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Personalization of jewelry products: an added value or loss in recognition for luxury brands?

Cross-sectional study of how personalization
of a luxury ring impact on customers' willingness to pay
and purchase intention

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*«Meritate e votatevi con tutto il vostro spirito
a diventare creativi in modo sublime,
incorrottamente produttivi,
eroicamente onesti e utili a molti»
Robin Sharma*

A Gianni, Paola, e Gian Marco

Abstract

Personalization has been a new impacting trend in the last decade that is getting every year stronger. This phenomenon has been studied especially considering the mass market industries, but low focus has been put on the luxury ones. This sector is witnessing the emerging of new younger customers and of the *aspirational masses* which ask for unique personalized pieces. The personalization phenomenon changes completely the balance between brand recognition and self-design features: if in the luxury fashion industry personalization has started to be studied and different solutions have been found, within the jewelry luxury sector there is still a literature gap.

The aim of this study is to understand if in this specific market personalization increases the customers' value perception for jewelry, and if there are specific contexts in which luxury customers ask for personalized product and their WTP or PI are higher than in normal ones.

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I. Introduction

Due to the high impact customers demand is having toward personalization in the luxury sector this theme has been investigated and studied in the recent years. Studies have principally focused on personalization in the fashion and service luxury sectors, while its impact on the jewelry one has not been depth-in investigated so far.

The purpose at the basis of this research is to bridge this gap investigating how the personalization of luxury jewelry impact on the willingness to pay (WTP) and purchase intention (PI) of customers.

As is known, as opposed to mass markets in which the main leads of people consumption choices are price and quality, when considering the luxury market we need that to take into consideration different factors: there are new and stronger psychological and behavioral reasons for which people decide to buy a specific product, and the good itself has not only functional purpose; that is why in this context a fundamental role is played by the supplier brand reputation and the sophistication of the good itself; more specifically I decided to focus on the jewelry luxury market, where goods have a higher intrinsic value (the monetary value of stones and metal of which a jewelry is made of), and see how the good, the brand, and the customers choices are impacted by customization.

In this thesis I will try to identify and understand the relation between a three factors scenario: personalization, intrinsic value of the good and the brand recognition; in the conclusions of this dissertation, I will try to resume the findings of my quest that explores how personalization affects consumers' choices for luxury jewels and how luxury firm can manage this phenomenon without being harmed by it.

Specifically, the main questions I will try to investigate and find and answer for are the following: which is the relationship between the customers' WTP and PI and the personalization of hard luxury goods within the luxury sector? Is there any personal featured that influence it? Can context affect customers preferences and their willingness to pay? If so, which are those situations?

To investigate this subject, I conducted a quantitative research.

This thesis has the following structure: in the first part there is a literature overview of the current studies that investigate the luxury sector, personalization, and WTP, and that helps to better understand the existing gap in the literature. The second part presents and explain the research I conducted, and the methodology I used is analyzed in detail. In the third and last part the discussions I present the obtained results and the conclusions I have drawn from them.

II. Theoretical framework and literature overview

When I decided to write this master thesis on the personalization within the Luxury Jewelry category, I approached this subject starting from the existing literature to have a better general knowledge of the topic.

The databases I searched in were Sage Journal, JSTOR, Elsevier, Business Source Complete, Wiley, Sciencedirect, Springer. The key words of these research were “luxury, personalization, willingness to pay, purchase intention, design freedom, user-made products, hyper-personalization...”.

The papers I studied were mainly taken from the Journal of Business Research, the Journal of Brand Management, the Journal of Product Innovation Management, and the Harvard Business Review. This research provided me more or less a hundred of articles, which I read and organized according to their relevance and topic.

From these studies I wrote a Literature Theoretical Background which gives a general background to aim of this study.

I decided to organize the literature review in three main macro-categories that follow a funnel structure: starting from a general overview of the definition of luxury and an overall disclosure of it, the second part goes more in depth of the concept of personalization – explaining this phenomenon – and the third part investigates how to measure customer perception of it with the analysis of the willingness to pay.

All these 3 macro-sections are based on academic papers.

1. Luxury theoretical background

In the last decade many analysis and considerations have been made either on products or services within the luxury sector (Berthon et al. 2009; Lee and Youn 2020), a sector that is growing rapidly, and that covers a big share of the global market (D'Arprizio et al. 2019). This specific market has been investigated under many aspects such as size, status, complexity, diverseness, rapidness, and constant evolvement (A. Williams and Atwal 2009; Christodoulides, Michaelidou, and Lee 2009; Fionda and Moore 2009; Hornig, Fischer, and Schollmeyer 2013), but now more than ever classical theories and concepts are challenged by new and strong emerging phenomena.

The nature of this market has always undergone great changes; for centuries luxury goods were reserved only to the aristocracy, nobility, royals, or generals that own them to show their status to the pleb, and with the advent of the Renaissance the first real radical change in this market occurred: its consumer segment from the *elite* segment started spreading also into the capitalist societies.

In the last century, the increasing popularity and growth of this market has been mainly driven by globalization that has brought wealth and technologies all around the world boosting countries and people economy, and that has contributed to global trades that brought a higher variety of products all around the world; similar trends in many different countries begun to instill, and luxury and iconic styles started became recognized all around the world.

Luxury has become part of the society usage: expensive and high quality goods became part of a “dream” of consumers’ aspiration to have sophisticated and high quality goods; these precious products became something mass consumers buy to express themselves to others (Dubois and Laurent 1996; Chandon, Laurent, and Valette-Florence 2016), and this something we still experience today.

«A dream is a wish your heart makes, when you're fast asleep, in dreams you will lose your heartaches, whatever you wish for, you keep.»

(David, Livingston, and Hoffman 1950)

Precisely because of this new aura of “escaping from reality” and “the dream life” luxury assumed, this sector has been a really profitable market in the last century, especially in the last 20 years (Jones 2020).

More recently some statistics proof the strong and positive trend of this market: as the Bain report (D’Arprizio et al. 2019) shows in 2018 this market grew at a 5% rate, with an estimated 1.2 trillion globally with positive performance across most segments.

Looking more in detail at the market of luxury jewelry data show that this segment has a gross estimated of 6% in which the shoes and jewelry categories reach even a higher 7% growth: there is an expected growth of 3%–5% per year through 2025 for an increase in value from €320 billion to €365 billion (D’Arprizio et al. 2019; Moreau et al. 2020; Heine 2012), and this is the reason why it is defined as one of «the core of the core» part of the personal goods luxury market (D’Arprizio et al. 2019).

As already stated above, the nature and the ideas customers associate with this market have impacted strongly on its performance, but it would be naive not to consider, the many other new and recent phenomena and trends.

Today globalization is still an evolving phenomenon that impacts economic markets and people’s lifestyle; focusing on the luxury markets three are the biggest aspects that can be considered relatively new and that are worth analyzing, both because of their disruption and the relevant positive trend in sales and revenues they are driving: millennials and Generation Z¹ – the new customer segments that is emerging –, the middle class – which has become a wide luxury customer segment – and the online ecommerce and sales (Heine and Phan 2011; Ko, Costello, and Taylor 2019; K. W. Miller and Mills 2012; A. Williams and Atwal 2009). Even though if these three divers might appear not so recent and quite obvious, in reality these aspects are complex phenomena that requires strategical and managerial changes to firms – especially the ones of the luxury sector.

¹ Generation Z is defined as all the people that were «born between 1995 and 2012, making up 24.3% of the U.S. population» (Gomez, Mawhinney, and Betts 2019).

Young customers

Young customers play a decisive role in the markets: young people are early adopters, they influence the rest of the market and they are game changers. For all these reasons they should be analyzed and understood by firms that should aim to gain the most of the share of this new leading customer segment (Kotler, Kartajaya, and Iwan 2017).

Generation Z customers are «the most digital, the best informed, [the ones that] have the highest expectations, and are the least loyal. If a brand does not see them as an actual consumer group, it is likely because they already find the brand irrelevant. And without relevance, a Gen Z will never opt in to a brand, as consumer preferences are built early in life» (Langer 2021).

This segment of customers seeks new products and innovation, and it is interesting to study how companies should approach it. In the luxury market the innovation approach is very different from the one experienced by other firms in the mass market: “luxury products cannot be developed in response to customer wishes; nevertheless, they have to meet consumer expectations as closely as possible in order to be successful in the market”. For this reason, luxury brands do not only have to investigate and understand new customers’ needs and trends, but they need to be able to incorporate them in the brand strategy to be coherent and use an approach that can conquer new customers and at the same time does not lose the old ones.

Aspirational masses

Globalization has made luxury being everywhere, everyday more consumers want their products to be luxury, and the concept of luxury itself has become a synonym of attractive and fashionable to such an extent that new words have been coined such as “Deluxe” or “Premium” which aim to qualify mass-consumption brands as luxury experience (J.-N. Kapferer and Bastien 2009). What luxury brands are now experiencing is a further new scenario in which they challenge is to be both “exclusive” for their niches and suitable for the “emerging aspirational masses” (Chandon, Laurent, and Valette-Florence 2016); this continuum is growing and differentiating to the point that some paradox such as the \$1000 IKEA shopping bag appear – a plastic bag of \$1 value became

a symbol of luxury and is sold by the luxury brand Balenciaga having a big success (Bellezza Silvia and Berger 2020).

These changes in the customer segment have been challenging for luxury companies: firms have been facing new customers that not only require a change on the supply side, but also on the communication style.

If in the past decades prestige, impeccable service and distance were some of the emblematic words of this sector, and companies did not have to know and reach “directly” their customers, since the last 20 years companies understood the shift of the market and started giving importance to get closer to customers, to understand their needs, and to reach them through the new communication channels - social media and “mass communication” (Deloitte 2018; D’Arprizio, Jilla, and Kamel 2005; Park, Im, and Kim 2020).

This closer relation with the customers has gone together with the change on the demand side: from a supply-given product or service, customers started asking personalized and unique pieces and experiences, and today this trend is increasing year by year, challenging firms to maintain an aura of exclusivity and reach the new and less prestigious customers (Thomsen et al. 2020; D’Arprizio et al. 2019; Lee and Youn 2020; Gofton 1981; Cailleux, Mignot, and Kapferer 2009; Park, Im, and Kim 2020; Chandon, Laurent, and Valette-Florence 2016).

To better understand how these changes impacted on the luxury sector and how firms reacted, this literature review is going to give a more depth analysis of this sector and of the phenomenon of personalization.

2. Luxury brands

2.1 Definition

For many years papers tried to give a unique definition of what a luxury company is, but they all demonstrated «a lack of call clarity regarding a definition, operationalization, and measurement of brand luxury» (K. W. Miller and Mills 2012; Ko, Costello, and Taylor 2019; Heine and Phan 2011; Chandon, Laurent, and Valette-Florence 2016; Becker, Lee, and Nobre 2018).

The one I found most complete and that has a broader and solid definition is the one of Ko et al. in 2019 (2019); the definition the authors propose meets three important criteria: it is based on a solid conceptual basis (like all academic definitions), it can be applied to the entire luxury sector and not just to a subset of brands (e.g., fashion items or cars), and can be translated into a scale capable of measuring the actual level of luxury of a construct.

This definition states that a company is defined luxury when its supply meets these five characteristics: (Ko, Costello, and Taylor 2019; Hagtvedt and Patrick 2009; Heine and Phan 2011)

- it has high quality,
- it has an authentic value - either functional or emotional,
- it has a prestigious image recognized world-wide,
- it is worth a premium price, and
- it is capable of inspire consumers.

This broad definition is solid when the purpose is to try to find a general list of characteristics that belongs to every luxury product, but in reality, there are many levels a luxury that can be identify; not all luxury products are similar, what they have in common is “an exclusive aura”.

For this reason, literature tries to subcategorize this macro category in smaller classes with similar features.

2.2 Types of luxury brands

When luxury brands are analyzed, there are three different perspectives that can be taken under analysis to better understand the prestige and the luxury status they represent: the level, the awareness, and the business volume.

- The Level of luxury

This perspective analyses the degree of luxuriousness that is determined by the major luxury dimensions and it is considered one of the main criteria that differentiate luxury companies.

Heine' (2012) level of luxury scale is variable and this feature is an important and strong strength this classification has: by nature every market is constantly changing and adapting to new phenomena; capturing this market evolution is a key element for a scale to be consistent and not obsolete.

In his scale Heine considers the World Luxury Brand Analysis and determines a pyramidal scale. Being this scale the result of a continuous comparison between brands with marketing and product changes there are firms that are trying to ascend it (high-potential brands), others that are descending it temporarily, or as the case of Calvin Klein and Jaguar there are companies that unfortunately touched the bottom of this path and are not able to go back again (once-upon-a-time luxury brands) (Kapferer and Bastien 2009).

At the top of this pyramid, there are the "elite-level" luxury brands which are those that set the benchmark of the entire luxury sector. Their products are always custom-made and they are really expensive; for these reasons their customers are the "*clientèle de connaisseurs*", they do not just possess the necessary financial resources but they also have a "*culture intellectuelle*" (Heine 2012, 82).

At the second level there are the "top-level" luxury brands. The brands that belong to this category are leading brands of the sector such as Armani, Cartier, and Chanel.

The third level is the one of "medium-level" luxury brands which is made up by the brands that are recognized as luxury, but they are not part of the forefront of the sector; examples include Dolce & Gabbana and Moschino.

At the bottom of the structure there are the “entry-level” luxury brands: they are the gap between real luxury and premium products that are not totally recognized as luxury brand - such as Mercedes.

For firms belonging and being aware at which specific level of this scale they are positioned is a key aspect: it helps them determine the customer segment, the style of communication, the brand reputation and helps manager to set efficient and effective goals in the short and long run. To ascend or descend this level-of-luxury pyramid requires firm to change their vision, their relationship with the customers and their supply side.

To decide at which level being positioned is not only a phenomenon dictated by external factors, but for companies it is a fully-fledged strategy.

For example, Mercedes belongs to the lowest level of this pyramid, but this is not a market given imposition, it is not a sign that the firm was not able to reach the highest level of luxury: it is a strategy. The company has structured its core by “using strategies similar to the mass market automotive manufacturers: [...] they provide a product for the consumer throughout their lives with progressively higher priced products as the consumer moves up income brackets; [...] they] appeal to a younger demographic without losing the prestige of the brand, risking the loss of its core customers” (Zoeller 2021), a strategy that could not be used at a higher level of luxury, where customers niches are required.

- Awareness

Awareness is a fundamental benchmark for luxury brands, and it is a very complex phenomenon in this industry. As Kapferer et al. (J.-N. Kapferer and Bastien 2009) explain, companies want their products to be rare and limited only to an elite of customers (the *connoisseur*), but at the same time they have to represent a dream for the mass market: recognition – as stated by the five theory² – is a key aspect for luxury products and firms.

² See (Ko, Costello, and Taylor 2019)

«My job is to make sure that the 18-year-olds in this country decide that, as soon as they have the money, they will be buying a BMW. I have to see[...] that when they go to bed at night they are dreaming of BMW» (J.-N. Kapferer and Bastien 2009, 319).

In the specific, awareness is a dimension in which different firms take different positions. *Connoisseur brands* are those brands that are known only by an elite of customers, and that do not want to be acknowledged by the mass – they want and have to be exclusive. Star brands on the other side are all other brands that want to be well-known worldwide; their aim is to be known also by all customers that do not belong to their target: the awareness of their brand and goods is important for the recognition of status symbol their actual customers will acquire by using their products. In the literature stars brands are further subcategorized in little, big, or global depending how much their brand is recognized by people.

