavior and brand awareness. The conclusion of the study is that while luxury brands can benefit from their digital strategies to improve awareness but it is difficult to positively impact attitudes of consumers in this segment in Azerbaijan and lastly, further recommendations and implications have been discussed in the study.

TABLE OF CONTENTS

Contents

CHAPTER I:.....	1
INTRODUCTION	1
1.1 Introduction.....	1
1.2 Research Problem	2
1.3 Research Gap	7
1.4 Research aim.....	9
1.5 Research objectives.....	9
1.6 Research Questions.....	10
1.7 Signpost.....	10
CHAPTER II: REVIEW OF LITERATURE	11
2.1 Theoretical Framework.....	11
2.2 Theory of Reasoned Action	11
2.2.1 Digital Marketing Strategies	11
2.2.2 Advertising.....	13
2.2.3 Brand Awareness	19
2.2.4 Consumer Behaviour	21
2.2.5 Contagion Theory	22
2.3 Empirical presentation	23
2.4 Summary	30
CHAPTER III: METHODOLOGY	34
3.1 Overview of the Research Problem	34
3.2 Operationalization of Theoretical Constructs	34
3.2.1 Research Philosophy	34
3.3 Research Approach	37
3.4 Research Purpose and Questions	39
3.5 Research Design.....	40
3.5.1 Choice	40
3.5.2 Time Horizon.....	42
3.5.3 Research Strategy.....	43
3.6 Population and Sample	45
3.6.1 Data collection Process	45
3.6.2 Participant Selection	47

3.7 Instrumentation	48
3.8 Data Collection Procedures.....	49
3.9 Data Analysis	50
3.9 Research Design Limitations	51
CHAPTER IV: RESULTS.....	53
4.1 Research Question One.....	54
4.2 Research Question Two	59
4.2 Summary of Findings.....	61
CHAPTER V: DISCUSSION.....	65
5.1 Discussion of Results	65
Research hypothesis.....	75
CHAPTER VI: SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS.....	88
6.1 Summary	88
6.3 Recommendations for Future Research	90
REFERENCES	93
APPENDIX A SURVEY COVER LETTER	103

LIST OF FIGURES

Figure 1. Conceptual Framework	6
Figure 2. Traditional and digital (modern) marketing strategies (Turner, 2016)	12
Figure 3. Digital Marketing elements (Newtek, 2017)	13
Figure 4. Corporate branding matrix (Greysyer and Urde, 2019)	14
Figure 5. Brand Awareness (Aaker, 1991)	21
Figure 6. Godey et al., (2016) conceptual framework	30
Figure 8. Sampling techniques (Saunders, 2009)	47
Figure 9. Please indicate you age	53
Figure 10. Please Specify your gender	54
Figure 11. What is the most popular brand among the brands mentioned below in Baku?	55
Figure 12. Which one of these brands is considered the most luxurious?	55
Figure 13. How did you get introduced to these brands?	56
Figure 14. Which brand do you think is the most acclaimed by others?	59
Figure 15. Which of these brands would be perceived as the most expensive?	60
Figure 16. What is your level of awanress for the Armani Brand?	56
Figure 17. What is your level of awareness for the Gucci Brand?	57
Figure 18. What is your level of awareness for the Dolce and Gabbana Brand?	57
Figure 19. What is your level of awanress for the Balmain Brand?	58
Figure 20. What is your level of awareness for the Zara Brand?	58
Figure 21. On a rough basis, in which income bracket you would put yourself in	60
Figure 22. How did you learn about the Supereme Brand?	61
Figure 23. How did you learn about the Zara Brand?	61

Figure 24. Chi square test	74
Figure 25. Chi square test	75
Figure 19. Chi square test results - customer satisfaction	78
Figure 20. Spearman rank correlation results for customer satisfaction	79

CHAPTER I:
INTRODUCTION

1.1 Introduction

The main focus on this study is the assessment of luxury brand from the perspective of digital marketing. The fact is that there is a strong trend being realized in the business industry that shows that companies, such as Balmain, Cristian Dior and Gucci have bene adopting viral digital marketing strategies – a strategy that has been known to be foreign and uninteresting for the luxury brand (Ozuem, 2017).

The assumption was that digital marketing, via social media, would erode the status of these brands – yet evidence shows that these companies are starting to adopt this strategy (Jarvornik, 2021). The scope of this study is to analyze whether the adoption of the digital marketing strategy has been successful in impacting brand awareness and whether in return brand awareness has been successful to influence consumer behaviour.

The luxury industry in Azerbaijan has been soaring lately. Wealth is increasing in countries such as Azerbaijan and as a natural reaction, the demand for luxury products is increasing. Theoretically speaking, demand on luxury products is highly related to the marketing power of some products. Even though international luxury brands work hard on their international brand image, it remains to local competition when it comes to marketing (Seo, 2015). In other words, many global brands find different levels of

success stories from country to country depending on the marketing of the brand in that country, how localized the marketing is and how receptive the consumers are to the brand image (Truang et al., 2009).

As a result luxury companies constantly seek new strategies to improve their sales and profitability. Increasing brand awareness is one way for luxury companies to improve their profitability. Luck (2008) also supports the “importance of brand image recognition and promotion in the highly competitive and mature markets such as the UK. He states that as the marketplace becomes mature, there is a need to rise above the mass and confusion of competing offers. Therefore, he says that brand image, if managed properly, can confer individuality that is something different among the crowd.” In other words, this research seeks to analyse how can luxury companies use a very powerful tool for promotion which is online marketing and its impact on brand awareness and as a result brand awareness is able to improve consumer behaviour (create a positive consumer behaviour).

1.2 Research Problem

This section will answer this question: why is this research important? The academic, as well as commercial value, of this research paper is that it will provide information about the luxury retailers in Azerbaijan and how to achieve competitive advantage in this industry in Azerbaijan. As argued earlier, in the luxury industry, online marketing is a very important method or tool to increase brand awareness and therefore it creates a positive consumer attitude which results in higher profitability. Collela (2020) highlights this obvious and known transition by stating that “luxury retailers, who have

traditionally resisted rapid adoption of market trends, have begun embracing digitization as part of their marketing strategies.” But what is missing, that is the gap in knowledge in this field is the illustration of “the critical factors (and related opportunities) that luxury brands will look to exploit in the near future” (Collela, 2020).

For instance, Balmain (a French luxury brand in the high end of fashion retailing industry which specializes in clothing and accessories) significantly increases its brand awareness and its brand power via Instagram marketing via its head Designer (Amed, 2015). That means that luxury retailers can increase awareness and thus achieve a competitive advantage in local markets and thus create a better positioning in the market. For example, even though Ferrari is a powerful brand in the world, in Baku, the Maserati is a very much stronger brand - this statement is created to shed light on the value of marketing and different position in each local market.

The researcher has divided the research problem into 2 main aspects, one is a business problem while the other is an empirical problem.

Empirical research rationale

The empirical problem stems from the analysis of the literature, which indicates that the scent marketing sphere has not been studied enough. Many aspects within the atmospheric class have been studied thoroughly, such as décor, store music and in-store

art, however scent marketing has not been considered as thoroughly. As a result, there is a shortage in the empirical data on scent marketing.

Burghilea et al., (2015) has suggested that ambient scent has not been given the attention from researchers as much as other atmospherics such as background music. Burghilea et. al., (2015) also added that the impact of scent marketing on consumer behaviour and satisfaction is still little known to many, and the information available on the matter is not accurate and still widely misconceived.

A very important note to add here, is the fact that scent marketing research is nearly non-existent in the Caspian market, and this will provide researchers along with business owners with valuable and new empirical data on an interesting topic of benefit to them. This knowledge copes from the alck of aviability of any published resreach papar that teststs this markeitng paproach in the Caspian region – sources such as Google Scholar and Datax Libray were resreached and such resutsl were not found. In addition, this research will also encourage other researchers in the field to pursue analysis of atmospherics in general and reveal its real impact in the retail industry.

Moreover, the impact of atmospherics on customers have been observed to vary from one region to another, and from one culture to another, in addition to the fact that the results would also vary when considering the impact of atmospherics in different industries (De Mooij, 2019), and as a result, this research will be provide an insightful

perspective into the impact on the menswear clothing retail industry in the Kyrgyzstani market.

Practical (commerical) raitonale for the study

On the other hand, the business problem is represented by the use of the scent marketing strategy by the retailer (Podium). Scent marketing is not a cheap marketing strategy, and there are many factors which go into mix of cost calculation, such as the type of scent diffusers used by the brand, the number of stores and the type of scents used. As a result, the cost of implementing scent marketing can reach high numbers, and that would be an issue for small and medium businesses with limited profit margins.

Ruiz (2014) has divided scent marketing into two main categories when discussing its potential costs on retailers: ambient scent marketing and scent branding. The former is simply filling the space with a pleasant smell, and the cost of that could run from \$100 to \$1000 monthly, while the scent branding which is developing an exclusive scent for the brand, could run a cost from \$3,000 to \$25,000 per month.

Considering the fact that Podium is a local Kyrgyztani SME, the cost of scent marketing is not a small expense. In order to reveal the impact of such an expense, consider the minimum wage of Kyrgyzstan in 2019, which is nearly \$17 per month (Trading Economics, 2019). Therefore, whether it is the cheapest option of scent marketing, or a more expensive one, the expense is considered a high one for the local

market. As a result, Podium must ensure that this investment in scent marketing is worthwhile, and will influence its customers and ultimately increase its sales and profits.

This research paper addresses these headlines, and will provide Podium’s management with results pertaining to the effectiveness of the adopting a scent marketing strategy, in addition to providing the management with recommendations extracted from the empirical data and the results of the research, therefore helping Podium in weighing its options regarding scent marketing and make decisions based on solid research and statistical results.

As seen in the conceptual framework below this research will cover two interrelated relationships:

The first part of the research will introduce (1) the relationship between online marketing and brand awareness. While the second part will discuss (2) the consequent impact of brand awareness on consumer behaviour.

These two theoretical relationships are approached by Seo and Gao Tsai (2005). This research paper, will link these variables together in one research paper applied on one industry which is the luxury industry in Azerbaijan.



Figure 1. Conceptual Framework (Created by writer of this dissertation)

The research problem is both commercial and empirical (helpful for the scholarly field).

From a commercial angle, it is necessary to understand how brand awareness moderates the relationship between digital marketing and consumer behavior (this relies on some examples such as the brand Supreme) which does not spend any money on advertising and uses digital marketing to influence consumer behavior (ultimately increases sales and make massive profits off of high price mark-ups). This is done via a new type of brand awareness which can follow the contagion theory in social media (this constitutes the empirical relevance) (Hawkin, 2017).

Ultimately, the researcher wants to know if brand awareness is really necessary for influencing consumers to spend a significant amount of money in the luxury industry – as traditional theories argue. Or due to the new age of digital marketing, this concept is no longer necessary in order to have a positive influence on consumer behaviour (Chitra, 2016). Commercially, this can be helpful for luxury entrants in Azerbaijan and the Caspian region and it can be generalized globally (again this is depending on the ability to gain data and information and form the different companies that will be considered in the research) (Creevey, 2016).

1.3 Research Gap

Additionally, the research gap in this area is that there are several research papers that discuss one part of the paper but not the other; papers focus either on brand awareness or on consumer behaviour. For example, Alves et al., (2016) identifies a gap in the literature in terms of understanding the impact of digital marketing strategies on

brand awareness and consumer behaviour in emerging countries (such as Azerbaijan) – this gap therefore makes the research paper more valuable especially that it attempts to fill this gap by analysing the aforementioned variables in Baku. The researcher mentions Baku, Azerbaijan in order to add information to readers who are familiar with the city of Baku. The research will be conducted in Baku because luxury stores are only available in this city so mentioning Baku and Azerbaijan interchangeable does not signify two different destinations.

Various researchers have investigated the field of digital marketing in luxury and that is true – the investigation is not new, yet the approach and objectives are. For instance researchers such as Kim and Ko (2010) argued that “academic research examining the role of social media in luxury firms has received little attention and remains largely unexplored. To date, there has been no effort to review systematically and synthesize existing studies on the marketing potential of social media for luxury brands. Often, the few existing studies on this topic are focused on a particular aspect of social media activities.”

Stonkinger (2016) for example, focused only on a specific context for the analysis and that was a major flaw in their research and thus creating a gap for analysis. Finally, researchers such as Phan et al., (2014) and Ng (2016) focused on a specific single case study (one company for their analysis). Thus, as Arrigo (2018) concludes “a research gap emerges on the state of the art in the domain of social media marketing studies addressed at luxury brands.”

The lack of structure about implementation and knowledge about which factors do the consumers value most is also another gap in the literature that has been highlighted by Choi (2016) “The question of how to implement successful digital strategies, however, remains largely unexplored. First, this research aims at filling this gap by giving a broad understanding on how luxury brands should behave online to avoid damaging their brand value.”

1.4 Research aim

The aim of this research is to investigate the impact of online marketing strategy on consumer behavior by using brand awareness as a moderating element in the research. Ultimately, the objective is to decipher the impact of online marketing strategy on consumer behavior.

1.5 Research objectives

1. Investigate the brand awareness levels of various luxury brands in Baku
2. Investigate the digital marketing strategies adopted by International Luxury brands in Azerbaijan
3. Investigate the impact of digital marketing on consumer behaviour by using brand awareness as a moderating factor
4. Highlight the positive and negative elements that brand awareness can offer as mediating variables
5. Provide recommendations for managers in the luxury industry

6. Highlight the theory that governs the digital market medium for luxury products by linking evidence to contagion theory

1.6 Research Questions

1. What are the elements that define consumer behaviour in the luxury industry of Azerbaijan?
2. How effective is digital marketing in creating brand awareness in Azerbaijan?
3. Overall, how effective are digital marketing strategies in impacting consumer behaviour in the luxury market of Azerbaijan?

1.7 Signpost

Chapter I: Introduction

Chapter II: Literature Review

Chapter III: Methodology

Chapter IV: Discussion and Analysis

Chapter V: Conclusion and Recommendation

CHAPTER II: REVIEW OF LITERATURE

2.1 Theoretical Framework

The literature review is a cornerstone for any research paper at any level. The most important feature of the literature review is that it allows the writer to provide the reader with a clear background to the topics discussed in the research paper. For instance, when considering the luxury industry, the analysis of the existing trends, the definition of consumer behaviour in this industry as well as identifying the importance of brand awareness are all a part of setting the background to the reader. Making sense of the research results cannot be effective without providing a theoretical discussion of the main themes as well as identifying the previous research papers that attempted to analyze a similar topic. Therefore, this research paper will have two main sections: (1) a theoretical section and an (2) empirical section.

2.2 Theory of Reasoned Action

2.2.1 Digital Marketing Strategies

Digital market strategies are among the modern marketing strategies that are being utilized by modern businesses. The importance of differentiating between modern and traditional promotional tools is important because business theory mainly discusses the traditional marketing tools as seen in the figure below; such as advertising, public relations, sales promotion, among many others (Kingsnorth, 2016). On the other hand, modern digital

marketing tools incorporate the use of the Internet mainly, and they range from social media marketing, SEM, Google advertising and traditional advertising on YouTube via commercial content. The figure below summarizes the different types of marketing tool – and differentiates between the traditional and the modern (Turner, 2016).



Figure 2. Traditional and digital (modern) marketing strategies (Turner, 2016)



Figure 3. Digital Marketing elements (Newtek, 2017)

Newtek (2017), a company that operates with Forbes and works in the field of digital marketing, summarizes the different types of digital marketing elements as “the five most important elements of a digital campaign consist of mobile considerations, organic search, social media marketing, content marketing and lead nurturing. All of these elements combined make up a cohesive digital marketing strategy. “

2.2.2 Advertising

Advertising is part of the promotional efforts that companies resort to when promoting a product or service to customers. Part of the marketing mix is the promotional element and within the promotional element there are various strategies that can be used by companies to attract customers and one of them is the advertising strategy (Yin, 1999). The advertising strategy is very effective because it can be used to promote the product/service and the brand at the sometime – corporate branding is a strategic method of companies to improve

the overall brand equity of the company and therefore create an image for the brand rather than for the product (Nelson and Paek, 2007). From a theoretical point of view, corporate branding requires analysis for the internal, external and he bringing elements of the company in order to create strong image for the customers (Okazaki et al., 2006). The table below shows the matrix for defining the corporate brand of a company.

EXTERNAL	VALUE PROPOSITION What are our key offerings, and how do we want them to appeal to customers and other stakeholders?	RELATIONSHIPS What should be the nature of our relationships with key customers and other stakeholders?	POSITION What is our intended position in the market and in the hearts and minds of key customers and other stakeholders?
EXTERNAL/ INTERNAL	EXPRESSION What is distinctive about the way we communicate and express ourselves and makes it possible to recognize us at a distance?	BRAND CORE What do we promise, and what are the core values that sum up what our brand stands for?	PERSONALITY What combination of human characteristics or qualities forms our corporate character?
INTERNAL	MISSION AND VISION What engages us (mission)? What is our direction and inspiration (vision)?	CULTURE What are our attitudes, and how do we work and behave?	COMPETENCES What are we particularly good at, and what makes us better than the competition?

Figure 4. Corporate branding matrix (Greyser and Urde, 2019)

Greyser and Urde (2019) for the Harvard Business Review developed a vision about the use of the corporate brand and how it can be effective in dealing with portraying the vision and mission statement of the rand and create a way in which they can connect with the customers. “A clear, unified corporate identity can be critical to competitive strategy, as firms like Apple, Philips, and Unilever understand. It serves as a north star, providing

direction and purpose. It can also enhance the image of individual products, help firms recruit and retain employees, and provide protection against reputational damage in times of trouble. Many firms, however, struggle to articulate and communicate their brand.”

