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The effects of Tiffany & Co’s online advertising strategy on brand perception in Italy and United States

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The effects of Tiffany&Co’s online advertising strategy on brand perception in Italy and United States

by

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Dedication

To my parents, Grazyna and Marcello, to my brother Thomas who have inspired me in pursuing a graduate degree in advertising and have always motivated me during my school and university years. Their support has been extremely important and a constant inspiration to improve and achieve higher results.

My parents’ international attitude and personality was a constant source of encouragement throughout my life. It guided my decisions and played an important role when I decided to study first in Australia, then in Barcelona and finally attend grad school at The University of Texas at Austin. Their never ending belief in me and their teachings accompanied me in this long journey that has been my education. It started on a sunny day on September 15, 1993 in Milan, Italy, when my mum accompanied me to my first day of school. Today after nineteen years and a variety of experiences that shaped and defined my personality I really have to thank my parents for helping me in accomplishing this incredible rollercoaster.

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Abstract

The effects of Tiffany&Co’s online advertising strategy on brand perception in Italy and United States

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This Professional Report explores the effects of Tiffany&Co’s online advertising strategy on brand perception in Italy and United States. The study starts with an analysis of the concept of luxury and the opinion that scholars have on how luxury value and brand equity should be communicated. Brand perception, its influence on consumers, and the role of Internet are also analyzed. The last part includes a detailed analysis of the findings for Italian and American consumers aged 18-25 and the variables that influence Tiffany&Co’s perceptions. The study concludes with recommendations to reinforce brand equity and perceptions via online advertisements.
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Chapter 1: Background

The concept of luxury throughout the centuries

The aspiration to achieve a higher social status is intrinsic in human nature; the first historical traces can be found in the Garden of Eden in which Eve eats the “forbidden fruit” that was supposed to elevate her and Adam to God’s level. In the present society the “forbidden fruit” can be considered as a luxurious good, something that only a selected number of people are allowed to enjoy and that the rest of the population aspires to have, in order to belong to the “the few”.

This concept acquires diverse shapes along the centuries depending on a number of factors such as the economical development, cultural situations and technology. Kapferer and Bastien in the book “Luxury Strategy: break the rules of marketing to build luxury brands” describe the origin of luxury and identify what was considered luxurious along the centuries.

The first concept of luxury was identified in burials that distinguished human beings from animals. As time went by, society evolved and burials became more complex and were used to indicate to which “cast” people belonged in society. It was then possible to find in tombs everyday objects if people belonged to a low class, and “jewelry, horses and even ships” (Kapferer & Bastien, 2009) if they belonged to a higher class. The Egyptians’ concept of luxury was clearly visible in the life of the privileged life and in also the manner in which people were buried facing afterlife. In the early Egypt and
culture, the highest degree of luxury was represented by the possibility to be mumified in order to allow the “survival of the soul” (Kapferer & Bastien, 2009). This treatment was adopted only “for a small elite: the Pharaoh, his wife or wives, the high priest and a selected few important dignitaries” (Kapferer & Bastien, 2009).

Starting with the birth of the Greek society the concept of luxury acquires a controversial meaning. Some people defined luxury as an “aspirational and improving force” (Kapferer & Bastien, 2009) whereas other saw luxury as an “enemy of virtues” (Kapferer & Bastien, 2009). This dichotomy is made clear by the clash of Sparta and Athens (Sgro’, 2005). Sparta focused on aristocracy, sacrifice and war (Sgro’, 2005) and Athens was known as democratic, philosophical and peaceful (Sgro’, 2005). A similar tension can be found in Rome where two opposing parties: Republicans, characterized by austerity and virtue (Kapferer & Bastien, 2009) and Imperialist, more elegant and sophisticated (Kapferer & Bastien, 2009) tried to control the Roman territory.

Historical examples like the former illustrate how the notion of luxury is influenced by society and by cultural evolution. Luxury also implies the concept of “practical utility, waste and decisions relating to the distribution of wealth” (Kapferer & Bastien, 2009).

During the Middle Ages there was a contraposition between the Christian moral values of simplicity, hard work and the refusal of what was superfluous and the opulence in which kings, queens and noblemen lived in. For the simplest classes of society luxury
was a way to improve their lives and a concept hardly tangible, on the contrary for the highest social levels it was a normal way of conducting life.

In more modern days (XVIII and XIX centuries) luxury is identified with custom-made products (Dewey, 2009) in fact “the wealthy class purchased custom clothing, had jewelry made to their specifications and even had custom fragrances created for themselves” (Dewey, 2009). Nowadays the situation has changed, products that belong to global brands and that are connected with fashion, jewelry, cars and fragrances are considered luxurious. Moreover Dewey in his presentation: “Back to the Future of luxury “ at “The Luxury Marketing Council & The French-American Chamber of Commerce” in 2009 asserted that a luxury good is “an unnecessary and extremely expensive indulgence that provides pleasure because of its exceptional quality and beauty”. In our present society people seek out these products because of the pleasure and the indulgence that they can beneficiate from it. They look for the emotion of being able to buy a product that fulfills their spirit and that elevates them to the same level as those people who can afford luxurious products.

Throughout the centuries luxury obtained different meanings depending on the socio-economical and cultural context in which it was analyzed. It had positive and negative association, it was perceived as something to seek out and at times it was seen as evil and condemned because it lead people in temptation. Despite all the connotations, luxury is a concept defined and shaped by society, but one thing is certain “rarity has always defined luxury” (Cronin, 2011).
THE LUXURY MARKET

In order to define the luxury market it is important to understand how it is composed and where the boundaries lie. Sinedi (sinedi.com) in his article called “Le prospettive nel settore del lusso” reports that Bain & Company defines the luxury market as composed of three segments that build up the “Luxury Pyramid”. The top part is occupied by the segment called “Absolute” and it represents the most exclusive brands that incorporate tradition, elitism and uniqueness like Chanel, Hermes, Loro Piana, and Harry Winston. The second level is represented by the “Aspirational” segment that includes brands that express a difference from the crowd being easily recognizable; some examples are: Gucci, Bulgari and Louis Vuitton. The lowest level of the pyramid is represented by those brands that are defined “Accessible”; these express a type of luxury that embodies and projects a status to the users. Within this segment it is possible to find names like Burberry, Tiffany&Co and Hugo Boss. This distinction is often used to analyze the dimension of the luxury market.

Bain & Company, consultancy firm, estimated that the global luxury market for personal goods (clothing, jewelry, accessories, watches and cosmetics) in 2011 was expected to reach $191 billion representing a growth of 10% respect to 2010 (Crivelli, 2011) with China producing a development of 35% that can be visualized as $9.6 billion. The United States represents the number one market for luxury goods with revenue of $48.1 billion with a positive growth of 15% after two years or uncertainty as Crivelli
(Crivelli, 2011) asserts. The second world market is Japan with revenue of $18.1 billion and Italy is placed a little bit after with revenue of $17.5 billion with the only city of Milan generating $4 billion.

Modern society is increasingly global and people as well as trends are becoming more and more unified, however culture still plays an important role in defining behaviors and perceptions. The same concept of luxury acquires different meanings depending on the geographical region and level of economic development. For example in Europe, and in particular Italy, the antithetic concepts of luxury and low cost are not opposite anymore. People believe in “intelligent” shopping with renouncing behavior when the product is not needed as Ricca, Interbrand’s business director, asserts (“I campioni di,”). This trend is particularly present in the fashion world where people buy Prada shoes and fly with a low cost company, or mix Louis Vuitton products with affordable Zara clothes.

This new phenomenon is directly related to the characteristics of “narcissism and hedonism” (Mortara, 2003) that characterize the modern society, and to the present understanding of the meaning of luxury. As demonstrated in the previous chapter, nowadays, luxury does not only indicate expensive and prestigious goods, it also refers to quality and value. One reasons of this perception shift can be related to the creation of affordable quality brands like Zara, which promote a new lifestyle and the present economic situation. These two factors forced some brands to create more affordable lines and products to remain competitive and maintain their presence on the market. For
example Polo by Ralph Lauren along with “its premium Purple Label line of men's clothing but also the long-established, lower-end Chaps and Polo Jeans Co. labels” (Case, 2004). The same phenomenon happens with Rolex. The Swiss brand is traditionally synonymous of luxury, its watches are in the range of $40,000, but the brand also offers “the Oyster Air-King for around $3,000” (Case, 2004). In the above-mentioned article the marketing director of Rolex, John Flaherty, asserts that Rolex “always had a wide variety of models and price” and “we have always had a watch out there for a lot of different people” (Case, 2004).

On one hand this process of reaching out towards the consumer increases visibility and builds associations for the brand but on the other hand it leads towards the “democratization of luxury”. This phenomenon is even reinforced in the modern market due to “price-slashing department stores and discount websites” (Ortved, 2011).

Very different is the situation in Asia and in the BRIC countries where brand represent status symbols and their value is utilized to take advantage of social hierarchies, as Ricca asserts. Moreover for luxury brands the fast growing Asian market represents a great opportunity to increase sales compared to the weak and struggling West economies (Wassener, 2011). For these reasons luxury manufacturers are opening may new stores. Ermenegildo Zegna has 70 stores in Grater China and Prada has more then a dozen stores only in Hong Kong.

The New York Times article “Luxury Brands Follow the Money to Asia” (Wassener, 2011) demonstrates the potential of the Asian market asserting that for some companies it
“contributes a third or even half of the global sales earnings, a sharp increase from a decade or two ago”. As a matter of fact in 2011 Prada, the Milan based company, decided to market its company through the Hong Kong stock exchange instead of the Milan stock exchange (Wassener, 2011). The prospects for the future economy of luxury are defined by the consulting firm McKinsey & Company that “estimates that China alone could account for a fifth of the global luxury market by 2015” (Wassener, 2011).

The luxury market in the United States presents similar characteristics with the European Market. It is a mature market where growth and development are slow but present and that suffered from the economical crisis. During this last period the behavioral patterns of the wealthy changed, as they started buying more selectively and making sure that the product, many purchased was worth the price (Strauss, 2011).

Today the economy is growing again and the "personal embracement of luxury is now back to (pre-recession) 2007 levels" (Strauss, 2011); this phenomenon can be seen in the use of private jet, cars and in purchases of high-end real estates. During the recession people were being conservative about money spending. Increased spending recently is documented by U.S. sales of Porsche in 2010, that increased of 29% over to 2009, on Cadillac sales growth of 36% and Rolls-Royce’s growth of 171% (Strauss, 2011). The different perceptions of luxury depend on the degree of economical development of the country and on the historical context in which the idea of luxury was shaped as well as cultural components.

