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Luxury Branding: How Authenticity, Exclusivity, and Brand Control Are Evolving

BACKGROUND

Traditional luxury branding has been defined by prestige, authenticity, and symbolic value creation. However, technological innovation (AI), the rise of social media and digital experiences, shifting social values, and increasing sustainability expectations, are transforming how luxury brands maintain exclusivity and desirability today. This paper reviews recent and seminal literature about evolutions in luxury branding.

METHOD

To highlight recent developments in luxury branding theory and guarantee the seminality of findings, the literature search targeted articles published between 2024–2026 and peer-reviewed articles from three-star journals. The selected literature was organized into four main themes, then further synthesized to identify emerging theories that shape contemporary luxury branding.

KEY FINDINGS

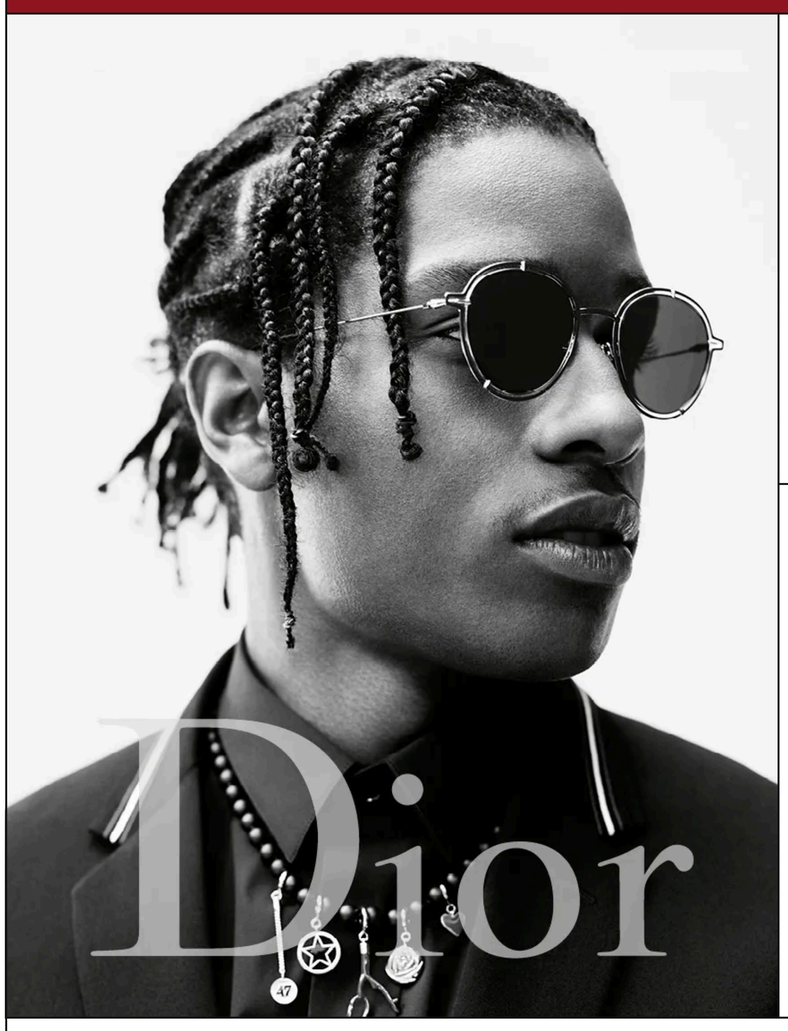
- AI-generated advertisement backfires for luxury brands because it conflicts with traditional luxury branding ideas founded on authenticity.
- Luxury brands now share brand narratives with social media creators, possibly altering perceived exclusivity if not managed carefully.
- Luxury brands must adopt a “phygital” (physical + digital) luxury experience strategy instead of treating both dimensions differently.
- Luxury branding is becoming less about visible logos, but more about “stealth” luxury.
- Resale affects luxury brand prestige but unofficial second-hand retailers result in lower brand perceptions than official resale channels.



DISCUSSION

Relying solely on traditional luxury branding theories is no longer sufficient, as external forces are pushing brands to adapt their strategies while preserving their luxury identity. Upon further synthesis of the literature, three broader patterns reveal how luxury branding is evolving.

1. Authenticity remains significant despite the rise of AI-generated marketing and digital experiences.
2. Exclusivity is being redefined through stealth luxury, phygital experiences, and sustainable reselling rather than visible logos, purely physical experiences, and controlled scarcity.
3. Luxury brands increasingly share control of brand narratives with influencers, creators, and resale platforms.



NEGATIVE EFFECT OF AI IN AUTHENTICITY

Disclosure that ad was AI-generated

- → Lower effort inference
- → Lower authenticity perception
- → Lower acceptance of luxury ad
- → Lower clickthrough and evaluations

TRADITIONAL VS. MODERN SHIFTS IN LUXURY BRANDING

Big logos	**Stealth luxury**
Physical exclusivity	**Phygital experience**
Controlled narratives	**Influencer collaboration**
Scarcity	**Sustainable resale**

STEALTH LUXURY IS MORE EXCLUSIVE



Louis Vuitton
Fully monogrammed bag
Available online and in-stores



Hermès
No visible logos
Offered through salesperson discretion

CONCLUSION

Successful luxury branding today depends on balancing its traditional foundations of prestige, authenticity, and symbolic value with recent AI developments, social media and digital adoption, shifting social values, and sustainability expectations. Brands must adapt to these external forces without undermining the values that define luxury.

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