This section of the literature review will investigate the previous research that is done in this field. Primarily the main idea stated from the realized that ads during the Super Bowl in the US had an impact on the stock market.

The idea started by one researcher, Kim, who identified the representative bias in trading the stock market and he realized that on Mondays, the next day, trading day, after the Super Bowl, the performance of specific stocks performed generally better than others and the conclusion was that their presence during the Super Bowl ads bumped up their stock value (McLean and Zhoa, 2014). “When firms air liked Super Bowl commercials, why do they subsequently enjoy a stock price bump on the Monday after the game? I attribute this finding to something known as the representativeness bias. We have a tendency to assume that certain characteristics imply other characteristics, even though our perception of the link between the two characteristics may be irrational or very weak” (Kim, 2016).

Thus, the idea started from this research idea. Kim and Morris (2003) investigated this effect early in 2003 and found via quantitative research, where data from top companies in the US, was collected and the performance of their stock was taken into consideration in the past 10 years.

The results were completely opposite to what is expected – in general the hypothesis or the trend is that when companies advertise on the Super Bowl the immediate effect is that investors, and that is according to the Keynesian Beauty Contest, will be more inclined to buy these stocks because they might believe that these companies are performing well and therefore they are inclined to buy their stocks.

The results of the research by Kim and Morris (2003), which rests on theories developed by Chauvin (1993), that overall, there is a negative and significant effect on the overall stock performance and stock return and as well as the stock price of the company when the company advertises in the Super Bowl. The results of this paper stated that “the Super Bowl advertisements had a significant, negative cumulative effect by appearing to create abnormal returns on stock prices of the advertising company, particularly on the Monday following the game” (Kim and Morris, 2003: 5).

Ely and Waymire (2013) also found the same correlation and that was later supported by Kim (2016) who stated that perhaps the impact of advertising on the stock price via the investors is negative in general. Investors often view such large advertisement as a large negative expense of the company and they perceive that this is not a good financial expenditure. In other words, spending a lot of money on ads is something that is seen in a negative regard by investors and therefore has an opposite reaction on investors.

Mian et al., (2018) made a very recent paper in order to test similar reactions to advertising on the sentiment of the investors. The research was also quantitative in nature and rested on ANOVA testing just as Kim and Morris (2003) did. The researchers collected data for secondary resources such as the US stock market and NASDAQ. The results of that research paper confirm that “during periods of low (high) investor sentiment, firms decrease (increase) their advertising expenditure, even though the effectiveness of advertising is greater (lower) during such periods. We also find that these results are stronger for financially constrained firms that rely more on external financing” (Mian et al., 2018).

The results of Mian et al., (2018) are also very revealing – they argue that when companies realize that investors are pessimistic, they decrease the spending on advertising while when they feel that investor are optimistic, they invest more in advertising.

Moreover, Mian et al., (2018) opposes the results by Kim and Morris (2003) because they argue that the effect of advertising is higher during period of low and high sentiment. But it must be noted that Mian et al (2018) also points out the financially constrained companies and that means that companies which are not financially healthy are more likely to suffer from the negative backlash of advertising when it comes to the impact on the stock market. In other words, companies which need to increase the debt-equity ratio for instances are seen to increase their advertisement spending will have a more troubling negative impact than companies which do not have to rely on external financing for their advertising and

promotional efforts (Baker and Wurgler, 2012; Dong, 2010; Gervais, 2010; Polk and Sapienza, 2009).

Dong (2010) also confirms via ANOVA testing and spearman rank correlation that the investor sentiments impacted the managerial decision in the companies and the direction to invest in specific areas. The main conclusion from these papers is that unlike the main premise of this paper, it seems like some researchers found that the investors are the ones that influence the decision making process of the managers of corporations and not vice versa and that is a very telling concept that changes the premise of the research and points out to the possibility of having a different set of hypothesis that can be tested.

Vitorino (2013) is another research paper that also adopted the quantitative research design where secondary data collected for the UK companies for the UK stock market. The research was also interested in identifying the impact of rand equity on market share valuation- overall, the impact was positive but it was a weak correlation. Moreover, the relationship was not exactly concerned with stock prices and stock valuation but in market share valuation which is different. Furthermore, Joshi (2010), again via quantitative research design, also concluded that “advertising can have a direct effect on valuation (i.e., an effect beyond its indirect effect through sales revenue and profit response).

The empirical results across two industries provide support for the hypothesis that advertising spending has a positive, long-term impact on own firms' market capitalization

and may have a negative impact on the valuation of a competitor of comparable size” (Joshi, 2010).

Srinivisan et al., (2009) also confirms this concept, and finds that advertising, will have an impact only if the advert is concerned with a successful new product – in other words, in supports with the research made by Jindal (2016) who argued that differentiation can improve the perception of the products and therefore improve the perception by the investors in this case and that opposes the research by Kim and Morris (2003) which was supported by other researchers such as Elly and Waymire (2014).

2.2.3 Brand Awareness

Brand awareness is indeed a necessity in the fashion retailing industry but the importance because more evasive when it comes to luxury products. Brand awareness became flexible and difficult to understand in the luxury segment because awareness is important only to a specific degree and only among specific consumers. This also depends on the segment of luxury that the company operates in – for instance in the ultra-luxury segment, brand awareness might be negatively correlated with the financial performance as argued by (Passeriolo, 2008).

For example, Supreme which is an American luxury brand which was launched in 1994 but only gained massive popular in the past 3 years; the company specializes in apparel and clothing) signifies this concept (of low brand awareness) via Mr. Gobson, the marketing director of Supreme by saying:

Hawkin (2017), interviewed Mr. Gobson who argued that “if Supreme is such a powerhouse, selling out products as fast as they can stock them in their stores or online, then why have you most likely never heard of them? One reason is that you aren’t what Supreme is aiming for. From the New York Times, Alex Williams writes “no offense, but if you don’t know about Supreme, maybe it’s because you’re not supposed to” (Hawkins, 2017).

Brand awareness is defined as “extent to which a brand is recognized by potential customers, and is correctly associated with a particular product” (Sheridan, 2017). In essence, brand awareness is the degree and the strength in which the brand has salience – it is how quickly and effectively does the brand explain itself by simply being mentioned – while this definition is extended to explain brand salience, it somewhat sheds light to what the awareness of the brands wants to become. But in general terms, brand awareness can be simplified to the degree in which the customers can recognize the brand when signaled or mentioned.

Aaker (1991) also attempts to visually explain brand awareness in the pyramid below. Kotler (2003) on the other hand, explains that for many products brand awareness (recognition) is not enough to generate sales because there are other elements such as top of mind, brand image and brand meaning that would improve the chances of success of the brand in generating sales. On the other hand, others via empirical evidence have highlighted the importance of (only) awareness in generating sales for many companies – Supreme is one modern example in the luxury industry which was able to create sales by maximizing awareness among its popular segment (the youth).

“The average Gary and Sue aren't going to realize your ultra-rare, Sopranos-inspired box logo tee took you eight months and \$1,200 to secure. To them, it's just a T-shirt, like the ones you get in H&M. However, in psychological terms—says Tsivrikos—that's of little importance: "Millennials in particular are very aware of different consumer tribes; they look to inspire or impress peers who share the same kind of interests as them, who will recognize that particular T-shirt. So, really, we do it for a very small group of people” (Clifton, 2016).



Figure 5. Brand Awareness (Aaker, 1991)

2.2.4 Consumer Behaviour

This is one of the variables tested in this research paper and basically consumer behaviour is the reaction of the consumers when they are interacting with the product. What makes the consumers want to purchase? Who does the purchasing decision making process go on about? And what causes the purchase trigger? Theoretically speaking consumer behaviour is defined as “the study of how people--either individually or in groups-acquire, use,

experience, discard, and make decisions about goods, services, or even lifestyle practices such as socially responsible and healthy eating. As an evolving phenomenon, one should not be overly dogmatic about this definition” (Perner, 2016).

2.2.5 Contagion Theory

Contagion Theory, which was first introduced by LeBon (1896) argues that “crowds exert a hypnotic influence on their members. The hypnotic influence, combined with the anonymity of belonging to a large group of people, results in irrational, emotionally charged behaviour.” This concept has been adopted to be analyzed in a marketing sphere of luxury promotion- which argues that via social media the contagion theory can have a similar effect on customers which makes them purchase products with high prices without any possible explanation – for instance, buying a cotton blank white shirt by Supreme priced for \$600 while it costs Supreme a couple of dollars to make.

“According to contagion theory, as the population becomes more infected, the contagion factor slows down.

Thus, in a population of 10,000, it's only 199 instead of 200 after the second month, and it is only 394 instead of 400 in the second. That's because the math changes as the population is infected, so the likelihood of each person infecting others goes down. By the time half the population is half infected, it takes two infected people to infect one new one. Contagion theory has been used for years to help business owners forecast new products and trends. There are several assumptions involved” (Berry, 2018).

Petrozullis (2015) was among the latest attempt to link the contagion theory to brand management and brand literature in the luxury market. This theory will be discussed with higher detail in the literature review in the final paper in order to attempt to explain some of the relationship that will be found between the various elements of the research.

2.3 Empirical presentation

This brief literature review provides information about the state of the art. As argued before, this paper assesses an interrelated relationship between three variables. For instance, Seo and Oliver (2015) used a quantitative methodology to assess the relationship between online marketing and brand awareness in the luxury industry. The result of the assessment via a linear regression, a statistical tool that finds the nature of the relationship between two variables by identifying the correlation and its strength, finds that there is a positive correlation. Paquete (2013) analyses, via a literature review research strategy, the impact of online marketing on brand awareness concludes that “retailers can increase awareness of their brand by being creative when engaging customers on social media sites. “As more shoppers are using social media (e.g., Twitter, Facebook, MySpace, and LinkedIn) and rely on them for marketing shopping decisions, promotion through these media has become important” (Paquete, 2013; 13).

Curran *et al.*, (2011) also further confirms that “social media sites such as Facebook are better than other advertising avenues because it stores information on all its users thus ensuring marketing reaches a retailer’s specific target market. Social media sites are a great

stage for retailers to create an experience and retailers can use information stored on social media sites to improve user experience with their brand.” Note that all of these papers were based on primary sources which are based on questionnaires and information gathered from consumers. Bampo *et al.*, (2008), ultimately, found that this relationship between online marketing and brand awareness results in what has become known as viral advertising. “Viral advertising has become a way in which retailers are marketing and providing more information on their brands or products. A viral approach to online advertising has a major advantage because communication is more targeted to a brand’s intended consumer” (Bampo, 2008).

Perhaps the biggest problem in identifying the literature review of this paper is that this dissertation (proposal at this stage) relies on a unique design where it uses brand awareness as a mediating factor between digital marketing strategies and consumer behaviour. The researcher is attempting to test the mediating effect of brand awareness as a common element between digital marketing and consumer behaviour. But some researchers such as Ahmed (2017) who tested the relationship via a quantitative model where data was collected from respondents – it must be noted that the sample size of Ahmed (2017) paper was very high, approximately 2500 respondents.

The interesting issue is that Ahmed (2017) attempted to find the impact on digital marketing strategies on brand awareness (instead of consumer behaviour) and tried to test other mediating effects on this relationship. Ahmed (2017) concluded that “The results of the study exhibited that the interactive digital media channels have a positive and

significant direct impact on brand awareness. Results further revealed that the perceived value, trust, and word of mouth as mediating factors, and the Internet and smartphone as moderating variables have a significant and influential impact in a relationship of interactive digital media tools and the brand awareness.”

Research that assesses the impact of social media marketing strategies on brand awareness and on consumer behaviour separately have found that there is a generally positive impact between these variables. The empirical evidence by researchers such as DuFrene et al., (2015), Kotler et al., (2015), and Dimitrui (2017) found a positive correlation between social media marketing and brand awareness and consumer behaviour. While other researchers were highly skeptical of these results and argued that the empirical evidence proposers by these papers was managed to support the rising demand and the rising interest in social media as a marketing tool. Chitra (2016) argued that while it is evident that using social media can be effective, the moderating tools to make the tool effective are not random and are not simple to find – in other words, papers that have avoided the testing of moderating effects probably did so to avoid over complicating the research design and therefore the results have been limited.

This section of the literature review will investigate the previous research that is done in this field. Primarily the main idea stated from the realized that ads during the Super Bowl in the US had an impact on the stock market. The idea started by one researcher, Kim, who identified the representative bias in trading the stock market and he realized that on

Mondays, the next day, trading day, after the Super Bowl, the performance of specific stocks performed generally better than others and the conclusion was that their presence during the Super Bowl ads bumped up their stock value (McLean and Zhoa, 2014). “When firms air liked Super Bowl commercials, why do they subsequently enjoy a stock price bump on the Monday after the game? I attribute this finding to something known as the representativeness bias. We have a tendency to assume that certain characteristics imply other characteristics, even though our perception of the link between the two characteristics may be irrational or very weak” (Kim, 2016).

Thus, the idea started from this research idea. Kim and Morris (2003) investigated this effect early in 2003 and found via quantitative research, where data from top companies in the US, was collected and the performance of their stock was taken into consideration in the past 10 years. The results were completely opposite to what is expected – in general the hypothesis or the trend is that when companies advertise on the Super Bowl the immediate effect is that investors, and that is according to the Keynesian Beauty Contest, will be more inclined to buy these stocks because they might believe that these companies are performing well and therefore they are inclined to buy their stocks.

The results of the research by Kim and Morris (2003), which rests on theories developed by Chauvin (1993), that overall, there is a negative and significant effect on the overall stock performance and stock return and as well as the stock price of the company when the company advertises in the Super Bowl. The results of this paper stated that “the Super

Bowl advertisements had a significant, negative cumulative effect by appearing to create abnormal returns on stock prices of the advertising company, particularly on the Monday following the game” (Kim and Morris, 2003: 5).

Ely and Waymire (2013) also found the same correlation and that was later supported by Kim (2016) who stated that perhaps the impact of advertising on the stock price via the investors is negative in general. Investors often view such large advertisement as a large negative expense of the company and they perceive that this is not a good financial expenditure. In other words, spending a lot of money on ads is something that is seen in a negative regard by investors and therefore has an opposite reaction on investors. Mian et al., (2018) made a very recent paper in order to test similar reactions to advertising on the sentiment of the investors.

The research was also quantitative in nature and rested on ANOVA testing just as Kim and Morris (2003) did. The researchers collected data for secondary resources such as the US stock market and NASDAQ. The results of that research paper confirm that “during periods of low (high) investor sentiment, firms decrease (increase) their advertising expenditure, even though the effectiveness of advertising is greater (lower) during such periods. We also find that these results are stronger for financially constrained firms that rely more on external financing” (Mian et al., 2018).

The results of Mian et al., (2018) are also very revealing – they argue that when companies realize that investors are pessimistic, they decrease the spending on advertising while when they feel that investor are optimistic, they invest more in advertising. Moreover, Mian et al., (2018) opposes the results by Kim and Morris (2003) because they argue that the effect of advertising is higher during period of low and high sentiment. But it must be noted that Mian et al (2018) also points out the financially constrained companies and that means that companies which are not financially healthy are more likely to suffer from the negative backlash of advertising when it comes to the impact on the stock market.

In other words, companies which need to increase the debt-equity ratio for instances are seen to increase their advertisement spending will have a more troubling negative impact than companies which do not have to rely on external financing for their advertising and promotional efforts (Baker and Wurgler, 2012; Dong, 2010; Gervais, 2010; Polk and Sapienza, 2009).

Dong (2010) also confirms via ANOVA testing and spearman rank correlation that the investor sentiments impacted the managerial decision in the companies and the direction to invest in specific areas. The main conclusion from these papers is that unlike the main premise of this paper, it seems like some researchers found that the investors are the ones that influence the decision making process of the managers of corporations and not vice versa and that is a very telling concept that changes the premise of the research and points out to the possibility of having a different set of hypothesis that can be tested.

Vitorino (2013) is another research paper that also adopted the quantitative research design where secondary data collected for the UK companies for the UK stock market. The research was also interested in identifying the impact of rand equity on market share valuation- overall, the impact was positive but it was a weak correlation. Moreover, the relationship was not exactly concerned with stock prices and stock valuation but in market share valuation which is different. Furthermore, Joshi (2010), again via quantitative research design, also concluded that “advertising can have a direct effect on valuation (i.e., an effect beyond its indirect effect through sales revenue and profit response). The empirical results across two industries provide support for the hypothesis that advertising spending has a positive, long-term impact on own firms' market capitalization and may have a negative impact on the valuation of a competitor of comparable size” (Joshi, 2010).

Srinvisan et al., (2009) also confirms this concept, and finds that advertising, will have an impact only if the advert is concerned with a successful new product – in other words, in supports with the research made by Jindal (2016) who argued that differentiation can improve the perception of the products and therefore improve the perception by the investors in this case and that opposes the research by Kim and Morris (2003) which was supported by other researchers such as Elly and Waymire (2014).

Finally, another paper in which the overall design of this dissertation will be based on is by Godey et al., (2016) who proposed the following conceptual framework. It must be

noted that Godey et al., (2016) attempted to test the relationship between social media marketing and consumer behaviour by passing via brand awareness in the luxury industry. Godey et al., (2016) concluded that social media “activities influence consumer response through brand equity, but their role appears more relevant in terms of brand loyalty and preference than regarding premium price. This information means that luxury brands can use social media to improve their relationships with customers, but they should use more traditional tools (such as store image and atmospherics) to convince customers to pay a premium price for their products.”