**ONLINE ADVERTISING AND THE STRATEGY USED TO BUILD A BRAND IMAGE: WHAT DOES IT DO FOR LUXURY BRANDS?**
According to a study published by eMarketer earlier this year, in 2012 “U.S. online advertising is expected to generate $29.5 billion in sales” (Indvic, 2012), which will represent an increase of 23.3% respect to 2011, compared to the $33.8 billion on print. Moreover eMarketer asserts that print advertising budgets will continue being cut for the next four years and in 2016 marketers will allocate $32.3 billion, 10% less the in 2011 (Indvic, 2012), on online ads instead will reach $62.0 billion.

US Print vs Online Ad spending, 2011-2016. Source [www.eMarketer.com](http://www.eMarketer.com)

The reason for this shift is attributed to a behavioral change in the society due to technological evolution, the fast spread of handheld devices like tablets and smartphones
is making people spend more time online than offline. According to the recent report
“2012 Canada Digital Future in Focus” created by the Internet marketing research
company comScore shows that in the last quarter of 2011 people in the United States
spent 38.6 hours online, 43.5 were spent in Canada and 30 in South Korea. Some
countries like France and the United Kingdom highly increased their online presence,
respectively they spend 15 and 10 more hours online for a total of 27.5 and 35.4 hours
weekly. Other countries instead, decreased their Internet usage; this is the case of Italy
and India, which respectively spent 18 and 12.6 hours online per week versus 27.7 and

The rapid technology change just described is negatively impacting the print news
industry. The 2012 Pew Research Center “State of the News Media Report”, that will be
released on July 19 shows that “the news industry is not much closer to a new revenue
model than a year earlier and has lost more ground to rivals in the technology
industry”(Brazilian, 2012). The report also shows some figures indicating that, between
2010 and 2011, people preferred reading the news digitally rather then on newspapers. In
fact, digital news sites saw an increase in monthly readership of 17.2% whereas
magazines and newspapers respectively lost less the 1% and 4% in monthly audience.

Considering the higher amount of time that people spend online and the newspapers
and magazine crisis it is possible to understand the companies desire to utilize the
Internet to promote their products. The Pew report indicates that between 2010 and 2011
“total online ad revenue rose by 23 percent” and that newspapers “fell of 7.6 percent”
representing the biggest decrease (Brazilian, 2012).
The above data proves that online advertising is a great opportunity for companies to get their message across and reaching a constantly growing audience.

When it comes to deciding which formats to utilize companies have the possibility to chose among different options: web-banner, a pop-up, a sponsored link on a search engine and in the last years even pages on social media websites are considered a form of advertising and promotion. Each of these formats has specific aims and strategies but the overarching aim can be described as “building brands or generating clicks” (Li, 2011) with the hope to generate brand awareness and possibly a purchase.

The challenge for the companies is to find what can better reach the desired audience and that can impact them. When it comes to luxury brands the challenge is even higher; they have to remember what they stand for and continue building communication strategies that match their positioning; furthermore, luxury brands have to remind themselves that their marketing techniques are different and in some instances opposite than consumer goods.

Many luxury brands are utilizing the web in order to increase awareness and maintain their position in the market, for example Cartier, Burberry, and BMW increased their budgets “at more than 100 percent year-on-year for 2011” according to the Startcom Mediavest Report (Lau, 2011), Tiffany&Co, the American jewelry brand, has been utilizing the digital world as well; it placed banner ads on different websites like Espn, Life Style from Yahoo Canada, People, The New York Times (Appendix 1). Some of these represent a better fit then the other because the specific medium share strong
associations with Tiffany&Co and the viewers perceive the placement as the natural fit. According to Frampton the issue with this strategy is that the jewelry brand is making itself “more accessible to a broader audience” (Frampton, 2008) generating the so-called democratization of luxury.

**Tiffany &Co**

Tiffany &Co was founded in 1837 by Charles Lewis Tiffany and John B. Young who opened a “stationery and fancy goods” in a city characterized by extravagant tastes, dynamism and opportunities for anyone with an entrepreneurial spirit: New York.

Visiting Tiffany&Co people discovered a new simpler “American style” (“Tiffany&Co. History”) that differed from the European “religious and ceremonial patterns” (“Tiffany&Co. History”) of the Victorian era. The two founders took inspiration from the natural world that they perceived as simple, harmonious and clear. These elements became “the hallmarks of Tiffany design, first in silver hollowware and flatware, and later in jewelry” (“Tiffany&Co. History”).

In 1867 at the Paris Exposition Universelle Tiffany&Co achieved international recognition receiving “the grand prize for silver craftsmanship” (“Tiffany&Co. History”). For the first time in history a foreign jury was honoring an American design house.

Analyzing Tiffany&Co’s history it is important to point out that the American design house was the first to “employ the 925/1000 standard of silver purity” and engrave it on its pieces (“Tiffany&Co. History”). Moreover Charles Lewis Tiffany worked hard to
make the United States Congress adopt the ration as the American sterling silver standard. By 1870 Tiffany & Co was appreciated for its sophisticated and luxurious taste for jewelry, table, household and personal accessories and becoming the first American school of design (“Tiffany&Co. History”).

The Tiffany® Setting, engagement ring that every woman desires to receive, was created in 1886; it was an innovative piece of design that lifted the diamond above the band using six platinum prongs. This detail allowed the gem to return a more complete light in order to maximize brilliance.

At the end of the 19th century Tiffany&Co was having a great sin Europe in fact at the Paris fair in 1889 its exhibit was proclaimed “the most extraordinary collection of jewels ever produced by an American jewelry house” (“Tiffany&Co. History”) and in 1900 it produced another praiseworthy collection based on silver pieces inspired by Native American pottery (“Tiffany&Co. History”). The speed and the number of awards that Tiffany&Co was receiving “led to Tiffany’s appointment as Imperial Jeweler and Royal Jeweler to the crowned heads of Europe, as well as the Ottoman Emperor and the Czar and Czarina of Russia” (“Tiffany&Co. History”). All this success and development led the company, at the beginning of the 20th century, to open “branches in London, Paris, and Geneva” (“Tiffany&Co. History”).
During this time, Tiffany&Co was also receiving high recognition in the United States. Starting from 1882 the American company began collaborating with the White House when Mr. Tiffany was invited by President Chester Arthur to redecorate it (tiffany.com). Furthermore, Tiffany’s china was used for dinners and “Tiffany jewels accented the elegant clothes of the world’s most glamorous women, including Jacqueline Kennedy Onassis, Babe Paley and Diana Vreeland” (“Tiffany&Co. History”).

The United States as well as foreign governments commissioned the company special creations. Among them it is possible to remember “the Congressional Medal of Honor, the United States’ highest military award; and the 1885 redesign of the Great Seal of the United States, which can be seen on official government documents as well as on the one-dollar bill” (“Tiffany&Co. History”).

Tiffany&Co’s design and luxury was not only appreciated by Public institutions and glamorous women, but also by business and professional organizations. One of the most famous commissions is the “Vince Lombardi Trophy for the National Football League Super Bowl Championship” (“Tiffany&Co. History”) that has been created by Tiffany&Co since the first Super Bowl in 1967.

Over the past 175 years of the brand’s history, Tiffany&Co was able to build a strong international presence as a “premier jewelry and ultimate source of gifts for life’s most cherished occasions” (“Tiffany&Co. History”).
The next chapter describes the understanding, present in the literature, about the differences between brands and luxury brands. These variations are also used to indicate marketing strategies that luxury brands should apply in order no to jeopardize their brands equity. Furthermore, the literature analysis looks into the relationship between advertising and brands perception and the characteristics of a cross-cultural study.
Chapter 2: Literature review

Defining Brands and Luxury Brands

Kotler defines the concept of brand as “a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler, 1991). After its creation this definition became the point of reference for all those scholars interested in branding related topic.

Keller in his article “Conceptualizing, Measuring, and Managing Customer-Based Brand Equity” used the previous definition as the starting point to describe his Consumer-Based Brand Equity pyramid. Keller asserts that the structure of a brand is a vital element towards the understanding of the factors that “influence what comes to mind when a consumer thinks about a brand for example, in response to marketing activity for that brand” (Keller, 1993). Moreover he utilized Kotler’s definition in connection with memory models like the “associative network memory model” (Kotler, 1991) to define brand knowledge as “a brand node in memory to which a variety of associations are linked” (Keller, 1993).

Keller also explains that brand knowledge is influenced by brand awareness (recall and recognition of the brand) and “the favorability, strength, and uniqueness of the brand associations in consumer memory” (Keller, 1993). Keller also classifies brand associations in three categories: attributes, benefits, and attitudes.
Attributes indicate elements that “characterize a product or service” (Keller, 1993) and they are also related to what the “consumer thinks the product or service is” (Keller, 1993).

Benefits define “the personal value consumers attach to the product or service attribute” (Keller, 1993) which means that when consumers evaluate a product or service they consider how they can beneficiate from it.

Brand attitudes define “consumers' overall evaluations of a brand (Wilkie, 1986) and they are important because they can set the basis for consumers behavior.

One of the key elements in Kotler’s definition of brand is the term “name” that provides “a variety of purposes for both consumers and advertisers” (Mayers-Levy, 1989). The first and “intuitive function is to provide labels by which firms identify and promote their products and services to consumers” (Mayers-Levy, 1989), brands need names to distinguish themselves from the competition and to mark their presence in the market. The second function that they hold is to encapsulate and project “rich configurations of symbols and meanings” (Mayers-Levy, 1989) that consumers are attracted to and that will utilize to evaluate the products. For this reason brands like Coca-Cola, McDonalds and Tiffany&Co consider their names as “their most valuable asset because these labels provide immediate recognition and, often, acceptance of new products that may be introduced under the brand name” (Mayers-Levy, 1989).
Luxury brand

All the above-mentioned elements that define a brand are present when describing a luxury brand, but are also important to understand how the word luxury is defined and what assumptions and values it holds.

The Oxford English Dictionary indicates that the origin of the word luxury comes from the Latin “luxus” and meaning abundance, sumptuous enjoyment. The Webster’s dictionary expands the previous definition adding the concepts of excess and the pleasure “of something that is not necessary” (Dewey, 2009). Luxury is then something more that engages consumers on a very special level; moreover Kapferer and Bastien assert: “luxury is a culture” (Kapferer & Bastien, 2009).

Vedpuriswar in the article “The Marketing of Luxury Brands” (Vedpuriswar, 2005) used the literal definition of luxury and enriches it asserting that it also “means indulgence of the senses, regardless of cost”. The two authors, Kapferer and Bastien, expand the concept of luxury with the following six elements that can be used to define it:

1. *Luxury is democratic*: because the market shapes it and it can acquire different meanings depending on people’s culture and backgrounds, with the result that in some instances it can have opposite meanings. For example “a large gold watch studded with diamonds would be the epitome of luxury to some, and of bad taste for others” (Kapferer & Bastien, 2009).
2. *Luxury is elitist:* it is designed to be accessible by few people in order to maintain its allure. In the global world it is important to remember that the same concept of elite and what is considered luxury changed according to the country and culture, for this reason global companies are struggling to define a global range that can be offered in every country where they are present.