In the recent year awareness has been a field that underwent many changes and challenges. Firms had to face a different communication styles and the advent of the new generation of customers that have revolutionized the marketing field.

Today's customers seek authenticity and are not satisfied with a passive role of spectators: they want content and details on the history and values of the brand; they are no longer satisfied with the showcases or the effective advertising banners: they demand honesty and transparency – especially from those brands that aspire to be considered on a higher level of the other competitors.

This new context if on one side is a challenge for companies (they have to understand these new circumstances and react efficiently), on the other one constitutes a possibility for them to build a stronger and long-lasting relation with aware customers (Langer 2019).

In this context Generation Z customers play a new fundamental role that firms should not underestimate. As a matter of fact – as explained by Kotler (2017) – for firms being able to communicate with young customers, especially the *netizens*³, is a crucial actions to gain market share and loyalty: «if brands want to influence the minds of mainstream

³ The word *Netizes* was coined in the early 1990s by Micheal Hauben; this term «defines [...] the people across geographical boundaries who care about and actively work toward developing the Internet for the benefit of the larger world»(Kotler, Kartajaya, and Iwan 2017).

customers convincing youth is important first step» because they influence others and thanks to the technology they use, they are essentials for the new digital market strategies where “word of mouth” and “act” or two indispensable actions.

- Business volume

This classification of luxury firms is mainly based on financial analysis; Heine (2012) suggests to divide luxury brands regarding their business volume as follows: micro-scale brands (revenues of under 10 million) such as Julisis and Mont Charles de Monaco, small-scale brands (with revenues from 10 to 100 million) such as Robbe & Berking, medium-scale brands (with revenues from 100 to 250 million) as Trussardi, large-scale brands (with revenues from 250 to 1000 million) such as Versace, big-player brands (with revenues of more than 1 billion) like Dolce e Gabbana, and giant-player brands (revenues over the 5 billion) that have high-turnover product categories, such as Mercedes.

What is interesting about this classification is the fact that it is based on volumes of affairs of firms – which in the luxury sector is not a key parameter to evaluate a firm success.

Indeed, this classification has an opposite representation of what normally expected: luxury firms with low volumes of affairs are positioned at the top of the diagram, while the big stars are at the bottom of it. That is because – on the opposite of what happens in the mass market – in the luxury one the price and demand do not have a-priori negative relation; the price paradox – that states that «a price reduction of luxury products in the long-run usually leads to decreasing and otherwise a price increase to growing demand has a large impact» (Heine 2012) – evinces that big volumes of sales (that are usually associated with low prices and high demand) in this market have almost an opposite result.

For these reasons, looking at the three classification methods mentioned above (Figure 1) it is reasonable to state that usually top-level luxury brands have a small niche of customers and low volumes of affair, while luxury brands with high business volumes rarely are recognized as top-level. For companies it is essential to decide at which level

of this classifications to position themselves in order to develop a successful and efficient strategy that considers the segment of customers to aim for, the right style of communication to use with them, a fair level of prices and quality of the goods that are expected by clients, and if and how innovation should be integrated in their business proposition; indeed all these actions if not well considered and arranged can harm brands reputation and business profits.

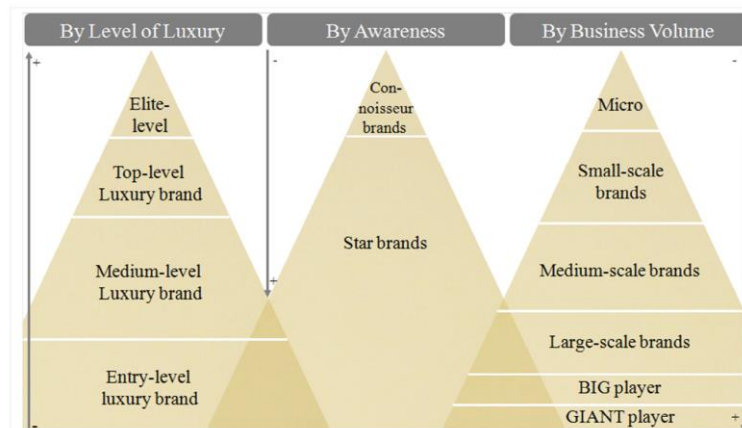


Figure 1: Types of Luxury Brands (Heine 2012)

2.3 Essential characteristic of luxury products

But what are the characteristics that distinguish a luxury good from the others?

In the literature six main characteristics are identified that make a consumer perceive the superiority of a luxury products over others (Mortelmans 2005; J.-N. Kapferer 1998; Heine 2012).

Those are: price, quality, aesthetics, rarity, extraordinariness, symbolism.

As shown in Figure 3 all the six major features can be analyzed from three different point of view: manufacturing, concrete, and abstract characteristics.

- Price

The first of the list is price. Price is by both literature and consumers considered the most emblematic feature of a luxury product: it is objective and by definition it is the easiest benchmark to evaluate the luxuriousness of a good.

In the luxury market we assist at the so-called “price paradox”: if in the mass market an increase of the price of a good makes fewer people want to buy it – creating a strong price competition within companies – in the luxury sector the opposite happens. Being a proof of exclusivity and quality, a drop of the price of a product has a negative impact on the brand reputation and image, whereas a price incrementation rises the demand of the product in the long run (Kemp 1998; J.-N. Kapferer and Bastien 2009).

The key question is: is there any price benchmark at which good “became” luxury goods? J. Kapferer and Laurent (2016) in their research demonstrate that there is not a unique level of price at which luxury is perceived, but that depends on the context, on the other attributes of the product (people expect price reflect all of those), and also on the single customer’s personal characteristics. «A consumer's personal perception of the price of luxury [...] increases with the respondent's immersion in luxury, income, possession of costly durables, and age»(J. Kapferer and Laurent 2016).

Indeed another research (J. N. Kapferer, Klippert, and Leproux 2014) outlines the «three paths used by consumers to determine the minimum price of luxury». This confirms what stated by the above-mentioned authors as shown in Figure 2:

- price benchmark depends on consumers’ personal finances;
- consumers unaware refers to the reference price theory: they compare prices of different goods and different brands - also in different periods of time;
- people rely on a price comparison with the price of premium good: «To get a very good solar eyewear, really protecting your eyes, you need to pay at least €200 just for the glasses, may be €100 for the frame. That makes €300 in all. Therefore, I would not expect a luxury brand to be close to this price, it should be significantly above, say at least €500» (J. N. Kapferer, Klippert, and Leproux 2014).

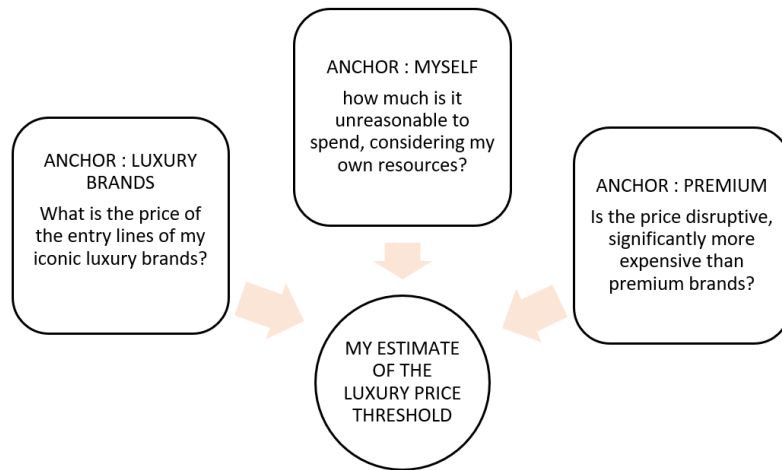


Figure 2: The three paths used by consumers to determine the minimum price of luxury

- Quality

When essential luxury characteristics are analyzed, customers perceive quality as important as price because superior quality is considered a feature luxury goods must have. The quality of a product is determined by all its life cycle: from the moment of the production – the selection of materials, the knowledge of the people who create it – to the moment of the purchase, and also continues after it with the warranty and the additional provided services the good carries. The followings are the main steps that add value and quality to a product used by firms:

- the expertise of manufacturer and manufacturing complexity, which refers to the importance of quality in the production phase: goods must be made by experts of the sector that not only assemble the product, but also combine artistic and technical skills to create non only a good, but *a single piece, an artwork*. Great expertise, effort and a lot of time are necessary features of luxury products production.
- the concrete product characteristic, that are the materials and components, the construction and functional principle – which guarantee the durability of the good for long period – and the workmanship. The features and the product size are important features for luxury product: they assure that goods are designed and crated custom-made, feature that differentiate those products from the standard ones. Service is considered to be part of the quality of a product; all luxury purchase experiences are

associated with a perfect service, also in the after sales (Heine and Phan 2011; J.-N. Kapferer and Bastien 2009).

- quality is also perceived by the value and durability of the goods that are expected to be long-lasting in value and life, in the comfortability, usability, in the functionality and performance that seem consequences of superior materials, design, and manufacture used during the creation of the good.

To develop these superior products, luxury firm act in the way around of what usually happens in the mass market⁴; in this market products are not created after a study of consumers expectation, but designers and manufactures develop products by setting new trends and standards and do not base product characteristics on the customer necessities. And these features are exactly what luxury customers expect to receive: the *unexpected expected* (Heine 2012).

- Aesthetics

Aesthetics appears to be the one feature that scored the highest number of coding (229 times) in the Heine & Phan (2011) research; also in the Kapferer (1998) study 79% of the sample ranked *the beauty of the object* as one of the five facets that attracts them to luxury goods.

This feature is a distinctive aspect for luxury brands: aesthetics represents most of the time the brand and its designer sign; either this feature is pleasant or extremely disruptive, it is the silent representation of the authenticity of the good.

Aesthetic is a feature that brands also use to differentiate their products to others with similar functions: it attracts consumers attention an elicit product choice. Especially recently in time, the relevance of the aesthetics of goods «is further elevated through the rise of “Instagrammable products”—products that “lend [themselves] to being photographed and posted on social media»(Lin and Chang 2020).

Later on, in this thesis this specific feature is going to be in the spotlight of the debate of which is the right balance between personalization and brand recognition.

⁴ The so-called “product paradox”(Heine 2012).

- Rarity and Extraordinarity

Rarity is by definition what makes luxury products not ordinary, therefore unique.

This feature is part of the Rule of the Few- The scarcity principle; luxury companies use this strategy creating *limited editions* or setting a short window of time in which people can buy their products. Customers want to have goods that other people do not have or could not afford, and this is why – within this sector – companies do not want their products “to go viral”, they want them to have a selective distribution to guarantee an exclusive image (distribution paradox) (Heine 2012).

Together with rarity, extraordinarity regards the special and unique features that luxury goods must have: the unexpected design of functionality or technology that they hide often is the result from a particular design or construction. Especially in the technological field many innovations are used into the luxury market as extraordinary features, which will be later introduced in the mass market. This feature can also be achieved by an extraordinary brand image (Heine 2012).

- Symbolism

Symbols and their meanings are very important in luxury goods, where non-functional and psychological values have a lot of importance (Heine 2012). Luxury goods need to bring with them reference to «human values and lifestyles»; these features usually are expressed with the aesthetics of the good product design or with specific product information: «the DNA of luxury is the symbolic desire to belong to a superior class» (J.-N. Kapferer and Bastien 2009), «therefore, all luxury brands have to possess a high level of prestige, which they also have to symbolize at least to some extent» (Heine 2012).

Major Characteristics	Manufacturing Characteristics	Concrete Characteristics	Abstract Characteristics
Price		Price	
Quality	Expertise of manufacturer	Material & Components	Durability & Value
	Manufacturing complexity	Construction & function principle	Comfortability & Usability
		Workmanship	Functionality & Performance
		Features	Safety
		Product size	
	Service		
Aesthetics			Aesthetics
Rarity		Rarity	
Extraordinariness			Extraordinariness
Symbolism			Symbolism

Figure 3: The characteristics of luxury products (Heine 2012)

Having now explained to the reader the general definition and traits of a luxury good, in the next paragraph the main reasons why consumers decide to buy products of this specific sector are explained, trying to extrapolate the key aspects that induce people to approach to the luxury market.

3. Consumers' reasons to buy luxury products

“What we are and what we have is perhaps the most important basic and power factor of consumer behaviour” (Belk 1988)

The specific and distinctive features of luxury brands and their products are not only characteristics that distinguish this sector goods from the mass-market one but are also the main reasons for which people decide and aspire to purchase them.

As Pozharliev (et al. 2015) explains in his article, luxury branded products carry an emotional significant stimuli (either positive or negative) that people feel when they own or see one.

Many studies have investigated why consumers seek luxury products (Chandon, Laurent, and Valette-Florence 2016, 300–301) and today five are the most influential theories that explain consumers' luxury brand consumption (Ko, Costello, and Taylor 2019).

The five theories are:

- the self-concept theory; this theory states the importance for people to own luxury goods to enhance their self-traits to others. It explains why independent or interdependent people buy different types of luxuries, depending on their need to demonstrate their social function to others (Malhotra 1981; Hornig, Fischer, and Schollmeyer 2013);
- conspicuous consumption; this theory argues that luxury goods signal wealth, status and power to other people; further researches conducted from these theories show that luxury products that are designed to be used in public are more likely to be conspicuous goods (Han, Nunes, and Drèze 2010; Berger and Ward 2010);
- the social comparison theory; it states that luxury goods consumption is mostly moved by the construction of the one's self-identity by the comparison between the self and the target (McFerran, Aquino, and Tracy 2014);
- the extended-self/consumer culture theory; this theory supports the idea that goods and belongings are used by individuals to «fit their projections of who they are and hope to be» (Ko, Costello, and Taylor 2019) (Dwayne Ball and Tasaki 1992; Han, Nunes, and Drèze 2010);
- theory of uniqueness; it states that consumers use luxury products to differentiate from others seeking uniqueness (Bian and Forsythe 2012).

All of the five theories signal the emotional importance of luxury goods, and the social value these products have: consumers without the need of external recognition behave differently towards the purchase of luxury goods than those who are insecure and look for a social approval. Status, power, wealth, class, taste, and sense of belonging to one's audience are the values and meanings consumers attach to luxury products (Moreau et al. 2020; Han, Nunes, and Drèze 2010; Ko, Costello, and Taylor 2019).

Starting from the evidence that the conspicuousness of these goods plays an important role, Han, Nunes, and Drèze (2010) focused on consumers' wealth and their need for status approval and established a taxonomy. Patrician, parvenues, and poseur are the three categories that interface mostly with the world of luxury. If patricians can be associated with the emblematic idea of luxury consumers, parvenu and poseur are the two segments of customers that are challenging luxury firm to expand and adapt their supply. For luxury firms these latter two categories are both a resource—giving them a chance to increase their supply - and a challenge: the supply side needs to be well segmented in order to make all customers satisfied to belong (or appear) to their rank, and bring firms not to underestimate the challenges the counterfeit market brings reaching those unsatisfied customers (Han, Nunes, and Drèze 2010; Fontana, Girod, and Králik 2019).