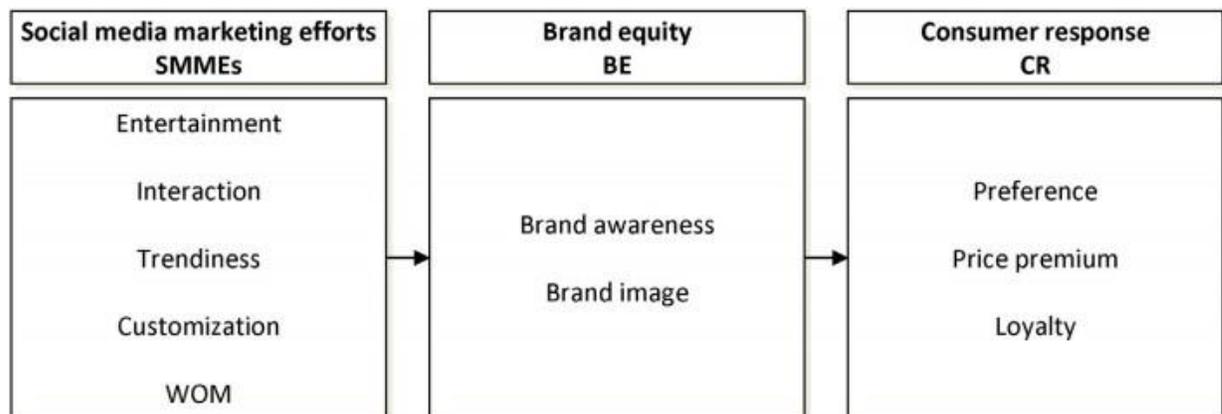


Figure 6. Godey et al., (2016) conceptual framework

2.4 Summary

In conclusion, all of the cited research papers utilize the quantitative research design. Secondary data was almost used in all research papers where the main source of data was company resources, large databases of stock market form the US and the UK as well as financial reports form equity funds. Therefore, the quantitative design is the primary design

used in this paper and the main data analysis tool was the correlation via the ANOVA analysis. These results from the literature review will support the creation of the methodology in the next chapter and became a basis for support for forming the research methodology. The results of the research can mainly negative – in other words, the main conclusion from the literature review is that the hypothesis that is made based on the idea that good promotional activity promotes the company for the investors and therefore improves the stock performance is not really effective and not correct.

Yet there are moderating factors such as the industry type, the type of the product and the main strategy that is adopted by the company – whether the business strategy is differentiation or cost leadership. Another moderating aspect that has been seen in the literature review is concerned with the nature of financing that the company adopts – if the company relies on external funding for its operations then it is more likely to have a negative effect on the stock performance because investors actually view high spending on advertisements as a bad sign of performance from the company.

The conclusion part of the literature review is very important because it summarized the research hypothesis and the ideas that were presented in the research paper.

The first conclusion from this literature review is that the social media marketing, internet marketing, and public relationship are the most popular methods of promotional strategies used by luxury brands in clothing retail industry as argued by Keller and Lehman (2013),

Kefpner and Basiten, (2009), and Kim and Ko (2013). This conclusion is important because it provides a potential expectation for the researcher to identify the promotional strategy used by Balmain – in other words, based on this conclusion from the literature review it is expected that the researcher will conclude the Balmain uses internet marketing and/or public relations as promotional strategies in their marketing mix. The marketing mix of a brand is concerned with defining the different elements of marketing such as product, place, promotion and price – the variations in these elements defines the brand's quality, image and position in the market (Kotler et al., 1990).

Secondly, the conclusion relating the effect of promotional strategies on brand awareness was somewhat mixed. Very few research papers found a negative correlation between some promotional strategy and brand awareness – probably except for Kim and Ko (2014) who found a negative correlation for smaller companies which overspend their budgets and their impact on the company's performance but not on brand awareness. Generally speaking, the results came back either positive or insignificant when it came to the impact of PR and Social media marketing and brand awareness. In other words, these strategies were either unrelated to increase brand awareness or they were effective.

This conclusion must be taken forward for comparison in the results of the research paper. Furthermore, the researcher concluded from the analysis that the majority of the papers used the quantitative design and collected primary data via questionnaires from consumers. Thus, the methodology which will be used further in the methodological section of this

paper will mainly adopt a similar approach to methodological choices. The table below shows the summary of papers which discussed specifically the two variables which are considered in this research paper.

CHAPTER III:
METHODOLOGY

3.1 Overview of the Research Problem

The methodology describes the framework and the processes, in an academic way, where the researcher describes how he/she will investigate the research aim. The purpose of the methodology is to tell the researcher and the critical researcher the processes in which the data was collected as well as the processes in which the data was analyzed and how the conclusions concerning the research aim were made.

The main issues relating to the methodology is to define the overall design to choose whether the research quantitative or qualitative and to decide whether data is primary or secondary. The research methodology in modern business research mainly follows the decision-making processes concerning methodological issues by Saunders's Research onion (Saunders, 2009). The research onion is a practical tool used to identify the main areas that the researcher must define for the readers in order to provide a comprehensive guide concerning the research framework and processes.

3.2 Operationalization of Theoretical Constructs

3.2.1 Research Philosophy

Research philosophy is a highly complex notion in research. When researching research published in highly respected journals, researchers often evade the philosophical

description of the methodology and that is for various reasons, one of which is that it is complicated for readers.

But the research philosophy is effectively concerned with identifying the degree of credibility of the researcher as well as the degree of interference of the researcher. Often researchers, depending on the type of research they are doing, will have to interfere in the data collection process in a way that the researcher becomes himself/herself a part of the data (Bryman and Bell, 2015). For example, collecting data from observation for the UN Peace Delegation in places of conflict can be a very tricky situation and preserving credibility and ensuring that collected data is respectable is difficult – this is where research philosophy comes in.

Research philosophy is defined as what the researcher will consider an acceptable and credible knowledge (Saunders, 2013). Epistemology, is in fact the main element that is studied under research philosophy – note that there is axiology which is the ethical background do knowledge and ontology which this source of knowledge. In research, the epistemology which is the consideration of knowledge from the aspect of acceptance and source. “Research philosophy deals with the source, nature and development of knowledge. In simple terms, a research philosophy is belief about the ways in which data about a phenomenon should be collected, analyzed and used” (Zikmund et al., 2013).

Essentially, there is the philosophical realism, positivism and interpretivism. These are the three possibilities for the researcher to choose the overall philosophy of the research.

Positivism argues that the source of knowledge is one and it is the same for all people – knowledge is for example physics and math. It is whatever is tangible and it whatever the logical brain accepts (Saunders, 2013). The interpretivism as a philosophy argues that people or the society are the actors who construct reality – in other words, society makes its own realities and therefore what is considered correct somewhere might be considered wrong somewhere else and therefore the role of the researcher can go as far as interesting reality as they see fit. Realism is a combination of both of these philosophies (Bell et al., 2018).

The research epistemology which is the relevant art of the research philosophy for modern business research is concerned in defining the source of acceptable knowledge. In epistemology there are various types of philosophies that are discussed and they are: realism, interpretivism and positivism (Saunders, 2009). In positivism the researcher remains far from the data; in such research philosophies the researcher only conducts the data based on predefined methods and model. Often this philosophy is accompanied and utilized in quantitative research where mathematical models are used to analyze data (Bryman and Bell, 2013).

The interpretivism research is quite the opposite where the researcher is highly involved in the data analysis – this occurs when the research is using the qualitative approach and when the research is collecting data that requires decoding for instance (Saunders, 2009). Finally, realism is an approach which combines both methods – the research might be required to

use highly objective tools such as mathematical models and at the same time collect data from sources that require his/her interpretation.

This dissertation will rely on the positivist philosophy. The reason this philosophy is chosen is that the researcher is still new and therefore in order for the results to be credible then the researcher must remain objective. Another reason is that the research nature is highly quantitative and requires the use of regression and the chi-square where data is collected from surveys and therefore there is no need for the researcher to be involved in defining the data. Therefore, in line with the overall methodology of research and in line with the research cited in the literature which is mainly quantitative (Jain and Badgaire, 2011), the philosophy is chosen in this dissertation.

3.3 Research Approach

The research approach is the part in which the researcher discusses the sources of research questions and hypotheses. That means that in the research approach the method in which inquiry will be found is identified. There are three types of research approaches: deductive, inductive and the abductive (Saunders, 2009). The deductive approach is used when the researcher already has an existing research hypothesis on an already known subject matter. The purpose of such research approach is the testing of the hypothesis in order to validate or falsify an existing hypothesis (Bryman and Bell, 2015). The research approach is described by Saunders as the source of defining the research question and hypotheses.

There are two essential research approaches which are the deductive and the inductive. It is also necessary to highlight here that the methodology decision is actually connected to each other – for example, the quantitative design decision will really force itself as the decision maker for the most of the methodology elements in the research (Cooper et al., 2006). The deductive research is a research approach that is explained by arguing that the researcher already has a research hypothesis – the investigatory, researcher, in this case is interested in testing the proposed hypothesis (Saunders, 2013). On the other hand, the inductive approach occurs when the researcher does not know the hypothesis yet – it can therefore occur in new fields that have not been researched yet or in fields in which there are considerations of a specific hypothesis but it is not clear (Bryman and Bell, 2013).

On the other hand, the inductive approach is applied when the researcher is unaware of the research phenomenon and that occurs especially when the researcher is delving into a new area of research that hasn't been analyzed previously. In this case the inductive approach is used and the end result of the research (the purpose of the researcher) is exploration and hypothesis creation. Finally, the abductive approach is a combination of the both described approaches – this is not a common method of approach used in research (Bryman and Bell, 2015).

Often the deductive approach is accompanied with quantitative research with the positivist philosophy where the researcher is attempting to test the correlation between two variables for a known hypothesis; while the inductive approach is used in qualitative research with

interpretivism philosophy where the research is attempting to describe an unexplored phenomenon for example to build specific hypothesis (Saunders, 2009).

In this research paper, the researcher will be using the deductive approach. Citing the literature in the review (in the previous section) it can be seen clearly that all the papers have used the deductive approach since the purpose of the research was to test the impact of music in stores on consumer behavior.

3.4 Research Purpose and Questions

The research purpose can be explanatory and exploratory. These are basically extensions to the research approach – in the explanatory research, the researcher is concerned with discussing the relationship between two variables - is there a positive or a negative correlation between the variables for example? And in the exploratory, similar to the inductive research, the researcher is concerned with identifying trends, finding a meaning to the phenomenon and ultimately finding the variables that define a specific phenomenon which results in research hypothesis (Saunders, 2009).

The explanatory purpose is adopted in this research because the researcher is clearly concerned with finding the nature of the correlation between the variables proposed in the hypothesis: liking music and customer satisfaction or brand loyalty. This is in line with the cited paper in the literature review as well as the general methodological choices for this paper – since the majority of the research papers attempted to define the correlation between these variables as confirmed by Jain and Badgair (2011).

- What are the elements that define consumer behaviour in the luxury industry of Azerbaijan?
- How effective is digital marketing in creating brand awareness in Azerbaijan?
- Overall, how effective are digital marketing strategies in impacting consumer behaviour in the luxury market of Azerbaijan?

3.5 Research Design

3.5.1 Choice

The research choice is the least complicated aspect of the research methodology yet it is central. The research choice is basically a choice of data and its analysis. The research choice can be either quantitative or qualitative research (Cooper et al., 2006). The quantitative research relies on numerical data for analysis while the qualitative research relies on ordinal data collected from transcripts for instance or from the observation of people or experiments. In other words, qualitative research requires the intervention of the researcher in understanding the data – often this requires decoding when interviews are used (Saunders, 2009).

This dissertation is clearly quantitative since the researcher is using the numerical data collected from the surveys. The survey results will be turned into percentages which are considered numerical information. The data will be later analyzed via regression analysis

and other methodological tools and that makes the research quantitative. This choice was also motivated by the literature – the majority of the papers in this field were quantitative as argued by Turley and Milliman (2012) as well as Jain and Badgarie (2011).

Research choice is the initial decision that starts to describe the researcher's interest in the nature of collecting data. The research choice is often either quantitative or qualitative (Hair et al., 2007). The qualitative research choice is used when the research uses qualitative data for the research – data such as written information that needs to be analyzed in order to find meaning in them. Qualitative analysis of data often rests on interpretation of the data and therefore such choice is not linked to the positivist philosophy of research (Saunders, 2013).

On the other hand, there is the quantitative research choice – this is the research choice that relies on quantitative data. Quantitative data is numerical data which is collected by the researcher via secondary or primary data but this type of data does not require interpretation in order to make sense out of it (Bell et al., 2018). This type of data usually speaks for itself – for example, percentages and dollar value of a specific investment – whether this value is high or low or significant or not is based on benchmarking and analysis but the value in itself is not subjected to any sort of interpretation in how it is perceived (Saunders, 2013).

The quantitative design is chosen or this design. All the papers mentioned in the literature review utilized the quantitative design – for instance, Kim and Morris (2003) Vintori

(2014) and Duong (2010) as well as other researchers such as Joshi (2010) and Jindal (2016) all of these papers actually relied on quantitative design among all the others also. None of the papers actually relied on qualitative designs and qualitative data – perhaps the reason for that is that the researchers in these papers didn't find the need to investigate further or to collect qualitative data in the hypothesis are mainly based on quantitative issues and variables.

3.5.2 Time Horizon

The time horizon of research is longitudinal or cross sectional. These are the two proposed time horizons as argued by Saunders (2009). The longitudinal research occurs when there researcher create a research framework that requires constant testing. For example, the researcher wants to test the impact of a specific hormone on the growth of toddlers – that would require the repetition of the research test in various stages of the growth of the human toddler in order to test whether the hormone is working or not. On the other hand, the cross-sectional time horizon which is also called the snap shot research occurs when the researcher is attempting to test a specific idea only in one instant (Saunders, 2009). For example, testing the impact of a specific drug on the human body once it is taken – this is an experiment that does not require repetition (Zikmund et al., 2013).

Basically, in business research and in marketing, the general trend is to use the cross sectional time horizon because the same research is rarely tested in the same method and in many instance the survey questions or example are changed in order to cater for a

previous limitation that has been found in a different research. Moreover, the cross-sectional time horizon is common because it is quick and it provides a fast solution for decision making which cannot wait for years (Bryman and Bell, 2015). The cross-sectional time horizon will therefore be chosen for this dissertation since a quick solution is necessary for investigating luxury sector in Baku, Azerbaijan.

3.5.3 Research Strategy

Research strategy is the first description of the data collection method. According to Saunders (2009) the research strategy must be in line with the overall research methodology and especially in terms of the research choice. In fact, Bryman and Bell (2015) argue that most of the decision in the methodology are actually intertwined and are based on each other. Therefore, many of the decisions are actually a result of other decision. The research strategy can be via a survey, case study, ethnography, experiment, document review, interview, focus groups and grounded theory. All these strategies describe the process in which data will be collected (Saunders, 2009).

The research strategy of research can be a survey, experiment, observation, grounded theories, archival research or document review. There are many research strategies that can be used in order to make a research paper – but the research strategy will definitely define the way in which data is collected. Therefore the researcher usually knows how the data will be collected and therefore the research strategy is the result of the decision of who to collect data (Bell et al., 2018). Surveys rely on quantities for primary data collection while

experiments rely on the creation of specific experiment that will test a hypothesis 9int the case of an experiment a combination of types of data can be collected). In an experiment, qualitative and quantitative data can be collected and the nature of the data is usually primary. Finally, secondary data research which is based on secondary data (called archival research) is another type of the research strategy (Hair et al., 2007).

The case study is another strategy that takes into consideration a specific company or industry to test the research. A case study research is a research strategy that analyses a specific research concept on a specific case – the importance of this research strategy is that it creates a unique set of knowledge for that company and for players in that industry (Saunders, 2013). Even though the possibility for generalization is lower when the research strategy is a case study – but the chances of applicability in the real business world is definitely higher since the results are unique to a specific case.

The research strategy chosen for this dissertation is the survey coupled with the case study. In some case the research strategy can be confusing and complicated – in the case of this dissertation both strategies can be deemed suitable – the case study since the paper focuses on luxury industry will be suitable and at the same time the survey strategy will be adopted because the data collection method is basically the questionnaires. In the review, it can be seen that papers such as Duong (2015), Ting (2015) as well as Morrison et al., (2011) all used the survey method for analysis.

Unlike the scent marketing research review where experiments were used – in the background music research field the survey was the most common. Therefore, this dissertation will follow the main trend since it is deemed the most effective model – even though some researchers pointed out for the need for the use of interviews or focus groups – the researcher of this dissertation lacks the resources and time to implement such strategy.

3.6 Population and Sample

3.6.1 Data collection Process

In this section the researcher will describe the process of data collection which is central for the reader's analysis of the data collected. The researcher collected the data via a questionnaire which was handed out to the respondents on two main streets in Baku that contain the below mentioned shops. The mentioned shops: Armani, Gucci, Dolce and Gabbana, Balmain and Supreme. The researcher failed in utilizing the “single-page” questionnaire technique which is very effective in data collection and in getting high participation rates from the respondents and therefore the researcher had to use a long questionnaire format which is seen below.

Spangenberg (1996) used the single-page questionnaire method and argued that it is effective in getting high participation rates. But again, this dissertation has several variables and requires a significant amount of data to be collected and therefore there are many questions to be asked to the respondents. “Subjects read and signed an informed consent form screening for allergies. They were then handed a vial containing the

olfactory stimulus and a single-page survey containing the dependent measure”

(Spangenberg, 1996).