3. *Luxury trusts the experts:* luxury brands need to be able to communicate their value and characteristics thru people that are perceived as experts by the consumers always taking in account the previous issues with culture.

4. *Luxury is empirical:* the definition of luxury should be applied only to those brands that really encapsulate all the meanings of luxury, luxury is conservative.

5. *Luxury is corporatist:* which means that products can be defined as luxury only if a country that produced luxury produces them. This concept does not find a big application on a global scale.

6. *Luxury asks the creators:* it consists in asking the creators themselves if they are producing luxury.

For these reasons a deep understanding of the drivers and the characteristics this category is needed to advertised and marked it properly.
Dewery (Dewery, 2009), instead, indicates that a luxury brand needs to include the following characteristics:

1. Family Owned for generations
2. Extraordinary creativity and design
3. Proprietary “savoir faire”
4. Made by hand
5. Exceptional Quality
6. Rare or Very Limited in Availability
7. Purchased by the world’s most discerning clientele
8. Extremely expensive

The final definition of luxury brand, and the one that will be used from this moment on is:

“Luxury brands are brands whose ratio of functional utility to price is low while that of intangible utility to price is high. Such brands share characteristics like consistent premium quality, a heritage of craftsmanship, a recognizable style or design, a limited production run of any item to ensure exclusivity, an element of uniqueness and an ability to keep coming up with new designs when the category is fashion-intensive” (Vedpuriswar, 2005).

From this comparison it is possible to notice how luxury brands present different characteristics from other brands and premium brands, and as a consequence the
marketing and communication strategies need to follow different rules that Kapferer and Bastien define as “Anti-Laws of Marketing” (Kapferer & Bastien, 2009). The particular name comes from the fact that these laws represent the “opposite extreme of what marketing doctrine normally preaches” (Kapferer & Bastien, 2009).

1. **Forget about ‘positioning’, luxury is not comparative.**

   The core value of a luxury brand is its uniqueness and the consequential “expression of a taste, of a creative identity, of the intrinsic passion of a creator” (Kapferer & Bastien, 2009) moreover it states who the person is without making comparisons, as a positioning statement implies. For example the French maison Christian Lacroix projects the image of bright sunshine, vivid colors mixed with the culture of the Mediterranean without the concern of where it is positioning itself compared to the competition.

2. **Does your product have enough flaws?**

   This provocative statement is used to indicate the fact that luxury products are not perfect and that the imperfections are envisioned as a symbol of authenticity. For example Hermes watches show the time using only four figures: 3, 6, 9, and 12. This implies that in order to know what the time is people have to guess it.

3. **Don’t pander to your customers’ wishes.**

   This rule is used to reinforce the concept that luxury brands are an icon and that they have to remain faithful to who they are. One way they can do it is by
remaining true to itself resisting client demands when these do not correspond to the company’s very precise vision as BMW did.

4. *Keep non-enthusiasts out.*

When it comes to luxury the traditional rule of marketing, of trying to increase consumers by adapting the product to a broader demographic, is not valid anymore. In fact “trying to make a brand more relevant is to dilute its value” (Kapferer & Bastien, 2009) the brand loses some of its unique features and a “wider availability erodes the dream potential among the elite, among leaders of opinion” (Kapferer & Bastien, 2009).

5. *Don’t respond to rising demand.*

Luxury brands need to maintain the exclusive image that they hold and for this reason they have to difficult to reach. For example Ferrari produces only 6,000 vehicles a year (Kapferer & Bastien, 2009).

6. *Dominate the client.*

This rule can be described as the relationship that exists between parents, luxury brands, and children, consumers. The parents respect the children but at the same time they give them directions and define behaviors.

“The luxury brand should be ready to play this role of advisor, educator and socio-logical guide. On this account it simply has to dominate” (Kapferer & Bastien, 2009).

7. *Make it difficult for clients to buy.*
The luxury brand is a prize something that consumers need to desire and aspire to have, they need to search and wait for it. Only in this way the brand can continue representing its value.

8. **Protect clients from non-clients, the big from the small.**

This rule indicates that people that buy luxury goods needs to be treated in a special way. Luxury does not indicate only the product but it is an overall concept that includes also the service and the attention to the client.

9. **The role of advertising is not to sell.**

In this specific market the role of advertising is to communicate a dream and an aspiration, not to attract new consumers. Moreover the dream is needed because “reality kills the dream” (Kapferer & Bastien, 2009).

10. **Communicate to those whom you are not targeting.**

Luxury brands hold their values in the fact that people recognize that a product is luxurious and that they aspire to be part of the few ho can afford it. For this reason it is vital that brands spread awareness beyond the target group.

11. **The presumed price should always seem higher than the actual price.**

In this category price is something that does not have to be mentioned; people buy the product for what it means not for its price. A general rule to be applied to these products is that companies have to build an allure around their names and make consumers thing that the price is higher then what it is in reality in order to create more value (Kapferer & Bastien, 2009).
12. *Luxury sets the price, price does not set luxury.*

This anti-law defines luxury as “a supply-based marketing” and it also asserts that companies first come up with the product and then they set the price depending on how the client perceive the product as luxurious. The authors show that this is exactly the opposite of what happens in general marketing where the marketers try to find out what is the best price level the product can be placed.

13. *Raise your prices as time goes on in order to increase demand.*

In this instance too is possible to notice how luxury brands are opposite to general brands. Kapferer and Bastien show that in the standard market demand rises when price falls. In the luxury market the situation is the reversed. Moreover the authors also assert that this strategy will have a twofold effect: on the clientele and on the company. The former shows that a price increase will raise the brands allure and attractiveness as well as keep away the bad clientele. The latter instead refers to a sense of responsibility towards the clients that the company gains.

14. *Keep raising the average price of the product range.*

This rule asserts that in the luxury market companies raise their prices as soon as new competitors enter the market in order to protect their brand and set themselves apart and protect the image of exclusivity.

15. *Do not sell.*
In the luxury world the company does not want to constantly push the products to clients with the final goal of selling high volumes. Instead it wants to tell a story and the facts to clients, without pushing him to necessary to buy.

16. *Keep stars out of your advertising.*

The authors assert that one of the biggest mistakes that an established luxury brand can make is to utilize a star to promote it products. The reasons presented relate to the fact that this specific type of brand has the power to stand on its own and does not need to acquire the associations that actors and actresses have. Moreover the behaviors that they have could potentially damage the brand. Kapferer and Bastien, to support their thesis, bring the example of Louis Vuitton who used Michael Gorbachev, former USSR President for their advertisements. The authors also assert that by doing this the company avoided any issues because:

- The celebrity is not a fashion symbol but a man who changed the world;
- Louis Vuitton is not the hero, but only the witness of an exceptional moment (a strategic negotiation).

17. *Cultivate closeness to the arts for initiates.*

Luxury is a form of art itself designed for few people, it is not meant to be popular and over exposed but yet it is supposed to create and inspire. For these reasons it should select to promote or associate it with “non-popular”
(Kapferer & Bastien, 2009) and becoming “patrons of emerging arts” (Kapferer & Bastien, 2009).

18. Don’t relocate your factories.

When consumers buy a luxury product they are buying the whole concept that surrounds it and with it comes the country of origin what projects associations on the brand. For the luxury industry these roots are extremely important and represent a vital value.

Luxury Brands and Internet

When it comes to the relationship between Internet and luxury brands Kapferer and Bastien assert that “the Internet offers remarkable and completely new opportunities for communication: doing without this new medium in a communication strategy would be an error” (Kapferer & Bastien, 2009) but at the same time they warn about the risk of democratization of luxury. This phenomenon, which has been developing over the past century, is due to the higher access to luxury goods that is consequential to the evolution of the economy. The higher accessibility, sometimes in terms of price or visibility, reduces the powerful associations that were built over time. In fact Dewey (Dewey, 2009) asserts that the first instance of democratization of luxury happened with fragrances. The desire and dream to own a luxurious good is fulfilled by perfume bottle.
ADVERTISING AND BRAND PERCEPTION

The relationship between advertising and how a consumer perceives a brand has been largely studied. Meenaghan (Meenaghan, 1995) asserts that advertising has the power to create a bond between the brand and the consumer generating the imagery and symbolism around the product, which will increase the brand’s associations. In this process the consumer is described as “active, knowledgeable, sophisticated and involved in the process of giving meaning to brands” (Meenaghan, 1995).

Johar and Sirgy (Johar & Sirgy, 1991) define a value expressive and symbolic for advertising which aims to communicate an image to the consumer in order to build a personality for the product or to define the user, as opposed to utilitarian or functional advertising. This one aims to communicate to the consumer the objective characteristics of the brand. The two scholars also assert that this strategy persuades generating self-congruity. This process is defined as “psychological process in which the audience focuses on source cues and matches these cues to their self-concept” (Meenaghan, 1995); as a consequence there is a greater possibility to persuasion when the brand’s characteristics match the consumer’s. Moreover Menegham identifies the value expressive strategy as the peripheral route of persuasion described in the Elaboration Likelihood Model, whereas the functional strategy represents the central route.

Being able to communicate brand values and influence self-brand congruity becomes an important element in advertising because it will strengthen brand identity and consequently the relationship that the customer’s brand perception. Menegham also asserts that advertising has to give context in order to allow “recognition of brands as
social signals” (Meenaghan, 1995) for the consumers. In effect the development of brand image is reliant on both the informational and the transformational abilities of advertising with the brand image formed by the consumer being the composite of both functional and emotional components absorbed simultaneously.

Not only advertising but also packaging has an influence on how people perceive the brand and the type of associations that they build. Considering the Consumer Brand-Based Pyramid created by Keller (Keller, 2001) the concept of packaging is viewed as an element of performance and in particular it is identified in the sub-category of style and design. Keller states that when people “may have associations with a product that go beyond its functional aspects to more aesthetic considerations such as its size, shape, materials, and color. Thus performance may also depend on sensory aspects – how a product looks and feels and perhaps even what it sounds or smells like” (Keller, 2001). The concept of performance is also connected to the judgments that consumers elaborate. According to Keller these can depend on a number of different elements from product performance to the company’s behavior. The previously mentioned packaging as been found to be an indicator of quality for consumes to do the fact that it is not separate from the product but it is a part of it (Rigaux-Bricmont, 1982). In fact Rigaux-Bricmont in the study “Influence of brand name and packaging on perceived quality” (Rigaux-Bricmont, 1982) demonstrates that packaging has a positive effect on brand evaluation. Furthermore it also reinforces the image that consumers build of the brand. To this consideration Underwood (Underwood, 2003) introduces another element: society. He asserts that
society’s interaction with the brand and the culture lead to build a shared system of meanings and idiosyncratic symbolic interpretation (Underwood, 2003).

