DIGITALISATION IN FASHION AND LUXURY: HOW IT IS INFLUENCING MILLENNIALS PURCHASING BEHAVIOUR IN ITALY

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ABSTRACT

Buy every product, anywhere, at any time is what consumer expect today; this is becoming the main challenge of numerous brands. In latest years, analysis of consumer decision making processes highlighted the abandonment of the traditional and linear model while illustrating the development of a more efficient and effective complex processes to clearly represent the customer journey. The increasing diffusion and use of smartphones, tablets and computers is one of the main reasons why these expectations are augmented, in the last decade. Shopping has now no boundaries, it is global. Information can be accessed in any location, in different ways and through different channels. The era in which we are living can be defined as an era of digital transformation. Even luxury brands are now needed to implement technology and digital in every aspect of their businesses. Digital is transforming how businesses are made, but it also influences numerous human aspects such as cultures way of life and so on. Luxury brands need to embrace digital in order to survive and stay competitive. The experience lived by the customer is what defines its perception, and loyalty, of a specific brand. Consumer experience refers not only to the moment of the final purchase but to the entire process approach, from the very first moment of visiting the brand's website until the post-purchase evaluation.

This research focuses on investigating these aspects; the aim is to understand how the digitalization era, in which we are living, is influencing the purchasing decision journey of individuals. In this paper is present a specific focus on the Italian market and on the millennial generation. In order to study this phenomenon, an inductive approach is used; this means that, after having gathered relevant and sufficient information, deductions explaining this specific phenomenon will be drawn. Information, about how Italian millennials behave when buying luxury products, will be gathered from a structured questionnaire that will be proposed online to respondents; these results will be compared with information about millennials in general that buy luxury products.

This project provides, to the reader, insights about digitalization and how it has changed the behaviour of Italian millennials when buying luxury products. From the analysis conducted, results show that Italian millennials are attracted from the same factors and have similar preferences compared to those of millennials in general; regarding the digital environment, it resulted that Italian millennials are well digitally oriented but are adapting to it at a slower pace than millennials globally.

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Introduction

Problem definition and research question

This thesis focuses on the evolution and interaction of both the luxury and the digital worlds. These two different dimensions were originally thought not being compatible; latest trends showed that integrating luxury with digital tools, platforms and innovations is possible.
Digital is for everyone, it increases visibility and reach; it facilitates different aspects of our life. Digital has influenced our society; how we communicate, gather information and behave is completely different from how previous generations did. People are more and more using their devices (smartphones, laptops and tablets) on a daily basis, not only for specific actions but also for every day's activities. Thank to digitalization, consumers can now have access to information that did not know before, have a direct contact with brands, personalize their purchasing behaviour. When focusing on the purchasing process, digital has and is still revolutionizing people's behaviour when buying; customers have now the possibility to select and personalize their path through the various touchpoints developed by brands. For instance, customers can choose between click and collect, home delivery and in store purchase, when buying and selecting the delivery method; they can receive dedicated offers via traditional newsletter or even via pop up on device, once they entered the store; check on their device product availability in a specific area. All these aspects named are part of what experts has defined as "Omnichannel". Omnichannel is a concept that describes a new way of thinking and purchasing; it takes into consideration the alternation and interaction of both online and offline dimensions.
On contrary, luxury is not for everyone, it is only for a limited "elite"; it is all about exclusivity, quality, customization and limited availability. Customer experience is one of the most important aspects for this typology of brands. Excellence is a term that is linked and is shared in all aspects of luxury. Luxury was at the beginning very sceptical in interacting with digital, this because of democratization; luxury brands thought that undertaking a digital journey would have led to a loss of their values and images. Developing an e-commerce, provide superior online experience, being reachable by everyone are some of the challenges that scared luxury brands in the past. Nowadays, more and more brands are adapting to digital; the implementation of digital, on both company and customer side, can enhance customer experience without making it too "cheap" while making it smoother and quicker.
New key players in luxury and digital are the so-called Millennials, also known as Generation Y. Millennials are driving and shaping all the latest trends and behaviours in recent years. Millennials,

in the inner future, will stand for half of the total purchases made in the luxury industry and are already dominating the digital world. They are also individuals that still think that physical stores are important. This generation mixes digital with traditional; they are those that assisted and are driving the evolution of internet and digital.

These premises are the concepts that stimulated the idea of developing this research. Studies researching luxury, millennials and digital already exist; every year, reports concerning luxury and its main trends are published. The most famous reports are published thank to the collaboration of big consulting companies, usually Bain & Company and Boston Consulting Group, with Altagamma; these reports identify some major trends in luxury such as the role played by China, millennials, digitalization, second-hand luxury and so on. These reports are conducted globally and, thus, they divide consumers according to demographic information; when dealing with millennials and how they behave, this generation is usually described as a global or European entity. Since market reports have a worldwide focus, specific country's analysis and information are not existing. From this starting point, it has been observed that none of these studies are offering sufficient information about influence of digital in luxury, with a specific focus on the Italian market. These are the reasons driving the existence of this study; by focusing on two of the most discussed luxury trends: millennials and digital, it has been noted that there are no already existing studies that seek to explain how the technological development and the latest leading generation are influencing the luxury market, focusing on the Italian market.
In this project, it has to be said that Italy plays a critical role in luxury; when thinking of Italy it is not possible to not think at Luxury, and vice versa. Its key role, and the author's nationality, are the reasons that drove the intention of implementing the research with specific focus on the Italian market. The aim of this project is to analyse how the most debated generation, Millennial, is behaving when buying luxury product in the Italian market. The research question that as to be answered can be defined as:

How is digitalization influencing Italian Millennials' purchasing behaviour, when buying luxury products?

This research tries to fill a gap in luxury and digital literature, while being the basis for future researches.

The research is done by using both primary and secondary data. Secondary data will be used to give the reader a broad image of the market in order to have a better knowledge on the topic. A survey will be shared with a relevant sample of individuals in order to understand trends, preferences and behaviours in purchases. Answers will be analysed and conclusion, from the comparison of already existing information and those gathered from the questionnaire, will be deducted; then, will also be listed the limitations of this dissertation.

Luxury

Coco Chanel said: "*Luxury is a necessity that begins where necessity ends*", this is one of the most used definition due to its simplicity and easiness in understanding it. The term "luxury[1]" has received numerous various definitions but none of them is correct; what is luxury is very subjective, it is almost impossible to have in mind the same idea of what is luxury. It is difficult to state what are the general characteristics that rule and make luxury so unique. Dubois, Laurent and Czellar, in 2001, verified some hypothesis, regarding the basic characteristics of a luxury product, through the implementation of qualitative interviews. They identified six major factors characterizing luxury, these are: excellent quality, high price, scarcity and uniqueness, aesthetics and polysensuality, ancestral heritage and personal history, superfluousness (Dubois, Laurent, & Czellar, 2001). Excellent quality refers to the idea of excellence underling the industry, as well as for materials used in the production (e.g. high-quality leathers, diamonds and so on); moreover, excellence refers for the production techniques that are generally completed by highly skilled workers. High quality and craftsmanship generate in customer's mind a sense of trust and "eternity" of the product. "High price" can be considered a component of luxury products when compared to mass market products with a similar function. The above explained quality and excellence of a product are the reasons why people purchase luxury products; generally, a high price creates in buyer's mind the idea of quality and longevity, as well as a feel of superiority compared to non-luxury buyers. Scarcity and uniqueness are key in luxury; making a product more "inaccessible" leads to a higher desire in the consumer's mind. Rarity is supported, by brands, thank to limited production and product

[1] Originally, "luxury" comes from Latin "luxus" and has various meanings such as: excess, magnificence, intemperance and debauchery. By analysing the origin of the term, it is possible to evidence the fact that luxury has different meanings and is truly subjective, so it is hard to give a clear definition.

individualization. Availability limitation is also due to the choice of materials used, such as noble medals or gems. Handcrafted production, high price and exceptional materials are all factors that reduce products availability. Aesthetics and polysensuality are important characteristics for defining a luxury product. Aesthetic has to deal with the tastes of upper classes; the upper classes are those that influence how the product is designed. Polysensuality refers to the fact that a product does not only have to be well designed but it has also to be pleasant to all the five different senses (e.g. good smell, soft at touch and so on). A link with history and past tradition is fundamental; in customers' mind, products need to have an history, represent heritage and link with a specific location or culture. Luxury products are not desired for their functionality, they do not respond to primary needs; luxury products are not bought when there is a specific need, superfluousness is what characterizes every luxury product.

Luxury is also characterized by a specific business structure defined as the "luxury pyramid" (Allérès, 2005), proposed by Danielle Allérès. The luxury pyramid is a model that divides the luxury industry into 3 main dimensions, according to their different degrees of accessibility. Brands are supported, by this model, in segmenting the offer of luxury products to the right target customers and at the right price for a specific target. It is necessary to imagine a pyramid, where at its top we can find the so-called "inaccessible luxury", in the middle there is "intermediate luxury" and at the bottom "accessible luxury". In the luxury pyramid, products at its base are those generating high volumes with low prices, while, products on top are those created ad-hoc (low volume) and offered at a very high price. Prices and volumes are not the same for all the industry, different sectors have different measuring values. For example, in fashion, entry products that are "affordable" for anyone are those that have high volumes due to their price accessibility; an haute couture dress is something unique (low volume) offered at a unique price (high price). On the other hand, for instance, in watches and jewellery market, even entry products are much more expensive and exclusive than fashion entry products. Inaccessible luxury, or extra-luxury, refers to the highest level of exclusivity and it is offered to world's elite. This dimension proposes bespoke products,

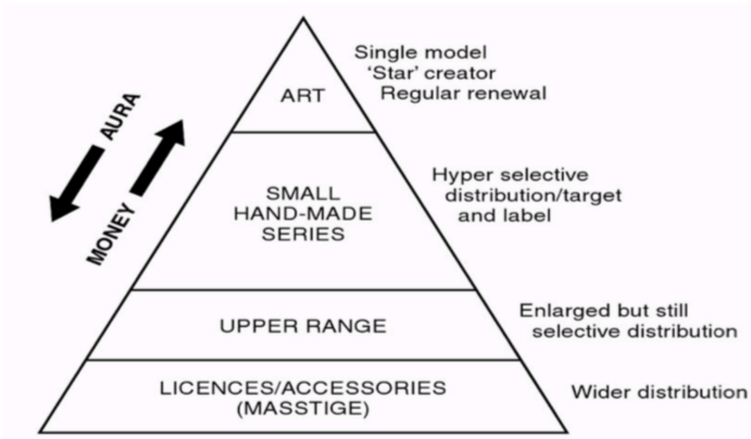

Fig.1 Luxury pyramid. Allérès, 2005

characterized by a very high price, that are available only for a small limited number of individuals. Products belonging to this dimension are generally handmade, with particular and refined materials, and heavily customized for the buyer. Inaccessible luxury is distributed through a specific and selective distribution channel that creates in individual's mind the "dream". In intermediate luxury there are present exclusive items that are less rare and expensive. Products belonging to this dimension are not unique, they are distributed through a less selective distribution channel and offered to a wider target of people. The bottom of the pyramid is where "mass produced" products are present and are offered to a wide target. Products like sunglasses, fragrances and other small accessories are those constituting affordable luxury. This type of products can be bought also by the middle class.