The sampling technique which is used will be the non-probability sampling method. The non-probability sampling model is less representative than the probability sampling technique but the researcher does not have enough resources and technical knowledge to apply a probability sampling technique. At the same time, the probability sampling technique is time taking and is not very common in business research which is required for quick decision making and recommendations for business decisions. Some researchers argue that it is more effective to utilize the store exit strategy for data collection – that occurs via the purposive sampling technique where the researcher only asks respondents which are leaving such shops.

But the researcher is interested in generalizing the results and the specific sampling of respondents who are shopping from such shops is unnecessary. Therefore, the choice of the sampling technique will be haphazard technique via the convenience sampling method as shown in the figure below (Saunders, 2009).

Zara has been include das a non-luxury brand in order for it to act as a dummy variable, but also because some customers in Azerbaijan view Zara as a “luxury” brand and that’s because of the foreign status it got in the country - note that with time this status started fading away. No local, national, companies have been identified as luxury, in terms of price entry so that the researcher could include, let alone the usage of the digital marketing strategy.

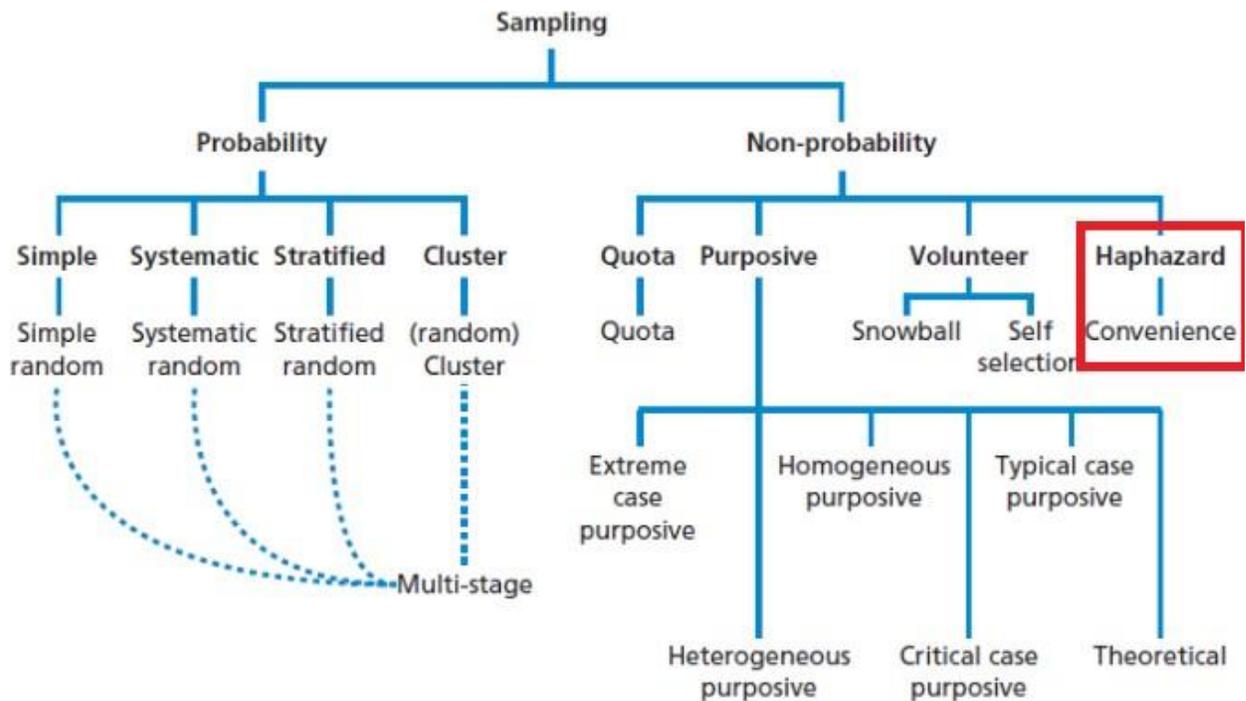


Figure 7. Sampling techniques (Saunders, 2009)

3.6.2 Participant Selection

Sampling is also an important aspect that is linked to data collection. Probability sampling is a technique that is known to be more efficient and representative to the population than the non-probability sampling (Browne, 2005). Basically, the difference is that in probability sampling, the researcher designs a data collection process in which the chance to collect data from each person from the population is equal. While in non-probability sampling the researcher picks a small sample from the whole population and the choice of the sample is based on specific elements (techniques) (Etikan, 2017). For example, in this case an online questionnaire was distributed and a non-probability sampling technique was adopted with the snowball approach used to distribute the questionnaire online.

“Snowball sampling is where research participants recruit other participants for a test or study. It is used where potential participants are hard to find. It’s called snowball sampling

because (in theory) once you have the ball rolling, it picks up more “snow” along the way and becomes larger and larger” (Sampling, 2020). Evidently, the limitation of using a snowball sample is decreasing representing of the population since the researcher might be collecting data from people with similar inclinations or backgrounds. Initially, the purposive sampling would be used but that is no longer needed now (Illieva, 2002). The sample size of this research paper is defined by a sample size calculator; in general a minimum of 50 people are required as defined by Saunders (2019) and that is the lowest number that can generate valuable data – the chi-square test actually requires a minimum of 100 in order to create valuable significance tests. Survey Monkey (2020) proposes 151 for a 95% confidence level with a margin of 8% and a population of 1,000,000. The total respondents in this paper were 185.

3.7 Instrumentation

Validity is basically a concept that questions the accuracy of a measuring tool – basically validity asks how well does the measuring tool measure what it intends to measure (Zohrabi, 2017). In this dissertation the validity of the questions was improved by the introduction of some questions in the questionnaire that makes sure that the research questions are measuring what the researcher intended (Saunders, 2009). The researcher ensured that the respondents are shoppers at RT Mart, they have loyalty cards, a test about how many times they visit the shop is included to make sure that loyalty test is accurate. This method of improving validity is called face validity improvement and it has been used by Gomez et al., (2016) in addition to the use of ‘reflective scales requires the completion of a reliability and validity analysis, contrary to formative scales, over which there is no unanimity regarding the methodology that should be applied.”

Reliability is more complicated and it is the test of how consistent a measuring tool is – it refers to how consistent a measurement tool is (Currel, 2008). There are various ways in which reliability can be enforced and one them in the Cronbach’s alpha especially when

the questionnaires are used – the acceptance of reliability by Cronbach’s alpha is 0.7 and that is in a scale between zero and one. The Cronbach’s alpha test that has been applied in this paper for this questionnaire found that the Cronbach’s alpha is 0.8 and that was done via an online Cronbach’s alpha calculator (Wessa, 2020).

3.8 Data Collection Procedures

The first issue that must be analyzed when discussing data collection is the nature of data since there is primary data and secondary data – primary data is data that is collected from the source by the researcher and this type of data is unique to the researcher’s design and is not available to the public (Saunders, 2019). Secondary data on the other hand is data that is collected in the past and is available publicly, the problem with this type of data is that it is limited in the information that it can provide and sometimes it is representative of the past and is not relevant for current research (Zickmund et al., 2013). Note that in the literature papers such as Lewis (2003) and Liu (2007) as well as others (Uncles, 1997) used secondary data in their analysis and others as mentioned before used primary data such as data from questionnaires.

The data collection process in this case starts by designing the questionnaire which is in the appendix of this paper. The researcher’s initial plan was to use an exit survey strategy where the researcher will approach the respondents while they are leaving the supermarket and in this case the researcher ensures that the information is still fresh within the respondents about their experience shopping at RT Mart. Due to the Covid 19 Pandemic at the moment, this strategy was no longer possible and the researcher had to use online tools for distributing questionnaires. A variety of methods were used to collect the data such as social media, email and survey monkey. The most effective tool was social media; the researcher sent the questionnaire to the entire contact list and asked the contacts to also spread the questionnaire. The respondents were asked to either by email the answers back or send them to the social media platform to the researcher. This strategy for data collection is not cited a lot in the review – perhaps only Gomez et al., (2106) who collected data form

720 respondents has used an online survey; other such as Zackaria et la., (2018) and Turner and Wilson (2006) used face to face surveys (as well as many others).

3.9 Data Analysis

Data analysis section deals with how the researcher will analyze the data which will be collected from the questionnaire. This is directly linked to the conceptual framework of the researcher and that is attempting to find whether there is a significant relationship between the variables and whether there is a correlation between the variables and that will allow the researcher to conclude whether the loyalty program of RT Mart is effective in influencing consumer loyalty.

The researcher will first apply the chi-square test and that is a goodness of fit test that defines the p-value between two categorical variables (Burns and Burns, 2008). Categorical variables are non-numerical variables such as from 1 to 5 Likert scale. In this case the chi-square test of independence will be applied and that is defined as “A chi-square test for independence compares two variables in a contingency table to see if they are related. In a more general sense, it tests to see whether distributions of categorical variables differ from each another” (Stats, 2020). The analysis will be done in an online calculator and due to the limitation of gaining access to an SPSS program (requires purchasing) an online test will be used (SS Statistics, 2020). The researcher will create contingency table and run the numbers and interpret the p-value and conclude whether the variables are independent or not.

The analysis will then continue if the researcher was able to reject the null hypothesis and in this case the researcher will apply the Spearman rank correlation which will determine the degree of correlation between two variables which will be ranked – the Pearson correlation won't be used since the data is not structured in a way that a Pearson correlation can analyze and therefore a rank correlation is needed (since there is Likert scale from 1 to 5). “The Spearman's Rank Correlation Coefficient R_s value is a statistical measure of the

strength of a link or relationship between two sets of data. This calculator generates the Rs value, its statistical significance level based on exact critical probability (p) values[1], scatter graph and conclusion” (Field Work, 2020). The spearman rank correlation test will be used from an online calculator for the same reason of lacking resources to use SPSS (SS RHO, 2020).

3.9 Research Design Limitations

When discussing research limitations, it must be firstly said that any research paper has limitations and that is the best devised paper will have limitations. In this dissertation, the researcher identifies the lack of qualitative information as a limitation since qualitative data could simply answer some questions that the researcher had to interpret in order to analyze what the respondents would simply describe in a focus group (Erikson, 2015). But again, the advantage of using a positivist quantitative design overweighs this limitation.

Another limitation is that the questionnaire relies on the assessment of the respondents and that can create problems in terms of accuracy. Even when the respondents say that they visit the shop twice a week – the reality might be more or less than that. This also is extended to the lack of real perception and knowledge about what loyalty is.

The first issue in ethical concerns to be defined is that the researcher has already gained ethical approval for the data collection forms from the university authorities. This is a good step in ensuring that h process is ethical and that sustains a good credibility for the paper. Additionally, the researcher made sure that the questionnaire is short to increase participation by respondents and also included statements that describe the purpose of the questionnaire and operated as a cover letter for the questionnaire. The researcher also told the respondents that their participation is voluntary and they can withdraw from the participation whenever they feel like.

Consent forms and research information sheets were also used to define the role of the respondent and ensure that the researcher is bound by ethical behavior. The researcher avoided collecting sensitive and personal data such as income and therefore the information collected is in general acceptable. No permission was required from the management of RT sine they are not involved in the research and the process will not take place in their premises. The data will be collected on the personal computer of the researcher and once the results of the dissertation are out, they will be destroyed.

CHAPTER IV:

RESULTS

This section of the study is concerned with revealing the raw data that has been collected from the surveys. The tables below reveal the major trends, consumer behaviour and choices that the respondents made in regards to their awareness and preferences of luxury brands they are exposed to Baku, Azerbaijan. This section is followed by the statistical analysis section that will highlight the potential relationships between the chosen variables but at this stage the descriptive nature of the raw data is available in the upcoming section.

4.1 Descriptive Data

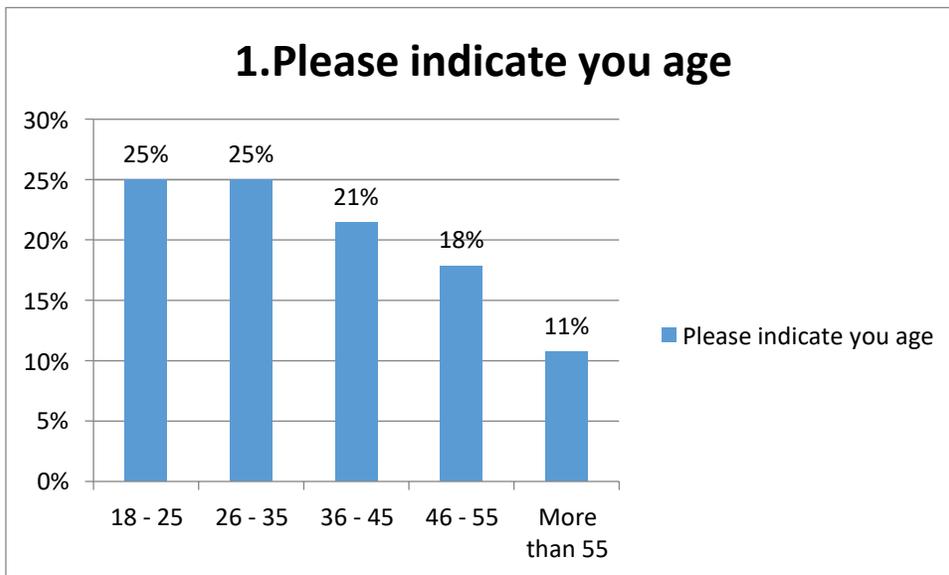


Figure 8. Please indicate your age

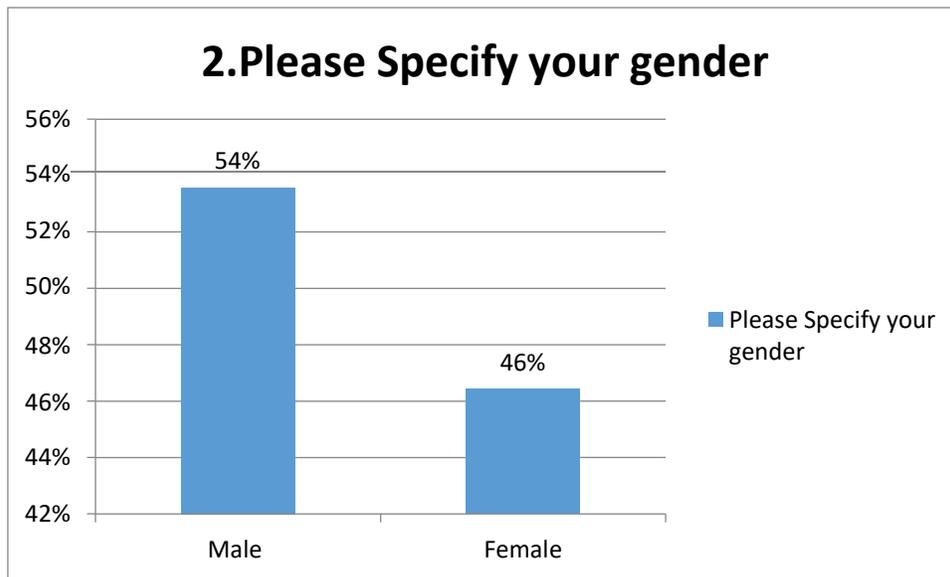


Figure 9. Please Specify your gender

4.2 Research Objective One

This section of the raw data displays the elements of digital marketing which are discussed in Research questions one:

What are the elements that define consumer behaviour in the luxury industry of Azerbaijan?

Moreover, it covers Objective one of the study:

- Objective one: Investigate the brand awareness levels of various luxury brands in Baku

3. What is the most popular brand among the brands mentioned below in Baku?

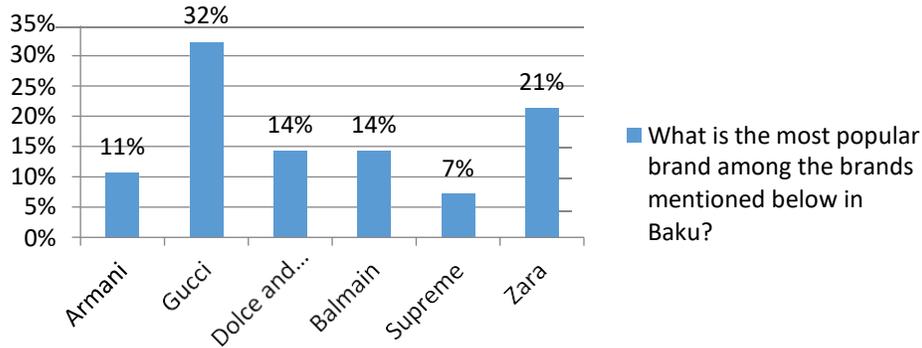


Figure 10. What is the most popular brand among the brands mentioned below in Baku?

4. Which one of these brands is considered the most luxurious?

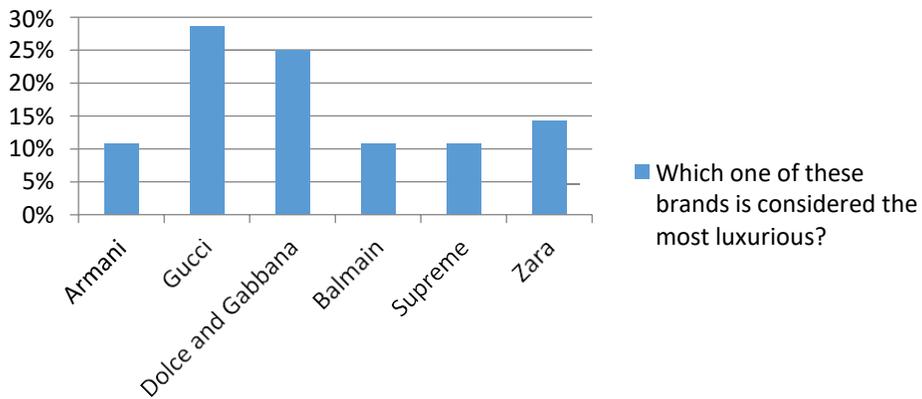


Figure 11. Which one of these brands is considered the most luxurious?

