

# Tokenizing Luxury: Exploring the Value of NFTs in the Fashion Luxury Industry

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## Abstract

The purpose of the paper is to explore the topics discussed, the sentiment expressed, and the emotions conveyed from the User-Generated Content (UGC) on Twitter in relation to NFT (Non-Fungible Token) initiatives of luxury fashion brands. The paper also examines the relationship between the sentiment of UGC, and the activities on NFT marketplaces. The research is based on the analysis of 2.3 million tweets discussing 21 NFT initiatives, and how the sentiment toward these initiatives is related to 2.9 million transactions taking place on OpenSea. The results reveal that, in general, the sentiment regarding NFTs in the luxury sector is neutral, and tweets discussing the metaverse and luxury do not seem to elicit strong emotions. UGC analysis reflects topics related to the NFT initiatives of these luxury brands, including their collaborations with artists and celebrities, which are often influenced by the Asian cultures. The perceived value of NFTs in the luxury watch category appears to be primarily functional and utilitarian. In contrast, NFTs in the metaverse cloud and the fashion category are associated with more hedonic, experiential, and symbolic value. Through analyzing transactions on OpenSea, the study provides evidence that NFTs in the luxury fashion sector are not predominantly viewed as speculative investments. Instead, they are seen as having a utilitarian and functional value akin to physical luxury fashion items. The findings contribute to Web3 literature by providing empirical evidence of the value co-creation process through topics, sentiment and emotions consumers associate with UGC related to NFT luxury brands, and the metaverse on social media.

**Subject Areas:** *Consumer Behavior; Social Media; Technology, innovations, robotics*