**CROSS CULTURAL STUDY**

Cross-cultural studies are also called hologeistic and their aim is to “generalize widely about variables in human society and culture” (Naroll, 1970 What did I learn) moreover they represent a useful tool to investigate variations in cultures and how they react to selected variables. When structuring this particular type of study it is important to consider the following elements that can represent an issue due to the different realities: sampling, societal unit definition, data accuracy, conceptualization, classification, coding, Galton's problem, causal analysis of correlations, paucity of relevant data, he "combing," "dredging," or "mud sticking" problem, the general problem of statistical significance, regional variation, deviant case analysis (Naroll, 1970).

The next chapter describes the methodology used to collect and analyze the data for the exploratory study designed to verify whether Tiffany&Co’s online advertising strategy influences brand perception in Italy and United States.
Chapter 3: Methodology and Hypotheses

This chapter defines the hypotheses that will be tested to answer the overall research question whether Tiffany&Co online advertising strategy influences brand perception in Italy and United States. It also describes in detail how the study will be conducted and what type of statistical analysis will be used.

Hypotheses

The study will develop analyzing the following three hypotheses that aim to discover how Tiffany&Co’s online strategy affects brand perception in Italy and in the United States.

H01: Italian and U.S. consumers appear to associate the same words with Tiffany&Co.

H02: Tiffany&Co online advertising placement influences Italian and U.S. consumers’ word associations with Tiffany&Co.

H03: Italian and U.S. consumers do not differ in their opinion of whether Tiffany&Co should advertise online.

   H03a: When exposed to a product placement stimulus

   H03b: When exposed to an online advertisement stimulus
H0₄: There is no difference in the propensity to buy online from Tiffany&Co between the Italian and U.S. consumers.

H0₅: There is no difference in the propensity to buy over the phone Tiffany&Co between the Italian and U.S. consumers.

**Methodology**

The methodology used to collect data for this study was guided by two major factors: the need to answer the hypotheses and the cross-cultural nature of the study. An exploratory research was designed in order to have a better understanding of the general believes in Italy and the United States about Tiffany&Co’s online advertising strategy, furthermore this study aims to produce some directions for future activities. To test the hypotheses the study was structured with an experimental design. Two similar surveys (Appendix 1) on in Italian and one in English where created. They were composed of a total of 17 questions divided into two parts that aimed to collect information on the participants’ demographics as well as their perception about Tiffany&Co.

**Survey First Part**

It consisted of four demographic questions where the participants were asked about their age, gender, and level of education and where they lived. In order to ensure
that the respondents belonged to the selected target group (18-25 years old) the age question was also used as “gate”. If the respondents selected the options: less then 18 or more then 25 the survey ended automatically. In the level of education respondents had the possibility to select among: high school, undergrad and grad school. The question asking where the respondents lived offered two possible answers: Italy and the United States. The scales used to collect data were nominal and interval.

**Survey Second Part**

This part highlighted the nature of the experimental design. Respondents were randomly assigned to the control group or the experimental group. The former exposed respondents to Tiffany&Co’s unbranded blue box whereas the latter exposed respondents to two pictures representing Tiffany&Co’s online banners that appeared on “espn.com” and “Lifestyle from Yahoo” (Appendix 2). The images were inserted at the beginning of the second part of the survey.

The two groups were composed of 13 questions which aim was to verify people’s perception about Tiffany&Co, their opinion on online advertising and the possibility to buy the brand’s products online or on the phone. To analyze people’s perception of the brand the respondents were asked to select three words that in their opinion best applied to Tiffany&Co among the following: quality, trust, luxury, tradition, wedding, Christmas, engagement, Audrey Hepburn, New York, silver bracelets, famous designers, socially responsible, over rated, over used, cheap, expensive, too plain, poor quality, too commercial/ popular, it does not tell me anything and other.
Respondents were questioned whether Tiffany&Co should advertise online and if they agreed they were asked a follow up question asking them on what type of website (websites with a similar brand image and value, websites related for content (jewelry, pens) or not related websites). If they did not agree they were asked a question aimed to discover the reason (internet is overused, it does not fit the brand, it cheapens the brand, it is not exclusive, Tiffany&Co does not need to advertise online, other). The last part of the survey was designed to discover people’s attitudes towards the possibility to by Tiffany&Co’s products online or on the phone. Respondents were also tested on their e-commerce behavior. In particular they were asked if they (or a member of their family) have ever bought or were planning to buy Tiffany&Co online or on the phone and for what reason. Positive and negative responses were followed by more specific questions that aimed to discover more insightful information about what drives people. In this section the scales used were all nominal except for one question were a Likert scale was implemented.

**Cross-cultural study**

In order to develop the cross-cultural study and to ensure validity two identical versions of the survey were generated one in Italian and one in English to be respectively distributed in Italy and the United States. The need of a survey in Italian was guided by the desire to ensure that the respondents clearly understood the questions and the answers.
DATA COLLECTION

The two surveys where administrated as follows:

Italian survey: it was distributed utilizing Facebook. An event was created. People belonging to the selected target where invited to participate in the survey and asked to invite more people to participate. This strategy was designed in order to ensure a varied sample that could better represent the Italian population.

United States survey: it was distributed via the Advertising Participant Poll and Facebook.

WHAT STATISTICS WILL BE USED

To analyze the data collected two tests will be implemented: the Chi-Square and the Independent T-Test. The Chi-Square with a 95% interval of significance will be used to test the first four hypotheses whereas the Independent T-Test with a 95% interval of significance will be used to test the fifth hypothesis.

The next chapter describes the characteristics of Italian and American sample used to conduct the study as well as the analysis of the previously stated hypotheses.
Chapter 4: Data analysis

This section aims to produce an overview of the data collected identifying the statistics used to analyze the data, the characteristics of the Italian and US sample and analyze the data. The findings here described will be used to draw conclusions and recommendations discussed in the next chapter.

Sample

This cross-cultural study was conducted using a convenience sample composed of 300 respondents and it is divided in two sub-samples: Italian and U.S. The Italian sample is mainly composed by men (66.2%) and the U.S. sample is primarily composed by females (65.8%). Another variable of the sample is the age distribution of the subjects. The Italian sample was older then the American sample: almost sixty-five percent (64.9%) of the Italian respondents were in the 23-25 group whereas only 21.9% of the American sample was in the same group. The third variable identifying the samples element is the level of education of the subjects. Almost forty-seven percent (46.8%) of the Italian respondents indicated a high school level of education, 39.6% had completed undergraduate education and 13.6% had a graduate degree. In the American sample, 65.7% of the population completed undergraduate degree and 17.1% had a graduate degree, while only 2.7% were high school graduates.
Appendix 3 shows a Chi Square analysis comparing the U.S. and Italian samples on the attributes of gender, age, and level of education. The results indicate that the samples are not matched on these attributes. This is to be expected as this experimental study used convenience samples. Further research should be conducted using comparable cross-cultural samples to assess whether the differences found in this research are based on cultural biases or should be attributed to the demographic differences of the two samples.

**HYPOTHESES TESTING**

The following section indicates the hypotheses tested in this study and provides the statistical analysis conducted to verify each hypothesis.

H01: Italian and U.S. consumers appear to associate the same words with Tiffany&Co.

H02: Tiffany&Co online advertising placement influences Italian and U.S. consumers’ word associations with Tiffany&Co.

H03: Italian and U.S. consumers do not differ in their opinion of whether Tiffany&Co should advertise online.

H03a: When exposed to a product placement stimulus

H03b: When exposed to an online advertisement stimulus
H0₄: There is no difference in the propensity to buy online from Tiffany&Co between the Italian and U.S. consumers.

H0₅: There is no difference in the propensity to buy over the phone Tiffany&Co between the Italian and U.S. consumers.

**HYPOTHESIS TESTING**

**Hypothesis 1**

H0₁: Italian and U.S. consumers appear to associate the same words with Tiffany&Co.

In order to verify this hypothesis a Chi-Square test was conducted. The test result showed that there is a statistical significant difference between (Appendix 4) the word with Tiffany&Co used by Italian and U.S. consumers. Therefore the null hypothesis is not supported and the alternative hypothesis that Italian and U.S. consumers do not have the same associations with Tiffany&Co is accepted.

In order to run this test some of the possible associations that consumers could choose were eliminated due to a low level of respondent rate. The table below shows the terms that have been used to calculate the Chi Square Test.
Table 2. Cross-tab analysis of the words that best apply to Tiffany&Co for the Italian and U.S. sample.

<table>
<thead>
<tr>
<th>Words</th>
<th>ITALY</th>
<th>U.S.</th>
<th>( \chi^2 )</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>27</td>
<td>17.5</td>
<td>42</td>
<td>28.8</td>
</tr>
<tr>
<td>Luxury</td>
<td>84</td>
<td>54.5</td>
<td>95</td>
<td>65.1</td>
</tr>
<tr>
<td>Wedding/Engagement</td>
<td>29</td>
<td>18.8</td>
<td>76</td>
<td>52.1</td>
</tr>
<tr>
<td>Audrey Hepburn</td>
<td>54</td>
<td>35.1</td>
<td>36</td>
<td>24.7</td>
</tr>
<tr>
<td>New York</td>
<td>44</td>
<td>28.6</td>
<td>16</td>
<td>11.0</td>
</tr>
<tr>
<td>Silver Bracelets</td>
<td>36</td>
<td>23.44</td>
<td>29</td>
<td>19.9</td>
</tr>
<tr>
<td>Expensive</td>
<td>55</td>
<td>35.7</td>
<td>78</td>
<td>53.4</td>
</tr>
<tr>
<td>Overrated/Too Commercial</td>
<td>55</td>
<td>35.7</td>
<td>23</td>
<td>15.8</td>
</tr>
</tbody>
</table>

Excluded words from the analysis: over used, poor quality, trust, Christmas, it ides not tell me anything and other.

The data showed in the Table 2. also demonstrate that the subjects in the Italian sample mainly associate Tiffany&Co with: “Luxury”, “Audrey Hepburn”, “Expensive” and “Overrated/Too Commercial”. The subjects in the American sample instead, mainly associate the words: “Luxury”, “Wedding/Engagement” and “Expensive” with the brand.

Hypothesis 2

H02: Tiffany&Co online advertising placement influences Italian and U.S. consumers’ word associations with Tiffany&Co.

This hypothesis was verified conducting a Chi Square test. For the Italian sample the test did not show a statistical significance (Appendix 5) therefore the null hypothesis is not supported and it is possible to assert that Tiffany&Co online advertising placement
does not influence Italian consumers’ word associations with the brand. In fact the table below (Table 3) shows that the associations between the two groups are very similar.