5. How did you get introduced to these brands?

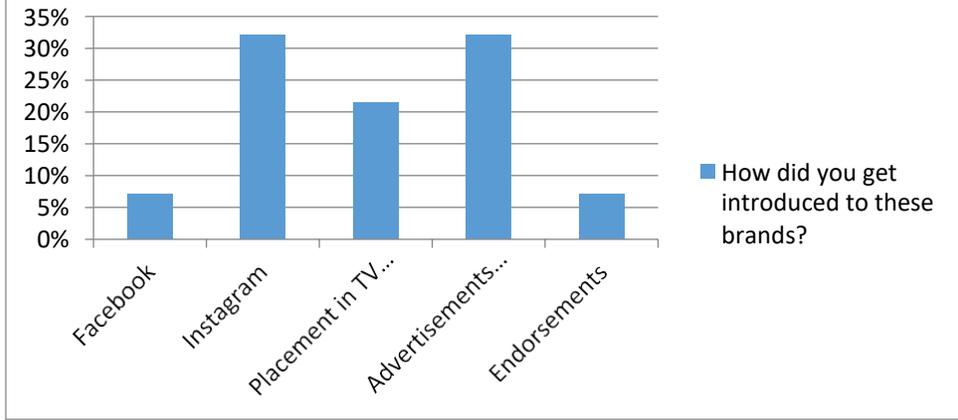


Figure 12. How did you get introduced to these brands?

8. What is your level of awareness for the Armani Brand?

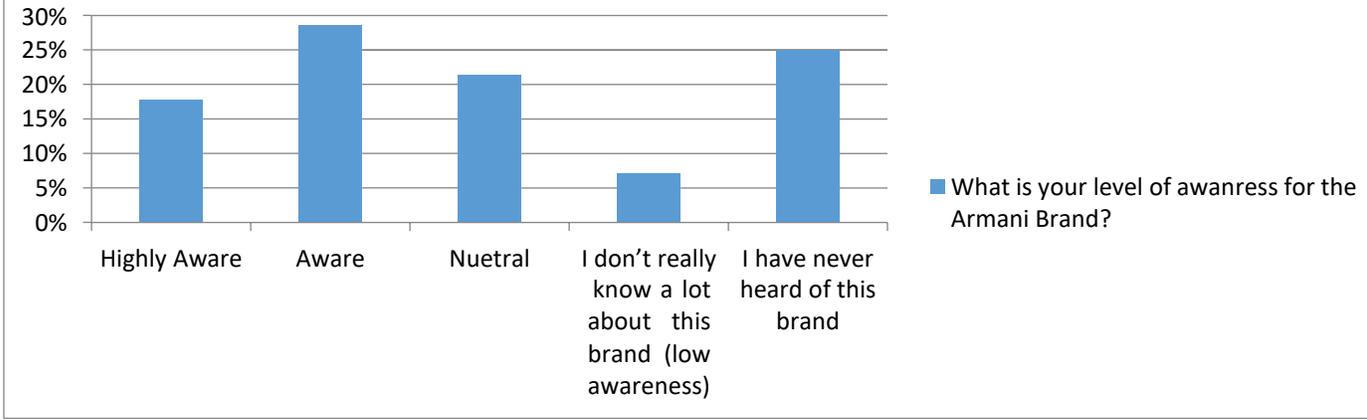


Figure 13. What is your level of awareness for the Armani Brand?

9. What is your level of awareness for the Gucci Brand?

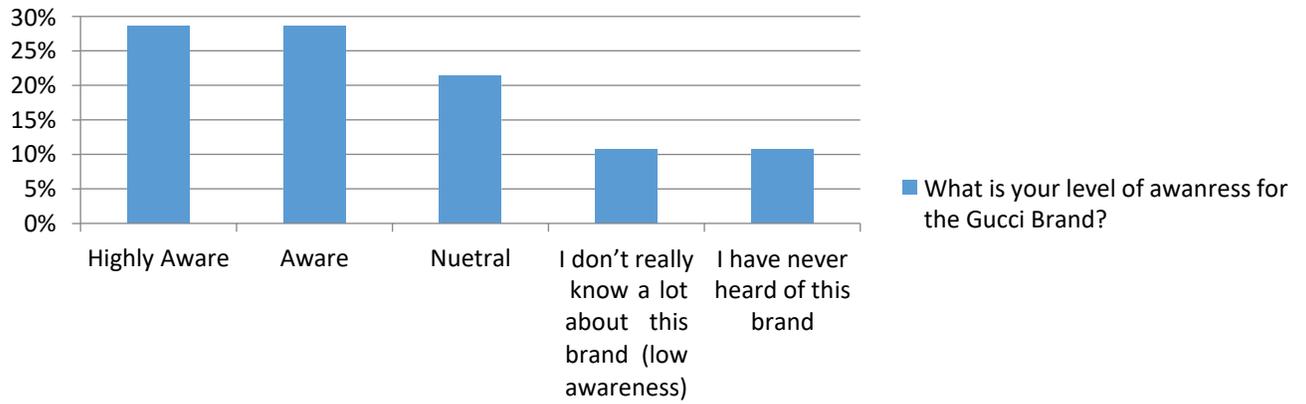


Figure 14. What is your level of awareness for the Gucci Brand?

10. What is your level of awareness for the Dolce and Gabbana Brand?

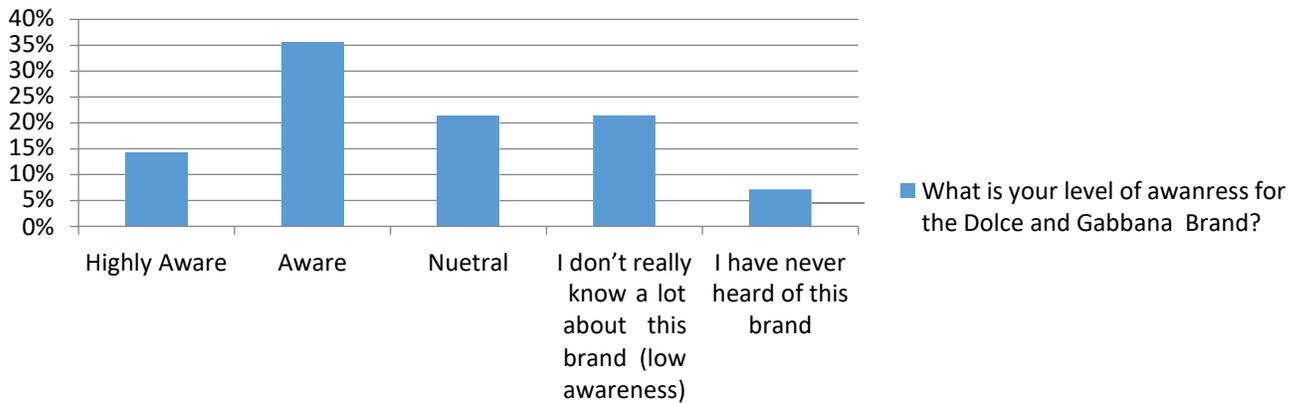


Figure 15. What is your level of awareness for the Dolce and Gabbana Brand?

11. What is your level of awareness for the Balmain Brand?

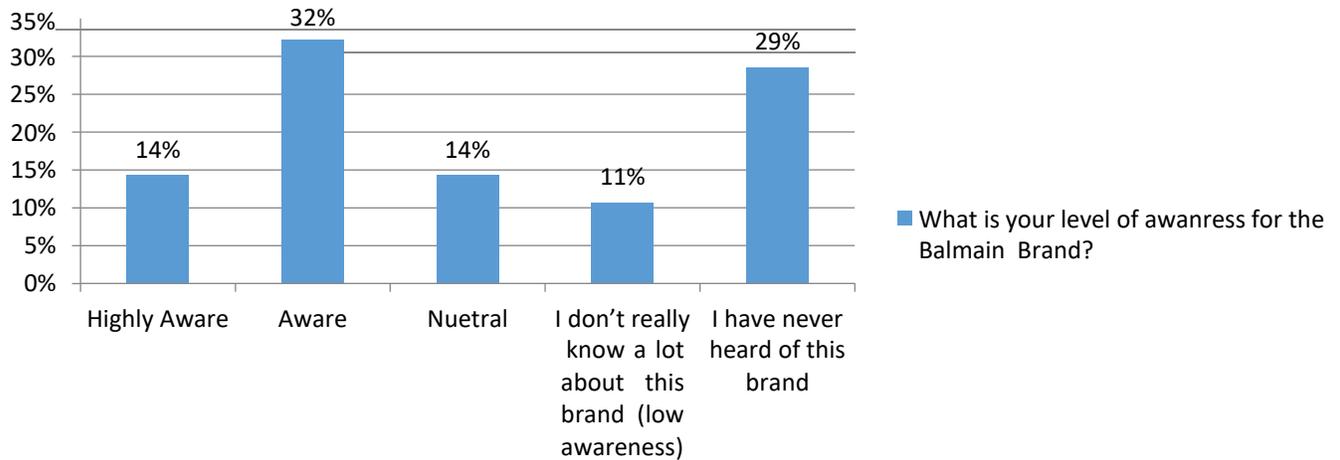


Figure 16. What is your level of awareness for the Balmain Brand?

12. What is your level of awareness for the Zara Brand?

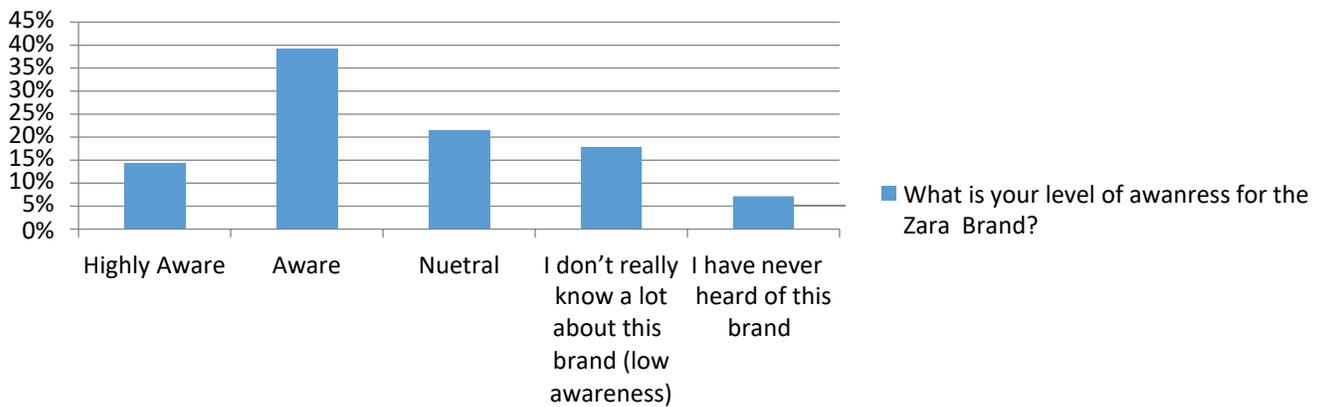


Figure 17. What is your level of awareness for the Zara Brand?

4.3 Research Objective Two

The results of the raw data of the study in this section pertain to the elements of objective two of the study:

- Objective two: Investigate the digital marketing strategies adopted by International Luxury brands in Azerbaijan

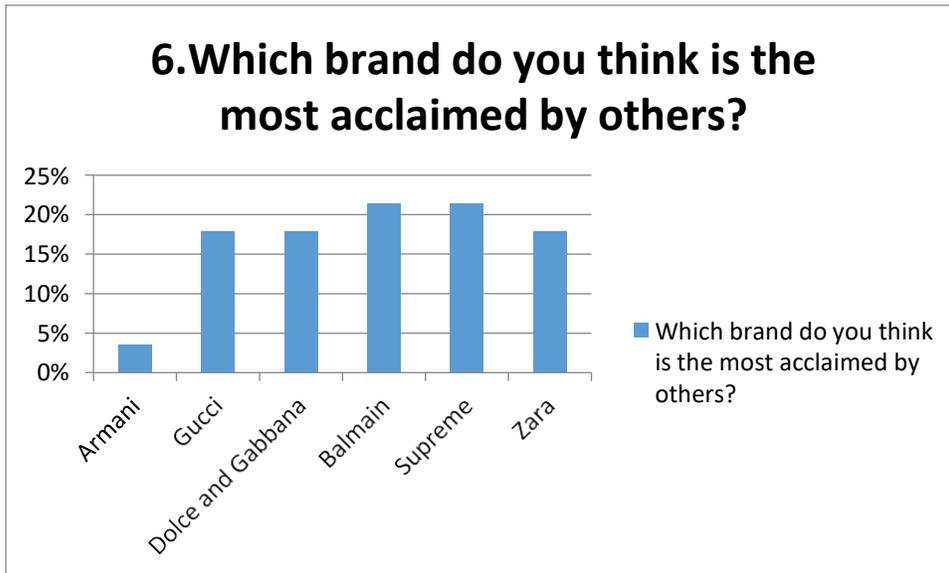


Figure 18. Which brand do you think is the most acclaimed by others?

7. Which of these brands would be perceived as the most expensive?

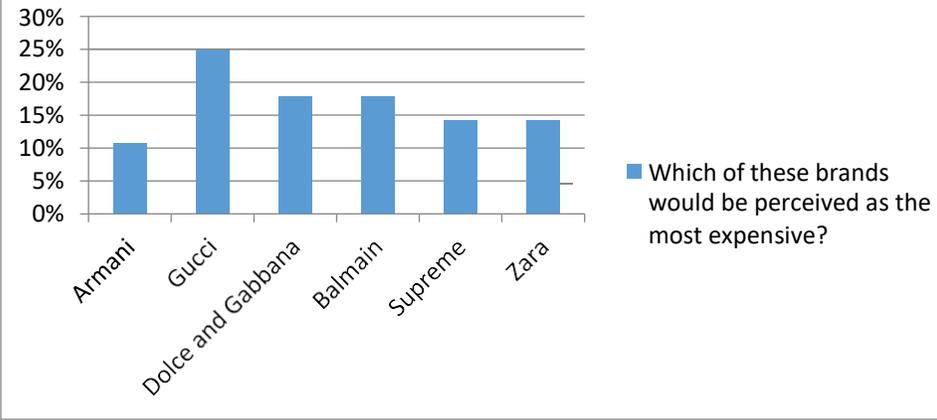


Figure 19. Which of these brands would be perceived as the most expensive?

13. On a rough basis, in which income bracket you would put yourself in

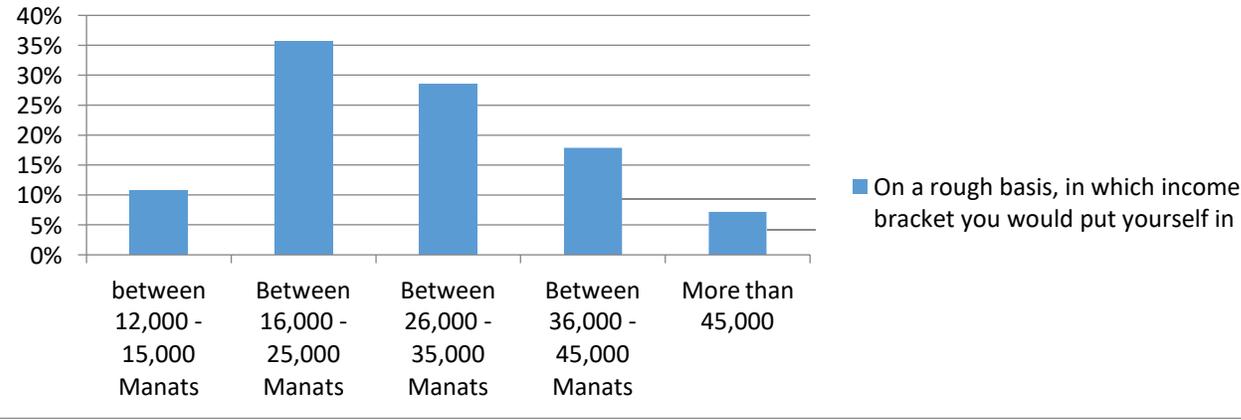


Figure 20. On a rough basis, in which income bracket you would put yourself in

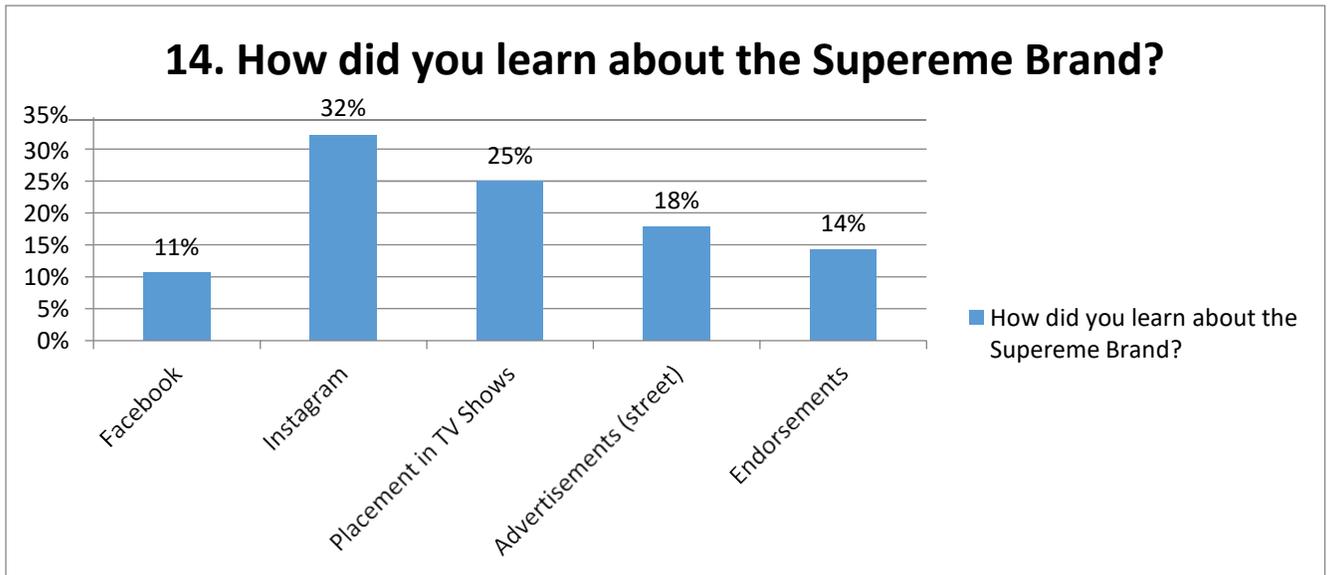


Figure 21. How did you learn about the Supreme Brand?



