

Leveraging Artificial Intelligence, Machine Learning, and Sentiment Analysis in the Luxury Brand Building and Consumer's Decision-Making: A Conceptual Paper

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ABSTRACT

In the rapidly evolving digitalization era, luxury brands are increasingly adopting Artificial Intelligence (AI) and Machine Learning (ML) to sustain their esteem in the market and shape consumer behavior. This study combines the effects of various studies to observe the impact of innovative technologies on the luxury sector. The key area of use is the application of AI algorithms to examine the psycholinguistic behavior of electronic word-of-mouth communication on social media platforms such as YouTube and Instagram. For luxury brands such as Louis Vuitton, Burberry, and Calvin Klein, these technologies enable the democratization of luxury events through digital contribution while sustaining the exclusivity of the brand. ML models are being used to forecast luxury fashion consumption based on brand consciousness and consumer morals. Moreover, the paper finds that AI-driven personalization is a key driver of perceived emotional value and quality, which are more significant than price and perceived risk in the online fashion market. Nevertheless, the papers also reveal that there is a crucial balance between the autonomy of algorithmic decision-making, as too much automation may undermine consumer self-efficacy, implying that luxury fashion brands need to carefully balance AI autonomy to achieve the best possible outcomes. The paper concludes that the use of AI-driven sentiment analysis and predictive ML is no longer a choice but a necessity for luxury fashion brand building and customer retention.

Keywords: Generative AI, Luxury Brand Building, Sentiment Analysis, Machine Learning, Consumer Purchase Decisions