Luxury stands for itself; it is not like the other traditional industries. It follows specific rules. Luxury is about creating a dream in people's mind. This is the reason why Bernard Dubois claimed that there is a paradox in luxury; he said that in luxury, in order to achieve success, it is necessary to do the opposite of what is taught and done in traditional marketing. In Dubois paradox is showed the fact that high price, high cost, craftsmanship, limited production and low promotional activities are both rules and characteristics of luxury; if other markets or industries would follow the same rules, they would not perform successfully as it is for luxury brands. (Dubois, Laurent, & Czellar, 2001)

As already stated, Luxury is a topic difficult to define, it is a unique market that is completely different from the others; it follows unique rules and paths that are completely different from those driving other industries in the mass or premium markets. In order to provide a better understanding for the reader, of how luxury companies behave and what are the rules characterizing this market, the "anti-laws of marketing" will be illustrated. The "anti-laws of marketing" were originally defined by Kapferer and Bastien (Kapferer & Bastien, 2012). These "laws" are regulations that characterize and control the luxury industry, differently from those characterizing mass or premium markets; they are:

1) Forget about positioning luxury, it is not comparative. In consumer marketing Unique selling Position (USP) or Unique and Convincing Competitive Advantage (UCCA) are important factors. In luxury being unique is what counts not any comparison, luxury is the expression of taste, of a creative identity, of the intrinsic passion of a creator.
2) Does your product have enough flaws? In people's mind, luxury products are "product of excellence". A luxury product is not a flawless product. Luxury products are top of price

and top of functional quality but, it can be said that sometimes, upper-premium brands are more focused on delivering a perfect product.

3) Don't pander to your customers' wishes. In traditional marketing the customer is king, not in luxury. Customer desire is not the heart of the business. The luxury brand comes from the mind of the creator, driven by a long-term vision. It has its identity, its values and stay close to it.
4) Keep non-enthusiasts out. In traditional marketing, companies try to attract the clients from other brands, with the only objective is sales growth. In luxury, must manage and stay close to your values and identity; wait for the customer.
5) Don't respond to the rising demand. Classical marketing aims at volume growth. In luxury it is important to manage rarity, create the dream.
6) Dominate the client. Luxury is what re-stratifies our so-called classless societies. Everyone is looking for ways to haul themselves up. Luxury brands are a reward, and a token of gradual elevation. That's why the brand has to dominate the client. That means maintaining a certain distance, to maintain an aura of mystery.
7) Make it difficult for clients to buy. The greater the inaccessibility, the greater the desire. Desire is stronger than possession. Luxury has to set up obstacles to strengthen the desire. luxury is the distribution of rarity; the absence of rarity leads to the dissipation of desire.
8) Protect clients from non-clients. Too much open is harmful to the brand's social function. Too close means segregationist. For instance, when taking a flight, passengers travelling in first class will never meet passengers flying in economy class.
9) The role of advertising is not to sell. In luxury, it is fundamental to communicate the identity, the story, the values of the brand.
10) Communicate to those whom you are not targeting. One of the luxury facets is luxury for others, to sustain this they should be many more people that are familiar with the brand than those who could possibly afford to buy it. The media plan is not concentrated only on targeted customers.
11) The presumed price should always seem higher than the actual price. In luxury world, price don't have to be communicated. The price that is imagined should be higher than what it really is; in complete opposition with how it works in traditional marketing.

12) Luxury set the price; price do not set luxury. In luxury, you come first with the product then you see at what price you can sell it, the more it is perceived by the client to be luxury, the higher the price should be.
13) Raise your prices as time goes on to increase your demand. Luxury customers don't buy because it is not expensive; raising price it is possible to increase the demand. In traditional markets when prices fall, demand rises.
14) Keep raising the average price of the product range. In traditional situations, when competitivity is high it is better to reduce the price to increase volume and profitability. A brand that cannot grow in volume and profitability, other than by launching accessible products, shows that it is no longer a luxury brand.
15) Do not sell. Luxury dream formula: Dream=-8,6+0,58 awareness-0,59 purchase. The luxury dream is boosted by the distance between those who know and those who can.
16) Keep stars out of your advertising. Using stars to promote luxury products can be very dangerous. Brands have to dominate not to take the physical appearance of somebody. Brands are not ordinary mortals.
17) Cultivate Closeness to the arts for initiates. The luxury brand is to promote taste, like art; it is not a follower but a leader. Luxury brands make themselves patron of emerging trends. Examples are the Louis Vuitton Foundation, Prada Foundation, Palazzo Fendi.
18) Don't relocate your factories. When buying luxury products, you are buying a product that is steeped in a specific culture or country. Having local roots increases the perceived value of the luxury item.

Made in Italy

"Made in Italy" is a trademark that is placed on products that have been completely designed, produced and assembled in Italy (Istituto Tutela Produttori Italiani, 2019). "Made in Italy" products always succeed in attracting consumers since Italian quality is trusted worldwide and it represents a vast proportion of luxury and top luxury. The "Made in Italy" label is one of the most known and appreciated trademarks in the world. It reflects creativity, quality and the "Italian lifestyle", covering different sectors. By being a "made in Italy" brand it is possible to increase visibility, product distribution leading to higher production and customer loyalty (Istituto Tutela Produttori Italiani, 2019). All products labelled with "Made in Italy", even coming from different categories, are linked together by a mix of elements that generates success and recognizability internationally. The values that are linked to the term “Made in Italy” are: aesthetic, design, luxury, passion, creativity, quality, culture (KPMG Advisory, 2011). When dealing with the key values of “Made in Italy”, it has been analysed by Eurisko the perception that foreigners have about Italian quality (Eurisko, 2008). From this research, published by Confindustria, the key characteristics that distinguish and make unique “Made in Italy” are illustrated and explained. In first place, as element that defines successful production, there is aesthetics. Italy is a country characterized by a strong aesthetic sense, so strong and rooted that has become image and symbol of the country. Italian products are loved worldwide due to their elegance, researched style and design; these aspects are those that, characterize their recognizability and uniqueness. The second value linked to Italian products is quality, that can be also defined as craftsmanship. To Italians, are recognized important attributes such as the passion of performing jobs at their best, attention to detail, know-how passed from generation to generation. Italian craftsmanship is always linked to a high level of creativity and imagination; craftsmanship is not repeatable, imitable and conservative. The third value is culture; culture not only as technical-functional capacity, know how things are done, but more in general as a living relationship with history and roots. To Italian producers it is recognized the sense of belonging to a specific area, region, city; this strong link represents a strong element of instinctiveness and identity, that is then transferred to products. Fourth element that distinguishes “Made in Italy” is social and relational quality. To Italians are attributed a strong sense of community, family. This element is a distinctive characteristic perceived as an element of strength of Italian economy. Second to last are variety and multiplicity; Italy is a country to which is traditionally associated extreme richness, both when dealing with nature and culture or even its production. The last distinguishing trait of Italian quality is the overall life quality that is linked to the country. The Italian lifestyle is loved and envied by many foreign populations; from their point of view Italians are those that live with the ability of enjoying small pleasures in life. In conclusion, the major strength recognized is the ability of finding an equilibrium between opposite poles, that seem difficult to conciliate: tradition and modernity, craftsmanship and technology, aesthetic and functionality. This is what makes brands, linked to “Made in Italy”, so strong and unique. (Eurisko, 2008)

Omnichannel

The prefix of the word omnichannel comes from Latin, where “omni” means all; thus, the idea characterizing omnichannel is that individuals, during their purchasing path, interact with physical store, websites, social media, smartphones, mobile apps and email. Verhoef, Kannan and Inman, in 2015, provided a clear definition of what is omnichannel; they claimed that “ *the synergetic management of the numerous available channel and customer touchpoint, in such a way that the customer experience across channel and performance over channels is optimized*” (Verhoef, Kannan, & Inman, 2015). Omnichannel is what is driving retailing nowadays. The concept of offering the similar and integrated experience both on digital and physical channels is fundamental nowadays, since customers are changing their way of doing shopping. Consumers are now more dynamic and are always connected.

The challenge in developing an omnichannel strategy is to provide, from customers’ point of view, an integrated and unified image of the company across all the different channels. For brands, this key concept has to be followed when establishing every interaction with every customer since individuals expect to access the same information at all levels of their journey. Companies need to reach a high level of integration through the implementation of relevant and valuable back-end and front-end technologies. (Verhoef, Kannan, & Inman, 2015)

According to the ideas developed above, omnichannel has to be implemented involving all departments within the company; departments have to think in the same way and communicate with each other. As for departments, interdependence and communication across all channels is fundamental; every channel has not to be considered singularly and separated from the others, they communicate and are linked to each other. Information shared should be relevant, coherent and complete in every channel (Cerolini, 2016).

A high level of integration in the company is required because of how people behave when purchasing nowadays. Customers are now starting their purchasing path anywhere, anytime and from any device; in case of a possible interruption of their path, they want to restart from the last checkpoint on any device and channel. (Melero, Sese, & Verhoef, 2016)

Thus, it can be said that omnichannel follows three main drivers:

1) Offer a smooth, exceptional, unified experience to customers (increased brand awareness and loyalty).

2) Provide a customized purchasing journey according to individual's preferences and needs.
3) Make the best use of experience and information across all devices and channels.
When choosing a channel, the previous experience lived in a specific channel is a key driver; past behaviours affect and foretell future behaviours (Venkatesan & Kumar, 2004). There are other traditional aspects that play an important role such as age, culture, environment and the influence among individuals. SDA Bocconi (Bettucci, D'Amato, Perego, & Pozzoli, 2015) published a report in which the challenges faced by companies when implementing an omnichannel strategy were identified; these are:

- Reorganize the role constituted by the physical store. Physical stores have to be implemented with in-store technologies that increase customer's experience and enables the company to have a strong link between its channels.
- Provide to consumers clear and transparent information about products and prices. The information offered to consumer must be the same in all channels.
- Consider every customer differently from each other. Single Customer View (SCV) consist in having a clear idea of who are the customers visiting the store, through the use and analysis of information from all touchpoints that are shared within the company.
- Analyse all data coming from different channels and touchpoints. The ability of analysing data is fundamental in order to develop and offer an integrated and consistent experience.
- Creating Social Customer Engagement. Touchpoints have to be designed and created with the final purpose of establishing, in customers, a strong link of loyalty.
- Evaluate and define already existing KPIs and incentives, so that they are in line with the omnichannel approach.
- Redesign departments. Due to the high interrelation and communication needed for correctly implementing omnichannel, it is important that all departments share the same goals and thoughts.

In luxury, digitalization was seen as something that could have harmed the whole industry. Luxury was traditionally known as something linked to exclusivity, in which information were shared bit by bit; the idea of being reachable by everyone and always being able to provide information to consumers was very scaring. At the beginning of the digitalization era, Andrew Gowen and Lehman Brothers stated that they were sceptical about the image of luxury brands going online; that luxury brands are linked to exclusive distribution and not to mass distribution on the Internet (Curtis, 2000). Selling product on e-commerce could have affected the uniqueness of a luxury brand; luxury and digital were seen as something at their extreme opposites.

Another important aspect that slowed the implementation of an omnichannel strategy in luxury was the importance of the in-shop experience. In-store experience in luxury store is something that is brought at its maximum in order to satisfy at best the desires and needs of every customer; online experience is something that is fast, dynamic and easy. Provide similar experience both online and offline is much more difficult for luxury companies, moreover, the product characteristics and values could not be perceived online by consumers.

Even with all these premises that luxury and digital are not able to cooperate together, nowadays, luxury brands need to be present online and relate with the digital world. The main reason is that people are spending more and more time online; the society itself has changed as well as its personal desires and needs.

Millennials

There are different generations existing nowadays; every generation has its own traits and characteristics. It can be said that, Millennials are the ones generating more buzz. This generation has the ability to adapt in every situation and challenges of a continuously evolving world, accepting change with enthusiasm and developing new technologies, services, app that are able to improve individual's daily life (The Economist, 2016). Millennials can be defined as the generation that reaches adulthood in the early 21st century; thus, the term millennial refers to those individuals that are born between 1980 and 2000.