Figure 22. How did you learn about the Zara Brand?

4.2 Summary of Findings

The data analysis that has been applied in this case was the Chi Square analysis was used to test for significance between the chosen variables.

For instance, one hypothesis in the paper will be:

H1: there is a positive relationship between the level of awareness of a brand and the purchase intent towards the brand

For example, collecting data from question number 11 and 23 that collect data concerning the level of awareness of the brand and the intent of purchase for Armani; applying the Chi square analysis the results are seen the table below:

The chi-square statistic, *p*-value and statement of significance appear beneath the table. Blue means you're dealing with dependent variables; red, independent.

Results						
	Highly Aware	Aware	Neutral	I don't know a lot about this brand	I Never Heard of this brand	Row Totals
I highly intend to	52 (29.50) [17.15]	11 (20.26) [4.23]	24 (27.52) [0.45]	12 (22.24) [4.71]	21 (20.48) [0.01]	120
I Intend to	2 (17.70) [13.93]	32 (12.15) [32.41]	12 (16.51) [1.23]	2 (13.34) [9.64]	24 (12.29) [11.17]	72
Not sure	54 (33.44) [12.64]	20 (22.96) [0.38]	15 (31.19) [8.41]	24 (25.20) [0.06]	23 (23.21) [0.00]	136
I do not intend to	14 (33.44) [11.30]	14 (22.96) [3.50]	42 (31.19) [3.74]	42 (25.20) [11.19]	24 (23.21) [0.03]	136
I will never purchase it	12 (19.92) [3.15]	15 (13.67) [0.13]	32 (18.58) [9.70]	21 (15.01) [2.39]	1 (13.82) [11.89]	81
Column Totals	134	92	125	101	93	545 (Grand Total)

The chi-square statistic is 173.4437. The *p*-value is < 0.00001. The result is significant at *p* < .05.

Therefore, this leads to the conclusion that there is a significant relationship between these two variables. In other words, these two variables impact each other. The only

shortcoming of using this statistical tool is that it does not give the strength and the direction of the significant correlation. In other words, even though this tool is very powerful in defining significance and testing whether the two variables are related to each and are in a causal relationship or not – it comes short in defining the nature of the relationship (positive or negative) as well as the strength of the correlation.

Therefore, the Spearman Rank Correlation will be applied in order to test for the nature and strength of the correlation.

The value of r_s is: 0.8.							
<i>Explanation of Results</i>							
X Values	Y Values	X_{Ra}	$X_{Ra} - M_x$	Y_{Ra}	$Y_{Ra} - M_y$	<i>Sum Diffs</i>	
4	65	4	1	5	2	2	
1	42	1	-2	2	-1	2	
3	47	3	0	3	0	0	
5	48	5	2	4	1	2	
2	2	2	-1	1	-2	2	

Calculation

$R = \text{CoVariance} / (X_{Ra} \text{ St. Dev.} * Y_{Ra} \text{ St. Dev.})$

Key

X_{Ra} = Ranks of X Values; Y_{Ra} = Ranks of Y Values
 $X_{Ra} - M_x$ = X rank minus mean of X ranks
 $Y_{Ra} - M_y$ = Y rank minus mean of Y ranks
Sum Diffs = $(X_{Ra} - M_x) * (Y_{Ra} - M_y)$

Result Details

X Ranks

Mean: 3

Standard Dev: 1.58

Y Ranks

Mean: 3

Standard Dev: 1.58

Combined

Covariance = $8 / 4 = 2$

$R = 2 / (1.58 * 1.58) =$

0.8

CHAPTER V: DISCUSSION

5.1 Discussion of Results

1. What are the elements that define consumer behaviour in the luxury industry of Azerbaijan?

This is the first research hypothesis that is designed to test the main idea behind this dissertation: does liking in-store music improve customer satisfaction. By researching the literature review it has become evident that “liking’ the music is not the only variable that tis ought to be tested. Other variables such as loudness, type and tempo of the music all can play a role in impacting satisfaction (as well as other elements) (Morrison et al., 2011). The importance of testing the volume of the music has been highlighted in many papers such as Heeringotn and Carrela (1996), Has and Rya (2012) and Vivian (2016) who stressed the effectiveness of loudness of music on customer satisfaction. Therefore, in the first hypothesis, the researcher will test the impact on customer satisfaction via two independent variables and they are “liking” of the music and “loudness of music.”

The table above clearly shows that the chi-square statistic is 90 and that means that the p-value is much lower than the required 5% tolerance value according to Seber and lee (2012). Ultimately, this result allows the researcher to reject the null hypothesis which states that the variables (liking of music and customer satisfaction) are independent. In other words, the low p-value reveals that actually these two variables are actually dependent and that means that they are have a significant relationship in which they impact each other. But the chi-square test does not really reveal the nature and the direction as well as the strength of the aforementioned significant relationship.

That was an interesting result which showed that customers at in the luxury sector of Azerbaijan, even though believed that Instagram was effective, were not really disturbed by it. this result was quite surprising since the majority of the research papers such as Vivian (2016) and Hay and Rya (2012) found that the optimal result for volume of music in the retail sector was a bell shaped curve in the Likert scale – in other words, the customer preferred a moderate volume for the music in order to have optimal customer satisfaction. But in the case of Azerbaijani customers, they don't seem to be put off by the volume of music.

It is necessary though to hint towards a potential limitation in this assessment is that the quantitative assessment via chi-square test does not reveal the cause of the problem or the cause of the relationship but only if there is a relationship existing or not. In other words, there might be other factors that might explain to why the customers didn't mind the loud

music. That being said, it is not easy to quickly go to the conclusion that the Azerbaijani consumer of luxury prefer social media marketing – the explanation can be that the Azerbaijani consumer prefers other types of digital awareness such as YouTube for instance rather than social media. Vivian (2016) for instance found a negative correlation between loudness of music and customer satisfaction and that meant as the loudness increased the customer satisfaction decreased – this was confirmed by the literature review papers by Turley and Milliman (2012) and Jain and Badgaire (2011).

Englen (2016) as well defined this relationship in his research and found that “Loud and/or fast music leads mostly to avoiding behaviour, while slow and/or quite music triggers approaching behaviour” (Englen, 2016: 13). But it seems that the results in this dissertation opposed this common trend, which makes sense, and revealed a surprising result where there was an insignificant relationship.

Going back to the other part of the hypothesis which was not surprising and came to confirm the results found in the existing literature and that is that there is weakly positive correlation between liking music and customer satisfaction. The analysis should go deeper to explain these results and provide more nuances for the management of luxury companies in Azerbaijan Baku. The results were positive but they were weakly positive at the same time, luxury companies must identify the more effective digital media tools to influence brand awareness in order to ultimately impact consumer behaviour that created this positive customer satisfaction in order to enhance it or better to optimize it.

The results here in this paper finally assist the researcher to reach the conclusion that luxury companies in Baku Azerbaijan are able to create good awareness to their consumers via their digital channels. What remains to be investigated is how effective are these strategies in ultimately impacting consumer behaviour by moderating to the impact of brand awareness. In other words, does the impact on brand awareness moderate the impact on consumer behaviour or there is a direct relationship between digital marketing and consumer behaviour. At this stage there is a strong and positive correlation between digital marketing strategies and brand awareness - thus initiating those strategies is effective nowadays to raise awareness, the degree in which this awareness is translated into behaviour is to be tested in the upcoming section.

Further Assessment

According to the publishers, the short-term results of the Azerbaijani research clearly indicate a shift towards a virtual style in terms of advertising media. According to the data obtained from 1.6 million advertisements of premium brands, 54 percent were directed to consumers through digital advertising and 41 percent were through offline media.

Digital advertising revenues grew by 18 percent, compared to 2013, while offline advertising grew by 17 percent over the same period. Digital advertising was also

growing in terms of spending as it exceeded 15 percent compared to 10 percent in 2013, reports the edition.

Digital advertising is a growing sector, as it accounted for 26 percent of all advertising revenues. This portion will increase by 22 percent in the next year, reaching 25 percent in 2019, according to the publication. According to publishers, the growth of this segment is supported by increasing consumption of digital content.

The report states that the growth in the price of digital advertising was also higher than in offline advertising. However, the price will decline by 8 percent in the next year.

According to the respondents, 55 percent of them agree with the conclusion that consumers prefer digital ads and are willing to pay a premium for the product and content. This is the first time in the history of Azerbaijan that such a demographic survey was carried out for advertising media.

The publishers state that premium consumers are defined as consumers that are actively advertising and advertising is their behavior. According to experts, a shift toward an advertising behavior is accompanied by the accumulation of brands, based on self-generated demand from consumers for premium content. Consequently, the designers of the survey included behavior of this group, since behavior represents the most efficient way to gain consumers and establish brands. The question was posed to the respondents in which position they consider themselves in terms of luxury, consumer or society.

Satisfaction with luxury consumer patterns varies across Azerbaijan. Compared with 2013, consumers of premium products were satisfied with this category of services over 60 percent of the time in 2016.

Moreover, according to the publication, in 2016, a short-term study of consumer behavior was conducted in Russia and Azerbaijan. Balmain is the fashion house under the luxury fashion company Hermes. Based in Paris and founded in 1980, Balmain has approximately 500 employees. Balmain has 11 outlets in the United States.

Balmain, located in the central part of Baku, Azerbaijan's capital city, specializes in high fashion jewelry. The company is one of the leading designers and manufacturers of fashion jewelry and accessories. In addition, Balmain produces a wide range of accessories for the fashion brand and high fashion labels, as well as jewelry for various institutions, such as Victoria's Secret. According to the company's management, Balmain has 30 employees in Azerbaijan, including its chief designer, Louis Vuitton's former head of jewelry and jewels, Thomas Biechler, and other designers.

In recent years, Balmain has been presenting its collections with innovative technologies in the international fashion markets. These were the types of jewelry made of precious metals and stones, combined with one-of-a-kind forms. The company reports that the number of jewelries sold by Balmain increased by 30 percent since the beginning of this year.

Azerbaijan is one of the most dynamic and emerging countries of the world. Many multinational corporations, including Nike, H&M, KATE, LVMH, Adidas, and Louis Vuitton, have opened their offices in the capital city. These corporations have opened their offices for marketing their goods in Baku to buyers from the Russian Federation and from European countries. In Azerbaijan, the consumers buy products in the stores of the leading brands such as KATE, Louis Vuitton, H&M, and Balmain. Consumers have been interested in the luxury goods for the past five years.

Since 2011, Azerbaijan's consumer behavior changed significantly. From this year, the consumer behavior of the country has become similar to the trends in Western Europe and in other developed countries of the world. In 2012, Azerbaijan bought luxury products worth 39.4 million euros in a total of 27 stores in the country, which was the third highest in the world after the United States and Spain.

During the same year, Azerbaijan paid about 1.7 million euros for jewelry, about 44,000 for automobiles, about 9.3 million for mobile phones, and about 16.4 million euros for cosmetic products. This figure does not reflect the purchases of luxury goods by the consumers, as these categories do not enter the database of Azerbaijan's consumer behavior. In 2014, consumers paid more than 2.5 million euros for jewelry, about 40,000 for automobiles, more than 20 million euros for mobile phones, and about 10 million euros for cosmetic products. Azerbaijan's luxury consumer behavior increased by 25 percent, according to the data of the National Advertising Agency.

In 2016, Azerbaijan's consumer behavior changed further. According to the central bank's statistics, the luxury consumer behavior of Azerbaijan was 41.3 percent in 2013, but the statistics for 2016 show that it has increased to 45.6 percent. For a short time, Azerbaijan's consumer behavior was in the similar proportion of Western European countries, but from 2015, Azerbaijan started to move in the same direction as the Western European countries.

The reason for this is the positive activity of the Azerbaijan's state advertising agency. According to the data of the National Advertising Agency, the consumer behavior of Azerbaijan has not decreased since the beginning of the year. The agency conducted a survey on the consumer behavior of the consumer behavior in Russia, Kazakhstan, Turkey, and several European countries.

5.2 Discussion of Research Question One

1. How effective is digital marketing in creating brand awareness in Azerbaijan?

As seen from the figure below the results there indicate that there is a strong positive impact between the relationship of digital marketing and brand awareness. For instance, the researcher found that there is a p-value of 0.04 and that means that there is a significant correlation between the two variables and the interpretations in this case is

that digital marketing strategies that have been adopted by luxury brands are positively correlated with improving the brand perception for the customers in Baku, Azerbaijan.

Another result in this case shows that there is a strong positive correlation between digital marketing and brand awareness – the results were specifically positive between social media awareness and brand awareness in this bracket. The figure below shows the Spearman Rank correlation of 0.58 which is a strong positive correlation and the interpretation here is that as the social brand presence increases the brand awareness for consumer increases.

This is a logical result that has been realized in this paper and has been found by various other researchers such as Arrigo (2018) for instance who concluded that “Academic literature about social media marketing activities in luxury firms is very limited and existing studies focus only on certain aspects, contexts or single cases. In contrast, the value of this study, for both academics and practitioners, lies in providing, for the first time, a comprehensive and critical systematization of social media marketing academic literature in the field of luxury brands.” On the other hand, the results by Creevey (2021) concluded that “A total of 115 articles were collected and analyzed and five core themes were identified, examining (1) luxury brand strategy, (2) luxury brand social media communications, (3) luxury consumer attitudes and perceptions, (4) engagement and (5) social media's influence on brand performance-related outcomes. These themes are comprehensively explored to understand the myriad impacts of social media on luxury

businesses before conceptualizing the themes as a holistic framework explaining social media's role within luxury.”

Results					
	Highly agree	agree	I am not sure	disagree	highly dis
Highly Satisfied	45 (27.10) [11.82]	15 (14.09) [0.06]	4 (18.16) [11.04]	14 (17.89) [0.84]	22 (22.76)
Satisfied	33 (18.70) [10.94]	3 (9.72) [4.65]	3 (12.53) [7.25]	9 (12.34) [0.90]	21 (15.71)
I am not sure	2 (17.62) [13.84]	12 (9.16) [0.88]	23 (11.80) [10.62]	11 (11.63) [0.03]	17 (14.80)
Unsatisfied	13 (18.97) [1.88]	15 (9.86) [2.67]	21 (12.71) [5.41]	15 (12.52) [0.49]	6 (15.93)
Highly Unsatisfied	7 (17.62) [6.40]	7 (9.16) [0.51]	16 (11.80) [1.49]	17 (11.63) [2.48]	18 (14.80)
Column Totals	100	52	67	66	

The chi-square statistic is 103.2414. The [p-value is < 0.00001](#). The result is significant at

Figure 23. Chi square test

Results					
	highly agree	agree	i am not sure	disagree	highly disa
highly agree	45 (17.29) [44.39]	3 (18.10) [12.60]	12 (10.99) [0.09]	1 (7.92) [6.05]	3 (9.70) [4
agree	5 (20.81) [12.01]	21 (21.78) [0.03]	32 (13.22) [26.67]	12 (9.53) [0.64]	7 (11.67)
i am not sure	3 (19.72) [14.18]	45 (20.65) [28.73]	9 (12.54) [1.00]	9 (9.03) [0.00]	7 (11.06)
disagree	42 (29.18) [5.63]	11 (30.55) [12.51]	12 (18.55) [2.31]	12 (13.36) [0.14]	31 (16.36)

The chi-square statistic, *p*-value and statement of significance appear beneath the table. Blue means you're dealing with dependent variables, while black means independent.

highly disagree	12 (19.99) [3.20]	32 (20.93) [5.86]	3 (12.71) [7.42]	15 (9.16) [3.73]	12 (11.21)
Column Totals	107	112	68	49	
The chi-square statistic is 208.2907. The <i>p</i> -value is < 0.00001. The result is significant at <i>p</i> < .05.					