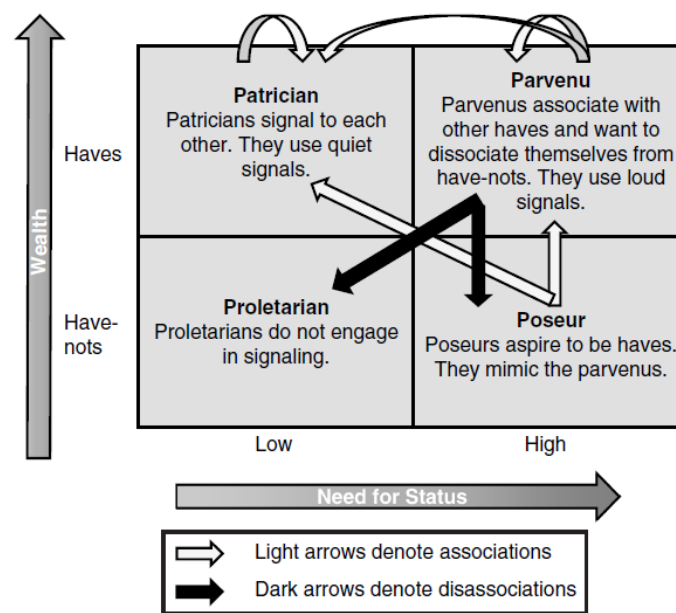


Figure 4 Taxonomy of consumers (Han, Nunes, and Drèze 2010, 17)

Given the portfolio of possible customers a luxury brand has, and the importance of the emotional value its products the question is: can, and if so how, personalization impact on luxury goods psychological benefits?

4. Personalization

With the changes in the customer segments, in the last decade luxury companies have tried to adapt their supply to the new “emerging aspirational masses” (Chandon, Laurent, and Valette-Florence 2016). To keep both their prestige and engage a broader audience, firms supply started to consist not only on goods but – also thanks to technology – in the custom experience (Moreau et al. 2020). Companies such as Burberry, Luis Vuitton, Prada started offer web-optimized customization though which customers are able to personalize the fabric and the cut of coats, bags or decide how to personalize their unique fragrance.

4.1 *Personalization and customization*

Many times, the terms “customization” and “ personalization” are used interchangeably, but in fact they have a different meaning (Miceli, Ricotta, and Costabile 2007; Sunikka and Bragge 2012).

The customization term is used when customers have the ability and possibility to modify and «to individually create a supplier's products or services depending on their individual desires» (Rosenbaum et al. 2019); thanks to customization consumers are able to filter goods or services provided by firms. (Da Silveira, Borenstein, and Fogliatto 2001)

Personalization instead is used when customers interact with companies during the production process of a good and create a unique personalized product. Personalization leads to a creation of a unique and specific customer-related good (Rosenbaum et al. 2019).

Miceli et al. (Miceli, Ricotta, and Costabile 2007) in their study propose a “personalization continuum” (Figure 5). They support the idea that taking into consideration the product variety of a company, the interactional flexibility of the

process, and the role that customers can have in any production process, a continuum from product versioning to reverse marketing can be found.

PERSONALIZATION APPROACHES	PRODUCT VARIETY	INTERACTIONAL FLEXIBILITY	PRODUCT DESIGNER	EXAMPLE
Product versioning	LOW	LOW	FIRM	Software (e.g., Microsoft Windows)
Mass customization	HIGH	LOW	FIRM/CUSTOMER (Customer involved in the late stage)	Cars (e.g., Fiat Punto)
One-to-one personalization	LOW	HIGH	FIRM/CUSTOMER	Travel and leisure (e.g., www.expedia.com)
Customerization/Co-creation	HIGH	HIGH	FIRM/CUSTOMER (Customer involved since the early stage)	Kids' toys (e.g., Lego Factory)
Reverse marketing	HIGH	HIGH	CUSTOMER	Jewelry (e.g., Swarovski)

Figure 5: Personalization continuum (Miceli, Ricotta, and Costabile 2007, 4)

In the recent years thanks to technology and innovation, we assist to a new phenomenon that can be added to Miceli continuum: the hyper-personalization.

Hyper-personalization appears to be a further step in connectivity between customers and suppliers.

Within this phenomenon, the interaction between companies and consumers is not only based on an exchange of information, but customers contribute to the process of a good creation, supplying their unique biological markers, such as saliva, blood, hair. This phenomenon is mainly involving the sectors of wellness products, such as custom-prepared meals and vitamins (Rosenbaum et al. 2019).

4.2 Personalization within the luxury industry

The impact of the “personalization phenomenon” has to be investigated not only the production -selling process, but also on brand equity. The key question is «can luxury firms keep or even enhance the “dream value” derived from their exclusivity by engaging with the masses using one of these online tools?» (Chandon, Laurent, and Valette-Florence 2016, 301).

Especially within the luxury industry personalization enhances the uniqueness of a product, but its downside is to decrease the luxury brand recognizability.

In Fuchs et al. paper (Fuchs et al. 2013) it is explained that the term “user-design” is used to identify all products in which customers intervene during the production process, as opposed to “company-designed” where customers do not have the possibility to take part of it.

The authors explain that within the luxury fashion brands consumers demand for products decreased when a good is perceived crowdsourced (i.e., designed by other customers), since it seems not to have the aura of an art-value products created by the firm designers. User-designed products are perceived to have an inferior quality and so «less capable of conveying status than their professionally designed counterparts» (Moreau et al. 2020), since professional designers products hold a higher value because of the artists experience and knowledge (Moreau and Herd 2010).

All these considerations lead to a scenario in which luxury companies need to understand the power of personalization and also its backfire sides: if on one side giving customers an opportunity to co-create personalized products can increase the uniqueness and value perceived of the good, on the other one it risks affecting the intrinsic value of the brand.

Brand managers need to create a scenario in which there is an equilibrium between the professional design process of the brand and the consumers’ contributions to it. This equilibrium is not an a priori formula, but needs to be arranged in accordance to several factors such as the product category, the traits of the target consumers, and the culture of the market which depends brand-brand. (Moreau et al. 2020)

4.3 Personalization within the luxury fashion industry

“Owning a Prada bag in the first instance is an honour, but owning one personalised to you is what dreams are made of.” (Stylist Magazine 2010)

In the luxury sector there it is important to stress the difference between “Design-it-yourself” and “Do-it yourself” (Kahn 2014). As a matter of fact, for this category of

brands personalization and customization do not impact all the process of the creation of a good: all the production process is still managed only by the firm - which implies (at least theoretically) that the quality of the products and the craftsmanship maintain the same value; customers intervene only at the end of this process adding or modifying specific feature of the product he wants to buy. The unique-personalized product is therefore produced and sold only to the customer who designed it (Franke, Schreier, and Kaiser 2010), and considering this point of view this one-of-a-kind product can increase the perceived exclusivity of the good (Moreau et al. 2020).

The crucial point for firms is to find the right balance between design freedom and design expertise of the brand.

The side effects of not meeting the customers' expectations and not understanding the balance between goods with a signaling role and the degrees of personalization given to them -as reported in the research of Moreau et al. (Moreau et al. 2020)- lead some fashion luxury brands to fail either to fully monetize customization, or totally.

In the specificity of fashion market, the key factors that distinguishes mainstream to luxury brands are the exclusivity and the quality perceived by the customers, and the expertise contributed by the products' designers (Fuchs et al. 2013; Moreau and Herd 2010).

Many are the aspects have to consider when luxury firm make available the personalization option: the design-equilibrium should be set a priority in order not to lose brand status and recognizability and to reach a larger segment of customers. At this regard Moreau et al. (2020). warn that when a company value is shown mostly by their brand signature and not the logo (for example Bottega Veneta) less design freedom is suggested in order not to lose it (Moreau et al. 2020).

4.4 Personalization within the jewelry fashion industry

If in the fashion industry the user-design – and so the personalization – has been investigated, how this phenomenon impacts on the jeweler luxury sector has not been deeply studied yet.

In the fashion industry, as shown above, design-freedom impact on the brand signal and appearance, but little is known about what happens in the jewelry sector, where the brand identifier is only represented by the design of the good, but raw materials (the metal and the stones) play an important role to show the brand status value.

The value of a luxury jewelry is made by different components: the value of the precious raw materials which the good is made of, the brand and designer value, and the emotional value.

Giving the same raw material value, what it is expected is that personalization options impact mostly on the last two value components (brand and emotional value).

In this context brands need to be careful at the design freedom balance: as opposed to what happens in the fashion industry, in jewelry sector brand logo and visibility are very low; people can appreciate or distinguish an exclusive jewelry mostly by recognizing the design of the item belonging to a luxury brand collection.

5. Willingness to pay and purchase intention in the luxury industry

The quantitative analysis I conducted investigates willingness to pay and personalization freedom. In the following last paragraph, I illustrate some basic notions of the dependent variables of my study.

5.1 *Willingness to pay, customers value and price*

«In luxury, quality is assumed, price does not have to be explained rationally: it is the price of the intangibles (history, legend, prestige of the brand). »

(J. N. Kapferer, Klippert, and Leproux 2014)

Willingness to pay is «the maximum price at or below which a consumer will definitely buy one unit of the product» (K. M. Miller et al. 2011) under specific circumstances.

WTP is considered when firms try to understand which is the “consumer surplus” for a given product; companies try to minimize the difference between willingness to pay and the actual price paid by the consumer in order to maximize their profits exploiting all consumers’ propensity to buy.

A customer determines the benefits of a product (or service) by the perceived value of the good itself, which is given by both tangible (functional, objective) and intangible (emotional, status, symbolic) assets.

The sum of all the benefits a customer can have from the purchase of a good can be defined as the customer value. This concept has been largely investigated by the literature and there are two main interpretations of it. The first interpretation defines it as the difference between perceived benefits and sacrifices (consumer surplus) (Hinterhuber 2004), and a second line of thought suggests explaining this concept as «the maximum amount a customer would pay to obtain a given product that is, the price that would leave the customer indifferent between the purchase and foregoing the purchase», where – from a microeconomic perspective – we get the “reservation price” of the customer. (Hinterhuber 2004).

It is reasonable to conclude that the sale will happen only when the customer's value exceeds (or is equal to) the price paid for the good and service.

In traditional markets tangible assets have a stronger weight on consumers’ WTP: price, dimensions and quality are the most common features for which products are compared.

What instead happens in the luxury market is that tangible features are assumed to be part of the good, and so intangible assets are those that change of emphasis regarding the WTP of consumers.

In his research Choo et al. (2012) analyses the customer's value focusing on luxury fashion brands, primarily clothing and fashion accessories (leather bags, shoes, luxury jewelry) and suggests that four are the main elements that contribute to the determination of it (Figure 6).

All these four elements – utilitarian, hedonic, symbolic, and economic values – presented in the model are also parts of the necessarily elements that differentiate and

identify a product or a brand as luxury, as we have seen in the above literature overview. These findings stress the fact that for luxury goods the perceived value of a customer relies strongly on the perception of the brand and the intangible assets of the good itself, whereas tangible assets are perceived by the client as granted by the brand reputation.

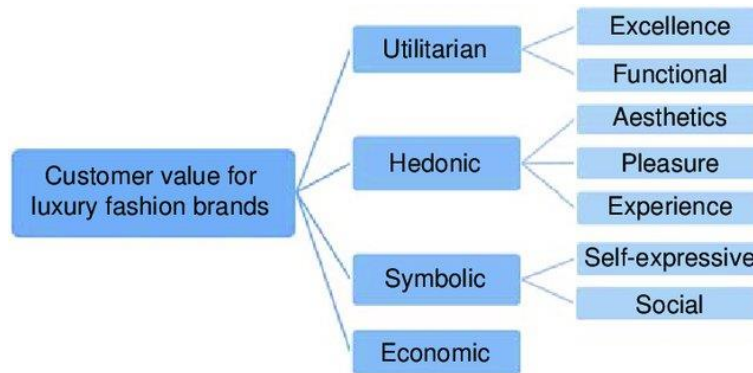


Figure 6: Customer value for luxury brands (Choo et al. 2012)

In the luxury market indeed the “price paradox” reverse the perception price has in the mentioned definitions of customers value, becoming a positive part of the equation: higher price is a symbol of higher prestigiousness and quality of the brand.

5.2 Purchase intention

«The construct purchase intentions for luxury goods measures consumers’ desire and willingness to buy luxury clothing in the near future. » (Zhang, Cude, and Zhao 2020).

Zhang et al. (2020) in their research show that PI relies on different four antecedents: attitude toward behavior (the attitude toward buying luxury goods), subject norm (desire to gain face and fear of losing it), perceived behavior control (luxury good knowledge and household income), and past behavior (previous luxury purchasing experience).

Purchase intention is a variable that measures the “ideally propensity to buy a product” within a certain context, but it does not represent the real attitude the consumer has toward this action.

In his study (Zhang, Cude, and Zhao 2020) participants were asked to state their purchase intention for the personalized rings, and some personal information were collected. The data collected about the household income and the previous luxury experiences revealed to have no statistical relevance, which implied a statistical lack in the determination of the reliability of the model where PI was mainly investigated.

5.3 *Willingness to pay in the luxury industry*

Which the variables impact mostly on consumers' WTP for luxury product is a key questions both for firms of this industry and academic studies.

With respect to the mass-market products, the luxury ones thanks to their nature have different effect on people WTP.

In the following paragraph I collected the results of some studies that focused on the luxury market and that analyze some of its specific characteristics.

From a neurological prospective, goods with an high emotional value (i.e., luxury products) are found to provoke higher LPP -late positive potential- amplitude on consumers; this proves that when people are approaching luxury goods their brain perceive a higher positive emotion with respect to mass market products. In the latter context consumers have a higher attention on the product and itself attach a higher motivational significance on the product itself rather than empathy. This phenomenon can be used strategically by firms to induce customers to buy their products, aware of the fact of the additional emotional value their products carry, can justify a premium price (Pozharliev et al. 2015; Li, Li, and Kambele 2012).

From a micro-level perspective where "in-shop" or the "moment of sell" are analyzed, studies demonstrate that the density of quality product and the factor of buying with other people increases the WTP of consumers (Pozharliev et al. 2015; Bertini, Wathieu, and Iyengar 2012). Consumers' utility function depends both on personal taste and on a situational component that impact on their preferences. In the specific, a high density of high-quality increase consumers WTP and their quality perception of the products.

From a global level distribution of products, Hornig et al. (2013) demonstrate that consumers perception of luxury is highly heterogenous across countries, and homogeneous within them, and this depend both on the heritage background and national culture. In order to reach most of potential customers, firms should segment their market, understand the needs of each region, and offer to each of them the most suitable products: exploits their expectation will also maximize sells and prices (Hornig, Fischer, and Schollmeyer 2013; J. Kapferer and Laurent 2016).

5.4 *Willingness to pay and personalized luxury products*

Miller and Mills (2012) in their study identify some variables that firms need to take into consideration to maximize their consumers WTP. The authors developed a Brand Luxury Model (BLM) that demonstrates that the leadership of a brand is more important than its uniqueness, and that consumers do not mind to pay a price premium to products in which they perceive «a match between themselves and the users of the luxury brand associated with symbolic value and experiential consumption value» (K. W. Miller and Mills 2012). For this reason, firms have to focus on their brand leadership, nurturing the uniqueness and the fashionableness of their products, two very important variables in the perception of it.

Due to the change in the consumers segment the market has seen in the recent years, firms need to be aware of the pros and cons of personalization with respect with this market changes. The new luxury customers and especially millennials attach more value to product with personalization features considering the true uniqueness more important than the mere exclusivity (Moreau et al. 2020). Customers that seek design-freedom in the goods they buy have an higher willingness to pay for this kind of products (Franke and Schreier 2010).