Not necessarily all millennials can be defined as "digital native"; individuals born in late 90s can be said that are digital native, but this definition is not in line with the majority of millennials born. Millennials grew up in a world in which: music was listened on CDs, films were rented from movie stores; they did not grow up with iPods, Netflix, Amazon or Facebook (Newman, Kramer, & Blanchard, 2016). Even if Millennials are the first generation that incorporated technology in their identity, it is important to state that they are not dependent from it, as it is for Generation Z. Millennials are both adopters and power users of technology. The real value of technology is characterized by what, technology, can produce and bring the individual; some examples of benefits are cheaper price, free delivery, fast checkout, customized products and so on. These aspects are those that motivate people in downloading an app and start using it, checking it, moving it next to the most used app. Technology needs to solve an already existing problem or fulfilling a specific need. Millennials are raised in an era of transition that makes them appreciate more digital technology, compared to Generation Z. They use technologies for a specific purpose, they always choose to do it. In line with this way of thinking, it has been observed that they tend to avoid technologies that do not have any specific utility or purpose (Newman, Kramer, & Blanchard, 2016); thus, no purpose leads to no mass adoption by Millennials. It is not enough to develop apps and a digital environment; brands need to design and structure touchpoints in a way that they generate additional value for the individual. Summing up, to attract and retain Millennials it is necessary to design and shape everything according to a specific purpose. The question that should be asked are: Does it solve any problem? Is there any improvement that can be identified immediately? Is it better, faster and smarter than the predecessor? Is it better, faster and smarter compared to competitors'? (Newman, Kramer, & Blanchard, 2016)

Generation Z consumers, who are born and raised in an already technological developed society, prefer to shop by only using digital channels. On the other hand, baby boomers consider experience in physical stores more complete and satisfying. Millennials preferences are a hybrid mix of these two generations. The typical millennial shopper mixes both the physical and digital worlds, the so-called omnichannel. Millennials have high expectations on omnichannel; thus, companies do not only need to develop digital and/or mobile, they need to design and link effectively all the different channels, touchpoints and experiences. Companies that are successful in omnichannel have some key factors and characteristics that are in line with millennials' way of thinking and living (Newman, Kramer, & Blanchard, 2016); these are:

- Continuous focus on creating relevant, smooth and unique experience for customers.
- A well-designed digital environment in which every touchpoint is connected with another during the whole customer journey.
- Develop marketing content in a way that is easily shareable across different channels and platforms, leading to a purchase by easily tapping the screen.
- Engagement with the customer on the most popular social networks like Instagram, Facebook, Twitter, Snapchat and YouTube.
- Keeping emphasis on showrooming, since millennials will visit the store in order to test the product with the possibility of making the final purchase online.
- Special focus on mobile and Internet of Things (IoT). These two aspects can be developed in various ways also through the use of digital tools.

Millennials, in opposition with the general thinking, are market-savvy; they are hyper-aware and well-organized consumers. They look for all the different retailers to find the best deal on the market. When millennials find an extra value in a specific retailer or brand, they tend to stay very loyal; they created a link with the brand or retailer. The unique identity of every brand is extremely important to millennials. They are more likely to stay loyal with a brand in which they can identify with (Newman, Kramer, & Blanchard, 2016).
Millennials purchasing behaviour can be seen as very difficult and complex, for an observer not belonging to this generation. In reality, their behaviour is very organized and influences others'; through the use of various apps, devices and channels they look for new products, check store availability, conclude the purchase and many more options. Millennials purchasing journey is faster and more complex, compared to early generations' journeys that were slower and simpler.

To sum up, in this section were firstly presented the topic delimitation and the reason motivating this research, as well as the research question. Then an introduction of the three main topics characterizing this research (Luxury, Made in Italy, millennials and digital) is offered. Each topic is considered separately from the others and its key characteristics are illustrated; every topic's introduction is developed with the final purpose of giving a basic knowledge to the reader.
In the next section, the methodology used for developing this project will be showed.

Methodology

In this section, the methodology used will be presented and the procedure undertook is illustrated basing on the "research onion". There are 6 different layers in the "research onion", every layer has effects on the research and, so, has to be developed carefully. After having analysed and described all the layers, the time horizon will be presented as well as the data collection paragraph that describe the main characteristics of primary and secondary data.

Research Philosophy

The outer, and first, layer of the "onion" is defined as the research philosophy. The research philosophy focuses on the nature of knowledge and the way in which it is developed; it provides relevant assumptions of an individual's perception of the world, that influences the choices when deciding strategy and methods used in the research.

Research philosophy can only be viewed in two different ways: epistemology and ontology. These two words have completely different meanings and concepts that affect the way of thinking adopted by the researcher during the process. (Saunders, Lewis, & Thornhill, 2009)

The research philosophy applied in this research is interpretivism; interpretivism claims that the researcher needs to understand and take into consideration the differences that exist between individuals as social actors (Saunders, Lewis, & Thornhill, 2009). This defines why in this paper a research conducted targeting different individuals was ideal for the purpose of defining the main trends in millennials' purchasing behaviour. The term actor has to be interpreted from the right point of view. Actors in the real meaning of the word, like real actors in a play or film, everyone is unique since individuals have different lives, backgrounds, needs, experiences that shape their personality and way of life.

The two aspects that characterize interpretivism the most are phenomenology and symbolic interactionism. Phenomenology is related to how individuals perceive the world. Symbolic interactionism refers to everyone's continuing process of trying to understand the social, surrounding, world in which people observe and interpret actions performed by individuals that interacts with them. (Saunders, Lewis, & Thornhill, 2009).

The real challenge of interpretivism, in this research, is to find and analyse every actor's point of view. Understand the prospective of all the major typologies of luxury customers, this is why a survey shared digitally (mail, message and post on the major social network platforms) can be considered the proper analysis tool for the overall purpose of this study.

Ontology

Ontology relates to the assumptions made by researchers when dealing with how the world operates. When adopting interpretivism, the ontology is characterized by its relativistic position. In 1990, Guba claimed that relativism, when linked to ontology, leads to different interpretation of reality but none of these can be considered correct or incorrect (Guba, 1990). In this project, a questionnaire will be shared to relevant respondents in order to collect primary qualitative data that describe the purchasing behaviour of individuals that answer the survey. Everyone has different background, experiences and preferences; this is why it is necessary to analyse multiple perspectives, in order to find a good and relevant answer to the research question.

Epistemology

Generally, epistemology is considered as what can be considered as acceptable knowledge, within a specific field of study. In this specific context, interpretivism shares an epistemology characterized by a subjectivist orientation. Subjectivism consists in believing that knowledge is "*filtered through the lenses of language, gender, social class, race and ethnicity*" (Denzin & Lincoln, 2005). In other words, finding global and unaffected knowledge is impossible since observations influence the individual and, at the same time, the individual influences observations. This specific type of epistemology is the one that is in line with this project, since all the info and knowledge analysed, in a specific time and location, are not sufficient in order to develop a global theory representing the entire population.

Research Approach

The second layer in the "research onion" is defined as the research approach; it influences how theory will be showed in the research design process. There are two major approaches that can be followed: inductive or deductive approach. The deductive approach deals with the constitution of a theory that is then tested; on the other hand, the inductive approach refers to a data collection process that leads to the development of a specific theory.

The inductive approach is characterized by a process that begins with, firstly, establishing a field of interest linked to limited or even no theory. Then, the field in which participants are put in a situation in which they develop certain issues; this step leads to an identification and a development of themes with a clearer point of view. In addition, theory seeks possible links and connections from topic to topic. (Malhotra, Nunan, & Birks, 2017)

The inductive research approach will be the one applied in this project, since the analysis of both primary and different types of secondary data (such as: articles, reports, press releases etc.) will provide information, insights and data. This is done in order to understand how the market is characterized, who are its consumers, and what are the latest trends. The inductive approach is characterized by not formulating a hypothesis, the aim of this project is to understand how Italian millennials behave, with the influence of these last years' digitalization, when purchasing luxury products. In this study, different information will be detected, gathered, analysed and understood before developing a final theory representing the entire population. Following this idea, this research is proposing itself as the first to set the path for future studies in this direction.

Research Strategy

In this section, the research strategy used will be illustrated. In first place, it is necessary to define the purpose of the research. This research is characterized by the will of understanding how Italian millennial consumers, nowadays, behave when purchasing luxury products; this is why It can be considered as an exploratory study. The main idea characterizing an exploratory study is to understand what is happening, looking for and finding insights and, in conclusion, study specific phenomena with a different point of view (Saunders, Lewis, & Thornhill, 2009). The study of digitalization and luxury's latest trends will offer an image of what is now happening in Italy according to different individuals with totally different characteristics and personalities.
In this case, the research strategy tool developed and implemented is a survey; survey is a research strategy that allows the collection of data from a specific, defined and relevant pool of people. The survey strategy is generally implemented by sharing a questionnaire to a sample of individuals; data gathered are standardized and easy to compare. People in general perceive the survey research strategy as authoritative, with the special characteristic of being easy both when trying to explain and understand it.
When a survey strategy is implemented, data gathered could be useful in order to compare variables and deduce possible relationships between them. When the sample is selected correctly, it is possible to assume that it represents the entire population (Saunders, Lewis, & Thornhill, 2009). Here, employing a survey as research strategy is useful since it is fundamental in order to understand what the most important aspects and variables are, in the purchasing behaviour, and how they are linked to each other. Moreover, by defining a correct cluster of respondents, it is possible to study a limited portion of Italian millennials and then claim that it is representative of the whole Italian millennials' population. In addition, survey will keep the costs of conducting this study low, since it would be very expensive to analyse the entire millennial population, and it will reduce the time needed to gather and analyse data thank to the use of computers and useful software.

Research Choice

Different data collection techniques can be chosen when conducting a research: qualitative (non-numeric) and quantitative (numeric). Quantitative research is usually chosen when the intention is to test an already developed theory; on the other hand, a qualitative approach is generally preferred when analysing and trying to understand what individuals think about a specific topic. These two approaches can be also mixed, generating a pool of both qualitative and quantitative data useful to analyse and better understand people's opinion and thoughts.
In this project, a single technique of data collection and the corresponding procedures for analysis will be used to answer the research question. Survey with structured questions is used to investigate what people think.

Time Horizon

When conducting a study, it is important to plan the time period: it is necessary to state if it will be a continuous study of a particular phenomenon over time or it will represent the real situation in a specific and short time frame. The two different time horizons are defined as cross-sectional and longitudinal. Selecting a cross-sectional time horizon means that the study is conducted in a short period of time and represent a specific moment in time; while, on the other hand, a longitudinal study offers a wider and continuous image (Saunders, Lewis, & Thornhill, 2009).
This specific research represents a "snapshot" of the luxury market in a specific time frame. These characteristics make it possible to state the time-horizon chosen, in this project, is cross-sectional.

Data Collection

In order to understand the market, give a relevant image of it and its latest trends, and analyse the purchasing behaviour of Millennials, both primary and secondary data are collected and evaluated. This section will explain the different structures and techniques used when gathering primary and secondary data.

Primary Data

Primary data is characterized by the collection of data made directly by the researcher in order to answer the research question of the dissertation. The main goal of primary data is to guide the researcher into the right topics and issues that are useful for solving the problem; primary data are also useful in shaping the research design (Malhotra, Nunan, & Birks, 2017). A single questionnaire proposed to a relevant pool of people to analyse and understand how millennial behave when buying Luxury products, in Italy. The questionnaire will be characterized mainly by pre-determined structured questions.