Figure 24. Chi square test

Research hypothesis

H1: there is a positive correlation between digital marketing strategies in the luxury industry on brand awareness

H2: there is a positive correlation between brand awareness and consumer behaviour

H3: there is a positive correlation between digital marketing strategies in the luxury industry on consumer behaviour

Panda (2009) defined consumer behaviour as: “Consumer behaviour refers to the actions of consumers in the market place and the underlying motives for those actions. It refers to the behaviour customers display (individuals or groups) in searching for select, purchasing, using or disposing of products, services, ideas, concepts or experiences that they expect will satisfy their needs”. The definition of consumer behaviour is therefore very wide, and carries many additions which can continuously be classified under consumer behaviour, and therefore it must be considered from different angles and aspects (Panda, 2009).

The research considers “consumer behaviour” as the dependent variable of this paper since it covers a wide array of aspects rather than focusing on a single element. As mentioned above, consumer behaviour is a rich phrase which includes many elements under it, and therefore studying the impact of scent marketing on consumer behaviour, with all its sub elements is a very comprehensive approach to studying the impact of scent marketing on several important aspects of consumer behaviour, which further enriches the research and improves its accuracy.

Based on the available research on the matter, it could be observed that researchers have also studied the impact of scent marketing on a set of aspects, further confirming this idea. For example, Teller & Dennis (2012) studied the impact of ambient scent on consumers’ perception, emotions and behaviour. Moreover, Gagarina & Pikturniene (2015) studied the impact of ambient scents on decision making heuristics and emotions. Furthermore, Guegen & Petr (2006) studied the impact on retention time and spending.

One of the most influential papers on scent marketing was introduced by Spangenberg (1996), where he studied a set of different variables such as: purchasing intention, product perception, store evaluation, products examined, actual time spent vs. time thought to have spent and many others.

As a result, it is obvious that the impact of scent marketing must be studied in light of its impact on a set of aspects rather than one single variable. This research paper has followed

suit in that regard and identified a group of variables to be studied and tested pertaining to consumer behaviour. Some of the variables chosen are: customer satisfaction, brand image/perception and purchase intention. As a retailer, Podium would be most interested in testing the impact of scent marketing on such variables to assess consumer behaviour.

The discussion concerning the customer satisfaction is also a highly interesting and important part of the research world when it comes to retailing. Customer satisfaction is essentially the measure of how effective specific approach of management in the retail sector has its impact on the customers.

Retailers are interested in having a positive impact on consumer satisfaction in order to improve the customers' experience – the idea hinges of the concept of having a superior customer experience which can lead to a competitive advantage. Therefore, scent marketing has been linked by some researchers to improved performance – financial performance and managerial performance. For example, research found that improving the physical evidence of retail environment can lead to improvement in customer satisfaction which consequently results in improvements in the financial performance due to improvement in purchase intentions for example which has been discussed in the earlier in the discussion.

The relationship between scent marketing and customer satisfaction is first tested via the chi-square test as in the previous discussion. The relationship is seen in the table below and

it is again confirmed that there is a significant statistical correlation between scent marketing pleasantness and customer's satisfaction.

The chi-square statistic, *p*-value and statement of significance appear beneath the table. Blue dealing with dependent variables; red, independent.

	Results				
	Highly satisfied	Satisfied	I dont Know	Unsatisfied	Highly Unsatisf
Very Pleasant	5 (15.35) [6.98]	42 (21.18) [20.48]	12 (27.35) [8.62]	16 (17.82) [0.19]	30 (23.08) [11.52]
Pleasant	20 (26.76) [1.71]	13 (36.91) [15.49]	50 (47.67) [0.11]	60 (31.06) [26.95]	40 (40.00) [0.00]
I dont know	18 (15.35) [0.46]	21 (21.18) [0.00]	40 (27.35) [5.85]	6 (17.82) [7.84]	20 (23.08) [11.52]
unpleasant	14 (16.67) [0.43]	20 (22.99) [0.39]	34 (29.70) [0.62]	6 (19.35) [9.21]	40 (25.00) [12.50]
very unpleasant	30 (12.87) [22.81]	24 (17.75) [2.20]	19 (22.92) [0.67]	13 (14.94) [0.25]	2 (19.51) [11.52]
Column Totals	87	120	155	101	101

The chi-square statistic is 157.9489. The *p*-value is < 0.00001. The result is significant at the 5% level.

Figure 25. Chi square test results - customer satisfaction

Thus, as seen in the table above the *p*-value is significantly lower than the required test for the *p*-value which is 5%. The conclusion in this case is that the researcher can argue that there is a satisfaction correlation between the pleasantness of scent at Podium and the

customer satisfaction. But again, there is no assessment regarding the strength and direction of the relationship. The results about the links and the discussion with the results in the literature review are discussed after the spearman correlation is discussed.

X Values	Y Values	X_{Ra}	$X_{Ra} - M_x$	Y_{Ra}	$Y_{Ra} - M_y$	Sum Diffs
3	32	5	3	0	3	0
2	42	2	2	-1	4	-1
1	55	4	1	-2	5	-4
4	21	1	4	1	2	-1
5	10	3	5	2	1	-4

Calculation	Result Details
$R = \text{CoVariance} / (X_{Ra} \text{ St. Dev.} * Y_{Ra} \text{ St. Dev.})$	X
	Ranks
	Mean:
Key	3
	Standard Dev:
	1.25
$X_{Ra} = \text{Ranks of X Values}; Y_{Ra} = \text{Ranks of Y Values}$	Y
$X_{Ra} - M_x = \text{X rank minus mean of X ranks}$	Ranks
	Mean:
$Y_{Ra} - M_y = \text{Y rank minus mean of Y ranks}$	4
	Standard Dev:
$\text{Sum Diffs} = (X_{Ra} - M_x) * (Y_{Ra} - M_y)$	1.63
	Combined
	Covariance = $8 / 4 = 1.55$
	$R = 1.55 / (1.75 * 1.23) =$
	0.53

Figure 26. Spearman rank correlation results for customer satisfaction

The correlation which is seen above is strong and positive - the correlation is $r = 0.53$ which means that there is a positive and strong correlation between pleasantness of scent and customer satisfaction. The interpretation of this correlation is that as the pleasantness of the scent increases then the customer satisfaction levels among customer's increases. This conclusion was not very surprising since the majority of the papers which have been cited in the research paper have found that in fact there is a positive and insignificant correlation – while it must be noted that there are some papers that found that there was an insignificant correlation but not a negative one.

Bradford (2009) for example have found that there is an insignificant correlation between pleasantness and customer satisfaction – the reason this occurred according to Bradford (2009) is that sometimes same scents are in fact too strong which meant that there was a need to modify the nature of the scent in order to have an effective results. This is something that will be discussed in the coming research question—where there is a need to know exactly which the most preferred scent by the customers is in order to maximize the benefit form the scent being used.

Rathee and Rajain (2011) found that “In the present study, previous articles and papers were reviewed and analyzed to get a grip of what is the present knowledge in this area and what more can be done in the future. It was found that for the past two decades, marketers have been trying to find the relationship between the use of different kinds of scents and their effects in varied environments. It was seen that when an ambient scent was congruent

with the environment, it had a significantly positive impact on the behavior of the customers present.

However, the findings also suggest that there is no positive correlation between scent marketing and purchase intention, since the correlation was insignificant. Spangenberg (1996) concluded his research by indicating that the limitation of the research he conducted is represented by the fact that the experiments were simulated and therefore the results extracted are not accurate and totally objective and thus cannot be generalized.

In addition, Spangenberg (1996) also added that the results must be further tested by replicating the experiments in different industries and settings, such as hotels, supermarkets, retailers and more. The researcher of this paper has taken this notion as a guiding rationale for this research paper.

Other researchers, such as Morrin & Retnashwar (2000) focused on studying the impact on brand perception. Their research revolved around understanding the impact of scent marketing on the brand itself. They investigated the impact of congruent smells in particular on overall perception of the brand by the customers. Utilizing a combination of research strategies, mainly surveys and experiments, Morrin & Retnashwar (2000) found a positive correlation between scent marketing and brand perception. It is also noteworthy to mention that the correlation was stronger when the brands were not famous. Reflecting that on the case of this paper, Podium is not a very powerful brand. The final conclusion was that the presence of a pleasant ambient scent improves the brand perception.

Another interesting research was conducted by Mattila and Wirtz (2001). The researchers decided to factor in other factors such as music and shop environment in addition to scents. Mattila & Wirtz (2001) hypothesized that the different scent types must be coupled with other factors and studied, and the impact must be analyzed as a function of other environmental aspects. The researchers found that when the environmental factors were consistent with each other, for example if the scent used was well fitted with the surrounding music, the results were quite positive, and there was a surge in impulse purchases, store rating and high levels of customer satisfaction; while the results weren't as conclusive when the environmental factors were at odds.

Product perception and mall perception were the focus on 2 other researchers Chebat & Michon (2003) who conducted 2 researches within 2 years of each other. Chebat & Michon (2003) utilized surveys and experiments as a research strategy, a combination which is very common when studying scent marketing. The results of the experiments and surveys showed a positive relationship between ambient scents and mall perception only.

The research results were positive, however Chebat & Michon (2003) concluded that they were weak, and when Michon et.al (2005) conducted the experiments again later on, the results were again positive regarding mall perception, conditioned by the density of the ambient scent, which needed to be medium in order to have a positive impact on mall perception.

The results carried an interesting revelation. The intensity of the ambient scent plays a role in the impact on the customers, and consequently on the brand perception and overall quality. More researcher picked up on the matter, for example Chebat (2005) later on suggested that high density ambient scents could make customers feel that they lost personal space due to over arousal of the olfactory senses.

Another important paper which was conducted by Orth & Burrian (2004), carried out an online survey which sought to test the efficacy of scent marketing in the environment of retail stores. The findings of the research paper had revealed valuable information about retail aspects. The results suggested that pleasant ambient scents had a positive impact on actual stimulation and risk taking. The “risk taking” revelation was important since it became later known as the impulse purchase, which is what retailers try to establish.

The risk motivated behaviour described in their research findings suggested that customers are more inclined to make rash purchase decisions when they are under the influence of atmospherics, such as ambient scents. Hulten (2015) in a recent research conducted, found that ambient scents have a positive influence on customer satisfaction, however there was no correlation found between the ambient scent and the impulse purchasing.

Impulse purchasing is particularly of interest to Hotels and restaurants, which offer very expensive items such as champagne bottles worth thousands of dollars or “special “ items on the menu with very high mark ups, and they are interested in pushing customers to make

impulse purchases pertaining to such items. Such expensive items are usually bought on impulse purchases, when customers are feeling well, or in a good mood, and therefore, setting the right atmosphere for these customers becomes a priority for hotels, restaurants and other retailers. Hotels, in particular took interest in creating their exclusive signature scents, which are costly, in order to create this atmosphere for its customers which would encourage impulse purchases.

This is a central question that should basically sum up the discussion of this research paper. Essentially, the management of Podium should ask whether they should keep on investing in this strategy or not. Research reveals that shops can pay something from \$1,000 up to \$10,000 per month depending on the size of the shops and the numbers of the shops – some hotels pay millions in scent marketing strategies. But in regards to Podium, it is expected that the payment is in \$10,000 considering the number of shops they have in the country. The financial information on the revenues and the profits of the company are unknown as well as the real amount of money invested in scent marketing therefore the analysis is made on subjective description as well as on the information which has been collected from the consumers.

In other words, the analysis will be made as a function of the results of the research question and on the expected expenses of Podium. The regressions and the chi-square results reveal that in fact the scent strategy by Podium has a positive impact and a statistically significant relationship between scent and customer satisfaction and purchase intention. These two results are actually good and they indicate to Podium to continue investing in this strategy.

Podium, as retailer, is in fact interested in any edge it can gain to improve its customer satisfaction levels as well as increasing the purchase intention in order to improve the financial performance (by increasing the lingering time as well as the impulse purchase) (Morrin, 2011).

Thus, when looking at the results from a holistic perspective it can be then argued that Podium should continue investing in its marketing strategy at the moment. But in terms of the limitations of the research it must be then proposed for the management of Podium to make sure that the company is making a financial analysis in terms of the costs of the marketing strategy. Research reveals that in general advertising strategies or efforts shouldn't usually exceed 5% of the net profits of the company or else they will be considered ineffective (Lou, 2005).

The results made by Angie and Harayto (2011) found that in fact if a company wants to increase in its purchase intention it should experientially market but the first and most important aspect of the experiential marketing would be the olfactory stimulus which means scent marketing. Note that the research done by Angie and Harayto (2011) rested on research made by Samamora (2004) "which stated that a large stimulus often produces a larger purchase intention, such as: a loud voice, a striking color, and aroma that stings." It must be noted that Angie and Harayto (2011) referenced and cited several papers that supported this conclusion and that have been also mentioned in the literature review of this paper. "When a pleasant aroma has been found that can increase awareness and performance in a fun memory recall, increase pro-social behavior, and increased time

to spend in the store. Aroma increases the level of purchase by the shopper” (Baron and Brin, 1994; Mitchell 1995).

All of these researchers confirm that scent improves the purchase intention in retail shops – but it must be noted that even though these researches confirms a correlation they still argue that this is only in the form of improvement of the purchase intention. Several researchers such as Schummack and Shifman (2000) have argued that while the correlation exists this is often done in the form of linear correlation or in the form of chi-square tests and not in multi-linear regressions which can reveal the correlation of purchase intention with other variables. Which means other tests should be implemented in order to really understand the correlation.

But at the same time it must be argued that scent improves the physical evidence of the shop and therefore it can give the illusion that the product’s value is higher and the service is higher – other researchers argued that perhaps the reason there is this connection is that the scent in the shop gives the impression of quality in terms of products and service and because other shops fail to show these qualities (such as scent) they appear to be more competent as retailers and therefore they gain that edge.

The discussion concerning the customer satisfaction is also a highly interesting and important part of the research world when it comes to retailing. Customer satisfaction is essentially the measure of how effective specific approach of management in the retail sector has its impact on the customers.

Retailers are interested in having a positive impact on consumer satisfaction in order to improve the customers' experience – the idea hinges on the concept of having a superior customer experience which can lead to a competitive advantage. Therefore, scent marketing has been linked by some researchers to improved performance – financial performance and managerial performance. For example, research found that improving the physical evidence of retail environment can lead to improvement in customer satisfaction which consequently results in improvements in the financial performance due to improvement in purchase intentions for example which has been discussed in the earlier in the discussion.

The relationship between scent marketing and customer satisfaction is first tested via the chi-square test as in the previous discussion. The relationship is seen in the table below and it is again confirmed that there is a significant statistical correlation between scent marketing pleasantness and customer's satisfaction.

CHAPTER VI:
SUMMARY, IMPLICATIONS, AND RECOMMENDATIONS

6.1 Summary

In conclusion this research paper aimed to investigate the relationship between digital marketing strategies and brand awareness and in relation who brand awareness impact consumer behaviour. The researcher adopted the survey for data collection purposes and the researcher used statistical models in order to test the relationship between he proposed variables. The conclusion in this case will assess give the results on the basis of the objectives of the paper. The first objective is to assess digital marketing strategies adopted in this field of research. The results show that Instagram had 32% digital media penetrating to in Baku while Facebook was last with 14% only and therefore this shows that Instagram remains to be the most effect digital marketing strategy to be used by luxury companies. The second objective was concerning brand awareness and the results found that Balmain is the most recognized branding Baku, Azerbaijan as a luxury brand while Dolce is the second highest and Supreme is the least recognized brand.

As an extension to this conclusion, the researcher concluded that Balmain has the most effective digital media strategy since it also adopts the Instagram strategy in Baku, Azerbaijan and therefore it had the highest brand awareness level. Supreme failed in initiating strong recognition for brand awareness. The third objective of the paper is to assess the relationship between brand awareness and consumer behaviour and digital marketing and consumer behaviour as well to see if brand awareness plays a moderating role or not. The researcher found that there is in fact a positive correlation between digital marketing and consumer behaviour directly as well as brand awareness and consumer behaviour indirectly – thus creating a moderating effect for brand awareness.

The conclusion of this paper is that digital marketing strategies are actually effective in influencing brand awareness and consumer behaviour and specifically attitudes. But the problem is in behaviour; the researcher could not find any specific links, any correlations, between digital marketing and behaviour which means that the paper was unable to actually identify the links between the ability of digital marketing strategies to impact as much as intention and that is something that future researchers as well as luxury companies in the field should be aware of. The fact that the empirical evidence of this paper does not really indicate a link with behavioral intentions means that the success of digital marketing is limited for driving awareness and attitudes; attitudes in this case relate to loyalty and developing emotions towards the brand, this is good since the lack of purchase intention in

this case might be linked to the lack of financial sources to translate them into monetary brand equity.

6.3 Recommendations for Future Research

The conclusion has been presented but the final objective of the paper is to provide recommendation for luxury companies in Azerbaijan. The paper had several limitations and these must be highlighted in order to provide sound recommendation for the company. The first limitation is that the paper utilized survey data meaning that the quantitative paper can also reveal the how or what of the impact and not the "why" – in other words, the paper could tell that there is a positive correlation between these variables but it couldn't explain the reason to why these relationships exist and that is a limitation because it further confirms that the conclusion made here are rather subjective and confirm that the correlations made are correlations and causations.

In other words, digital marketing is indeed correlation with brand awareness which in turn is correlated in consumer behaviour but that doesn't mean that digital marketing strategies caused the improvements in brand awareness. That means that the brand awareness of these brands could be already very high and the correlation just detected this relationship but without having a causal relationship.

This is where the research paper comes – the idea is that these companies are making these claims and the spending on these strategies is not cheap.