If personalization can negatively impact on a brand status or visibility, on the other side the single customer that self-design his good assign to the product a higher value

because of its uniqueness and adaptability to its taste, and firms need to find the right design balance that do not impact on brand perception, but that increases the most consumers' willingness to pay.

WTP and PI are variables that have been studied in the luxury fashion industry, but not much research has been done to investigate how consumers perceive personalization within the luxury jewelry sector.

In the following chapter I will explain how I structured my research to better investigate this topic, and the results I obtained.

6. Literature summary

In the Table 1 I have classified the most relevant articles presented above according to three variables: WTP of consumers within the luxury sector, personalization of products which value is slightly based on the value of the materials of the product itself, and of the ones in which the value is mostly based on their raw materials.

In the last line I highlight the gaps this thesis is going to research and its contribution to the existing literature.

	Consumers' willingness to pay	Personalization	Products whose value is <u>not (or slightly) based on the value of the raw material</u> which is made of	Products whose value is <u>mostly based on the value of the raw material</u> which is made of
Moreau et al. 2020	X	X	X	
Rosenbaum et al. 2019	X	X	X	
Bellezza Silvia and Berger 2020	X	X	X	
This thesis	X	X		X

Table 1: Contribution to the literature

Table 2 is the summary of the key academic papers mentioned in the literature overview. These studies are organized in three topics: luxury definition and general disclosure, personalization, and willingness to pay.

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
Luxury definition and general disclosure							
Ko, Costello, and Taylor 2019	Luxury definition	Review article			The study gives a general overview of existing literature on luxury brands marketing and its scope is to find a new unique and broader definition for the term <i>luxury</i> .	A definition of luxury is given, where its main five characteristics are: to be high quality, to offer authentic value via desired benefits (functional or emotional), to have a prestigious image within the market, to be worthy of commanding a premium price; and to be capable of inspiring a deep connection with the consumer. With this definition the authors focus on the fact that with this new formula allows to measure the luxury rank that belongs to each brand.	Broader and more specific researchers are suggested to investigate at a macro level the internationalization of luxury, how it changes between countries, and in the micro level the marketing business uses to reach their customers, especially considering the latest trends.
Heine and Phan 2011	Luxury definition	Qualitative (Repertory Grid Method)	31 participants (heavy luxury consumers)	Preferences of the consumers on different luxury goods	The aim of the research is to find which characteristics a luxury brand must have and its relative weight, using a consumer-oriented research with a	Six are the major characteristics luxury products must have, and these aspects "refer to the specific manufacturing process that allows the creation of	New and different categories of customers preferences should be investigated (consumers segments, product

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
					specific social bias robust structure.	concrete and abstract characteristic of luxury products". Those are: price, quality, aesthetics, rarity, extraordinariness, and symbolism	categories or services). Marketing strategies should be examined and studied to create products and campaign that better suit consumers taste and needs. Further suggestion regards the investigation of the consumers values and how their willingness to buy vary between different luxury products.
Miller and Mills 2012	Brand luxury and value	Quantitative	644 participants of generation Y	Willingness to pay of consumers	This study wants to investigate which are the factors that impact on consumers' willingness to pay with respect to luxury brands, and to elaborate a conceptual model to determine and study it.	With respect to luxury brands, what counts in the evaluation and willingness to pay of consumers is not only the uniqueness factor that belongs to a good, but primarily it is the perception customers have about brand leadership.	Further research should be implemented with special regards to the brand luxury models in different market and with different consumers. New drivers should be added to the model to explore the concept of <i>value</i> within the luxury sector.
Chandon, Laurent, and	Luxury segmentation	Review article	-	-	The aim of the study is to investigate which are the luxury	The luxury sector has been impacted by disruptive changes in	-

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
Valette-florence 2016	and its internet applications				customers segments especially considering the crescent portion of generation Y and “new money” consumers.	the customers segments and with the online sales. The importance for companies to adapt to the conditions and to reach the new needs of the market is fundamental (i.e., online sales, “masstige” products, new experience goods and services in the short term).	
Park, Im, and Kim 2018	Social media marketing within the luxury sector	Quantitative	Study 1: 59 participants Study 2: 74 participants Study 3: 248 participants	- Different psychological scales that measures psychological distance (study 1 and 3) - Social value- quality and uniqueness perception of the brand (study 2).	This study investigates if there is any negative impact of social media (consumers brand-engagement) on luxury brand consumers’ psychological distance.	This study explores the negative impact of social media marketing engagement on luxury brands, emphasizing how high level of social media engagement can damage the perception consumers have of the brand.	Further research should be done analyzing other factors that can impact negatively on the brand perception (such as spatial and temporal ones), studying social distance and trying to find a scale/indicator for psychological distance. An investigation of which variables constrain the relation between psychological-social distance and brand evaluation.

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
Young, Nunes, and Drèze 2010	Luxury brand prominence	Quantitative	Study 1: 417 participants Study 2: 465 participants Study 3: 120 participants Study 4: 120 participants	- Brand product qualities (canvas, leather, logo prominence...) - Logo prominence (with a comparison of counterfeit vs original products) - Original price of the goods.	The aim of this study is to investigate the role of brand logo prominence in signaling status, and its effects on consumers' willingness to pay.	This research proposes a taxonomy of customers with respect to luxury consumers. This classification segment consumers in four different groups based on their need for status and their wealth: proletarian, patrician, poseur, parvenu. Each category has specific needs and has different willingness to pay for products. In particular "brand prominence" and counterfeits play a relevant role in the willingness to pay of customers: it has a positive impact on people that seek for a higher status, and a negative one for those who do not.	This study suggests further investigation such as: to investigate cultural differences involving false signaling with the use of counterfeits, and to identify which are the reasons consumers buy specific product categories.
Becker, Lee, and Nobre 2018	Luxury and brand personality	Quantitative	Study 1: 236 participants Study 2: 232 participants	- Luxury product characteristics Consumer psychological characteristics	The aim of this research is to find a link between consumers' psychological traits	This research points the three factors that link luxury products and the consumers' psychological association. For	

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
					and its association with luxury products.	luxury brands three dimensions are given: luxury product and consumer's psychological characteristics, and users' psychological relation with the luxury product itself.	
Personalization							
Sunikka and Bragge 2012	Personalization and customization	Qualitative		Definitions of personalization and customization	This study investigates the definition of personalization and how it is defined and conceptualized in the literature, its similarities, and differences with customization.		
Fuchs et al. 2013	Personalization within the luxury sector	Quantitative	Study 1: 73 participants Study 2: 222 participants Study 3: 705 participants Study 4: 94 participants	User versus company design products across fashion brands	The objectives this research have are to investigate the relation between user (vs company) designed luxury fashion brand, and to understand if the user design has negative	What the study points out is that brand positioning has a main role in determining whether user design has a positive or negative impact on brand	Further research is suggested to investigate different methods to "get closer to customers", and to understand how social media can impact on this

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
					or positive impact on the brand perception with respect to the company market position.	<p>value perception (study 1). User-design has a general negative impact on luxury brand especially because products and brands are perceived as lower quality and as weaker agentic signaling qualities (study 2). Reiterating what stated in study 2 there are evidence of alternatives that can be adopted to mitigate the negative impact of user-design: i.e., legitimate winning users or link them to a celebrity status (study 3). Negative outcomes generated by user-design product can be mitigated if the context in which the company is positioned is a lower status relevance (study 4).</p>	perception, analyzing their correlation.

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
Bellezza Silvia and Berger 2020	Luxury products	Qualitative	More than 1.000 observations	Products features	The study wants to demonstrate that high-status objects are nowadays “mix and match” with traditionally low-status ones in order and that this oxymoron increases the value of the whole.	This article shows how the status symbol are changing and evolving during years, becoming more and more mainstream. This is why high-status consumers recently started mixing different types of signals as alternative strategy to differentiate from the others creating a new phenomenon where low-value-features increase the value of the luxury product and not diminishing it.	
Rosenbaum et al. 2019	Personalization within the unconventional luxury sector	Quantitative	Study 1: 100 participants Study 2: 100 participants Study 3: 100 participants		This study wants to identify which are the drivers of consumers’ willingness to pay (or to willingness to buy) for hyper-personalized unconventional products.	Hyper-personalized products are those product tailor made based on customers’ DNA. These products are defined as unconventional luxury because of their nature: they are exclusive and high in quality. Low importance is given by customers to the	The study suggests to better understand if the individual personalization of hyper-products is a relevant by itself or if it is perceived as a co-creation added value to products by the customer. Further analyses should be conducted to investigate if the

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
						product quality itself. Their uniqueness and tailor-made creation are the drivers of the higher willingness to pay customers have.	effects of a higher value perceived is due to the hyper-personalization and whether it determines an effective higher consumption of the products.
Moreau et al. 2020	Personalization within luxury fashion industry	Quantitative	Study 1: 317 participants Study 2: 287 participants Study 3: 294 participants Study 4: 249 participants	Levels of personalization for specific mainstream vs luxury goods: design, brand prominence, and signature product.	The paper demonstrates how personalization impact in the signaling value of luxury goods as a result of consumers' desire to self-express through their belongings and their need to publicly signal their status.	The research highlights that luxury brands are less likely to be recognized as status symbol if they are too personalized (especially if in the design field) because of the less exclusivity perceived by customers, especially for the sector connoisseurs. To avoid negative effect companies can increase the brand prominence – making the brand recognizable – considering that is demonstrated that high personalized features have negative impact on	To test different luxury market segment is recommended. This in order to better understand until which level personalization increase the value perception of a brand.

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
						the brand perceived value.	
Franke and Schreier 2010	Mass-market products customization	Quantitative	186 participants	Delta-WTP: the difference between the WTP associated with the self-designed product and the one of the preferred standards one.	This study investigates the role personalization plays in the perception of a product. In the specific this study wants to understand if the value of the mass-products is perceived higher by consumers thanks to the possibility they have to self-design it.	What the study highlights is that there are three main factors that increase the consumers' value (measured in WTP) of a self-design product. The first one is the process enjoyment, the second is the interaction of preference fit and the enjoyment process, and the third is the interaction of these two factors with the perceived process effort.	
Willingness to Pay							
K. M. Miller et al. 2011	Customers Willingness to pay and their actual behavior	Quantitative	14.321 participants	Calculated willingness to pay and real behavior of customers	This research tests the validity and reliability of different equations to calculate WTP and compare it with the actual WTP (the benchmark).	This study's results indicate that Marschak's incentive-compatible mechanism and the incentive-aligned choice-based conjoint analysis are the two methods that are proved to be statistically significant, proving that incentive-aligned	The authors suggest testing the reliability of WTP calculation methods also in different contexts, for different products and market in order to investigate which are the factors that affect it measure.

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
						settings are more price sensitive.	
Hinterhuber 2004	Pricing strategies	Qualitative			The scope of this research is to present a complete framework for pricing decisions taking into considerations all the aspects and relevant elements to make consistent and profitable pricing choices considering different pricing methods.	This paper demonstrates how pricing decisions affect the positioning of a company both with respect to competitors, but above all in the perception that customers have of the brand. The price itself is shown not to be perceived by customers as the key factor in choosing a product, but value plays a decisive role. A company should use different methods (such as the «economic value analysis, cost-volume profit analysis, and competitive analysis») to determine its pricing strategy.	The author indirectly suggests further investigation of how products can add value to brands and firms, and how companies should interpret competition and differentiation.
Zhang, Cude, and Zhao 2020	Chinese Luxury Market	Quantitative	380 participants	Consumers attitude toward buying a product	The authors apply the Theory of Planned Behavior to investigate which are the determinants of Chinese consumers'	This research demonstrates how consumers' PI is affected positively by the desire of gain face, luxury	This paper results suggest investigating the relation between the theory of planned behavior and actual PI of customers also in

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
					purchase intentions for luxury goods, their strength and causality.	knowledge, household income and previous luxury experiences. These results are relevant for better understand Chine customers, and for future effective marketing strategies for luxury companies.	different segments of customers, in different types of markets (especially in the case of very expensive luxury goods), and also in different countries and cultures.
J. Kapferer and Laurent 2016	Consumer perception and willingness to pay	Quantitative	7 countries 8376 participants	Different types of luxury categories and consumers' countries of origin	The study aim is to identify the specific price level below which a product is no longer qualified as luxury by consumers perception.	Consumer's perception of luxury is highly heterogenous across countries, and homogeneous within them. The authors give relevance to the luxury paradox explaining why firms should analyze different segments of buyers to reach their expectation in the best way, not caring only about the <i>uniqueness variable</i> .	
Hornig et al. 2013	Pricing of Luxury Goods	Quantitative	2436 observations (in 5 countries)	Country, products, and retail characteristics	Investigate how cultural heritage of consumers effects the pricing strategy for luxury fashion goods besides individual and psychological	The research demonstrates that pricing strategies for luxury fashion brands vary "across consumers and in aggregates form in	- investigate how tourism impacts on the marketing of the countries of destination and which are the variables that

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
					preferences of consumers	different countries” (Hornig, Fischer, and Schollmeyer 2013) which depends both on the heritage background and national culture. Companies should take into consideration these specific variables to segment their market and so to individualize to specific targets specific interest to better display and offer products that suit the most to the peculiarities of each region.	impact on the pricing strategies - Investigate in different regions the relation between brand-specific image and prices - Analyze if any specific cultural variable can explain global differences in pricing.
Bertini, Wathieu, and Iyengar 2012	Willingness to pay	Quantitative	Study 1: 76 participants Study 2: 116 participants Study 3: 204 participants	Quantity of assortment of a product, perception of the quality, and the density of the quality assortment.	The study wants to identify which is the relation between customers willingness to pay and density of assortment of a product.	The common idea that a higher density of products heightens the importance of price against the one given to quality is false. This research highlights how consumers sharpen their willingness to pay as the density of quality product increase. Consumers’ utility function	-

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
						depends both on personal taste and needs and on a situational component that impact on their preferences. In the specific, high density of high (low quality) quality increase (decrease) consumers WTP which impacts on their quality perception and that their prior expectations of density results as moderating variables.	
Pozharliev et al. 2015	Luxury products and social facilitation theory	Quantitative	40 participants	EKG, emotional dimension of luxury branded products	The aim of this study is to understand if consumers brain responses based on a passive view of luxury or basic products is influenced when the consumer is alone or when he is with other people.	Thanks to the analysis of the brain with EKG, LPP -late positive potential- amplitude was found to be higher on consumers that were shown pictures of high emotional value (i.e., luxury products) and/or were in a room with other people. This phenomenon implies people in those situations had a	Further research is suggested to examine whether passive or active view of a product could influence the perceptions and emotions the consumers perceive, and if these phenomena change between male or female, social classes, and different products categories. Interactions between

Authors	Sector investigates	Type of study	Sample Size	Variables	Scope of the research	Evidence	Further research suggestion
						higher attention on the products and had a higher motivational significance on the product itself.	people is also a theme for a further suggested research. The analysis of the interaction between different people is an also suggested, since the key to this investigation is to find out how the consumers' brain behaves within different contexts in order to obtain useful information for the brand management.

Table 2: Summary of the literature overview

III. Conceptual framework

1. Research hypothesis

We are living in a period where hard luxury (i.e., jewelry and watches) has been the top category sold online, counting for 13% of the online personal luxury market. Jewelry is one of the two top growth categories at 7% (D'Arprizio et al. 2019).