In the next paragraph, the reason why a survey is chosen to collect data and the most important preliminary steps in designing the survey will be showed and explained. Firstly, the reason why a survey is implemented, and it benefits, will be revealed; then, the decision is about whether conducting the survey face-to-face or via other platforms; in addition, there will also be illustrated the basic rules guiding the analysis of data.

Survey

Surveys are one of the most used approach in order to investigate various topics. Surveys generally employ questionnaires as data collection tool.

When implementing survey, it is important to highlight that this approach is useful to collect information about people's behaviour and attitudes; surveys help the researcher in describing reality that lies behind a topic or phenomenon (Malhotra, Nunan, & Birks, 2017). Survey is suitable, in this case, to answer the research question since the overall purpose of this study is to describe how millennials behave when purchasing; the description of their behaviour is possible thank to the analysis of respondents' answers, in which it is necessary to find pattern and correlations between variables. According to their time horizon and final goal it is possible to identify different types of surveys. There are 3 main typologies of surveys: census is a survey that is conducted among the entire population; cross-sectional surveys are those conducted only on time in a specific time frame; longitudinal surveys are usually conducted in a long-time span (months or even years). As stated above, this study is characterized by the fact of representing a "snapshot" of what is happening and how millennials are behaving; thus, the cross-sectional survey is the typology chosen for this research.

Conducting a survey has various benefits for both the research and the researcher. Surveys have both internal and external validity; this means that by selecting randomly a relevant sample from a population of individuals, the selected sample is representative of that particular population. Surveys are considered very efficient and effective, since by studying limited pool of people it is possible to represent a bigger population and its relevant characteristics; moreover, that it drastically reduces costs since the amount of money spent to analyse people directly increases according to the number of people interviewed. Surveys overcome geographical boundaries thank to different platforms; surveys can be conducted by phone, shared via e-mail or sent via traditional mail enabling the researcher to reach relevant individuals that, in the case of a face to face survey, would not ever been reached. Surveys are very flexible and integrate easily with other approaches like focus groups, in-depth interviews and more.

Surveys are a particular type of research design; thus, a data collection method has to be chosen. There are three major techniques to collect survey data: face-to-face interviews, telephone interviews and questionnaires (Malhotra, Nunan, & Birks, 2017). Face-to-face interviews require high levels of labour and money but provide top quality data; they are usually preferable when the topic discussed is very sensitive, if questions are complex, and if the study will be conducted on an extended time span. Telephone interviews are ideal when all the individuals, representing the sample, have access to a telephone and if the length of the questionnaire is low; telephone interviews are preferred to face-to-face interviews mainly for their lower cost per response and, especially, for their ability in reaching respondents even when they are located in different geographical areas. Questionnaire is "*a structured technique for data collection consisting of a series of questions, written or verbal, that participant answers*" (Malhotra, Nunan, & Birks, 2017). It is the cheapest solution, when conducting a survey, but are also those that provide the lowest response rate; questionnaires need to be developed carefully (design, layout, questions) but, as for telephone interviews, they are ideal when respondents are widely spread in different areas. When deciding which data collection technique to use for answering the research question of this paper, the questionnaire is the technique that fits the most to collect Italian millennials' opinions and needs. The factors, that influenced the most this decision, were the limited time available to conduct the questionnaire and the different location in which Italian millennials are.

The analysis of the data gathered will be conducted through the use of quantitative observation techniques. These techniques are used to record respondents' behavioural pattern, objects and events in a specific way that permits to obtain and understand information about the specific phenomenon researched (Malhotra, Nunan, & Birks, 2017). It is necessary to define the observation technique depending on the main characteristics of the survey proposed. The first aspect of the analysis that has to be defined is whether observation will be structured or unstructured. In structured observation, the researcher illustrates what will be observed and how data will be recorded. In unstructured observation, researcher does not specify the details of the questionnaire; the observation of relevant phenomena is conducted by the researcher without illustrating in advance what will be observed. In this research, a structured observation technique of the survey will be implemented. Structured observation is more suitable since, in the questionnaire shared, it is present a brief description of what is its main purpose and what it researches. A second aspect that has to be defined is whether the participants are aware or unaware of the fact they are being observed. When the participant is unaware of being observed, disguised observation will be conducted. In disguised observation, individuals behave naturally, their behaviour is not biased, since they do not know that they are being analysed. On the other hand, if the respondent is aware that is taking part in a study, an undisguised observation is carried. There are contrasting opinions concerning the influence that has the observer on behaviour. In the case of this study, the survey is characterized by undisguised observation. This choice is motivated by the fact that the survey, as already stated, will be shared and conducted online; thus, respondents know that they are being observed from the very first moment.

Another typology of classification, in observation techniques, is the one based on the mode of administration. There are three major modes of administration: personal observation, electronic observation and trace analysis. Personal observation is conducted by the researcher that observes a behaviour as it occurs. The researcher intention is not to control or influence the phenomenon that is being observed, his purpose is to only record what it is actually happening. Electronic observation is characterized by the substitution of the human observer with different electronic devices that are able to record information about the phenomenon observed. Direct participation from participants is not strictly required since these devices are used for continuously measuring behaviours for the analysis. Trace analysis is a particular observation method that bases its research on analysing physical traces, or evidences, of participants' past behaviour. Traces, that are identified and analysed, can be left both intentionally and unintentionally by participants.

Secondary Data

Secondary data can be defined as useful data collected but originally created in order to reach a different final goal (Malhotra, Nunan, & Birks, 2017). Secondary data used in this project is collected from CBS Online Library, reports, journal articles, online websites and press releases

This type of data is used because it is very useful in giving past information about the market and showing the latest trends, with the final purpose of contributing during the development of the research design. Moreover, the analysis of secondary data is conducted also to support the problem definition process in order to help the researcher in having better understanding of the problem, information and forecasts. In addition, secondary data is compared with data gathered from the shared questionnaire; after having identified similarities and differences, it is possible to draw the conclusion of the research.

This section was developed in order to provide the reader the methodology used for conducting this research. An overview and description of all the different layers constituting the "research onion" was present as well as the choices made during the exploration of every layer. In addition are also present the time horizon of the research and information about the types of data are used and how they are collected.

Theoretical Framework

In this section, the basic theoretical concepts underlying this project will be presented. Firstly, it will be present a description of the consumer purchasing behaviour (5-stage process) and what are the main factors (social-cultural, psychological and situational factors) that influence individual's actions and behaviour. Secondly, there will be illustrated the theory characterizing the country of origin and its effects on the market; country of origin is something that in luxury is important and considered when buying a product, it is a relevant and motivating characteristic. The last paragraph focuses on digital. In this paragraph, theoretical concepts characterizing digital are present, with a specific focus on omnichannel, and will also be illustrated the most important touchpoints present during the customer purchasing journey.

Consumer behaviour

In 2014, Shiffman et al. defined consumer behaviour as: "*The behaviours that customers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs*" (Schiffman, O'Cass, Paladino, & Carlson, 2014). Studying a luxury consumer behaviour means analysing the consumption behaviours when dealing with luxury products.

Unfortunately, the perception of which products can be considered “luxury goods” varies from different consumers living in different countries. Even in the same country, it is possible to observe variances since individuals have different backgrounds and needs (Wiedmann, Hennings, & Siebels, 2007).

Luxury brands represent the highest level of prestige, compared to other brands. Both physical and psychological values are influencing factors for the customer; in luxury, psychological values are considered the ones who make the difference between luxury and non-luxury goods. (Nia & Zaichkowsky, 2000)

The consumer decision-making process is, usually, aligned to the Five Stage Model developed by Engel, Kollat and Blackwell. This model divides and shows the stages that a buyer will follow in order to make a final purchase decision. There are 5 main stages problem recognition, information, evaluation of alternatives, purchase decision and post-purchase evaluation (Engel, Kollat, & Blackwell, 1968).

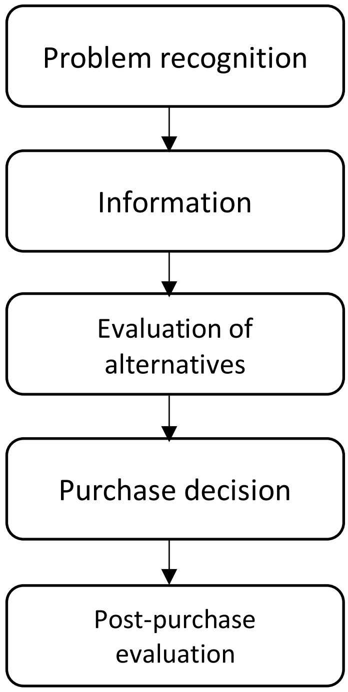

Fig.2 Engel Kollat Blackwell Model of Consumer Behavior

- *Problem recognition*: it is the first and fundamental stage in the consumer decision-making process, if a problem or need is not recognized the purchase will never happen. This step is generally a consequence of two different situations. The first is when there is a need recognition; this happens when consumer state decreases. The second is defined as opportunity recognition, this is the situation in which there is an increase in consumer state (Solomon, 2013). In luxury, differently from mass market, products do not fulfil a specific need or function; this is the main reason why opportunity recognition will be more present in this type of industry. Example of opportunity recognition could be the launch of a new product by someone’s favourite brand.
- *Information*: this phase is, nowadays, characterized by easier means to access information. Individuals are using more and more social media; this is why there is almost no limit to the information that can be accessed online. In fact, in latest years, it has been detected a strong increase in visual information and user-generated content. On Instagram, for example, consumers can look for products using hashtags and have a real image of the product. This

trend toward digital information and visual images has also some drawback, for instance an overload of information in individuals' brains; in addition, worldwide information availability can lead to hyperchoice and influence consumer's choice due to a too wide offer (Ashman, Solomon, & Wolny, 2015)

- *Evaluation of alternatives*: After having gathered information, customer will come up with a list/group of brands that can fulfil the need that has been identified, in the first step. An analysis of all the pros and cons of every brand is needed in order to compare the brand and decide which one to buy. The driving force of this process is the need and the desire of fulfilling it; consumers look for different benefits in different products and they hope to receive the expected benefits.
- *Purchase decision*: At this point of the process, consumer has already decided which is the best brand for him, among those identified in the previous stage; consumer is now ready and start to buy the product. In this step, consumer is also looking for the right retailer to visit. In this moment, every retailer or seller tries to differentiate its offer by proposing benefits like free delivery or installation, loans, warranties and so on.
- *Post-purchase evaluation*: In the last stage of the journey, products, once bought, are evaluated during consumption. This is when consumer evaluates and understands if the product fulfils all his needs and desires that guided the entire decision-making process. If a product does not meet customer's expectations, it can be identified post-purchase dissonance; on the other hand, it is possible to detect post-purchase consonance if the product has met all the desires and needs of the consumer. Dissonance and consonance are the factors that drive customer satisfaction. Satisfaction refers to how close expectations and perceived product's performance are (Oliver, 2006). If a customer is satisfied, he will re-buy and stay loyal to that brand and/or communicate to other people his positive opinion of the product. Impressions can also be communicated online and the truth about the product will shape the image of the product and their drop or rise in sales.

Consumers' decision-making process is influenced by numerous factors; these factors can be grouped as: social-cultural factors, psychological factors and situational factors.

Social-Cultural Factors

These are external factors that heavily influences the consumer decision-making process; their influence is especially perceived by those customers that have families, peers and other external factors shaping their perception and decisions.

Culture

Culture differences, sometimes, lead to variations in consumer behaviour; both within and across national borders (Hennings, et al., What is the value of luxury? A cross-cultural consumer perspective, 2012). For instance, traditions and tastes in Asian societies may not match the ones shared in Western countries.