In order to run this test some of the possible associations that consumers could choose were eliminated due to a low level of respondent rate. The table below shows the terms that have been used to calculate the Chi Square Test.

Table 3. Cross-tab analysis of the words that best apply to Tiffany&Co for the Italian sample comparing Box and Advertisement.

<table>
<thead>
<tr>
<th>Words</th>
<th>BOX Italy</th>
<th>N</th>
<th>%</th>
<th>ADV Italy</th>
<th>N</th>
<th>%</th>
<th>χ²</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td>15</td>
<td>19.7</td>
<td></td>
<td>12</td>
<td>15.4</td>
<td></td>
<td>.504</td>
<td>.529</td>
</tr>
<tr>
<td>Luxury</td>
<td>39</td>
<td>51.3</td>
<td></td>
<td>45</td>
<td>57.7</td>
<td></td>
<td>.631</td>
<td>.571</td>
</tr>
<tr>
<td>Wedding/Engagement</td>
<td>10</td>
<td>13.2</td>
<td></td>
<td>19</td>
<td>24.4</td>
<td></td>
<td>4.354</td>
<td>.283</td>
</tr>
<tr>
<td>Audrey Hepburn</td>
<td>28</td>
<td>36.8</td>
<td></td>
<td>26</td>
<td>33.3</td>
<td></td>
<td>.208</td>
<td>.736</td>
</tr>
<tr>
<td>Silver Bracelets</td>
<td>19</td>
<td>25.0</td>
<td></td>
<td>17</td>
<td>21.8</td>
<td></td>
<td>.221</td>
<td>.705</td>
</tr>
<tr>
<td>Expensive</td>
<td>30</td>
<td>39.5</td>
<td></td>
<td>25</td>
<td>32.1</td>
<td></td>
<td>.924</td>
<td>.401</td>
</tr>
<tr>
<td>Overrated/Too Commercial</td>
<td>24</td>
<td>31.6</td>
<td></td>
<td>31</td>
<td>39.8</td>
<td></td>
<td>.627</td>
<td>.661</td>
</tr>
</tbody>
</table>

Excluded words from the analysis: over used, poor quality, tradition, Christmas, famous designers, it ides not tell me anything and other.

For the U.S. sample the Chi Square Test for the selected words (Appendix 6) shows that the null hypothesis is not supported and therefore, the alternative hypothesis that the Tiffany&Co online advertising placement does not influence U.S. consumers’ word associations with the brand. The only difference that can be noticed (Table 4) is
with the word “Luxury”; in fact the experimental group showed a significant reduction in associations and the Chi Square calculated for that word proved a statistical significance.

The table below shows the terms that have been selected and refused to calculate the Chi Square Test. The excluded words were selected on the basis of a low response rate.

Table 4. Cross-tab analysis of the words that best apply to Tiffany&Co for the U.S. sample comparing Box and Advertisement.

<table>
<thead>
<tr>
<th>Words</th>
<th>BOX U.S.</th>
<th></th>
<th>ADV U.S.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Quality</td>
<td>22</td>
<td>29.3</td>
<td>20</td>
<td>28.2</td>
</tr>
<tr>
<td>Luxury</td>
<td>55</td>
<td>73.3</td>
<td>40</td>
<td>56.3</td>
</tr>
<tr>
<td>Wedding/Engagement</td>
<td>45</td>
<td>60.0</td>
<td>31</td>
<td>43.7</td>
</tr>
<tr>
<td>Audrey Hepburn</td>
<td>14</td>
<td>18.7</td>
<td>22</td>
<td>31.0</td>
</tr>
<tr>
<td>New York</td>
<td>9</td>
<td>12.0</td>
<td>7</td>
<td>9.9</td>
</tr>
<tr>
<td>Silver Bracelets</td>
<td>16</td>
<td>21.3</td>
<td>13</td>
<td>18.3</td>
</tr>
<tr>
<td>Expensive</td>
<td>41</td>
<td>54.7</td>
<td>37</td>
<td>52.1</td>
</tr>
</tbody>
</table>

Excluded words from the analysis: over rated, tradition, Christmas, famous designers, too plain, it ides not tell me anything and other.

**HYPOTHESIS 3**

H03: Italian and U.S. consumers do not differ in their opinion of whether Tiffany&Co should advertise online.

H03a: When exposed to a product placement stimulus
H0\textsubscript{3b}: When exposed to an online advertisement stimulus

In order to verify the hypothesis and the two sub hypotheses two Chi Squared Tests were run.

H0\textsubscript{3a}

For the samples exposed to Tiffany&Co’s Box in Italy and the U.S. the Chi-Squared Test (Table 5.a. below) shows that the null hypothesis is supported, therefore it is possible to conclude that Italian and U.S. consumers do not differ in their opinion of whether Tiffany&Co should advertise online when exposed to a product placement stimulus.

Table 5.a. Cross-tab analysis between Box Ita and Box Usa: Do you think that Tiffany&Co should advertise online?

<table>
<thead>
<tr>
<th>Question</th>
<th>Should Tiffany&amp;Co advertise online?</th>
<th>( \chi^2 )</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Box Italy</td>
<td>20</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Box USA</td>
<td>42</td>
<td>33</td>
<td>71.7</td>
</tr>
</tbody>
</table>

H0\textsubscript{3b}

For what concerns the Advertisement sample the Chi-Squared Test (Table 5.b. below) shows that there is no statistical significance between the Italian sample and the U.S sample exposed to Tiffany&Co online advertisement therefore the null hypothesis is accepted and Italian and U.S. consumers do not differ in their opinion of whether Tiffany&Co should advertise online when exposed to an advertisement stimulus.
Table 5.b. Cross-tab analysis between Adv Italy and Adv U.S.: Do you think that Tiffany&Co should advertise online?

<table>
<thead>
<tr>
<th>Question</th>
<th>Should Tiffany&amp;Co advertise online?</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Adv Italy</td>
<td>34</td>
<td>43.6</td>
<td>40</td>
</tr>
<tr>
<td>Adv USA</td>
<td>44</td>
<td>56.4</td>
<td>27</td>
</tr>
</tbody>
</table>

**HYPOTHESIS 4**

H0₄: There is no difference in the propensity to buy online from Tiffany&Co between the Italian and U.S. consumers.

An Independent T-Test was implemented to verify this hypothesis. Table 6 shows that the null hypothesis is not supported and the alternative hypothesis has to be accepted. In fact the calculated level of significance is lower than the .05. Therefore, it is possible to conclude that there is a difference in the propensity to buy online from Tiffany&Co between the Italian and U.S. consumers. On a 5 point Likert scale (1= useless, 2= not important, 3= neutral, 4= important, 5=highly important) the Italian sample scored a mean of 2.80 (standard deviation 1.514) whereas the US sample scored a mean of 3.40 (standard deviation 1.130).
Table 6. Independent T-Test Italy VS. USA. Importance of the possibility of buying Tiffany&Co online.

<table>
<thead>
<tr>
<th></th>
<th>ITALY</th>
<th>USA</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>154</td>
<td>146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>2.80</td>
<td>3.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online</td>
<td></td>
<td></td>
<td>-3.908</td>
<td>.000</td>
</tr>
</tbody>
</table>

Hypothesis 5

H05: There is no difference in the propensity to buy over the phone from Tiffany&Co between the Italian and U.S. consumers.

An Independent T-Test was implemented to verify this hypothesis. Table 7 shows that the Italian and U.S. sample have the same propensity to purchase Tiffany&Co over the phone therefore, the previously stated H05 is accepted. In fact on a 5-point Likert scale (1= useless, 2= not important, 3= neutral, 4= important, 5=highly important) the Italian sample scored a mean of 2.25 (standard deviation 1.093) whereas the American sample scored a mean of 2.05 (standard deviation .920).
Table 7. Independent T-Test Italy VS. USA. Importance of the possibility of buying Tiffany&Co on the phone.

<table>
<thead>
<tr>
<th></th>
<th><strong>ITALY</strong></th>
<th><strong>USA</strong></th>
<th>( t )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the Phone</td>
<td>N</td>
<td>Mean</td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>On the phone</td>
<td>154</td>
<td>2.25</td>
<td>146</td>
<td>2.05</td>
</tr>
</tbody>
</table>

The next chapter will use the findings just reported in order to draw managerial conclusions and recommendations.
CONCLUSIONS AND IMPLICATIONS

The purpose of this study was to explore the effects of Tiffany&Co online advertising strategy on brand perception in Italy and in the United States. The analysis conducted in the previous chapter shows that overall the Italian and US consumers associate Tiffany&Co “Luxury” and “Expensive” where the other terms present differences. Furthermore they are affected similarly by the brand’s online advertising placement. The possibility of purchasing Tiffany&Co’s products online was evaluated more positively in the U.S. than in Italy; the possibility of buying Tiffany&Co over the phone, instead, was evaluated similarly in the two countries.

The findings indicate that it is appropriate for Tiffany&Co to advertise online, this should be done with caution to preserve brand equity and the positive associations that consumers hold. The word associations of: quality, luxury, wedding/engagement, Audrey Hepburn and New York should be reinforced and used to build the communication strategy. In fact, over the past decades Tiffany&Co was able to build a strong imagery that revolves around the blue box, the Setting engagement ring, Audrey Hepburn, and those magical moments that are the engagement and the wedding.

A misplaced advertising strategy would hurt the brand equity shifting the associations towards over rated, too commercial/popular and less quality. Kapferer and Bastien (Kapferer & Bastien, 2009) assert that luxury is about elitism and difficulty of
access and these elements can still be conveyed via Internet. Tiffany&Co needs to select the best online outlets that fit its brand image and that will reinforce brand equity. As a matter of fact the results demonstrate that Tiffany&Co’s online advertising strategy has an effect on how people evaluate the brand. Therefore it is recommended to design ads that reinforce the associations that Tiffany&Co wants to communicate and be associated with.

For what concerns the online store it is recommended to communicate its existence to the consumers reinforcing the luxurious connotations and care that consumers will receive. On the contrary, the possibility to buy Tiffany&Co over the phone should not be communicated due to the fact that the results do not show a positive propensity towards this option. The following section will discuss the limitation related to this study and the opportunities for further research.

LIMITATIONS

The limitations that this study found are related to the survey design, and the sample. For what concerns the survey design some questions were not phrased specifically enough potentially reducing the understanding of the questions. The nature of the cross-cultural study and the consequential need to have the survey administrated in Italian and English can have caused, in same cases, different interpretations of the questions and answers.

The flow of the survey also represented a limitation. Some questions in the American survey administrated to the experimental group were not appearing causing the impossibility to compare those answers among the different samples and to obtain a deeper understanding of the phenomenon.
The second major limitation deals with the sample. As indicated in the previous chapter the selected sample was a convenience sample that resulted not comparable under the characteristics of gender, age and level of education. The second limitation related to the sample deals with a low completion rate which caused the elimination of a substantial number of respondents.