Despite the positive trend this category of products has, a new phenomenon – that can be an additional turning point for a steeper rise – has rapidly increased over the last decade: the new entrance of younger consumers that are asking companies to innovate their supply, more specifically they are looking for uniqueness and personalized goods: «gen Z consumers are more “individualist” [which means they are] looking for products that convey their unique personality» (D'Arprizio et al. 2019, 23).

Personalization implies that people «substitute their own design judgment for that of the professional designers employed by firms who have carefully cultivated their design equity» (Moreau et al. 2020) which can harm business recognizability, aesthetic and symbolism.

The higher the personalization level is available for a product, the higher is the design freedom for the customer.

The question is: should jewelry luxury companies adapt and embrace the new demand or is personalization an enemy to reject? But what if embracing the necessity of the new individualistic-emerging customers and the trend of this request could be something firms could not refuse in order to survive?

In the study of Fuchs et al. (2013) the authors investigate how luxury fashion brands should approach personalization; they explain that if personalization and user-design product on one side can benefit firms because they satisfy the demand, on the other side there is the risk products are perceived by consumers “too-close”, «lower in quality and fail to signal high status, which results in a loss of agentic feelings» (Fuchs et al. 2013).

In the study of Moreau et al. (2020) the authors use the assumptions discovered by Fuchs and try to find the right balance between personalization and brand signaling value.

With the four studies they conduct, they considered both the consumers' desire to signal a status to others and their desire of self-expression focusing on the customized fashion luxury goods.

They find out that firm should adjust the level of personalization offered according to their customers segment; more specifically luxury brands hold on some measurements such as "espoused values," "reflect a timeless design," serve "as a symbol of prestige," and that can be negatively impacted by the user customization, especially from the point of view general customers (Ko, Costello, and Taylor 2019).

This suggest that personalization – for the majority of customers – decrease the recognizability of the brand; to test if in the jewelry luxury sector this thesis is confirmed, the first hypothesis checks which is the relation between design freedom and the customers' perceived value (expressed through the WTP); more formally:

H1: For luxury personalized jewelry, in a normal (or low) emotional context the relationship between design freedom and WTP and PI is negative.

The type of customer that evaluates the product constitutes a variable in this "equilibrium formula" and it changes from people's personal characteristics. For this reason – as Ko et al. (2019) explain – firms should understand who the real target of their personalized product is, and so we should expect different personalization perceptions from young to old consumers, and from acknowledge and more-mass market ones.

As proved by the Luxury Report drawn up by Bain (2019), it is demonstrated that Generation Z, the one composed by the new young customers', is the one that asks for more unique and personalized products; for this reason, we should expect an higher WTP when younger consumers are compared to the older. To test this statement a negatively relation between WTP and age is hypothesized (*ceteris paribus*). Thus, the following hypothesis:

H2: When considering a highly personalized luxury jewelry products, young customers have a higher WTP and PI than older clients.

As mentioned above, another difference between customers that can be supposed is among high-fashion consciousness customers – that have more refined tastes and knowledge about

fashion, who distinguish and appreciate brand and designers sign – more than the rest of average customers – for whom the possibility of customizing their product is more significant than the recognition of the brand.

In the specific, the distinctive trait of the jewelry luxury sector is that products value of this industry is mostly based on the raw materials that compose the products, and by the brand these products belong to.

In the jewelries the brand signature is less visible than it is in other products, and so we can confirm that the brand recognition of luxury jewelry is mostly based on the design knowledge of customers and on the popularity of the products (brand awareness).

In the jewelry sector brand recognition is mostly represented by the design, and for this reason it is presumable that among connoisseurs and other types of customers there are different levels of appreciation and recognition of the brand, which are based mostly on the culture and information of the single person. What we could expect is that high fashion-consciousness consumers are less willing to personalize their products in order not to substitute the design sign and branded recognizability.

The following third hypotheses is going to test what the authors did in the second study of Moreau (2020) understanding if the negative relation between fashion-consciousness, brand and design freedom also occurs in the luxury jewelry industry, where brand recognition is mainly attribute to consumers knowledge. More formally:

H3: At high levels of design freedom, fashion-consciousness, image, and visibility negatively influences customers WTP and PI for customized luxury products.

All the above-mentioned hypotheses are based on the comparison between the level of personalization with some other variables that depend on the consumers tastes and characteristics.

As opposed to the above, this last hypothesis is based on an external factor: the context.

As demonstrated in the Hagtvedt and Patrick (2009) and the five consumption theories, luxury products carry an high emotional value and people buy and use these type of products in order to demonstrates/differentiate from others/represent themselves – this is why brand recognition is a crucial aspect when considering social situations.

What I want to investigate with the following hypothesis is if personalization in high emotional situations alter the recognizability of luxury brands, and so the willingness to pay of consumers. A negative relation between the two variables is expected, because in higher hedonic situations non-personalized but “pure” luxury goods are perceived rarer and more valuable from others.

H4: In a high emotional context the relationship between consumers’ WTP and PI design freedom is negative.

2. Thesis models

I organized all the above-mentioned hypothesis in two different models to test if, and in which circumstances, personalization of luxury jewelry products impacts differently on customers' value perception.

The following 2 models (Figure 7 and Figure 8) represent the models I analyze to understand the relationship between consumers' WTP and PI with respect to the following aspects:

- consumers awareness about fashion, visibility and image;
- consumers' personal traits: age;
- level of personalization of the luxury jewel (medium or high);
- emotional context (high vs. low).

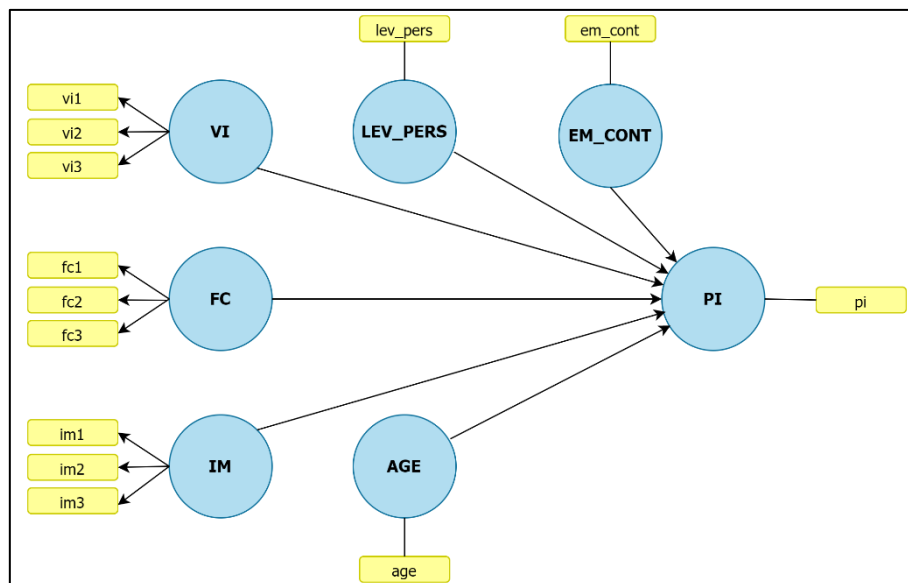


Figure 7: Thesis Model on WTP

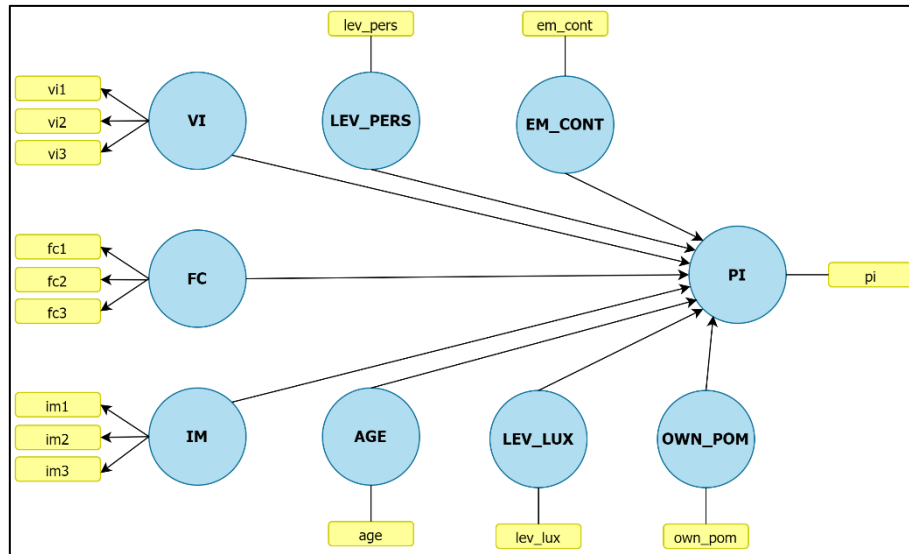


Figure 8: Thesis Model on PI

Table 3 resumes the main variables presented in the models and their expected relation with the two independent variables.

Table 3: Expected relations between variables and WTP and PI

Hypothesis	Variables	Expected relation to WTP and PI	Background
H1	Level of personalization of the good (none, medium, high) (Lev_Pers)	Negative correlated	In the luxury sector too much design freedom, especially in those goods which the brand has not the possibility to add different status display, is not recommended (Moreau et al. 2020; Fuchs et al. 2013).
H2	Age (Age)	Negative correlated	Gen Z consumers are more "individualist" [which means they are] looking for products that convey their unique personality» (D'Arprizio et al. 2019, 23).

H3	Image (IM), Visibility (VI), Fashion Consciousness (FC)	Negative correlated	As demonstrated in the paper of Moreau et al. (2020) consumers with high level in fashion awareness are more aware of the image of luxury brands and so they prefer less personalized luxury products.
H4	High Emotional context (Em_Cont)	Negative correlated	Being luxury products high in emotion level is appropriate to assume that for high emotional situations people prefer to have and display original and recognizable belongings such as personalized luxury products.

IV. Research methodology

1. Questionnaire development and data collection

The analysis conducted for this study are quantitative analysis.

The study's questionnaire was an online survey; participants accessed to it via a link.

The survey was available in two languages Italian and English to be sure that to all participants questions were clear.

Before forwarding the questionnaire to the participants, the survey was viewed by 3 people recruited through the Amazon Turk platform who, in exchange for a fee of €2 each, viewed and commented the questionnaire, which declared it was clear and easy to understand.

The sample of participants was administered to mainly belong to my network of acquaintances and to a group of people contacted through social media such as LinkedIn and Facebook.

To make sure every participant was aware of the ring taken into consideration images were added.

Of the 274 participants in the original sample, 138 correctly completed the questionnaire, yielding a response rate of 50.4%.

The survey form is available in the Appendix.

2. Measures and scales

2.1 Descriptive statistics

Table 4 and Table 5 resume the survey participants' personal characteristics such as gender, age, and income.

Table 4: Descriptive statistics

Gender (GENDER)*		
A dummy variable where 0 = Male and 1 = Female.		
Gender	Coded Variable Value	N. observations
Male	0	62
Female	1	76

Age (AGE). Participants were asked to select the category that contained their age. In the following table lists there are all of the categories, the coded variable values, and the number of observations in each category.

Age range	Coded Variable Value	N. observations
Under 18	1.80	0
18-24	2.10	78
25-34	2.95	25
35-44	3.95	7
45-54	4.95	16
55-64	5.95	7
Over 65	6.50	5

Household Income (INCOME) adapted from Song, Parry, and Kawakami (2009). Participants were asked to select the category that contained their household income. In the following table lists there are all of the categories, the coded variable values, and the number of observations in each category.

Income range	Coded Variable Value	N. observations
0 - 25.000€	2.50	33

25.000 - 40.000€	3.25	46
40.000 - 55.000 €	4.75	23
55.000 - 70.000 €	6.25	15
70.000 - 85.000 €	7.75	8
85.000 - 100.000 €	9.25	4
over 100.000€	10.0	9

Table 5: Distribution of the descriptive data

Variable	Mean	Standard Deviation	Minimum	Maximum
Age (AGE)	3.0330	1.35408	2.10	6.50
Income (INC)	4.5217	2.25201	2.50	10.00
Gender (GEN)	.55	.498	0	1

2.2 Willingness to pay and purchase intention

In this research both WTP and PI have been taken into consideration as dependent variables. The former is a good estimation of the value perceived buy customers, and the latter is a good index of consumers purchase intention.

2.3 The luxury jewelry product: a Pomellato ring

The product I have decided to use for my research is a famous ring from a well-known luxury jewelry company: Pomellato. This ring belongs to one of the most famous collection of the brand (Nude) that was created in 2001 and advertised on TV and on Social Media in the recent years.

To have consistent results, I used this famous ring to be sure that the people that were answering the questionnaire were aware of the brand identity to make sure the emotional

value of the product was well externalized and perceived. For these reasons at the beginning of the survey I also attached a brief description of the brand.

The participants in the survey were told that Pomellato intends to introduce the possibility of customizing the ring from the nude collection in the new spring-summer 2021 collection.

2.4 Levels of personalization

To collect significant data that explains whether or not personalization positively affects the value of the asset perceived by the customer, the personalization itself must not affect the value of the good, which must remain unchanged. Thus, personalization can only be applied to those facets of the product that do not alter its value: to engrave a word on the object, to choose the color of a precious stone, or the color of a precious metal are example of personalization options.

For these reasons, in the survey I elaborated, the personalization options mentioned are features that do not impact on the value of product itself. The four personalization features I used were: to engrave a word or a phrase on the ring, to decide the color of the topaz set on the ring, to personalize the shape of the stone set on the ring (the shape changes, not the size) and to personalize color (white, pink, or yellow gold) of the shank.

The objective value of the final ring (with or without personalization) would remain the same.

As a similar research has done (Moreau et al. 2020) I decided to create three different levels of personalization of the good I chose to use (the Pomellato ring), for which participants were asked to give their opinion about:

1. None – the ring has no personalization features;
2. Medium – the ring has two personalization features; the costumer can choose whether to engrave a word or a phrase on the shank and / or decide the color of the topaz set on the ring;
3. High – the ring has four personalization features; the customer can choose whether to engrave a word or a phrase on the ring, decide the color of the topaz set on the ring,

to personalize the shape of the stone set on the ring (the shape changes, not the size), to personalize the color (white, pink, or yellow gold) of the shank.

To help participants understand these options some representative images were added in the survey (Figure 9).



Figure 9: Representative images of the personalization options of the ring shown in the survey

2.5 Consumers personal characteristics

Personal attitudes and knowledge of customers affect their WTP and PI; for this reason, I decided to measure the level of image (IM), fashion consciousness (FC) and visibility (VI) of the participants and see if these features influence groups of participants with similar characteristics.

To measure these characteristics, I used three scales from the literature (Table 6): for the image variable the scale used was the one by Davis (1989), for the visibility the by Moore and Benbasat (1991), and for fashion consciousness the one of Gould and Stern (1989).

I also included a question asking if the participants owned a Pomellato ring (OWNP): it is presumable that someone that owns one good of this brand is more likely to be aware of its value than others.

2.6 *Different contexts*

When luxury goods are taken into consideration the emotional value of the product, the purchase experience, and the context in which the good is used are higher than for the mass-market products.

I decided to introduce an additional context in which a higher emotional involvement was included – “a friend wedding anniversary” – to test if consumers’ WTP and PI was affected by this additional hedonic background.