Geert Hofstede studied more than 90,000 people worldwide, discovering that cultures of different countries differ, basically, on four basic dimensions: *Power Distance Index (PDI), Individualism/Collectivism Index (IDV), Uncertainty Avoidance Index (UAI), Masculinity/Femininity Index (MAS)*. The Individualism/Collectivism Index has been found being the dimension that mostly impacts consumer behaviour, when buying Luxury products. High individualism leads to a promotion of self-interest and a focus on "me". On the other hand, High collectivism spurs people in integrating into strong and cohesive groups; high collectivism consists in considering every single individual of the group protected from outsiders and strongly influenced by each other (Hofstede, 2001).

Individuals belonging to the same culture will share the same values (Hofstede, 2001); these values are those that will influence all the 5 stages characterizing the decision-making process, in particular when dealing with a luxury good that generates a high-involvement in the customer.

In the first stage of the consumer decision-making process, based on individualism/collectivism of country of origin, consumers will behave differently. Customers that live in high individualistic society purchase luxury products to appreciate and interact with exclusivity, craftmanship or the brand's identity; this is because, consumers buy products based on hedonic and functional needs. Buyers from individualistic cultures are more focused on the performance of their products than on the social status and prestige deriving from owning a product of a specific brand. (Nayeem, 2012)

On the other hand, customers living in collectivistic society will buy luxury goods only to gain social recognition and elevate themselves by "showing-off" the value of the products.

During the second stage of the process, consumers look for information that will guide and help in the final purchasing decision. In countries where the society is highly individualistic, consumers tend more to not rely on others during their purchasing decision; they will base their purchasing decision on internal knowledge deriving from past personal experiences or personal research information (websites, tests, employees' opinions) (Doran, 2002) (Nayeem, 2012). Customers in a high collectivism society, after having asked other's opinion, will look for relevant sources and information that will be useful in the purchasing decision process; this happens because the purpose of this type of consumer is to receive approval from the others, especially when dealing with luxury products. (Nayeem, 2012)

After having gathered all the needed information, in the third stage, possible buyers need to evaluate the different pros and cons of whether buying or not buying the product. Depending on the country of origin, the criteria used will be more personal focused or "other focused". Highly individualistic societies lead to a more personal oriented criteria decision; for instance, the final decision is taken only if the product is in line with the customer's personal lifestyle, with the budget or with the buyer's image. In high collectivism society, criteria are more "other" focused; the decision is based on if the product will impress, generate envy or provide high social status.

The evaluation of all these factors will lead to the final decision of buying or not buying. At this stage, consumers will choose a particular brand and a specific product also according to consumer's values, personality, social status or affiliation. (Nayeem, 2012) Acquirers will choose the brand that will reflect their values, experience and aspirations. (Wegrzyn, 2013) The choice of a well-recognized brand, possibly with a clearly visible logo, is typically made in high collectivism societies; while the choice of a brand that is not recognized as "super luxury" is more frequent in highly individualistic societies. (Nayeem, 2012)

Cultural difference influence also the last stage of the consumer decision making process. It can be seen due to the fact that, in high individualistic societies, cognitive dissonance may be present as a result of the importance of internal, personal factors (e.g. colour or discrepancy with personal style). On contrary, doubt or anxiety may affect customers due to the influence of external factors like friends' feedback about the purchase or the opinion expressed by the belonging group of the buyer. (Nayeem, 2012)

Subculture

Subculture can be defined as "the groupings based on demographic, geographic or psychological divisions" (Rix, 2011). This paragraph will analyse how age, gender, social class and country of origin influence the decision process, whether to buy or not to buy the product.

- Social class: consumers, coming from different countries, can be divided into groups basing on their annual income, education, occupation and area of residence. (Rix, 2011) Super rich, middle class and "overdraft" consumers are the different segments identified when dividing consumers by their social class. (Ma, 2010) Super rich customers are those that resulted having a better understanding of the market and are characterized by the fact that they do not buy to elevate themselves; they usually buy high-end products because of their superior quality, design or unique features. Those belonging to the middle-class will evaluate carefully if buying a luxury product or not; they generally buy from mid to high-end luxury products, based on third parties' feedbacks and opinions. "Overdraft" consumers believe that having a luxury product may help in shaping their successful image in the eyes of other consumers. (Ma, 2010)
- Regional differences: within a country, there are small "cultures" developed in different regions. People living in the northern part of a country or living in mega cites have different traditions and values compared to those living in the southern part or event in the countryside. For instance, Sanjay Kapoor (2010) noticed that people living in the northern area of the country consider being noticed while shopping as a very important aspect of their shopping activity; this is why it has been noticed that customers were calling shops to ask the most busy moment of the shop in order to be noticed by others while shopping luxury products. On the other hand, Southern Indians like to shop in the moments of the day when the stores register low traffic of people.
- Age: it has been noticed that age is a valuable predictor for luxury consumption. For instance, in China, younger customers (20-40) are those generating the major part of consumption in the luxury market; In Western developed countries the situation is symmetrical, people from 40 to 70 are the ones that historically generated more consumption (even if they are now getting younger and younger). (Wong & Ahuvia, 1998)
- Gender: in 2010, BCG found that women have impact on almost 80% purchases on luxury products; it is also important to add that the majority of these purchases, influenced by women, are for themselves.
- Reference groups: in societies that show high individualistic traits, reference groups' (e.g. family, friends, colleagues etc.) influence during the luxury purchase decision making is almost zero; on the other hand, in countries where society is strongly collectivistic, reference groups play a key role.

Psychological Factors

Psychological Factors are internal factors that, when purchasing luxury products, heavily influence the consumer decision making process. These factors can be defined as *motivation, perception and attitude*.

Motivation

Motivation can be considered as the force that drives action (Pinder, 1998) and guide customers in making the acquisition (Lukkarinen & Wei, 2012). The action of shopping itself can be defined as a self-expression of the customer behaviour. Buying products of luxury brands fulfils consumer's needs and the desire of sharing a specific personal image and proof of their purchasing power (Nia & Zaichkowsky, 2000); luxury goods, can be said, help in satisfying the physical, emotional, private and social needs.

If not taking into consideration the functionality of the product, luxury products are thought to be those that bring higher levels of esteem and prestige to the buyer (Vigneron & Johnson, 2004). It is important to state that the values linked to the products are perceived differently from different cultures (Wang, Sun, & Song, 2011). Buying luxury products helps consumers in defining how they are related with the world (Wegrzyn, 2013). When dealing with this category of products, due to their quality, exclusivity, design etc., the difficulty or the waiting time in acquiring it are characteristics that make someone feel unique; this is the starting point for an endless happiness (Wegrzyn, 2013).

Motivation is the reason why people seek to reach higher social value and belonging to a more exclusive class (Vigneron & Johnson, 2004). Status seeking consumption (people that hope to elevate themselves in a higher social status by acquiring luxury products) has been proved to be one of the main forces motivating customer purchasing process (Jung & Shed, 2011).

Perception

Luxury is defined as subjective and multidimensional; it is perceived differently from people. It depends on the contingencies of the situation and it is shaped by individual's experience and personal needs of the customer. (Wiedmann, Hennings, & Siebels, 2007)

In order to study what are the motives that drive consumers and the value perception, while explaining the luxury consumption, it has been established a model based on four dimensions. The

“Dimensions of luxury value perceptions model” focuses on four different value dimensions: financial, functional, individual and social.
In the financial dimension are managed the direct monetary aspects such as discounts, price, resale cost and investment. The functional dimension evaluates product’s quality, usability, reliability, features and durability. The, so called, individual dimension is characterized by consumers’ individual orientations (hedonism, materialism and self-identity). Social dimension is focused on the elevation and the image corresponding by owning a luxury good (Hennings, Wiedmann, & Klarmann, Consumer value perception of luxury goods: a cross-cultural and cross-industry comparison, 2013). The different stages in which economic development, political and legal system, and the educational environment are developing across countries, will affect how luxury value (including all its dimensions: financial, functional, individual and social) is perceived differently in various countries. (Hennings, Wiedmann, & Klarmann, Consumer value perception of luxury goods: a cross-cultural and cross-industry comparison, 2013). It is important to highlight that rationality in Luxury does not exist; customers do not buy products based only on product quality. Luxury goods are not bought for their functionality in making life easier, they are bought, by individuals, to fulfil their deepest desires (Wegrzyn, 2013).

Attitude
Attitude toward luxury consumption, both in countries characterized by high collectivism or high individualism, can be expressed and perceived differently between individuals as well as their beliefs.
In 2011 three main market segments were found: elitists, democratic and distance. The first segment, elitists, thinks that only selective well-educated people, with good taste, should buy and own luxury goods; elitists usually buy for their personal actualization, social comparison and special occasions. The democratic segment is constituted by people that believe in everyone’s access to luxury goods, in contrast with elitists way of thinking; moreover, those belonging to the democratic group assume that luxury items can be produced in mass and, after being produced, present in supermarkets. The last group is defined as the distance group where customers believe that luxury is located in a totally different world, in which there is no space for them; only luxury products, for other people, will be bought by distance group consumers.

Situational Factors

Situational factors comprehend those temporary factors generated from the environment that influence the individual's purchase decision; some examples are, for instance, a too crowded or unexpectedly closed store. (Neal, Quester, & Hawkins, 1999)

Where Consumers Buy

Numerous purchases of luxury goods are made, by consumers, when visiting other countries; this is usually done because of possible different offer and lower prices. In latest years, many customers are buying luxury items online in order to look for and find better deals, compared to those that can be achieved by visiting the physical store.

The recent travelling trends helped luxury brands in growing. Depending on the country of origin, consumer behave differently when travelling abroad. People coming from emerging economies, like China and Russia, prefer to buy luxury products when visiting other countries. In 2013, was noticed that Chinese and Russians are generating higher levels of consumption, since they are those visiting luxury and shopping destinations the most. (The Economist Intelligence Unit, 2013)

Country of origin

Country of origin (COO) is something that is key and very present in luxury. Brands always highlight the product's country of origin since it influences purchasing decision steps. In this paragraph, the effect generated by the country of origin and the major factors influencing will be illustrated.

When buying luxury products, country of origin (COO) has a key role in influencing customer's perception; consumers, in particular, consider country of origin has the principal variable when evaluating product and/or service quality. Country of origin is more and more used as substitute of some information and indicator of its characteristics since, sometimes, brand's strength directly derives from the country of origin. The image of the country itself depends on culture, developed technologies, history and so on, and it varies according to the product category we are dealing with; companies have no power or means to modify country's image.

Nowadays, people are more and more discussing about the so called "country of origin effect" (COE); according to this effect, the selection and purchasing processes of some products/services) are influenced by the country to which they are linked. Roth and Romeo defined the concept of

Country of Origin Effect as: "Country image is the overall perception consumers form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses" (Roth & Romeo, 1992). Bilkey, in 1993, claimed that the country of origin effect is like other buyers' opinion on products'/services' relative quality according to the country of origin (Bilkey, 1993). Numerous studies conducted during the years demonstrated that the majority of individuals uses stereotypes linked to the location of origin in order to better appreciate products.