Future research it is recommended to design the survey with more specific and simple questions in order to avoid fatiguing the respondents and avoiding low response rate. To gain a more complete understanding of the effects that Tiffany&Co online strategy on brand perception in Italy and the United States it is recommended to use a comparable cross-cultural sample.

Further research is also suggested to compare the effects of online advertisement strategies implemented by different luxury brands and Tiffany&Co on consumers. A deeper understanding of the relationship between luxury brands and the modern technology as well as social media is recommended.
Appendix

APPENDIX 1

Italian Survey

Italian Consent Form IRB # 2012020021

La invitiamo a partecipare in uno studio chiamato “L’effetto della strategia pubblicitaria online di Tiffany&Co sulla marca, in Italia e negli Stati Uniti”. Lo studio e’ condotto da Urszula Bosco “Department of Advertising of The University of Texas at Austin, 1 University Station A1200, phone: (+1) 512-471-1101, emails: isabella.cunningham@austin.utexas.edu and urszula.bosco@utexas.edu.

Lo scopo di questa ricerca e’ di esaminare come la pubblicita’ online influenza la percezione della marca. La Sua partecipazione nello studio contribuirà ad una migliore comprensione di questo settore. Lei ha la possibilità di contattare i ricercatori all’indirizzo e numero di telefono sopra indicati per discutere lo studio. L’eta’ minima per partecipare nello studio e’ 18 anni.

Se accetta di partecipare
- Impiegherà circa 15 minuti per completarlo
- Lei completerà un’attività sulla pubblicità’ online

Rischi/Benefici/Privacy dei dati
Nessun rischio e’ previsto per questo studio. Nessun costo e’ previsto per la Sua partecipazione e non riceverà’ alcun beneficio. Il Suo nome ed indirizzo email verranno raccolti durante la fase della raccolta dei dati al solo scopo della tracciabilità’. Un numero limitato di ricercatori avrà’ accesso ai dati durante la raccolta. Le informazioni che permettono l’identificazione verranno rimosse dai dati finali.

Contatti
Nel caso in cui Lei avesse delle domande a proposito dello studio oppure ha bisogno di aggiornare il suo indirizzo email La prego di contattare il ricercatore Urszula Bosco ph: (+1) 512-529-9099 oppure invii un’email a: urszula.bosco@utexas.edu. Questo studio e’ stato approvato da The University of Texas at Austin Institutional Review Board e il numero dello studio e’ 2012020021.

Domande sui propri diritti come partecipante allo studio
Se lei delle domande a proposito dei propri diritti oppure se lei non fosse soddisfatto con qualche parte di questo studio, lei può contattare in maniera anonima l’ Institutional Review Board by phone at (512) 471-8871 oppure inviare un’email a orsc@uts.cc.utexas.edu.

Grazie

La preghiano di stampare una copia del documento.

- Accetto  - Non accetto

**Block 1**

All the students that agreed to participate in the study will complete this part.

1. Eta’:
   a. < 18 (end of survey)
   b. 18-22
   c. 23-25
   d. 25+ (end of survey)

2. Sesso:
   a. uomo
   b. donna

3. Livello di istruzione
   a. liceo
   b. laurea triennale
   c. laurea magistrale

4. Luogo di residenza:
   a. Italia
   b. Usa

*Randomization: students will be randomly assigned to the Block 2 or Block 3*

**Block 2**

5. Qual’è la prima cosa che le viene in mente vedendo quest' immagine?
prego indichi: __________

6. Aspira a ricevere o a donare un oggetto "Tiffany&Co":
   a. Aspiro altamente
   b. Aspiro
   c. Indifferente
   d. Non aspiro
   e. Preferisco un altro marchio

7. Quale dei seguenti termini associa principalmente a "Tiffany&Co": (ne selezioni tre)
   a. Qualità
   b. Fiducia
   c. Lusso
   d. Tradizione
   e. Matrimonio
   f. Natale
   g. Fidanzamento
   h. Audrey Hepburn
   i. New York
   j. Braccialetti d’argento
   k. Designers famosi
   l. Responsabilità sociale
   m. Sovravalutato
   n. Troppo usato
   o. Economico
   p. Caro
q. Troppo semplice
r. Poca qualità
s. Troppo popolare/commerciale
t. Non mi dice nulla
u. Altro: ______

8. Secondo Lei "Tiffany&Co" dovrebbe pubblicizzare online:
   a. si
   b. no

9. Su quali siti: (se alla domanda 7 ha risposto si)
   a. Siti con un'immagine di marca simile e valore
   b. Siti con contenuto simile a "Tiffany&Co" (gioielli, penne etc)
   c. Siti che non presentano nessun legame

10. Per quale motivo: (se alla domanda 7 ha risposto no)
    a. L'utilizzo di internet è eccessivo
    b. Non coincide con la marca
    c. Diminuisce il valore della marca
    d. Internet non è esclusivo
    e. "Tiffany&Co" non ha bisogno di pubblicizzare online
    f. Altro: ______

11. Lei oppure un membro della sua famiglia ha acquistato o prevede di acquistare presso "Tiffany&Co" online/al telefono? Specifichi che quale oggetto:

<table>
<thead>
<tr>
<th></th>
<th>Acquistato</th>
<th>Prevedo di acquistare</th>
<th>Mai acquistato</th>
</tr>
</thead>
<tbody>
<tr>
<td>Io (specificare quale oggetto)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Un membro della mia famiglia (specificare quale oggetto)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Dove ha acquistato un prodotto “Tiffany&Co”: (selezioni tutte le risposte necessarie)

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>Al telefono</th>
<th>Mai acquistato al online/al telefono</th>
</tr>
</thead>
<tbody>
<tr>
<td>Io</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Un membro della mia famiglia</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
13. Per quale motivo Lei oppure un membro della sua famiglia acquista **ONLINE**
   **“Tiffany&Co”**: (selezioni tre risposte) (se nella domanda 11 ha risposto “io/un
   membro della mia famiglia acquista online)

   a. E’ veloce e risparmia del tempo
   b. Nessuna pressione da parte dell’addetto alle vendite
   c. Il negozio non e' presente nella mia città
   d. L'acquisto e' impersonale
   e. Posso ottenere una panoramica migliore di tutti i prodotti
   f. E’ comodo
   g. Acquisto tutto online
   h. Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina
      ed ottenere una risposata rapida
   i. Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
   j. Altro:____

14. Per quale motivo Lei oppure un membro della sua famiglia acquista **Al telefono**
   **“Tiffany&CO”**: (selezioni tre risposte) (se nella domanda 11 ha risposto “io/un
   membro della mia famiglia acquista al telefono)

   k. E’ veloce e risparmia del tempo
   l. Nessuna pressione da parte dell’addetto alle vendite
   m. Il negozio non e' presente nella mia città
   n. L'acquisto e' impersonale
   o. Posso ottenere una panoramica migliore di tutti i prodotti
   p. E’ comodo
   q. Acquisto tutto online
   r. Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina
      ed ottenere una risposata rapida
   s. Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
   t. Altro:____

15. Quando considererebbe acquistare un prodotto **“Tiffany&Co”** online/al telefono:
   (selezioni due risposte)
   a. Fidanzamento
   b. Compleanno lei/lui
   c. Matrimonio
   d. Laurea
   e. Per me stesso/a
   f. Per la mia fidanzata
   g. Per il mio fidanzato
   h. Per la mia famiglia
   i. Mai
   j. Altro:_____
16. Quanto e' importante per lei o per la sua famiglia acquistare prodotti "Tiffany&Co" online/al telefono: (selezioni una risposta per online ed una per al telefono)

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>Al telefono</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molto importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutrale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inutile</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. Per quale motivo:

a. E' veloce e risparmia del tempo
b. Nessuna pressione da parte dell'addetto alle vendite
c. Il negozio non e' presente nella mia città
d. L'acquisto e' impersonale
e. Posso ottenere una panoramica migliore di tutti i prodotti
f. E' comodo
g. Acquisto tutto online
h. Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina ed ottenere una risposta rapida
i. Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
j. Mi piace l'esperienza del negozio
k. Mi piace essere aiutato nella scelta
l. Mi piace ricevere il prodotto subito dopo l'acquisto
m. Non ho fiducia dei websites
n. Non ho fiducia dei servizi telefonici
o. Non mi piace aspettare che l'oggetto mi venga recapitato
p. Non ho fiducia nel sistema postale
q. Voglio poter vedere fisicamente l'oggetto al momento dell'acquisto
r. Mi preoccupa la privacy
s. Mi piace lo shopping tradizionale
t. Altro:____
Block 3

18. La Prego di guardare le immagini qui sotto:

6. Aspira a ricevere o a donare un oggetto "Tiffany&Co":
   a. Aspro altamente
   b. Aspro
   c. Indifferente
d. Non aspiro
e. Preferisco un altro marchio

19. Quale dei seguenti termini associa principalmente a "Tiffany&Co": (ne selezioni tre )
v. Qualità’
w. Fiducia
x. Lusso
y. Tradizione
z. Matrimonio
aa. Natale
bb. Fidanzamento
c. Audrey Hepburn
dd. New York
e. Braccialetti d’argento
ff. Designers famosi
gg. Responsabilità sociale
hh. Sovravvalutato
ii. Troppo usato
jj. Economico
kk. Caro
ll. Troppo semplice
mm. Poca qualità’
nn. Troppo popolare/commerciale
oo. Non mi dice nulla
pp. Altro: _____

20. Secondo Lei "Tiffany&Co" dovrebbe pubblicizzare online:
c. si
d. no

21. Su quali siti: (se alla domanda 7 ha risposto si)
d. Siti con un’immagine di marca simile e valore
e. Siti con contenuto simile a "Tiffany&Co" (gioielli, penne etc)
f. Siti che non presentano nessun legame

22. Per quale motivo: (se alla domanda 7 ha risposto no)
g. L’utilizzo di internet è eccessivo
h. Non coincide con la marca
i. Diminuisce il valore della marca
j. Internet non è esclusivo
k. "Tiffany&Co" non ha bisogno di pubblicizzare online
l. Altro: _____
23. Lei oppure un membro della sua famiglia ha acquistato o **prevede di acquistare** presso "Tiffany&Co" online/al telefono? Specifichi che quale oggetto:

<table>
<thead>
<tr>
<th>Io (specificare quale oggetto)</th>
<th>Acquistato</th>
<th>Prevedo di acquistare</th>
<th>Mai acquistato</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un membro della mia famiglia (specificare quale oggetto)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24. Dove ha acquistato un prodotto “Tiffany&Co”: (selezioni tutte le risposte necessarie)

<table>
<thead>
<tr>
<th>Io</th>
<th>Online</th>
<th>Al telefono</th>
<th>Mai acquistato al online/al telefono</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Un membro della mia famiglia</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