2.7 *Manipulation checks*

Two manipulation checks were included in the questionnaire to verify the correct completion of the survey by the participants.

Table 6 reports the measurement items and scales used in the survey. All of the multi-item measures features a 1-7 points scale (Likert Scales) and all of them have been adapted from existing, well-validated scales.

Table 6: Final measurement items used in this survey and the response format employed in the questionnaire.

Willingness to Pay (WTP)

How much would you be willing to pay for this product?

Purchase Intention (PI). A 7 points scale (0= extremely unlikely, 7= extremely likely)

The probability that I would consider buying the product is...

Image (IM). A 7 points scale (0= extremely unlikely, 7= extremely likely) adapted from (Davis 1989).

- IM1 Among the people I know, those who own personalized jewelry have more prestige than those who do not.
- IM2 People who use personalized jewelry have a high profile.
- IM3 Among the people I know, having a personalized jewelry is a status symbol.

Visibility (VI). A 7 points scale (0= extremely unlikely, 7= extremely likely) adapted from (Moore and Benbasat 1991).

- Among the people that I know, personalized jewelry is very often used.
- Personalized jewelry is not very visible among the people that I know.
- It is easy for me to observe others wearing personalized jewelry.

Fashion Consciousness (FC). A 7 points scale (0= extremely unlikely, 7= extremely likely) adapted from (Gould and Stern 1989).

- Other people ask me what is fashionable.
- I am aware of people’s jewelry as fashion object.
- I am more fashionable than the average person.

Own Pomellato ring (OWNPR). A dummy variable where 0=no, 1=yes

Do you own a Pomellato ring	Coded Variable Value	N. observations
No	0	127
Yes	1	11

Level of Luxury of the brand (Lux_LevP) A 7 points scale (0= extremely unlikely, 7= extremely likely)

Would you describe the brand Pomellato as luxurious?

Manipulation checks

- It is important you pay attention to this study, please select 'somewhat disagree'.
- Which is your gender?

Table 7: Means and Standard Deviation of the collected data.

Variable	Mean	Standard Deviation	Minimum	Maximum
Dependent Variables				
WTP in the low emotional context (WTPring_LOW)	2357.41	615.956	100	5200
WTP in the high emotional context (WTPring_HIG)	2135.24	595.340	200	5000

Purchase intention low emotional context (Piring_LOW)	3.0471	1.73560	1.00	7.00
Purchase intention high emotional context (Piring_HIG)	4.14	1.733	1	7
<i>Independent Variables</i>				
OwnPom (OWNP)	0.08	0.271	0	1
Perceived level of luxury (LUXLEV)	2.00	0.818	1	3
Image (IM)	2.83	1.185	1	6
Visibility (VI)	3.42	1.373	1	7
Fashion Consciousness (FC)	4.15	1.292	1	6

V. Data analysis

1. Research model

SEM – structural equation modeling – is a second generation analysis technique, emerged in the social sciences in the recent decades (Hair Jr et al. 2017).

SPSS – Statistical Package for Social Science – is a program that is based on CB-SEM model (covariance-based SEM); it is a confirmatory factor analysis, and its goal is to minimize the discrepancy between the estimated sample and the sample covariance. The CB-SEM structural equation model also requires that the dataset analyzed follows specific distributional assumptions: there is a large sample, data are normally distributed, and the model is correctly specified (Wong 2019).

I choose to use the PLS-SEM (partial least square structural equation modeling), for the model estimation and to test the hypothesis of my research.

This because PLS-SEM is a different – and complementary – alternative way to analyze those data with no assumption about data distributions, «especially when there are limited participants, and the data distribution is skewed [...] - conditions that appear frequently on structural equation modeling in applied research projects. The PLS objective is to get score values of latent variables for prediction purposes.» (Wong 2019). Its object is to «maximize the endogenous latent variables' explained variance by estimating partial model relationship in an interactive sequence of OLS regression» (Hair Jr et al. 2017).

Table 8 resumes the major characteristics of the two different structural equation models.

Table 8: Comparison between CB-SEM and PLS-SEM

TOPIC		CB-SEM	PLS-SEM
Theory	Theory background	Strictly theory driven – primarily confirmatory	Based on theory, but also data driven – primarily exploratory
	Relation with the theory	Confirmatory	Predictive
	Research orientation	Parameters oriented	Prediction oriented

Sample	Sample size	It is recommended to use a sample size that ranges from 200 to 800 observations	It works with small sample size. It is suggested to base the size of the same on the <i>10 times rule</i> (Barclay, D., Thompson, R., dan Higgins 1995)
		«With larger dataset (N>= 250) the two models results are very similar when an appropriate number of indicator variables (four or more) are used to measure each construct (consistency at large) » (Hair Jr et al. 2017)	
	Data distribution assumptions	Normal data are required.	“soft model”: it can handle extremely nonnormal data (Hair Jr et al. 2017), multivariate normal distributions and independent observations
Model specification	Type of latent measures	Reflective model	Formative and/or reflective model
	Model parameters	Factor means	Component weights
	Latent Variable scores	Explicitly estimated	Indeterminate
Goodness of fit	Approach	Covariance based	Variance based
	Assessment of the fit	Overall fit measures, comparative fit measures, and model parsimony	Model protectiveness (coefficient of determination, Q ² predictive relevance and average variance extracted – AVE), and stability of estimates applying the resampling procedures (bootstrapping)
	Residuals	Residuals covariances are minimized for optional parameter fit	Residuals’ variances are maximized to obtain optimal predictions

For the analysis of the dataset, and to check the hypothesis formulated above, I proceeded using two different statistical model and software.

This choice was mainly driven by the nature of the data and the analysis.

After having collected all the answers participants gave in the survey in a .csv file I analyzed the data through the SPSS program. I used this software to analyze the distribution of the dataset, checking for missing data, normality, skewness, and kurtosis. After having adjusted the dataset – which implied the cancellation of 15 surveys’ responses – I proceeded with the analysis through PLS-SEM program.

I chose PLS-SEM because it was the most suitable of the two programs to operate with the obtained database that had: a small final size sample data (<150 responses), non-normal distribution, and for the nature of the two models to test which were developed based on new theoretical hypothesis and that are partially not confirmatory.

2. Dependent variable: willingness to pay

Adopting the above-mentioned conceptual framework, the research model with WTP as a dependent variable is a reflective model. The model was analyzed by using the PLS-SEM algorithm of SmartPLS® 3.3.3 software.

Once I have built the model in the PLS-SEM software and run the algorithm for the general model, as recommended for all reflective models, I assessed the results of the variable's model (Table 9 Results of the WTP reflective model).

Cronbach's α test, composite reliability, and the convergent validity test such AVE were considered to evaluate the validity of the composite variables (Table 9), and the discriminant validity with the Fornell-Larcker criterion (Table 10) (Hair Jr et al. 2017).

Table 9 Results of the WTP reflective model

	Cronbach's Alpha*	Composite Reliability	Average Extracted (AVE)*	Variance
FC	0,711	0,601	0,381	
IM	0,733	0,837	0,634	
VI	0,668	0,574	0,376	

Source: SmartPLS® software

Table 10: Discriminant validity WTP model

	FC	IM	VI	WTP
FC	0,617			
IM	-0,022	0,796		
VI	0,149	0,179	0,613	
WTP	-0,039	0,173	0,054	1,000

Source: SmartPLS® software

With the path coefficient analysis, I calculated the loadings of the different variables, and with the bootstrapping procedure I assessed their reliability (Table 11).

Table 11: Coefficient path and the significance of the WTP model - 1

	Original Sample	T Statistics
Age → WTP	-0,068	1,809
Emot_Contx → WTP	-0,181***	4,533
FC → WTP	-0,062	0,854
Gender → WTP	0,076	1,523
IM → WTP	0,162***	3,947
Income → WTP	0,059	1,373
Lev_lux_pomell → WTP	0,131**	3,143
Like the ring → WTP	0,023	0,517
OWN_P → WTP	-0,039	1,208
Pers_Lev -> WTP	0,307***	8,513
VI → WTP	0,018	0,264

Bootstrapping test were calculated with a 5000 subsamples by the study (Hair Jr et al. 2017) ***p<0,001

Source: SmartPLS® software

Further, I considered the R squared of the model (0.188) which appeared to be rather weak, but justified by the nature of the model, (i.e. experimental and psycho-economic); the f^2 value appeared to be significant only for the variables: emotional context (0.040), image (0.030), and personalization level (1.16) (Table 12 – Source: SmartPLS® software).

Table 12: Measures of fit WTP model - 1

	F square	R Square	R Square Adjusted	Q square
Age	0,005			
Emot_Contx	0,040			
FC	0,004			
Gender	0,005			
IM	0,030			
Income	0,004			
Lev_lux_pomell	0,019			
Like the ring	0,001			
OWN_P	0,002			
Pers_Lev	0,116			
WTP	0,000	0,188	0,169	0,154

The results obtained confirmed that the ones found in previous tests. For this reason, I decided to delete the insignificant variables, and re-calculate the model.

All the tests of the evaluation of reflective measurement models and the evaluation of the structural model (Table 14) confirmed the significance of all the variables.

The final path coefficient of the significance variables revealed that the personalization level was positive correlated to the WTP, and so did the image level of the consumers; the emotional context appeared to impact positively on the dependent variable.

The model explicate also that the perceived luxury of the brand Pomellato impacted positively on the WTP of consumers.

Table 13: Coefficient path and the significance of the WTP model - 2

	Original Sample	T Statistics
Emot_Contx -> WTP	-0,181***	4,541
IM -> WTP	0,168***	4,374
Lev_lux_pomell -> WTP	0,134***	3,578
Pers_Lev -> WTP	0,307***	8,224

Bootstrapping test were calculated with a 5000 subsamples by the study (Hair Jr et al. 2017) ***p<0,001

Source: SmartPLS® software

The R square adjusted validated these facts: its value was almost the same of the previous version of the model. The Q square value, obtained through the blindfolding procedure, indicated that the exogenous constructs have predictive relevance for the endogenous construct under consideration (Hair Jr et al. 2017).

Table 14: Measures of fit WTP model - 2

	F square	R Square	R Square Adjusted	Q square
Emot_Contx	0,040			
IM	0,034			
Lev_lux_pomell	0,022			
Pers_Lev	0,114			
WTP	0,000	0,175	0,168	0,154

Source: SmartPLS® software

Quadratic relations between the variables have no significant results, so not further relation between the variables can be hypothesized.

In Table 15 the findings and the hypothesis are compared, and the main results resumed, and Figure 10 summaries the collected results for the model.

Table 15: Resume of hypothesis and findings of WTP model

Hypothesis	Independent Variables	Hypothesized relation with dependent variable	Tested relation between variables	Path coefficient of the variable
H1	Higher design freedom	Negative	Positive	0,307
H2	Age	Negative	Non-significant	
H3	FC	Negative	Non-significant	
	IM	Negative	Positive	0,168
	VI	Negative	Non-significant	
H4	Higher emotional context	Negative	Negative	-0,181

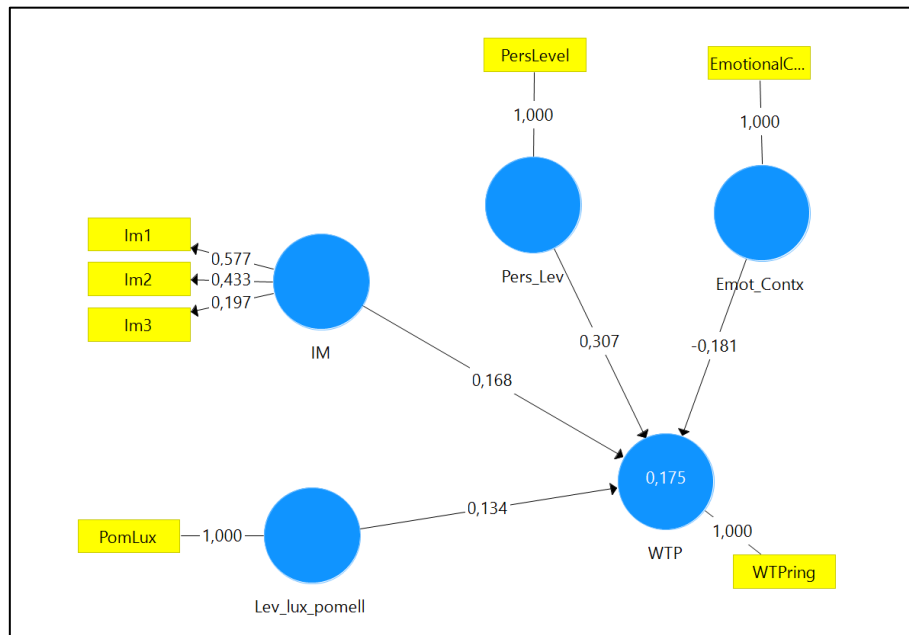


Figure 10: Final WTP Model

3. Dependent variable: purchase intention

The model of PI is a reflective model. The procedure adopted with this model was the same as in the WTP model.

After having the model in the PLS-SEM software and run the algorithm for the general model the Cronbach's α test, composite reliability, AVE (Table 16) and discriminant validity (Table 17) were checked to assess their consistency. VI appeared to be the weakest of the three composite variables, but still reliable.

Table 16: Results of the PI reflective model

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
FC	0,711	0,835	0,628
IM	0,733	0,849	0,653
VI	0,668	0,793	0,566

*(if omitted = 1,000)

Source: SmartPLS® software

Table 17: Discriminant validity PI model

	FC	IM	VI
FC	0,793		
IM	0,225	0,808	
VI	0,236	0,200	0,753

Source: SmartPLS® software

Running the PLS algorithm I obtained each variable's path coefficients and their relative p-values (Table 18). As for the previous model, I decided to re-compute the model only with the found significant variables.

Table 18: Path coefficient and significance of PI model - 1

	Original Sample	T Statistics
Age -> PI	-0,055	1,313
Emot_Contx -> PI	0,377***	10,536
FC -> PI	0,011	0,278
Gender -> PI	-0,036	0,834
IM -> PI	0,107**	2,644
Income -> PI	0,048	1,156
Lev_lux_pomell -> PI	0,183***	4,493
Like the ring -> PI	0,097*	2,309
OWN_P -> PI	0,099**	2,366
Pers_Lev -> PI	0,086*	2,235
VI -> PI	0,192***	4,403

Bootstrapping test were calculated with a 5000 subsamples by the study (Hair Jr et al. 2017)
 ***p<0,001, **p<0,01, *p<0,05

Source: SmartPLS® software

Table 19: Measures of fit PI Model - 1

	F square	R Square	R Square Adjusted	Q square
Age	0,004			
Emot_Contx	0,198			
FC	0,000			
Gender	0,001			
IM	0,014			
Income	0,003			
Lev_lux_pomell	0,042			
Like the ring	0,012			
OWN_P	0,012			
Pers_Lev	0,010			
VI	0,044			
PI		0,283	0,266	0,244

Source: SmartPLS® software

Table 20 and Table 21 resumes the final significant independent variable obtained by the survey.