Different authors recognized the fact that there is a connection between specific products and particular countries. Some countries are linked to specific products, products categories or even brands according to specific values and characteristics (e.g. Italy fashion, France perfumes, Japan technological products). According to (Kotler & Armstrong, 2001), this type of positive association is a pre-requisite for a successful purchasing decision. In fact, many customers think that labels "Made in …" explain both increased and reduced value of a specific product, according to its country of origin. Moreover, other researches demonstrate the existence of a relationship between consumers' product knowledge and the influence employed on purchasing from the country of origin. In particular, it has been demonstrated that customers with a better knowledge of a specific good and/or service will tend to be less influenced, by the location of origin, in their final decision; on contrary, those with a more limited knowledge of a product will evaluate very important the "Made in…" label, thus their final decision will be strongly influenced by the country of origin. Some studies found that the importance of the country of origin proportionally increases or decreases according to product complexity; when dealing with complex products, country of origin heavily influences consumers' decision. Complexity is meant in term of style, innovative content and design. Moreover, other studies analysed the interaction of consumers' purchasing involvement and country of origin. Two major and different way of thinking arose; the first perspective claims that consumers, showing a high involvement in a product, give superior importance to country of origin; thus, consumers highly interested in making the purchase will intensively look for information about product's country of origin. On contrary, the second perspective is completely different; involvement in the purchase lowers the importance of the COO. According to this way of thinking, consumers that are not very involved in the purchase are those considering country of origin very important in influencing the final purchase decision. These two completely different visions about the country of origin (COO) makes understandable that the interrelation between involvement and COO is something very subjective and depends according to the situation.

The country of origin effect (COE) on consumers' purchasing decisions varies depending on different countries' level of development. In fact, Usunier in 1996 stated that products coming from less developed countries are perceived as more risky products, with a lower product quality, when compared with products coming from high developed countries. Imported products have higher perceived value in less developed countries, while domestic products have higher perceived value in high developed countries (Usunier, 1996). The factor that has a relevant impact on the country of origin effect is ethnocentrism; ethnocentrism refers to the perception of superiority of a specific race or country by individuals belonging to that specific race or country. According to Usunier, buying imported products may be perceived as wrong and not ethically correct by people. Ethnocentric consumers think that purchasing foreign products has a negative impact on both economy and job market of the country. It is important to not mislead ethnocentric individuals with patriotism. Patriotic customers prefer to buy domestic goods that imported goods, this is done for two particular reasons: to stay loyal to their country and to support national producers. (Usunier, 1996)

"Made in …" labels play a strategic role both for consumers and brands. Consumers see this type of label as an additional source of information that helps in evaluating a product. Brands can use this label as a leverage in order to enhance their image and competitive advantage (Caroli, 2016). When analysing the positive or negative effects of the "Made in …" label, it is necessary to take into consideration three major elements: the way in which consumers perceive product's country of origin, the role that the country of origin covers in customers' choices and their perceptions (Solomon, Bamossy, Askegaard, & Hogg, 2010) and the coherence degree between all the characteristics linked to COO by consumers and the relevant product's features (Min Han & Terpstra, 1988). The first factor is characterized by the aspect, above mentioned, that it is fundamental to understand how people perceive and think about a specific country; external environment is what shapes individual's opinion about a country, information is generally gathered from people experience, newspapers, tv shows etc. The second factor refers to the weight and influence that the country of origin has on consumers' purchasing decisions; country of origin, here, is considered as one of the numerous characteristics of a product, thus it is considered in the overall evaluation of all the attributes that constitute the product. Last factor deals with the coherence degree existing between product's primary attributes and the features attributed to product's country of origin.

Even if all these aspects were showed, it is necessary to highlight that nowadays it is very difficult to understand the country of origin of a specific product. The production trend that is characterizing latest years is dividing production phases across different countries, depending on the different economic benefits deriving from producing in a particular country. Nowadays, when saying country of origin, people refer no to the country in which the product is produced or assembled but to the country of origin perceived by the consumer. For instance, Versace is owned by Marc Jacobs; it does not matter where Versace produces its products, it will always be linked to Italy.

Digitalization

During the last 5 years, consumers have shifted their behaviour from a traditional offline experience to an online-supported shopping experience. They are using different types of technologies, more than ever before, in any phase of the decision process (e.g. to look for a product, analyse opinions of already existing owners or to make the purchase).

In recent years, digitalization has shaped the decision process from a linear to a circular path. In contrast to the traditional decision process (analysed above), the influence of digital in the decision process enables the consumer to move across all the decision steps. The entire decision process is now more dynamic and accessible. In the traditional consumer decision process, the final decision whether to buy or not to buy the product is generally influenced by social, cultural, psychological and situational factors. Latest trends suggest an integration of the traditional process with the new digital environment. What is being observed recently is that an omnichannel approach toward luxury is spreading.

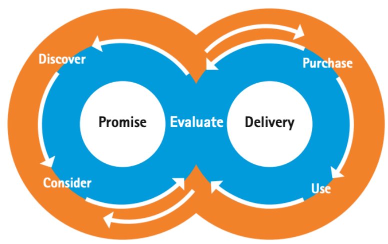

Fig.3 Non-stop customer experience model
Source: Accenture

The aim of an omnichannel approach consists in connecting all the possible channels to track customers moving from one channel to another, and then develop ideas to make these frequent shifts easy and smooth.

Shopping behaviours have, now, become more and more complicated to analyse and understand since consumers are constantly shifting from offline to online and vice-versa or from a device to a different one. In order to clearly understand all the steps that characterize the path, it is important to take the customer's point of view. Luxury brands, to prosper in the new omnichannel environment, need to offer relevant content and a great experience at all decision points; thus, brands necessitate

to recognize all customer touchpoints, online, offline and in-store. (Luxury@Google, 2014)
Nowadays, a lot of digital footprints are left by consumers. Consumers, for instance, are always using their smartphones during their purchasing decision process, from looking for the store's address to even purchase. Click-and-collect is now registering increasing numbers, as well as how many people base their inspiration and decision on online videos. Brands need to develop a valuable and smooth omnichannel process. In first place, it is important to detect and understand all the new expectations and behaviour of luxury consumers; then, it is necessary to develop a strategy to engage the customer, in every moment and in any location.
Due to the high expectations of the luxury customers, luxury brands need to develop and offer quality content on all the digital platforms available while keeping their "luxury" image. In omnichannel retail, brands need to track customers across different channel and offer a unique and personalized experience both online and offline.

Digital Touchpoints

When relating with a luxury brand, the overall experience lived by a customer is based on the addition of all the experiences lived at every touchpoint met. The final purpose is to engage consumers in the specific right moment when they are more likely to be influenced; when succeeding in doing this, marketer will provide a satisfying consumer experience.
There are numerous touchpoints, of different nature, that nowadays customers meet during their purchasing decision process. Latest trends show that now are consumers and not brands, as it was until this digitalization era, that decide when or where to interact with the brand. Now that consumers can be engaged in different moment and though various channels, the aim of an omnichannel strategy is to develop and share a coherent and relevant message across all the different touchpoints. Even if the final choice in the purchasing decision process bases on the overall experience, it is important to highlight that every touchpoint in the process is fundamental in deciding if to buy or not to buy the good. Consumers will face different touchpoints every time they decide to start a new purchasing decision process. (Accenture, 2013)
Different touchpoints have different level of control employed by the company. Company-driven touchpoints (owned channels) are those in which the highest level of control is observed; consumer-driven touchpoints (social channels) are characterized by a medium level of control; while, third party driven platforms (paid channels) are characterized by a low level of control performed by the

company (Berghaus & Heinea, 2014) In order to better understand all the digital touchpoints, here will be listed based on their level of control (from highest to lowest level of control).

- *Luxury brand website*: the company website can be defined as the heart of the digital presence, represented by the brand. Experts agree in claiming that the website is the first source of information, of a brand and its product portfolio, used by most of the consumers. As for luxury products, individuals have high expectations also when dealing with the company website (especially on the layout of the website) (Dall'Olmo & Lacroix, 2003). In other words, the company website is a key tool in reflecting brand identity and its history; it can be defined as a brand's digital business card. New websites offer different resources in order to improve the experience and make the website more similar to a digital hub; examples of tools that can be implemented are blogs, online shop, dedicated web pages for specific products, sub-brands belonging to the parent brand, countries or even relevant campaigns.
- *Search Engine Optimization*: Search Engine Optimization (SEO) is closely linked to the company website since its function is to improve website visibility and traffic in all the most important search engines (Google, Bing, Baidu etc.). Due to China expansion and its key role in the luxury market, brands need to focus also on Chinese web search engines (e.g. Baidu) and improve search engine optimization. SEO are very useful since they can improve their reach and sales without increases in the company's marketing costs.
- *Direct Mailings*: direct mailings are one of the most common and seen digital marketing tool. Even if it is an "obsolete" tool, it still has the potential to provide useful information concerning the customer relationship management. The reasons that lies behind the continuous use of this tool is that it enables the brand to have frequent interactions with the consumer; thus, the brand will become more and more recognizable and familiar (Colliander & Dahlén, 2011). When mails are sent regularly have a leverage on consideration, since they are keeping always a contact with the consumer and giving constant updates about new collections and collaborations; in addition, when integrated with loyalty programs, direct mailing is very useful to ask customers about recent purchases experience and receive feedbacks. It has also been observed that consumers registered to mailing lists, or that simply receive an e-mail from a specific brand, are more likely to spend more money compared to non-recipient. (Exane BNP Paribas, 2014)

- *Online Advertising*: online advertising is seen as a more aggressive consumer acquisition tool compared to the traditional company's website. Online advertising cannot be considered as a traditional marketing digital tool since it interacts with marketing strategies. This means that, companies should not focus only on the message that has to be communicated; they should also focus on how to create a creative marketing campaign that will provide positive emotions in the target customer, leading him in sharing the message with other individuals. (Chu & Kim, 2011)
- *Brand communities*: the concept of brand community has been defined, in 2001, by Muniz and O'Guinn as "*a specialized, non-geographically bound community, based on a structured set of social relations among admirers of a brand*" (Muniz & O'Guinn, 2001). By creating a profile on a social network service (SNS), for instance Facebook, or by launching a corporate designed brand community platform that fits and integrates into the corporate digital hub. (Kim & Ko, 2010)
- *Social campaigns*: Social content communities provide an easier storage and sharing of relevant media content. In the luxury sector, the most famous and used social content communities are Facebook, Instagram and YouTube. Brands need to be careful when communicating since, on social content communities, they share different information and, thus, they have to be careful when posting content. Campaign is, generally, the type of social content that is chosen and then created in order to be published. Fundamental step for marketers is to understand all the different digital channels and consider them as an upgrade of the company toolbox and thus develop a relevant digital strategy that takes part in the overall company management. In 2012, Keller and Fay stated that "*the most effective advertising is advertising that gets people* talking" (Keller & Fay, 2012), thus, another important aspect to analyse is that people belonging to content communities communicate among them on digital social media. Brands develop campaigns with the purpose of maximizing consumer-to-consumer sharing of information and reach on platforms developed by other organizations (e.g. blogs, forums, review sites and online magazines). (Colliander & Dahlén, 2011)
- *Phone and Tablet apps*: After deciding which actions to follow, it is important to understand that, in a high expectation market such as Luxury, brands need to perform these actions at their best and in the correct way. Even a small problem observed by the consumer can lead to a big failure in his mind. Apps in tablets are heavily used not only by consumers but also

by salespersons as a support tool of the whole point of sales. Studies show that digitalization is useful and appreciated by consumers; but, on the other hand, some people argue that tablet apps, used in-store by sales persons, can lead to an over-digitalization of the purchasing process.

- *E*-commerce: The traditional idea, when considering online e-commerce, is that luxury products should not be sold online (Kapferer & Bastien, 2012). E-commerce, in fact, is known as the aspect that create more conflicts in a brand's management team. Generally, almost a quarter of a company executives are very hesitant when developing an e-commerce selling luxury products. In contrast with these traditional concepts, numerous Luxury brands are now implementing e-commerce platform in order to maximize their "opening hours" (online store works 24/7) and satisfy consumers expectations. E-commerce can be considered as the best leverage within the purchase phase.