25. Per quale motivo Lei oppure un membro della sua famiglia acquista **ONLINE** “Tiffany&Co”: (selezioni tre risposte) (se nella domanda 11 ha risposto “io/un membro della mia famiglia acquista online)

- E' veloce e risparmia del tempo
- Nessuna pressione da parte dell'addetto alle vendite
- Il negozio non e' presente nella mia città
- L'acquisto e' impersonale
- Posso ottenere una panoramica migliore di tutti i prodotti
- E' comodo
- Acquisto tutto online
- Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina ed ottenere una risposta rapida
- Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
- Altro:____

26. Per quale motivo Lei oppure un membro della sua famiglia acquista **Al telefono** “Tiffany&CO”: (selezioni tre risposte) (se nella domanda 11 ha risposto “io/un membro della mia famiglia acquista al telefono)

- E' veloce e risparmia del tempo
- Nessuna pressione da parte dell'addetto alle vendite
- Il negozio non e' presente nella mia città
- L'acquisto e' impersonale
ii. Posso ottenere una panoramica migliore di tutti i prodotti
jj. E' comodo
kk. Acquisto tutto online
ll. Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina ed ottenere una risposta rapida
mm. Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
nn. Altro: ____

27. Quando considererebbe acquistare un prodotto "Tiffany&Co" online/al telefono: (selezioni due risposte)
k. Fidanzamento
l. Compleanno lei/lui
m. Matrimonio
n. Laurea
o. Per me stesso/a
p. Per la mia fidanzata
q. Per il mio fidanzato
r. Per la mia famiglia
s. Mai
t. Altro: ____

28. Quanto e' importante per lei o per la sua famiglia acquistare prodotti "Tiffany&Co" online/al telefono: (selezioni una risposta per online ed una per al telefono)

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>Al telefono</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molto importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutrale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non importante</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inutile</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

29. Per quale motivo:

u. E' veloce e risparmia del tempo
v. Nessuna pressione da parte dell'addetto alle vendite
w. Il negozio non e' presente nella mia città
x. L'acquisto e' impersonale
y. Posso ottenere una panoramica migliore di tutti i prodotti
z. E' comodo
aa. Acquisto tutto online
bb. Posso chiedere un'opinione alla mia famiglia/amici condividendo una pagina ed ottenere una risposta rapida
cc. Posso acquistare 7 giorni su 7, 24 ore su 24 anche durante le festività
dd. Mi piace l’esperienza del negozio
ee. Mi piace essere aiutato nella scelta
ff. Mi piace ricevere il prodotto subito dopo l'acquisto
gg. Non ho fiducia dei websites
hh. Non ho fiducia dei servizi telefonici
ii. Non mi piace aspettare che l'oggetto mi venga recapitato
jj. Non ho fiducia nel sistema postale
kk. Voglio poter vedere fisicamente l'oggetto al momento dell'acquisto
ll. Mi preoccupa la privacy
mm. Mi piace lo shopping tradizionale
nn. Altro: ____

American Survey

Consent to Participate in Internet Research
IRB # 2012020021

Identification of Investigator and Purpose of Study
You are invited to participate in a research study, entitled “The effect of Tiffany&Co online advertising strategy on brand perception in Italy and in the United States”. The study is being conducted by Dr. Isabella Cunningham and Urszula Bosco, Department of Advertising of The University of Texas at Austin, 1 University Station A1200, phone: 512-471-1101, emails: isabella.cunningham@austin.utexas.edu and urszula.bosco@utexas.edu.

The purpose of this research study is to examine how online advertising influences brands perception. Your participation in the study will contribute to a better understanding of this field. You are free to contact the investigator at the above address and phone number to discuss the study. You must be at least 18 years old to participate.

If you agree to participate:
- The survey will take approximately 15 minutes of your time.
- You will complete an activity about online advertising.

Risks/Benefits/Confidentiality of Data

There are no risks involved with this study. There will be no costs for participating, nor will you benefit from participating. Your name and email address will be kept during the data collection phase for tracking purposes only. A limited number of research team members will have access
to the data during data collection. Identifying information will be stripped from the final dataset.

**Participation or Withdrawal**

Your participation in this study is voluntary. You may decline to answer any question and you have the right to withdraw from participation at any time. Withdrawal will not affect your relationship with The University of Texas in any way. If you do not want to participate either simply stop participating or close the browser window.

**Contacts**

If you have any questions about the study or need to update your email address contact the researcher Urszula Bosco at 512-529-9099 or send an email to urszula.bosco@utexas.edu. This study has been reviewed by The University of Texas at Austin Institutional Review Board and the study number is 2012020021

**Questions about your rights as a research participant.**

If you have questions about your rights or are dissatisfied at any time with any part of this study, you can contact, anonymously if you wish, the Institutional Review Board by phone at (512) 471-8871 or email at orsc@uts.cc.utexas.edu.

Thank you.

**Please print a copy of this document for your records.**

- I agree  - I do not agree

**Block 1**

All the students that agreed to participate in the study will complete this part.

1. Age:
   a. <18 (end survey)
   b. 18-22
   c. 23-25
   d. >25 (end survey)

2. Gender:
   a. Female
   b. Male

3. Level of education:
   a. High School
b. Undergrad
   c. Graduate

4. Where do you live:
   a. Italy
   b. United States

*Randomization: students will be randomly assigned to the Block 2 or Block 3*

**Block 2**

5. What is the 1st thing that comes to your mind when you see this box:

   ______

6. Do you aspire to receive or donate a “Tiffany&Co” present?
   a. Highly aspire
   b. Aspire
   c. Indifferent
   d. I do not aspire
   e. I prefer an other brand

7. Which of the following words best applies to “Tiffany&Co” for you: (Please select three)
   a. Quality
   b. Trust
   c. Luxury
   d. Tradition
   e. Wedding
f. Christmas  
g. Engagement  
h. Audrey Hepburn  
i. New York  
j. Silver bracelets  
k. Famous designers  
l. Socially Responsible  
m. Over rated  
n. Over used  
o. Cheap  
p. Expensive  
q. Too plain  
r. Poor quality  
s. Too commercial/popular  
t. It does not tell me anything  
u. Other ___

8. Do you think that “Tiffany&Co” should advertise online?  
   a. Yes  
   b. No

9. On which websites (if the previous answer was yes)  
   a. Websites with a similar brand image and value  
   b. Website related for content (jewelry, pens)  
   c. Not related websites

10. Why (if the answer to question 7 was “no”)  
    a. Internet is overused  
    b. It does not fit the brand  
    c. It cheapens the brand  
    d. It is not exclusive  
    e. “Tiffany&Co” does not need to advertise online  
    f. Other:___

11. Do you or a member of your family have ever bought or is panning to buy at “Tiffany&Co” online/on the phone. Please specify who and what object

<table>
<thead>
<tr>
<th>Who/what</th>
<th>Have bought</th>
<th>Planning to buy</th>
<th>Never bought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Me</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A member of my Family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Where: (Select all that applies)

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>On the phone</th>
<th>Never bought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Me</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A member of my</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13. Why do you or a member of your family buy "Tiffany&Co" ONLINE: (please select three options) (If me or a member of my family is selected)
   a. Fast and saves time
   b. No pressure from the salesperson
   c. The store is not located in my city
   d. Impersonal
   e. I can get a better overview of all the products
   f. Comfortable
   g. I buy everything online
   h. I buy everything on the phone
   i. I can ask my friends/family an opinion about a product by sharing the page
   j. I can buy 24/7 even during holidays (online)
   k. Other:______

14. Why do you or a member of your family buy "Tiffany&Co" ON THE PHONE: (please select three options)
   a. Fast and saves time
   b. No pressure from the salesperson
   c. The store is not located in my city
   d. Impersonal
   e. I can get a better overview of all the products
   f. Comfortable
   g. I buy everything online
   h. I buy everything on the phone
   i. I can ask my friends/family an opinion about a product by sharing the page
   j. I can buy 24/7 even during holidays (online)
   k. Other:______

15. When would you consider buying at “Tiffany&Co” online/on the phone: (please select two):
   a. Engagement
   b. Birthday (his/her)
   c. Wedding
d. Graduation
e. For myself
f. For your girlfriend
g. For your boyfriend
h. For your family
i. Never
j. Other, explain: _____

16 How important is to you that you can buy “Tiffany&Co” products online/on the phone:

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>On the phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Useless</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17 Why:

a. Fast and saves time
b. No pressure from the salesperson
c. The store is not located in my city
d. Impersonal
e. I can get a better overview of all the products
f. It's comfortable
g. I buy everything online
h. I buy everything on the phone
i. I can ask my friends/family an opinion about a product by sharing the page
j. I can buy 24/7 even during holidays (online)
k. I like the store experience
l. I like to be taken care of in the store
m. I like paying and receiving the object immediately
n. I do not trust websites
o. I do not trust phone services
p. I do not like waiting for the object to come in the mail
q. I do not trust the postal service
r. I what to see the object in person when choosing
s. I am concerned about privacy
t. I like traditional shopping
u. Other: ______

Receipt:
"The effect of Tiffany & Co's online advertising strategy on brand perception in Italy and the United States"

Please make sure to PRINT the receipt before submitting your responses.