Table 20: Coefficient path and the significance of the PI model - 2

	Original Sample	T Statistics
Emot_Contx -> PI	0,377***	10,549
IM -> PI	0,120**	2,901
Lev_lux_pomell -> PI	0,189***	4,748
Like the ring -> PI	0,091*	2,145
OWN_P -> PI	0,089*	2,188
Pers_Lev -> PI	0,086*	2,215
VI -> PI	0,187***	4,630

Bootstrapping test were calculated with a 5000 subsamples by the study (Hair Jr et al. 2017)
 ***p<0,001, **p<0,01, *p<0,05
Source: SmartPLS® software

Table 21: Measures of fit PI model - 2

	F square	R Square	R Square Adjusted	Q square
Emot_Contx	0,196			
IM	0,019			
Lev_lux_pomell	0,046			
Like the ring	0,010			
OWN_P	0,010			
Pers_Lev	0,010			
VI	0,045			
PI		0,276	0,265	0,246

Source: SmartPLS® software

Although the value of R square was low (which is justified by the nature of the model, i.e., experimental, and psycho-economic), the values of f^2 and a Q^2 emphasize the reliability of the model.

As suggested by the rule of thumb variables with f^2 values higher than 0,02 are emotional context, level of luxury perceived and visibility, and so these variables are those that have medium or at least significant relevance for exogenous constructs. Q^2 value of 0.246 (>0)

indicates that the exogenous constructs have predictive relevance for the endogenous construct under consideration.(Hair Jr et al. 2017).

In Table 22 the findings and the hypothesis are compared, and the main results resumed, and Figure 11 summaries the collected results for the model.

Table 22: Resume of hypothesis and findings of PI model

Hypothesis	Independent Variables	Hypothesized relation with dependent variable	Tested relation between the variables	Path coefficient of the variable
H1	Higher design freedom	Negative	Positive	0,086
H2	Age	Negative	Non-significant	
H3	FC	Negative	Non-significant	
	IM	Negative	Positive	0,120
	VI	Negative	Positive	0,187
H4	Higher emotional context	Negative	Positive	0,377

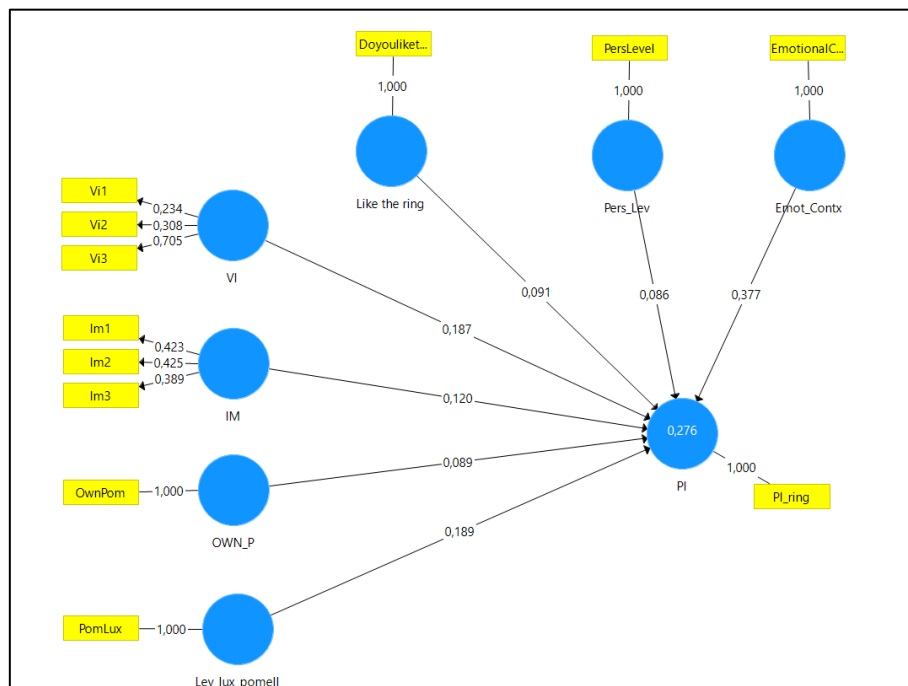


Figure 11: Final PI Model

VI. Discussion and conclusions

According to the last report by Bain & Company (Olya et al. 2021) the Covid-19 Pandemic recession has put all the markets through the wringer. The market for personal luxury goods has experienced a decline of -23% which is expected to be recovered in the next years – pandemic situation permitting.

In particular the report highlights the fact that the pandemic has brought firms to «accelerate the convergence of online and offline channels, forcing retailers to retool the customer engagement experience for the new normal», and that especially for the market of diamond luxury, customization and personalization are the protagonist phenomena.

Adapt to new customers segments and their needs is now more than ever a sine qua non condition to survive.

The necessity for firms to understand and embrace customization for their products is a theme D'Arpizio et al. (2019) stressed in their research and that Moreau et al. (2020) investigated in the fashion luxury industry.

This thesis investigates another segment of the luxury market which has not been deeply investigated so far: the luxury jewelry one, where personalization options have to be balanced not only with brand recognition and customer's design freedom, but also with the impact they have with the material value of the precious materials.

The spinal cord of this research consisted in investigating how the new phenomenon of personalization impacts on luxury personal jewelry.

The answer to this que is strongly relevant in today markets where the entrance of new "individualist consumers" is high and to catch their needs should be a goal firms need to have to guarantee a pool of potential consumers – especially in the future.

In fact, it is proved that young consumers are not only potential customers, but thanks to technologies, are those who set trends and influence other consumers; to catch their needs is an essential for firms to gain market share, which – especially for luxury firms – does not translate necessarily in sales but especially in awareness, a key aspect that characterizes this market companies (Kotler, Kartajaya, and Iwan 2017).

In particular I investigated the perception of people (expressed by WTP and PI) of these customized features in order to understand if different segments of customers have different perceptions.

1. Discussion

The hypothesis of the two models elaborated with this research mainly aimed to bridge the existing gap in the literature: how can luxury jewelry firm react to the personalization phenomenon?

The results obtained from the first hypothesis of this research demonstrate that luxury ring personalization options are perceived by participants as features that increment the value of the good: for 2 personalization options participants said they would have paid 2.234€ for the ring, while for 4 personalization options the amount rose at to 2.481€ (Figure 12).

This result is in contrast to what found the study of Moreau et al. (2020) demonstrate the positive relation between the variables. For sure it is important to underline the difference in the type of product proposed in the two surveys: in this research the impact of personalization on jewels is analyzed, while that of Moreau focused on the impact on clothing, and so from this comparison it is possible to infer that people attribute a higher personal value to jewels than they feel towards clothes. This result leads us to believe that for a luxury ring the ability to personalize the good makes the product even more precious and unique for clients.

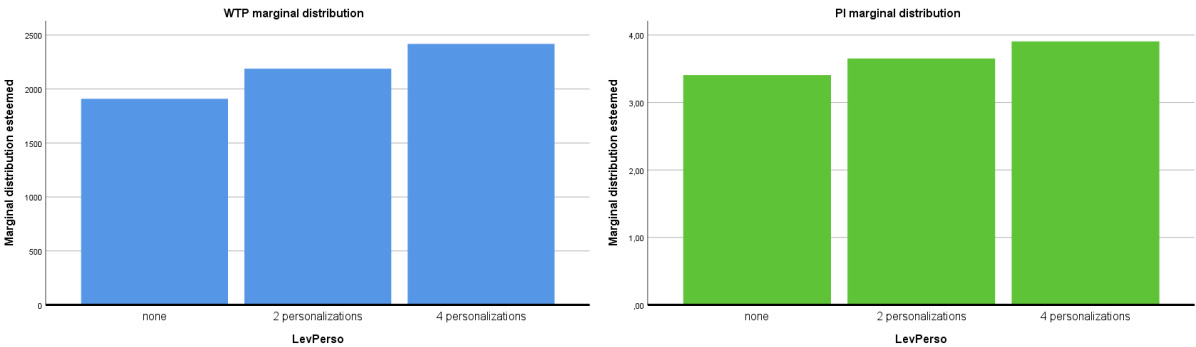


Figure 12: Marginal distribution of WTP and PI and personalization level of a luxury ring

The results obtained from the analysis of the second hypothesis show that – at least in this model – the age of participants (and therefore of the potential consumers) is not significant in the relationship between the variables.

Given the statistics on the habits of the new consumers generation I had hypothesized that – given the growing demand for customized goods by young potential customers – they would have attributed a higher value for this type of goods, but the data show us that (at least as regards luxury jewels) in the relationship between WTP and the level of personalization of the good, age does not have a significant impact.

This result if pieced together with the one of the prior hypotheses demonstrates that, even if on contrary to what hypothesized, generation Z does not show a higher WTP for a personalized good we can conclude that in reality even the older consumers are willing to pay a higher price for this type of goods. These results are encouraging for firms: they demonstrate that in the luxury jewelry sector all customers perceive personalization features as an incremental value to the goods, and so that an eventual demographic segmentation does not pose a threat to the perceived value of the product sold.

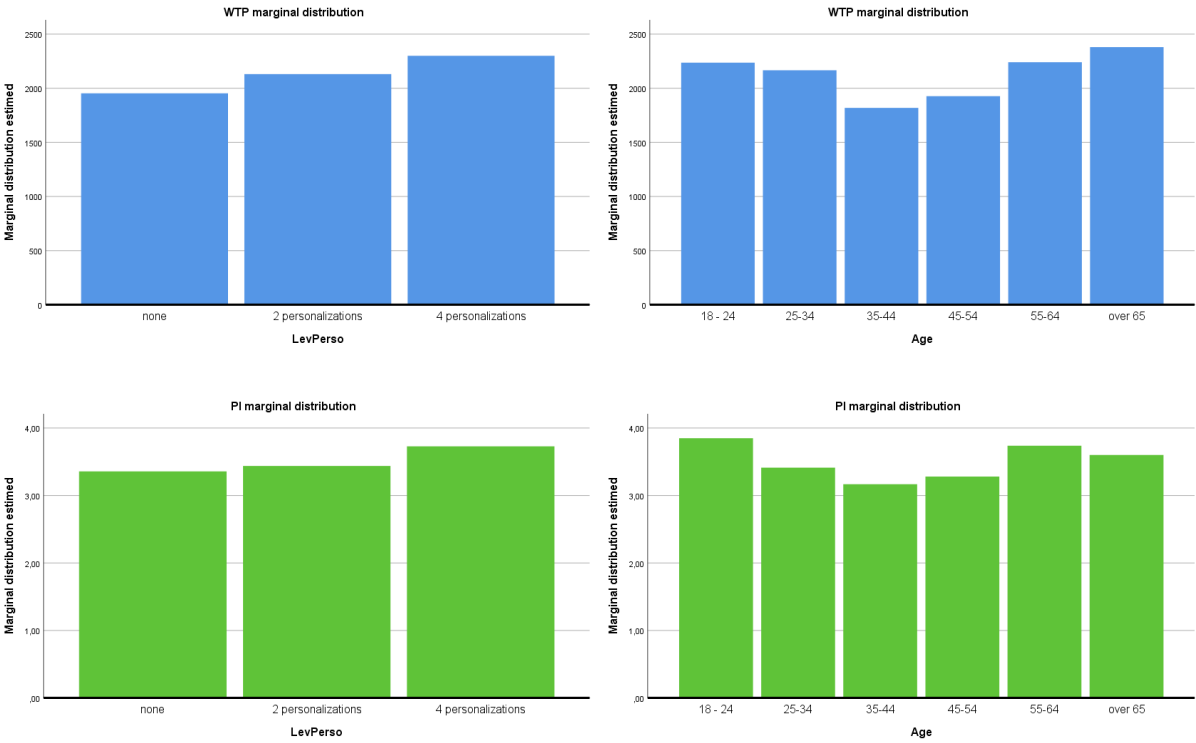


Figure 13: Marginal distribution of WTP and PI and personalization level of a luxury ring with respect to age

Hypothesis 3 tests how other consumer's personal characteristics impact on the balance between design freedom, brand recognition and the actual valuable material of the good.

Prior research studies (Moreau et al. 2020) identify an inverted U-shape relation between high fashion conscious consumers and personalization freedom, while the results obtained from this thesis demonstrate a positive linear relation between image (in both the models with WTP and PI) and visibility (only in the PI model). Fashion consciousness revealed not to be a significant independent variable in both models.

The results found can be confirmed by the fact that – as proven in the study of Moreau (2020) – the sensibility and taste of consumers act as a threshold to the personalization level: high fashion consciousness people act more fiercely and are more self-confident in the fashion field. In this case personalization might not be perceived as a factor that strongly impact the appearance of the good or the brand recognition, but as modification that express the buyer personality. The evidence that also high fashion people do perceive personalization feature as an element that raise the value of the good should be a reassuring aspect given the fact that luxury customers are usually a *niche* of connoisseurs, and that might find in their customers' segment a pool of potential buyers (fact that is confirmed also by the analytics given by the Bain Report (Olya et al. 2021))

Hypothesis 4 focused instead in understanding if any external circumstance could have effect consumers WTP and PI. What expected at the beginning of the research was that due to the fact that in high emotional contexts – where usually there is a community experience – intangible values such as status recognition, prestigiousness and exclusivity are the most esteemed features of a product, and no design freedom was appreciated as a proof of the untouchability and pureness of the luxury masterpieces; instead the results of the test show a positive relation between both the dependent variables and the personalization levels in high emotional context. As Dubois and Laurent (1996) state in their research, different emotional context impact on people choices and behavior: personalization is a controversial aspect when considering this type of goods and especially in public situation the role of luxury goods – as shown by Ko, Costello, and Taylor (2019) and the five luxury consumption theories – is to represent, demonstrate and compare the status of the owner of the product with that

of others. For this reason, the personalization of a product can be an added value that can be perceived by others as an exclusive-additional value, but at the same time it can make the brand of the product owned less recognizable to others, thus becoming a negative factor for status recognizability.

What can be inferred is that for luxury ring personalization can be perceived as an ultimate expression of the owner taste and desire, especially in a situation such as the wedding anniversary where the ring itself has a strong symbolic meaning.

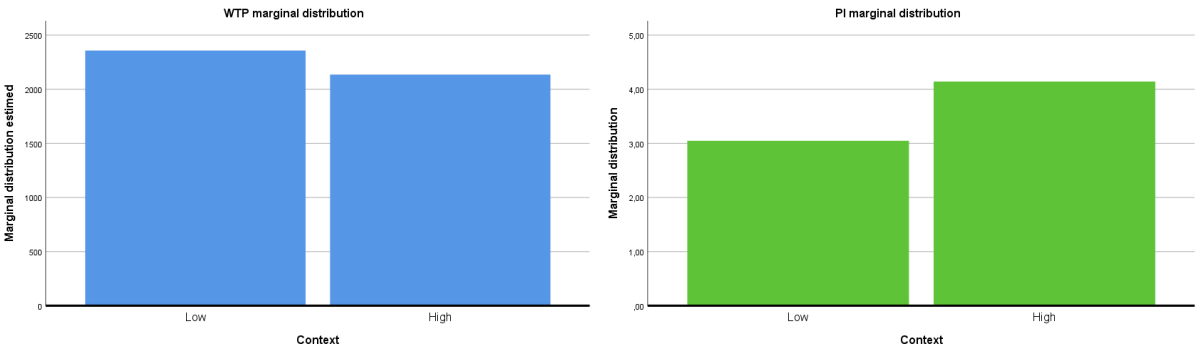


Figure 14: Marginal distribution of WTP and PI and personalization level of a luxury ring with respect to the context

As a result, these evidence give some evidences about how in reality personalization affects customers’ value perception of personalized goods; in the jewelry market as opposed to what found by Moreau et al. (2020) personalization seems to have only positive impacts on people attitudes towards these products, and that the brand recognition (Ko, Costello, and Taylor 2019) for luxury jewels is less sensitive at the level of the design freedom rather than other product. What can be deduced is that for branded and expensive rings the high intrinsic value (Becker, Lee, and Nobre 2018) of the product is what is mostly perceived by the customer, and so higher design-freedom is accepted because of it. This conclusion is very interesting – especially for the firms that operate in this sector – because it provides relevant information on how companies can set their equilibrium between personalization, brand recognition and value of the good.