The introduction section offered the reader an overview of the theoretical concepts that are relevant for the purpose of this study. Here, there were illustrated theory concerning the purchasing process, its steps, the factors influencing it, as well as the country of origin, its effects, and the digital environment in relation to omnichannel. Now, the next section, will focus on offering the reader real data about luxury in general, "Made in Italy" and the digital world in order to help him/her better understand how these different environments are behaving and performing.

Findings and data presentation

In this section, secondary data describing the luxury market, its main characteristics, trends and consumers will be presented; in addition, there will also be present data and information about "Made in Italy" and online shopping. Illustrating real numbers, characterizing these three different dimensions, is done in order to share with the reader information that lead to a basic knowledge of these different environments.
Data about the luxury market will be gathered mainly from Altagamma's reports developed through collaborations with top consulting firms like Boston Consulting Group (BCG) and Bain & Company. Altagamma is a foundation, born in 1992, that groups together High-End Italian Cultural and Creative Companies; the relevant companies must be globally identified as ambassadors of Italian Style. The core aim of Altagamma is to contribute to economic growth in Italy, while rising the competition level of the High-End industry. Members of Altagamma come from different

markets, but all belonging to “Luxury”, such as: fashion, watches & jewellery, food & beverage, hospitality, wellness, automotive-yachts-private jets and some more. (Altagamma, s.d.) These reports are published, generally, once per year and they focus on the main trends and aspects that are influencing and shaping the Luxury market.

Worldwide Luxury

The Luxury sector is confirming its growing trend of the decade, overcoming other markets’ situation that, in contrast, are suffering as a consequence of the recent economic uncertainties, wars and geopolitical crises. The market value recorded in 2018 is approximately around €920 billion, leading to a 5% increase (on constant exchange rates). There are different trends that are now shaping the Luxury markets, such as: online channel, now representing 10% of total sales; Generation Y and Z, that are the ones showing a consistent and relevant growth in consumption; China, the country that is driving the growth of the last decade, now increasing domestic consumption strengthened by a decrease in tourism; and many more. (Altagamma, 2018)
The luxury sector is itself characterized by small markets that differ one from the other. The most important and relevant markets that characterize the sector are 9 and could be defined as: Personal Luxury Goods, Luxury Cars, Luxury Hospitality, Fine Wines & Spirits, Gourmet Food & Fine Dining, Fine Art, High Quality Design Furniture & Homeware, Private Jets & Yachts and, in conclusion, Luxury Cruises. (Bain & Company, Altagamma, 2018)
In 2018, Personal Luxury Goods market has overperformed, compared to the other segments. Approximately €330 billion were spent in the market; in addition, the amount of money spent has increased when comparing it to the previous year, showing a 2% positive increase.
Luxury Cars, Private Jets and Yachts showed a positive increase in the last years, but with a smaller steep compared to previous periods. When focusing on the latest trends, Luxury Cars market grew only 1% compared to 2017, while luxury yachts and private jets markets decreased by 7% year over year. Fine Art & Design Furniture both continue in their growing trend. Compared to 2017 they grew 3% thank to a better online penetration and trends that are consolidating.
Food & Beverage Experiences continue expanding at 2%, when considering Fine Wines & Spirits, and 3%, when dealing with Gourmet Food & Fine Dining. High quality and transparent origin are required by Food & Beverage customers, it is possible to state that this is a strengthened trend nowadays. Out-of-home Experiences globally increased. A small positive growth for luxury hotels

can be seen; luxury cruises were the best performing luxury segment in 2018 showing a 3% increase in comparison with 2017 (Bain & Company, Altagamma, 2018).
Altagamma identified 12 key trends, in luxury, that are shaping the industry; some are new and are emerging, while the others are stabilizing or keeping growing. These trends are: *collaborations*, mainly bought by Chinese (62%) and younger generations (60% millennials and 67% Generation Z), and almost 50% of true-luxury customers are purchasing products that are developed from the collaboration of two brands; *second hand* reached a 7% personal luxury market value and is growing quickly (12% every year), 80% of those buying or selling second hand products use online channels to gather information and trade; *sustainability*, driven by environmental, animal and ethical concerns, nowadays, heavily influences purchasing behaviour; *luxury casualwear* is still growing, market driven mainly by sneakers and jeans; *influencers* shape consumer purchase decision, their "influence" is strong (especially in China) and is continuously growing; *social media* are growing worldwide, they will soon overtake magazines in US and Europe; *online* is continuing its growth and is also contributing to overall market growth, *omnichannel* represent approximately half of the overall purchases; *mono-brand stores* are now stabilizing and not decreasing in significant way (except China), *made-in* Made in Italy is strengthening its position all over the world (especially for millennials and true-luxury consumers), *mix & match* where exclusivity and perception of superior value are driving possible customers, *customization* is stabilizing demand, since special configuration, made to measure and bespoke products have a high level of desirability.
In 2018, almost three-quarters of the sales were generated from like-for-like sales. Like-for-like sales is metric that is characterized by including only revenues generated from comparable and/or similar stores and products, sharing similar characteristics and operational periods. (Bain & Company, Altagamma, 2018)

Now, a representation of relevant data about customers' consumption, analysed following different distinguishing factors such as country of origin, age, purchasing channel and so on, will be presented. This presentation of data is done in order to allow the reader to better understand this industry. Who are the biggest players, which generation is driving the growth, what are the most used channels, how big and relevant is the use of social networks and so on.

In first place, Luxury Consumers will be divided, according to the generation in which they belong, and their presence and purchasing power will showed. There are 5 main generation that can b

identified: Silent (70+ years), Baby boomers (51-70 years), Generation X (36-50 years), Generation Y or also known as Millennials (21-35 years) and Generation Z (5-20 Years). Dividing customers by age, it is possible to notice that Millennials and Generation Z constitute almost 1/3 of the total market's purchases; people belonging to Generation X are the ones that generate the higher flow of money, with approximately 40% of the total sales made by these individuals; Baby Boomers represent 25% of Luxury sales and, in conclusion, those belonging to the so called Silent Generation represent only a very small percentage.
The forecasts for the year 2024 show that Millennials will take a leading position in the market, representing 50% of the total profits; Generation Z will triple from €10 billion to €29 billion; Generation X will slowly increase the profits produced, this small growth (compared to the one of the whole market) will lead to a smaller role played in the market when compared to the other generations; Baby Boomers and Silent Generation will contribute in a lower proportion compared to our days. Millennials will drive 130% of the total growth (Bain & Company, Altagamma, 2018).

Now, the customers will be analysed basing on their country of origin. China could be defined as the biggest player in the market, representing 32% of the total profits for Luxury companies; in addition, it is necessary to notice that both global spending and Mainland China spending increased by 1%.
Secondly, there are the Americans that provide €80 billion; a positive economic situation has enabled locals to increase their overall luxury spending but, at the same time, has influenced the tourists' purchasing power, especially for those come from Latin America and Asia.
Europeans contribute with €84 billion; as it is in USA, in Europe, the positive Euro situation strengthened its power to the detriment of the non-EU tourists that had to reduce their purchases.
Moreover, there is Japan (€22 billion) where luxury spending decreased slightly and now companies are trying to re-attract customers in stores.
Other Asiatic countries showed an overall growth, especially when focusing on new strong local consumption happening in South Korea; other small countries, such as Singapore, Taiwan and Thailand as well as Hong Kong and Macau are also contributing to the "Asiatic growth".
The other areas overall growth is 0, providing €12 billion. (Bain & Company, Altagamma, 2018) (Altagamma, 2018)

When asked to rank the social media used when interacting with luxury brands and fashion bloggers, respondents of the western world ranked Facebook in first place (65%), followed by a continuing growing Instagram (53%) and, in conclusion, YouTube (48%); the people interviewed in China listed Tencent-Wechat as the dominant leader in the country (70%), secondly Weibo (55%), and then Tencent-QQ (40%).
Then, respondents answered who were their favourite influencer; the answers from those living in western countries were: Chiara Ferragni (Italy), Danielle Bernstein (USA), Aimee Song (USA), Sincerely Jules (USA), Negin Mirsalehi (Netherlands). Chinese people slightly differed from the previous ranking; now, the names are: Gogoboi (China), Aimee Song (USA), Chiara Ferragni (Italy), Becky's Fantasy (China), Mr. Bags (China) (Bain & Company, Altagamma, 2018).

Focusing on retail channels the traditional retail market had a small growth of 4%. Wholesales channel performed worse than retail, it grew by only 1%; this small increase is due to high-end department stores that are still trying to find recovery, and to reduced results recorded from specialty stores that are dealing with intense competition brought by online channel (Altagamma, 2018).
Online shopping of Luxury products is confirming its latest growing trends compared to physical channels, increasing 22% year-over-year meaning €27 billion. The US itself generates almost half of total online sales (44%); at the same time, Asia is slightly ahead of Europe and imposing itself as the new growth engine of online deals when dealing with Luxury products.
The most online sold product category are Accessories, in second place there is Apparel.
Beauty products and Watches & Jewellery (hard luxury) both rose. Companies are incrementing their direct channel, catching up the already existing strong players. Brands' direct channel, that constitutes 31% of the total market's sales, are now dealing with e-tailers (39%) and retailers (30%) (Altagamma, 2018).

Summing up, it is possible to understand and imagine what the key customers in the industry are. The image of the typical luxury consumers is characterized by different aspects that shift during the years; when visualizing all these characteristics we can see a young or, at maximum, middle-aged individual, coming from China, Europe or USA that is still buying via traditional channels but is also using, and increasing the utilization, of digital platforms and devices.

After having illustrated the basic characteristics of the key luxury consumers, according to their consumption and demographic factors, it is necessary to analyse customers according to their lifestyles. Altagamma tried, in latest years, to understand and analyse how luxury consumers behave and illustrated what the main typologies of customers are; according to their personal characteristics, thoughts and way of life.
In the report made by Altagamma, different categories of Luxury consumers were analysed and illustrated. The main customer categories will be listed and described below; these are: Absolute Luxurer, Megacitier, SocialWearer, Experiencer, Little Prince, Fashionista, Status Seeker, and Classpirational. (Fondazione Altagamma, Boston Consulting Group, 2016)

- *Absolute Luxurer*: He can be defined as an elegant, refined, connoisseur that grew up in an already existing luxury situation. For him, compromising is not acceptable, and exclusivity is fundamental. He, generally, is a grown-up person (35-45), and is constituted by a little majority from women (55%). He/she lives in medium or big cities and nothing is too expensive. The Absolute Luxurer is very active, loves sports such as golf, horse riding and sailing is classy and elegant, always at his/her best. More than 2 Million Absolute Luxurers spend over €70 Billion per year in Luxury products. The main players of the market can be grouped as the "European Elite", new rising economies are increasing their role; their budget starts from €30 Thousand up to 150 Thousand. Absolute Luxurers buy both personal and experiential luxury, with a particular passion for unique and customized items. Their most loved products and experiences are jewellery, vacations, leather goods and clothing, but also limited editions and capsule collections.
- *Megacitier:* People that live in mega cities like New York, London, Paris, Shanghai they are likely to listen to the same music, visit the same holiday places and have the same tastes. It can be stated that they transform local trends into global phenomena. Women constitutes the more present, compared to men (45%). Megacitiers are, generally, young (25-35) and located in the most important European capitals, New York and the capitals of the most rapid emerging markets. They are part of a global elite that has an international imprinting; extroverted and independent, usually very active and global travellers. Luxury, in their mind, is about quality and customization. Megacitiers buy numerous products when abroad as a part of his traveling experience. The most bought products are expensive vacations, jewellery and clothing, targeting few brands at time. There are almost 3 million Megacitiers

worldwide, on average they spend €20 Thousand per year leading to a global spent of over €50 Billion.