Last Name: 
First Name: 
UTEID: 
Course Number (i.e. ADVXXX): 
Course Instructor: 
Email address: 

Block 3: 

14: Please have a look at the following images:
15. Do you aspire to receive or donate a “Tiffany&Co” present?
   f. Highly aspire
   g. Aspire
   h. Indifferent
   i. I do not aspire
   j. I prefer an other brand

16. Which of the following words best applies to “Tiffany&Co” for you: (Please select three)
   v. Quality
   w. Trust
   x. Luxury
   y. Tradition
   z. Wedding
   aa. Christmas
   bb. Engagement
   cc. Audrey Hepburn
   dd. New York
   ee. Silver bracelets
   ff. Famous designers
gg. Socially Responsible
hh. Over rated
ii. Over used
jj. Cheap
kk. Expensive
ll. Too plain
mm. Poor quality
nn. Too commercial/popular
oo. It does not tell me anything
pp. Other ___

17. Do you think that “Tiffany&Co” should advertise online?
   c. Yes
   d. No

18. On which websites (if the previous answer was yes)
   d. Websites with a similar brand image and value
   e. Website related for content (jewelry, pens)
   f. Not related websites

19. Why (if the answer to question 7 was “no”)
   g. Internet is overused
   h. It does not fit the brand
   i. It cheapens the brand
   j. It is not exclusive
   k. “Tiffany&Co” does not need to advertise online
   l. Other: ___

20. Do you or a member of your family have ever bought or is panning to buy at “Tiffany&Co” online/on the phone. Please specify who and what object

<table>
<thead>
<tr>
<th>Who/what</th>
<th>Have bought</th>
<th>Planning to buy</th>
<th>Never bought</th>
</tr>
</thead>
<tbody>
<tr>
<td>Me</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A member of my Family</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

21. Where: (Select all that applies)
22. Why do you or a member of your family buy "Tiffany&Co" ONLINE: (please select three options) (If me or a member of my family is selected)
   l. Fast and saves time
   m. No pressure from the salesperson
   n. The store is not located in my city
   o. Impersonal
   p. I can get a better overview of all the products
   q. Comfortable
   r. I buy everything online
   s. I buy everything on the phone
   t. I can ask my friends/family an opinion about a product by sharing the page
   u. I can buy 24/7 even during holidays (online)
   v. Other:______

23. Why do you or a member of your family buy "Tiffany&Co" ON THE PHONE: (please select three options)
   l. Fast and saves time
   m. No pressure from the salesperson
   n. The store is not located in my city
   o. Impersonal
   p. I can get a better overview of all the products
   q. Comfortable
   r. I buy everything online
   s. I buy everything on the phone
   t. I can ask my friends/family an opinion about a product by sharing the page
   u. I can buy 24/7 even during holidays (online)
   v. Other:______

18. When would you consider buying at “Tiffany&Co” online/on the phone: (please select two):
   k. Engagement
   l. Birthday (his/her)
   m. Wedding
   n. Graduation
o. For myself  
p. For your girlfriend  
q. For your boyfriend  
r. For your family  
s. Never  
t. Other, explain: ______

19 How important is to you that you can buy “Tiffany&Co” products online/on the phone:

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>On the phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not important</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Useless</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20 Why:

v. Fast and saves time  
w. No pressure from the salesperson  
x. The store is not located in my city  
y. Impersonal  
z. I can get a better overview of all the products  
aa. Its comfortable  
bb. I buy everything online  
cc. I buy everything on the phone  
dd. I can ask my friends/family an opinion about a product by sharing the page  
e. I can buy 24/7 even during holidays (online)  
f. I like the store experience  
gg. I like to be taken care of in the store  
hh. I like paying and receiving the object immediately  
i. I do not trust websites  
jj. I do not trust phone services  
k. I do not like waiting for the object to come in the mail  
l. I do not trust the postal service  
m. I what to see the object in person when choosing  
n. I am concerned about privacy  
oo. I like traditional shopping  
p. Other: ______

Receipt:
Receipt Study - IRB 2012020021

"The effect of Tiffany & Co's online advertising strategy on brand perception in Italy and the United States"

Please make sure to PRINT the receipt before submitting your responses.

Last Name:

First Name:

UTEID:

Course Number (i.e. ADVXXX):

Course Instructor:

Email address:
APPENDIX 2

espn.com February 13, 2011

Yahoo.ca, date not available
APPENDIX 3

Table A. 1. Cross-tab analysis for Gender for the Italian and US sample

<table>
<thead>
<tr>
<th>GENDER</th>
<th>Male</th>
<th>Female</th>
<th>( \chi^2 )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Italy</td>
<td>102</td>
<td>66.2</td>
<td>52</td>
<td>33.8</td>
</tr>
<tr>
<td>USA</td>
<td>50</td>
<td>34.2</td>
<td>96</td>
<td>65.8</td>
</tr>
</tbody>
</table>

Table A. 2. Cross-tab analysis for Age for the Italian and US sample

<table>
<thead>
<tr>
<th>AGE</th>
<th>18-22</th>
<th>23-25</th>
<th>( \chi^2 )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Italy</td>
<td>54</td>
<td>32.1</td>
<td>100</td>
<td>75.8</td>
</tr>
<tr>
<td>USA</td>
<td>114</td>
<td>67.9</td>
<td>32</td>
<td>24.2</td>
</tr>
</tbody>
</table>

Table A. 3. Cross-tab analysis for Level of Education for the Italian and US sample

<table>
<thead>
<tr>
<th>LEVEL OF EDUCATION</th>
<th>High School</th>
<th>Undergraduate</th>
<th>Graduate</th>
<th>( \chi^2 )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>Italy</td>
<td>72</td>
<td>94.7</td>
<td>61</td>
<td>34.3</td>
<td>21</td>
</tr>
<tr>
<td>USA</td>
<td>4</td>
<td>5.3</td>
<td>117</td>
<td>65.7</td>
<td>25</td>
</tr>
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</table>
### Term * Usa/Italy Crosstabulation

<table>
<thead>
<tr>
<th>Term</th>
<th>Usa/Italy</th>
<th>Italy</th>
<th>Usa</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality</td>
<td></td>
<td>27</td>
<td>42</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>39.1%</td>
<td>60.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>7.0%</td>
<td>10.6%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Luxury</td>
<td></td>
<td>84</td>
<td>95</td>
<td>179</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>46.9%</td>
<td>53.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>21.9%</td>
<td>24.1%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Wedding/Engagement</td>
<td></td>
<td>29</td>
<td>76</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>27.6%</td>
<td>72.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>7.6%</td>
<td>19.2%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Audrey Hepburn</td>
<td></td>
<td>54</td>
<td>36</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>60.0%</td>
<td>40.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>14.1%</td>
<td>9.1%</td>
<td>11.6%</td>
</tr>
<tr>
<td>New York</td>
<td></td>
<td>44</td>
<td>16</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>73.3%</td>
<td>26.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>11.5%</td>
<td>4.1%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Silver Bracelets</td>
<td></td>
<td>36</td>
<td>29</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>55.4%</td>
<td>44.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>9.4%</td>
<td>7.3%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Expensive</td>
<td></td>
<td>55</td>
<td>78</td>
<td>133</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>41.4%</td>
<td>58.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
<td>14.3%</td>
<td>19.7%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Overrrated/ too commercial</td>
<td></td>
<td>55</td>
<td>23</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>70.5%</td>
<td>29.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
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<td>5.8%</td>
<td>10.0%</td>
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<td>395</td>
<td>779</td>
</tr>
<tr>
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<td>50.7%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Usa/Italy</td>
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<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Chi-Square Tests

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>59.358a</td>
<td>7</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>61.101</td>
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<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>11.499</td>
<td>1</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>779</td>
<td></td>
<td></td>
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</table>

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 29.58.
## APPENDIX 5

### Term * Box_Adv_Ita Crosstabulation

<table>
<thead>
<tr>
<th>Term</th>
<th>Quality</th>
<th>Count</th>
<th>Box_Ita</th>
<th>Adv_Ita</th>
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<tbody>
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<td>Term</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>8.0%</td>
<td>6.1%</td>
<td>7.0%</td>
<td></td>
</tr>
<tr>
<td>Luxury</td>
<td>Count</td>
<td>39</td>
<td>45</td>
<td>84</td>
<td></td>
</tr>
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<td></td>
<td>% within Term</td>
<td>46.4%</td>
<td>53.6%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>20.7%</td>
<td>23.0%</td>
<td>21.9%</td>
<td></td>
</tr>
<tr>
<td>Wedding/Engagement</td>
<td>Count</td>
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<td>29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
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<td>65.5%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>5.3%</td>
<td>9.7%</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td>Audrey Hepburn</td>
<td>Count</td>
<td>28</td>
<td>26</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>51.9%</td>
<td>48.1%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>14.9%</td>
<td>13.3%</td>
<td>14.1%</td>
<td></td>
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<tr>
<td>New York</td>
<td>Count</td>
<td>23</td>
<td>21</td>
<td>44</td>
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</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>52.3%</td>
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<tr>
<td></td>
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<td>12.2%</td>
<td>10.7%</td>
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<td></td>
</tr>
<tr>
<td>Silver Bracelets</td>
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<td></td>
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<tr>
<td>Expensive</td>
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<td>25</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>54.5%</td>
<td>45.5%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>16.0%</td>
<td>12.8%</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>Overrated/Too Popular</td>
<td>Count</td>
<td>24</td>
<td>31</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
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<td>% within Box_Adv_Ita</td>
<td>12.8%</td>
<td>15.8%</td>
<td>14.3%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Count</td>
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<td>196</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>49.0%</td>
<td>51.0%</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv_Ita</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
</tr>
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</table>
### Chi-Square Tests

<table>
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<th>Value</th>
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<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>5.012(^a)</td>
<td>7</td>
<td>.658</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>5.061</td>
<td>7</td>
<td>.653</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>.045</td>
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<td>.831</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>384</td>
<td></td>
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</tr>
</tbody>
</table>

\(^a\) 0 cells (.0%) have expected count less than 5. The minimum expected count is 13.22.
APPENDIX 6

Term * Box_Adv Usa Crosstabulation

<table>
<thead>
<tr>
<th>Term</th>
<th>Quality</th>
<th>Box Usa</th>
<th>Adv Usa</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Term Quality</td>
<td></td>
<td>22</td>
<td>20</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
<td>52.4%</td>
<td>47.6%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>% within Box_Adv Usa</td>
<td>11.4%</td>
<td>12.3%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Luxury</td>
<td>Count</td>
<td>55</td>
<td>40</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>% within Term</td>
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<td>42.1%</td>
<td>100.0%</td>
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<td>% within Box_Adv Usa</td>
<td>28.5%</td>
<td>24.5%</td>
<td>26.7%</td>
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<td>% within Term</td>
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<td>19.0%</td>
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<tr>
<td>Audrey Hepburn</td>
<td>Count</td>
<td>14</td>
<td>22</td>
<td>36</td>
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<tr>
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<td>38.9%</td>
<td>61.1%</td>
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<tr>
<td>Silver Bracelet</td>
<td>Count</td>
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<td>13</td>
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<td>Total</td>
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<td>45.8%</td>
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<td>% within Box_Adv Usa</td>
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<td>100.0%</td>
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## Chi-Square Tests

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<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Exact Sig. (2-sided)</th>
<th>Exact Sig. (1-sided)</th>
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</thead>
<tbody>
<tr>
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<td>1</td>
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<td>Likelihood Ratio</td>
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<td>.002</td>
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<tr>
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<td></td>
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<td>.002</td>
<td>.001</td>
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<tr>
<td>Linear-by-Linear Association</td>
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<td>.002</td>
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</table>

* a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 64.73.
* b. Computed only for a 2x2 table
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Vita

The author of this Professional Report, Urszula Bosco was born in Italy but raised with an international perspective and attitude.

Throughout her life she had the opportunity to be exposed to a variety of experiences that inspired and motivated her to pursue a Master’s Degree in Advertising at The University of Texas at Austin after her Bachelor Degree in Marketing at Universita’ degli Studi di Milano-Bicocca, Italy.

Urszula’s background and origins also influenced her interests that deal with fashion, luxury brands, photography and how these relate to advertising and social media.

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This report was typed by Urszula Petra Bianca Bosco.