2. Limitations and further research

Of course, the discrepancy of results obtained with the past literature might be investigated in different aspects that were included in this research survey.

The options offered to the customers in the survey proposal do not impact highly on the brands' recognition (Ko, Costello, and Taylor 2019) and are modest and minimal. For some aspects, the available personalization features (the color of the stone, or the metal of the shank) can be compared to a company-given multi-option product, where the value of the product itself is not highly impacted, and so the perceived value. Further investigation could examine if different types of customization of the product might impact differently on the perception of the value, or if a personalization feature might be introduced not in the good itself but in the service offered with it.

The model and the brand of the ring chosen for the survey were mainly driven by the popularity of the Pomellato brand in Italy, but probably among the pool of participants not all of them were aware of the brand values and popularity; expand this research to different brands and with different types of jewelry can give more consistent results.

Indeed, the nature of the pool of respondent to the survey was mainly given by my personal portfolio of contact, and no specific segment of customers were analyzed: to increase the range of participants to better understand if the results are consistent with a large-scale pool of consumers might give a bigger picture of how personalization is perceived by customers.

As J. N. Kapferer and Laurent (2016) show in their research value perception might vary also between countries and cultures; enlarge the sample size might give different results which could help firms to differentiate their supply among countries and obtain better performance and consensus.

Different channels approach to reach customers, and how the experience of personalization impact on customers perception of it, are a suggestion for further analysis in order to help firms to better understand efficient ways to reach potential customers and increment their willingness to pay, or their purchase intention, thanks to the "personalization experience".

3. Managerial implications

The findings obtained thanks to this study bridge the literature gap about the effect of personalization in the hard luxury sector; they show that personalization increases the value of the luxury jewelry perceived by the customers: the higher the design freedom, the higher the WTP and PI of customers. These results implicate that luxury firms should consider offering personalization features not only in order to exploit all the possible added value customers perceive by this additional manufacture process, but also to appear at the customers' disposal, updated with new trends and market's request, and to use this new variance at their products as a chance to recover from this pandemic and survive to the increasing competition between firms. To be able to offer products with an additional value that depends on the consumer's willingness can impact on the relation between the firm and its clients: a closer relation can help companies to better understand and satisfy its customers, guaranteeing a strong and solid loyalty.

Firms need to keep in consideration the importance of maintain the right balance between the design freedom, brand recognition and material value of the goods; higher level of personalization are justified if the brand prominence or the designer sign are evident; try to create new brand recognition strategies in small goods such jewelry might be a focal point to embrace a further level of personalization not yet exploited in the markets.

Companies could also try to implement strategies to reach more closely customers and their needs with digitalization and VR technologies in order to offer not only personalized goods but also services and support.

To resume, personalization is an increasing phenomenon that consumers get into every day: the cappuccino made ad hoc by the barman, the training program proposed in the gym, the color of the seats of the car, and the tailor made high-hells shoes.

Humans, by nature, need to feel part of a community and at the same time show their own characteristics. The sector in which firms operate define the former, and only personalization can capture the latter: it is a phenomenon that can no longer be overlooked.

Luxury firms should not underestimate the importance of reach the emotional sphere of the customers adding personal features to their products, but they need to keep the balance between perceived design freedom and the originality of a luxury product.

Being able to offer a product that attract both young customers and luxury consumers, and that markets have started asking incessantly are the opportunity for firms to ride the wave of customization in the hard luxury products that has just started in the last years, and also an occasion to exploit in order to survive to one of the strongest recessions the world is assisting.

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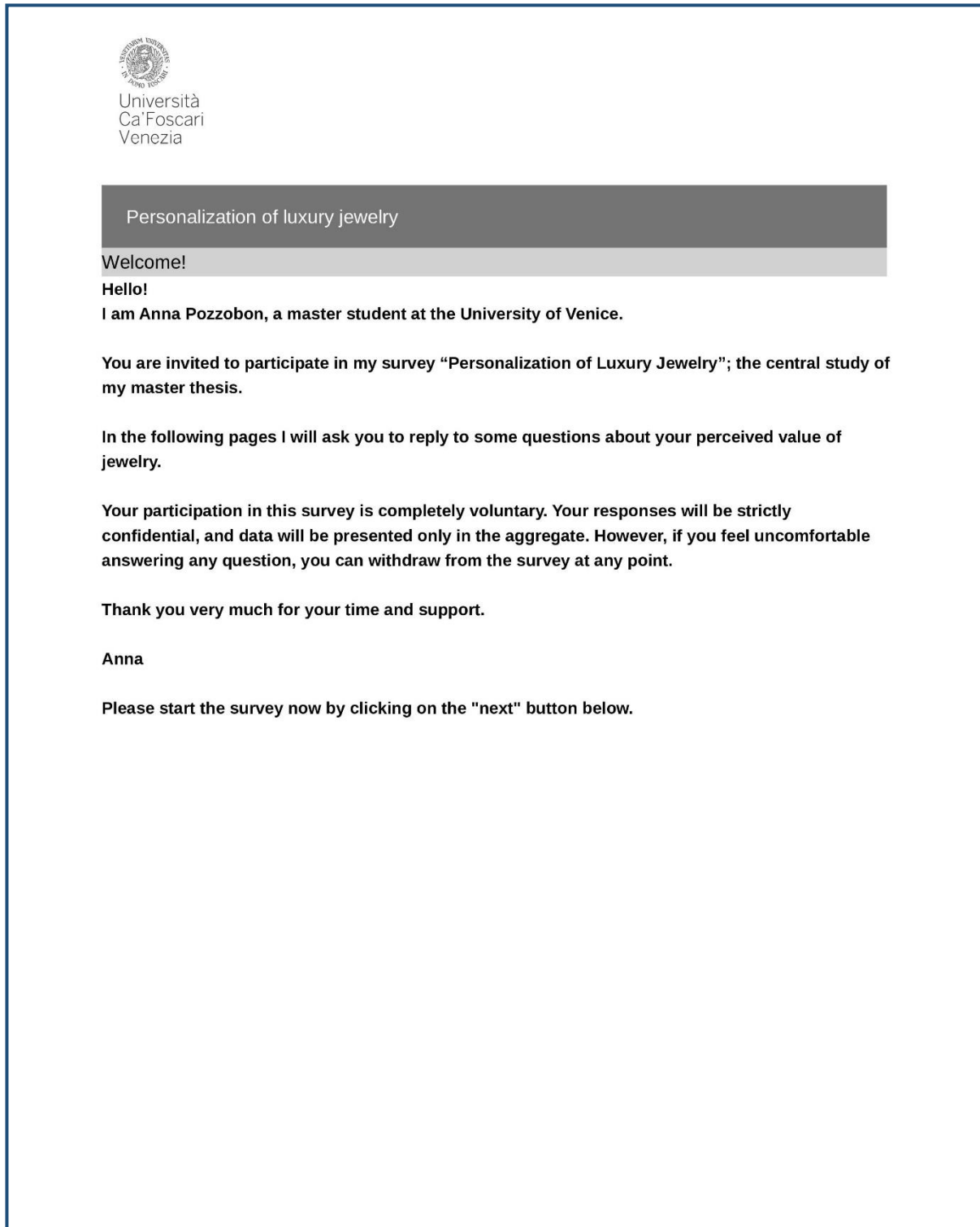
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VIII. Appendix

In the following pages the questionnaire that was proposed to the survey participants is presented.



The image shows a survey introduction page. At the top left is the logo of Ca' Foscari University of Venice, consisting of a circular seal with a figure and the text 'UNIVERSITAS CA' FOSCARI VENEZIA'. Below the logo, the text 'Università Ca' Foscari Venezia' is displayed. A dark grey horizontal bar contains the title 'Personalization of luxury jewelry' in white. Below this bar, the text 'Welcome!' is followed by 'Hello!' and 'I am Anna Pozzobon, a master student at the University of Venice.' The next paragraph states: 'You are invited to participate in my survey "Personalization of Luxury Jewelry"; the central study of my master thesis.' This is followed by: 'In the following pages I will ask you to reply to some questions about your perceived value of jewelry.' The following paragraph reads: 'Your participation in this survey is completely voluntary. Your responses will be strictly confidential, and data will be presented only in the aggregate. However, if you feel uncomfortable answering any question, you can withdraw from the survey at any point.' The text 'Thank you very much for your time and support.' is followed by the name 'Anna'. The final line says: 'Please start the survey now by clicking on the "next" button below.'



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Personalization of luxury jewelry

Pomellato is a jewelry company founded in 1967 in Milan which today belongs to the top 5 European companies in the sector by turnover.

Pomellato stands out for its unique design and for its colored gems which, thanks to innovative carving and processing techniques, have helped to create an unmistakable and iconic style.

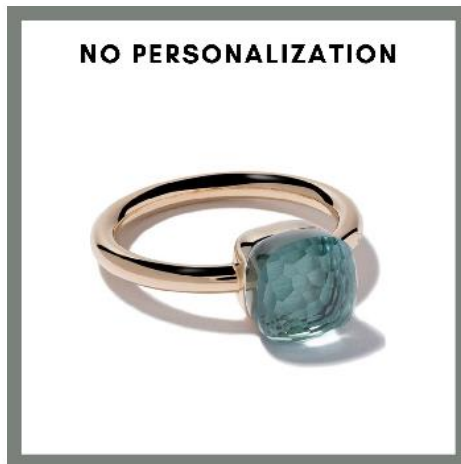
Since 2013 it has been part of the Kering group, a global luxury group. Kering supports and promotes the development of some of the most renowned brands in fashion, leather goods, jewelry and watches: Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, and others.

This is an existing Pomellato ring.

The ring is part of the Nude collection, and it is made of ROSE AND WHITE GOLD WITH ONE

FACED TOPAZ.

Last season the base price of the ring was 2.300€.



* 1. This is a beautiful ring...

strongly disagree	disagree	somewhat disagree	neutral	somewhat agree	agree	strongly agree
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Personalization of luxury jewelry

For the next **2021** spring-summer season Pomellato has decided to release on the market **the same ring but with new and different personalization options**.

There are going to be **two different scenarios**. You are asked to express your willingness to pay for the new products.

proposal 1: RING WITH 2 PERSONALIZATION OPTIONS



The novelty of this product is that the Pomellato brand has decided to give the possibility to choose **2 types of personalization** to apply to the ring.

You can choose one or more of the following personalization features:

- to **engrave a word or a phrase** on the ring,
- to **decide the colour of the topaz** set on the ring.

The personalization will be available through a user-friendly online toolkit.

* 2. How much would you be willing to pay for the ring with these 2 additional personalization features?

Write the price you would pay for it: it can be higher or lower than the basic price of the ring (the price of the non-customized product of 2020 was 2.300€).

* 3. The probability that you would consider buying the product is...

extremely unlikely	unlikely	more or less unlikely	neutral	more or less likely	likely	extremely likely
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

proposal 2: RING WITH 4 PERSONALIZATION OPTIONS



The novelty of this product is that the Pomellato brand decided to give the possibility to choose **4 types of personalization** to apply to the ring.

You can choose one or more of these following features:

- to **engrave a word or a phrase** on the ring,
- to **decide the colour of the topaz** set on the ring,
- to **personalize the shape of the stone** set on the ring (the shape changes, not the size)
- to **personalize color** (white, pink or yellow gold) of the shank.

The personalization will be available through a user-friendly online toolkit.

*** 4. How much would you be willing to pay for the ring with these 4 additional personalization features?**

Write the price you would pay for it: it can be higher or lower than the basic price of the ring (the price of the non-customized product of 2020 was 2.300€).

*** 5. The probability that you would consider buying the product is...**

extremely unlikely	unlikely	more or less unlikely	neutral	more or less likely	likely	extremely likely
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** 6. Based on your opinion, order the 3 proposals based on the level of luxury they represent** (take into account the recognizability of the brand and the possibility of customization: you believe that a non-personalized and therefore totally original object is a more or less luxurious asset than one where is there the possibility to customize it?).

	the least luxurious			the most luxurious
ring with no personalization option	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
ring with 2 personalization options	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
ring with 4 personalization options	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>



Personalization of luxury jewelry

Now are asked to imagine to be in the following **different context** and to reply to the questions about the different rings.

WEDDING ANNIVERSARY OF A CLOSE FRIEND OF YOURS

Next year is your friend's 10th wedding anniversary.

He asked you for advice on which of the three Pomellato rings to buy for his wife: he knows that she loves this ring, and he is undecided whether to give her the classic version (without customization options) or whether to opt for one of the two new proposals, in order to personalize it and give her a unique and special gift.

*** 7. The probability that I would consider buying the product for a wedding anniversary is...**

	extremely unlikely	unlikely	more or less unlikely	neutral	more or less likely	likely	extremely likely
Ring with no personalization options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ring with 2 personalization options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ring with 4 personalization options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** 8. How much would you be willing to pay for these products for this particular circumstance?**

Write the price you would pay for each of the options. It can be higher or lower than the base price of the ring (the price of the non-personalized product in 2020 was € 2.300).

Ring with no personalization options	<input type="text"/>
Ring with 2 personalization options	<input type="text"/>
Ring with 4 personalization options	<input type="text"/>

*** 9. What is your gender?**

- Female
 Male



Personalization of luxury jewelry

* 10. Now you are asked to indicate how much you agree with the following statements

	extremely disagree	disagree	somewhat disagree	neutral	somewhat agree	agree	extremely agree
Among the people you know, those who own personalized jewelry have more prestige than those who don't	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
People who use personalized jewelry have a high profile	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Among the people you know, having a personalized jewelry is a status symbol	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Among the people that you know, personalized jewelry is very often used	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personalized jewelries are not very visible among the people that you know	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is easy for you to observe others wearing personalized jewelries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other people ask you what is fashionable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You are aware of people's jewelry as fashion object	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You are more fashionable than the average person	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is important you pay attention to the questions, please select 'somewhat disagree'	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You would describe the brand Pomellato as luxurious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You would describe the ring with no personalization option as luxurious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You would describe the ring with 2 personalization options as luxurious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
You would describe the ring with 4 personalization options as luxurious	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



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Personalization of luxury jewelry

About you

* 11. How old are you?

- Under 18
- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 and over

* 12. What is your gender?

- Female
- Male

13. Do you own any Pomellato product?

- Yes
- No

* 14. What is your approximate average household income?

- 0 - 25.000€
- 25.000 - 40.000€
- 40.000 - 55.000 €
- 55.000 - 70.000 €
- 70.000 - 85.000 €
- 85.000 - 100.000 €
- over 100.000€



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Personalization of luxury jewelry

Thank you!

Thank you for taking the time to complete this survey.

Remember: many scenarios I presented you were created by me ad hoc for my thesis and therefore are hypothetical and not real!

If you would like to receive the results I will obtain thanks to this research and the conclusions of my thesis write me an email at 877706@stud.unive.it .

Anna