Retailers are always interested in ideas that can give them an edge in their competitiveness and therefore companies such as Podium started these investments. But because smaller companies do not have massive budgets for such strategies, they must actually make sure that in fact their claims are true. If they spend tens of thousands of dollars per month, will they have better customer satisfaction? Will they increase the purchase intention in their shops?

Thus, the objective of this paper is to really answer these questions by taking the initiative done by Podium as a starting point to improve its performance. The research paper uses the quantitative methodology for analyzing the correlation between these variables – the scent marketing strategy (pleasantness of the scent) and the consumer behaviour elements such as customer satisfaction and purchase intention.

The quantitative research methodology uses the survey strategy for data collection – the data is collected via a questionnaire which collects information about the consumers of Podium. The research is deductive in nature since previous research has already investigated this relationship and has proposed a hypothesis which claims that scent marketing has a positive influence on consumer behaviour.

The first conclusion in regards to this paper is that Podium is actually implementing the scent marketing strategy and that has been confirmed by the questionnaire question which found that 100% of the respondents realized that there is a congruent scent in the physical environment of Podium. A quick review of the descriptive results the research provides

information about the consumers of Podium: 55% of the consumers are males and 38% of them are in the age group of 22 to 32. This informative data can also provide information about the segments that Podium are actually attractive form their marketing strategies.

What does that mean? This means that while digital marketing shows that it does have an overall positive effect on consumers in Azerbaijan and on luxury brand -this does not mean that the digital marketing can translate to anything financially useful and that's because the behaviour intention of the consumer behaviour results did not show any positive correlation. But regardless, the researcher from an empirical point of view confirms a positive correlation and therefore the researcher confirms that luxury companies should focus on their digital marketing channels since these channels are actually effective in including brand awareness and as a result impact consumer behaviour.

Furthermore, it is recommended to use Instagram in Azerbaijan since it has a stoner impact on brand awareness and even a strong relationship (correlation of 0.86) on consumer behavioral attitude. For future researcher it is proposed for researcher to focus on advertising on Instagram to see whether luxury companies can translate their presence online int purchasing intention – this variable must be tested in the future in order to identify whether or not luxury companies in Baku should focus on this strategy more than any other.

This is critical in order to create more effective digital medial marketing strategies for luxury companies in Baku. Such data will also assist marketers in marketing their own services since they can claim that their services can impact purchase intention which is an important issue in this field.

Furthermore, it is recommended that research papers compare luxury industry within itself – meaning that purchase intention as well as brand awareness should be compared to existing benchmark standards in the industry- in other words, for example, research by Chitra (2016) claimed that a log value to the data should be included in order to lower the value of revenues and brand awareness in the luxury industry because revenues in the luxury industry compared to sold items is significantly lower than the retailing industry as a whole since the sales are very low but the mark-ups are very high and that is something that this paper needs to point out for future papers.

REFERENCES

Amed, J. (2015) Inside Balmain's Digital Revolution [online]. Available at <https://www.businessoffashion.com/articles/inside-fashion/bof-exclusive-balmains-social-media-driven-retail-rollout> [Accessed on 10th September 2017]

Arrigo, E. (2018). Social media marketing in luxury brands: A systematic literature review and implications for management research. *Management Research Review*.

Ahmed, R. R., Vveinhardt, J., & Streimikiene, D. (2017) Interactive digital media and impact of customer attitude and technology on brand awareness: evidence from the South Asian countries. *Journal of Business Economics and Management*, 18(6), 1115-1134.

Aaker, A. (1991) Managing brand equity. Capitalizing on the value of a brand name. The Free Press. New York.

Alves, H., Fernandes, C., & Raposo, M. (2016) Social media marketing: A literature review and implications. *Psychology & Marketing*, 33(12), 1029-1038.

Bampo, Mauro, Michael T. Ewing, Dineli R. Mather, David Stewart, and Mark Wallace. 2008. "The Effects of the Social Structure of Digital Networks on Viral Marketing Performance." *Information Systems Research* 19: 273-290.

Berry, J. (2017) *A NEW SPIN ON GOING VIRAL: USING CONTAGION THEORY TO FORECAST YOUR NEXT PRODUCT* [online]. Available from: <https://www.americanexpress.com/us/small-business/openforum/articles/a-new-spin-on->

[going-viral-using-contagion-theory-to-forecast-your-next-product/](#) [Accessed on 23rd of April 2018]

Balnaves, M. and Caputi, P., 2001. Introduction to quantitative research methods: An investigative approach. Sage.

Baker, M., & Wurgler, J. (2013). Behavioral corporate finance: An updated survey. In Handbook of the Economics of Finance (Vol. 2, pp. 357-424). Elsevier.

Brigham, E. F., & Daves, P. R. (2012) Intermediate financial management. Nelson Education.

Brammer, S., Brooks, C., & Pavelin, S. (2006). Corporate social performance and stock returns: UK evidence from disaggregate measures. *Financial management*, 35(3), 97-116.

Baker, H. K., & Martin, G. S. (2011). Capital Structure & Corporate Financing Decisions. Hoboken, NJ: Wiley.

Burns, R. P., & Burns, R. (2008). *Business research methods and statistics using SPSS*. Sage.

Bell, E., Bryman, A., & Harley, B. (2018). *Business research methods*. Oxford university press.

Chauvin, K. W. and Hirschey, M. (1993) Advertising, R&D expenditures and the market value of the firm', *Financial Management*, Vol.22, No.4, pp.128–140.

Chitra, K, and Sasikala, K. (2016) Social media marketing strategies for enhancing brand awareness: a study with reference to select start-ups. *Asian Journal of Research in Social Sciences and Humanities* 6(9): 1081

Creevey, D., Coughlan, J., & O'Connor, C. (2022). Social media and luxury: A systematic literature review. *International Journal of Management Reviews*, 24(1), 99-129.

Clifton, H. (2016) *Why Are So Many People Obsessed with Supreme* [online]? Available from: https://www.vice.com/en_us/article/5gq393/supreme-and-the-psychology-of-brand-devotion [Accessed on 23rd of April 2018]

Curran, Kevin, Sarah Graham, and Christopher Temple. 2011. "Advertising on Facebook." *International Journal of E-Business Development* 1: 26-33.

Dimitriu, R. and Guesalaga, R. (2017) Consumers' social media brand behaviors: uncovering underlying motivators and deriving meaningful consumer segments. *Psychology & Marketing* 34(5): 580–592

Duffett, R. G., & Duffett, R. G. (2017) Influence of social media marketing communications on young consumers' attitudes. *Young Consumers*, 18(1), 19-39.

Dimitriu, R. and Guesalaga, R. (2017) Consumers' social media brand behaviors: uncovering underlying motivators and deriving meaningful consumer segments. *Psychology & Marketing* 34(5): 580–592.

Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2016) Social media marketing efforts of luxury brands: Influence on brand equity and consumer behavior. *Journal of business research*, 69(12), 5833-5841.

Hawkins, H. (2017) Supreme, the Globally Recognized Fashion Brand that Doesn't Spend a Dime on Advertising [online]. Available from: https://medium.com/@Derek_M_Hawk/supreme-the-globally-recognized-fashion-brand-that-doesnt-spend-a-dime-on-advertising-f7da7a7fb07 [Accessed on 23rd of April 2018]

Killam, L., 2013. Research terminology simplified: Paradigms, axiology, ontology, epistemology and methodology. Laura Killam.

Kingsnorth, S. (2016) Digital marketing strategy: an integrated approach to online marketing. Kogan Page Publishers.

Kotler, P.; Keller, K. L.; Ancarani, F.; Costabile, M. (2014) Marketing management. 14th ed. Pearson.

Kotler, H. & Armstrong, G. (2010) Principles of Marketing. Pearson Education, Inc., Upper Saddle River, New Jersey, 07458

Luck, D. (2008) CIM Coursebook Assessing the Marketing Environment. London: Butterworth-Heinemann.

Newtek (2017) *Five Important Digital Marketing Elements To Consider* [online]. Available from: <https://www.forbes.com/sites/thesba/2014/10/13/five-important-digital-marketing-elements-to-consider/#3c26e2693a3e> [Accessed on 23rd of April 2018]

Paquette, H. (2013) *Social media as a marketing tool: A literature review*. London: Pearson.

Piratheepan, U., & Pushpanathan, A. (2013). Impact of Promotional Strategies on Brand Awareness; A Study on Milk Powder Brands in Nuwaraeliya District. IFRSA Business Review, 3(4), 268-272.

Perner, P. (2016) *CONSUMER BEHAVIOR: THE PSYCHOLOGY OF MARKETING* [online]. Available from: <https://www.consumerpsychologist.com/> [Accessed on 23rd of April 2018]

Petruzzellis, L., and Winer, R. (2016). Rediscovering the Essentiality of Marketing: Proceedings of the 2015 Academy of Marketing Science (AMS) World Marketing Congress. Springer.

Passariello C., Dodes, R. and Meichtry, P. (2008) Luxury Goods Weathering Economic Woes in US. Wall Street Journal, July 26, p. A1, Publishing, Boston MA.

Seo, Y., & Buchanan-Oliver, M. (2015) Luxury branding: the industry, trends, and future conceptualisations. *Asia Pacific Journal of Marketing and Logistics*, 27(1), 82-98.

Seo, Y. and Gao, H. (2014), "Towards a value-based perspective of consumer multicultural orientation", *European Management Journal* ,

Saunders, M., Lewis, P., Thornhill, A., & Wilson, J. (2009) Business research methods. Financial Times, London.

McLean, R. D., & Zhao, M. (2014). The business cycle, investor sentiment, and costly external finance. *The Journal of Finance*, 69(3), 1377-1409.

Meyer, B. (2015) Case studies. In *Researching translation and interpreting* (pp. 195-202). Routledge.

Nelson, M. R., & Paek, H. J. (2007). A content analysis of advertising in a global magazine across seven countries: Implications for global advertising strategies. *International Marketing Review*, 24(1), 64-86.

Okazaki, S., Taylor, C. R., & Zou, S. (2006). Advertising standardization's positive impact on the bottom line: a model of when and how standardization improves financial and strategic performance. *Journal of Advertising*, 35(3), 17-33.

Polk, C., & Sapienza, P. (2009). The stock market and corporate investment: A test of catering theory. *Review of Financial Studies*, 22(1), 187-217.

Shefrin, H. (2001). Behavioral corporate finance. *Journal of applied corporate finance*, 14(3), 113-126.

Sheridan, J. (2017) How to Build Brand Awareness: Definitions, Steps, and Examples [online]. Available from: <https://thrivehive.com/introduction-brand-awareness/> [Accessed on 23rd of April 2018]

Sekaran, U. and Bougie, R.J., 2016. *Research methods for business: A skill building approach*. John Wiley & Sons.

Truong, Y. , McColl, R. and Kitchen, P.J. (2009) "New luxury brand positioning and the emergence of masstige brands", *Journal of Brand Management* , Vol. 16 No. 5, pp. 375-382.

Turner, H. (2016) *Essential Elements of a Successful Digital Marketing Campaign* [online]. Available from: <https://60secondmarketer.com/blog/2017/07/28/essential-elements-successful-digital-marketing-campaign/> [Accessed on 23rd of April 2018]

Tsai, S. (2005) "Impact of personal orientation on luxury-brand purchase value: an international investigation", *International Journal of Market Research* , Vol. 47 No. 4, pp. 429-455.

Colella, G., & Amatulli, C. (2021). Digital Marketing and Digital Retail Strategies in the Luxury Sector: Critical Factors and Opportunities. In Handbook of Research on IoT, Digital Transformation, and the Future of Global Marketing (pp. 112-129). IGI Global.

Ng, M. (2014), "Social media and luxury fashion brands in China: the case of coach", Journal of Global Fashion Marketing, Vol. 5 No. 3, pp. 251-265.

Phan, M. and Park, S.-Y. (2014), "Introduction: social media marketing and luxury brands", Journal of Global Fashion Marketing, Vol. 5 No. 3, pp. 195-196

Ko, E., Phau, I. and Aiello, G. (2016), "Luxury Brand strategies and customer experiences: contributions to theory and practice", Journal of Business Research, Vol. 69 No. 12, pp. 5749-5752

R. Morgan, "The digital marketing capabilities gap: empirical evidence, managerial shortcomings, and future research streams," Industrial Marketing Management, vol. 90, pp. 276–290, 2020.

Maxwell, J.A., 2012. Qualitative research design: An interactive approach (Vol. 41). Sage publications.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). Business research methods. Cengage Learning.

Social Sciences Statistics (2019) Social Science Statistics calculator [online]. Available from: <https://www.socscistatistics.com/tests/spearman/default2.aspx> [Accessed on 9th of February 2019]

APPENDIX A
SURVEY COVER LETTER

Questionnaire

- 1 Please indicate your age
 - A 18 - 25
 - B 26 - 35
 - C 36 - 45
 - D 46 - 55
 - E More than 55

- 2 Please Specify your gender
 - A Male
 - B Female

- 3 What is the most popular brand among the brands mentioned below in Baku?
 - A Armani
 - B Gucci
 - C Dolce and Gabbana
 - D Balmain
 - E Supreme
 - F Zara

- 4 Which one of these brands is considered the most luxurious?
 - A Armani
 - B Gucci
 - C Dolce and Gabbana
 - D Balmain
 - E Supreme
 - F Zara

- 5 How did you get introduced to these brands?
 - A Facebook
 - B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements

- 6 Which brand do you think is the most acclaimed by others?
- A Armani
 - B Gucci
 - C Dolce and Gabbana
 - D Balmain
 - E Supreme
 - F Zara
- 7 Which of these brands would be perceived as the most expensive?
- A Armani
 - B Gucci
 - C Dolce and Gabbana
 - D Balmain
 - E Supreme
 - F Zara
- 8 What is your level of awareness for the Armani Brand?
- A Highly Aware
 - B Aware
 - C Neutral
 - D I don't really know a lot about this brand (low awareness)
 - E I have never heard of this brand
- 9 What is your level of awareness for the Gucci Brand?
- A Highly Aware
 - B Aware
 - C Neutral
 - D I don't really know a lot about this brand (low awareness)
 - E I have never heard of this brand
- 10 What is your level of awareness for the Dolce and Gabbana Brand?
- A Highly Aware
 - B Aware
 - C Neutral
 - D I don't really know a lot about this brand (low awareness)
 - E I have never heard of this brand
- 11 What is your level of awareness for the Balmain Brand?

- A Highly Aware
- B Aware
- C Neutral
- D I don't really know a lot about this brand (low awareness)
- E I have never heard of this brand

11 What is your level of awareness for the Supreme Brand?

- A Highly Aware
- B Aware
- C Neutral
- D I don't really know a lot about this brand (low awareness)
- E I have never heard of this brand

12 What is your level of awareness for the Zara Brand?

- A Highly Aware
- B Aware
- C Neutral
- D I don't really know a lot about this brand (low awareness)
- E I have never heard of this brand

13 On a rough basis, in which income bracket would you consider yourself in?

- A between 12,000 - 15,000 Manats
- B Between 16,000 - 25,000 Manats
- C Between 26,000 - 35,000 Manats
- D Between 36,000 - 45,000 Manats
- E More than 45,000

14 How did you learn about the Supreme Brand?

- A Facebook
- B Instagram
- C Placement in TV Shows
- D Advertisements (street)
- E Endorsements

15 How did you learn about the Zara Brand?

- A Facebook

- B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements
- 15 How did you learn about the Gucci Brand?
- A Facebook
 - B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements
- 16 How did you learn about the Dolce and Gabbana Brand?
- A Facebook
 - B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements
- 16 How did you learn about the Balmain Brand?
- A Facebook
 - B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements
- 17 How did you learn about the Armani Brand?
- A Facebook
 - B Instagram
 - C Placement in TV Shows
 - D Advertisements (street)
 - E Endorsements
- What is your purchase intention for
- 18 Zara
- A I highly Intend to
 - B I intend to

- C Not sure
 - D I do not intend to
 - E I will never purchase it
- 19 What is your purchase intention for Gucci
- A I highly Intend to
 - B I intend to
 - C Not sure
 - D I do not intend to
 - E I will never purchase it
- 20 What is your purchase intention for Supreme
- A I highly Intend to
 - B I intend to
 - C Not sure
 - D I do not intend to
 - E I will never purchase it
- 21 What is your purchase intention for Armani
- A I highly Intend to
 - B I intend to
 - C Not sure
 - D I do not intend to
 - E I will never purchase it
- 22 What is your purchase intention for Dolce and Gabbana
- A I highly Intend to
 - B I intend to
 - C Not sure
 - D I do not intend to
 - E I will never purchase it
- 23 What is your purchase intention for Balmain
- A I highly Intend to
 - B I intend to
 - C Not sure
 - D I do not intend to
 - E I will never purchase it

- How loyal to do you consider yourself to
- 24 Balmain
- A Very Loyal
 - B Loyal
 - C Neutral
 - D Not so loyal
 - E Un-loyal
- 25 How loyal to do you consider yourself to Zara
- A Very Loyal
 - B Loyal
 - C Neutral
 - D Not so loyal
 - E Un-loyal
- 26 How loyal to do you consider yourself to Gucci
- A Very Loyal
 - B Loyal
 - C Neutral
 - D Not so loyal
 - E Un-loyal
- How loyal to do you consider yourself to Dolce and
- 27 Gabbana
- A Very Loyal
 - B Loyal
 - C Neutral
 - D Not so loyal
 - E Un-loyal
- How loyal to do you consider yourself to
- 28 Supreme
- A Very Loyal
 - B Loyal
 - C Neutral
 - D Not so loyal
 - E Un-loyal