- *SocialWearer:* For SocialWearer, Luxury is a green carpet to a better world. Around 2.5 Million people can be defined as SocialWearer. Most of them are located in European western countries (e.g. Italy, France and Germany), but also in emerging markets like China and Brazil. Mostly represented by women (55%) that are now grown-up (35-40). This type of customer lives in big/mega cities and can be defined as socially responsible; loves art and is involved in charity events. They, usually, spend €11 Thousands leading to a total spent of €24 Billion in the market; mostly on clothing, hand bags and food & wine. The key values, for SocialWearers, are quality, sustainability, innovation, and Made In … For them, having an emotional connection with the brand is important, in fact, once having developed a connection they tend to remain loyal to that brand.
- *Experiencer:* Having a dinner, travelling and other moments of happiness are above traditional luxury; shared luxury acquires more value, compared to traditional luxury. Discrete and sophisticated, they generally buy holidays, hotels and food & wine; he does not spend money to show off his richness. There are more than 3 million customers that generate €37 Billion, with an annual budget of €13 Thousand. This type of customer is characterized mainly by men (60%) already at a mature age (40-50) that come, mostly, from Western European countries, Japan and USA. He lives in medium/big cities and loves to travel, cook and activities like wine tasting.
- *Little Prince:* Younger generations that have an easy life thanks to their parents' prosperity. They are born rich and, so, luxury is "natural" to them. Impulsive, connected and hungry for the new, they are dependent from technologies and are always connected. Brand and Designer are fundamental for them, even more than intrinsic qualities. They typically buy clothes and accessories, especially bags, sunglasses and perfumes & cosmetics; luxury, for them, is about innovation and being cool. There are more than 1.5 Million people defined as Little Prince. Mainly represented by young (18-25) men (55%), they individually spend around €10 Thousand a year, generating a total global spent of €18 Billion; number one category when dealing with purchases during holidays.
- *Fashionista:* Always aware of the latest trends and uses the streets as its personal catwalk. She loves design and her shopping activities are the one that create a link with Luxury. The Fashionista knows everything about luxury, from the top designers to the latest trends

supported by celebrities; she buys everything that deals with fashion in order to look cool, sexy and exclusive. There are approximately 3 Million Fashionistas worldwide and are more represented by women (60%), aged from 35 to 40 years old. She is very emotional and, when doing shopping, very impulsive. This customer category is mainly distributed medium/big cities across Europe, USA and China, spending an average of €8 Thousand generating a €24 Billion spent. She buys mainly personal luxury items (Leather goods, clothing and perfumes & cosmetics).

- *Status Seeker:* Logos are fundamental and have to be showed. Status Seekers don't like to experiment; they usually follow trends and well-known brand. A Status Seeker buys luxury to show off his wealth and success. Approval is everything for a "Status Seeker". He is very outgoing and sociable, due to its desire of being approved. Grouped in this category, there are 2 Million consumers that are represented mostly in Russia and South Korea. Mainly constituted by men (55%) living their 35-40. They generally spend €7 Thousand each corresponding to a total spent of €14 Billion. They love leather goods, hard luxury and clothing; generally, in large flagship stores with an always more emerging digital experience. What is said or wore by celebrities, is crucial for them.
- *Classpirational:* Looking bad in front of someone is his biggest fear. Affordable Luxury is what save them, buying "cheap" entry products is the best way to feel accepted by the others. Luxury is about timeless and trusted brands. Classpirational can be seen as a man (60%), in its 30-40, with a huge presence in Italy, France, Japan, South Korea and Russia. Compared to the others, its purchasing power is limited; they spend, on average, €3 Thousand generating a worldwide spending of €9 Billion. They don't like to experiment but, on the other hand, love classic clothing perfumes & cosmetics. They compare prices online and buying in duty free is a valuable alternative to multi-brand stores. The value for money is the most important driver when purchasing.

Made in Italy

Sace Simest, every year, publishes a report in which an export analysis of "Made in Italy" is showed. The purpose of the organization is to provide insights for Italian companies and support them in following future opportunities in foreign countries.

From the beginning of the new millennium, the increasing competition linked to low production costs of some developing countries (e.g. China) has pushed developed economies in implementing exporting strategies toward new factors like brand, quality, distribution channel. In particular, Italian companies focused on adapting to an external environment that is evolving quickly, aiming at a qualitative upgrade of their products in order to improve export revenues and productivity (Sace Simest, 2018).

In 2017 Italian export grew by 7,5% (€31 billion) reaching almost a total of €550 billion (€448 billion for goods, 98 billion for services). The 7,5% increase can be split since it is the result of three phenomena: 4,1% driven by price effect (influenced by a qualitative improvement of exported products), 3,1% due to an increase in export volume, a mix effect that constitutes the remaining 0,3%. The Italian increase in exports, unfortunately, was lower that the worldwide average (8,4%)

In 2017, the overall export of goods that equals €448 billion; this amount has to be divided in order to better understand Italian export. EU countries represent 55,6% of total Italian exports, with a 6,7% increase compared to the previous year. Extra-EU countries constitute 44,4% of all export made by Italy, followed by an 8,2% increase year over year. (Sace Simest, 2018)

Italian export, in 2017, has grew in all worldwide geographical areas. Asia-Pacific is the area that registered the highest growing index thank to a boom in Chinese sales (+22,2%) and in South East Asia (+10,2%). Traditional market is represented by developed European countries driving more than half of the total export; developing Europe overcame expectations. Good results were also achieved by the "Americas"; USA increased by 9,8% their import of Italian products, and Mercosur countries by 15,4%. North Africa and Middle East grew more slowly but with positive results, while sub-Sahara Africa exceeded forecasts. Forecasts of 2018 confirmed latest trends; Asia-Pacific, Europe and Americas will be those that will perform better than the others.

Focusing on developed countries, it can be said that they will continue in playing a key role for Italy. The top 5 destinations of "Made in Italy" products are: Germany, France, USA, Spain and UK; these 5 countries generate almost €190 billions of Italian exports in 2017.

Sace Simest highlighted 15 countries that need specific focus. These countries are those that are performing better than the others, in the sense of buying Italian products. These are: USA, China, Russia, Czech Republic, United Arab Emirates (UAE), Mexico, Saudi Arabia, Brazil, India, South Africa, Vietnam, Indonesia, Qatar, Peru and Kenya. They identified also 5 new economies that need attention in order to evaluate penetration, and possible opportunities, in the next months; the countries proposed are: Turkey, Mexico, Philippines, Colombia and Senegal. (Sace Simest, 2018)

When focusing on Luxury, “Made in Italy” will be a fundamental asset for Italian brands. Italy is considered, by other countries, positively thank to unique values such as quality, tradition, culture; this is why Italian producers should try to highlight the geographical origin of their products in their product labels or in their name. For instance, a study conducted by Deloitte illustrates that Italy represents almost a quarter of luxury. 24 of the best 100 top brands in luxury are Italians; Italian top groups are Luxottica, Prada and Giorgio Armani and they account for almost half of the country’s luxury sales. Growth in Italy, in 2017, was very low (2,2%) but, on a total of 24 brands, fifteen brands positively grew while the other nine has some drawback. Within the “Fastest 20” growing brands, Italian companies decreased from being six in 2016 to only two in 2017; these are Furla and Moncler. There are different brands that registered double digit profit record in net profit growth, these brands are: Luxottica, Giorgio Armani, Max Mara, Brunello Cucinelli and Moncler (highest, 20,9%). (Deloitte, 2019)

Digital

In the last paragraph of the section, an overall description of the digital world, and its key characteristics, is offered. Digital has shaped whole societies and also affected all the latest trends. For the purpose of sharing information to the reader, it is proposed an overview of the different tools and aspects that are critical and has to be implemented or improved.

Shopping is continuously changing, due to the new digital context in which we live. Nowadays, consumers are looking for the possibility of gathering information and buying everything in any moment of the day and in any location. Thus, companies need to reshape their business strategy in order to succeed in delivering linked online and offline experiences.

The recent creation and diffusion of different technological devices, such as phones, tables, laptops and more, is the reason why customers are now increasing their expectations. Deloitte, in 2017, analysed how these shifts in consumers expectations influenced retailers; among the best 50 retailers, nowadays, 76% are basing their strategies on an omnichannel approach, while in 2007 were only 20%. (Deloitte, 2017)

Digital tools are changing the experience lived in traditional brick and mortar stores, this because two main reasons: firstly because data management, implementation of automation in low-value

added processes and higher focus on customer service will make the stores ultra-efficient; secondly, stores will interact closely with the customer due to more and more connected purchasing process. In this paragraph will be named and defined some general examples of how the digitalization is changing how stores are designed and developed.
The first example is the “real-time price tag”; this automation is generated by the increased competition of other channels, thus the need of keeping tags up to date in order to offer a competitive price. The traditional way of managing price tags is time consuming and leads to possible errors; where prices are displaced electronically, employees have more time to help customers and fulfil their requests.
Technology is key also in managing store’s inventory and on-shelf availability. It is fundamental for a company to have necessary and relevant information about on-shelf and stock status; for instance, having location and stock information about a product missing from a shelf or when a customer does not find the right product he is looking for. Digitalization of on-shelf and stock allows employees to save time and use it to check and solve anomalies.
Click-and-collect and home delivery are the most used delivery method when buying products online. In consumers’ mind, physical stores are now moving toward the image of closest brand branch where consumers can pick their order or benefit from a lower distance delivery. The benefit of implementing click-and-collect and home delivery is that consumers have the possibility to alternate in-store shopping and online purchases, thus they can decide to buy thing depending on their needs and mood. (Ses Imagotag, 2018)
Digitals signs, generally larger than 30 inches, are defined as flat panel monitors that display advertising and editorial material in loop (Burke, 2009). This tool allows the brand to change content on demand in order to deliver the right message to the right target; in addition, if implemented with store’s scanners and/or cameras, managers can observe and evaluate customers’ reactions.
The presence of a free in-store Wi-Fi is very useful when interacting with the customers during its shopping experience. Offering in-store Wi-Fi allows customer to use their smartphones and use the company’s app in order to find the correct location of each product, have access to the brand’s loyalty program, discounts, coupons, etc. (Adweek, 2013). There are some examples of brands that have developed beacon Bluetooth devices to detect entering customers and interact with them by sending personal messages directly on their mobile phones (Joseph, 2014) (Whiteside, 2014). Beacons are also useful because they provide useful data about customers (Taylor 2014) and are

those that link the physical store and digital experiences enabling the company to interact with its customers.
Radio Frequency Identification (RFID) is a specific system that gathers data from product tags and barcodes to link specific items to specific consumer profiles in-store. The idea behind is to attach a tag to every product and, whatever product will be purchased by a specific customer, it will be linked to that specific customer profile. This is beneficial for both consumers' and company's point of view, since consumer will receive ad-hoc offers and promotions while the company succeeds in providing an excellent customer service.
Sometimes, in order to provide useful information, employees are equipped with tablets; tablets are useful in providing information to customers, making their purchase and communicating possible delivery options. (Buterbaugh, 2013)
Self-service technology (SST) is defined as the technological interface that "allow customers to produce a service independent of direct service employee involvement" (Meuter, Ostrom, Roundtree, & Bitner, 2000) a practical example of this type of technology are the ATM and the check-in gates.
A recently used tool that is receiving many positive feedbacks is the smart mirror. It is a device that gives the chance to consumers to try clothes and decide if it fits well or not; this is done thanks to 3D body scanners that analyse and display a perfect 3D virtual image of the customer's body.

The reader has, now, a clearer view of the size, characteristics, influencing factors, key customers and other information about the luxury market; moreover, he/she has also knowledge about "Made in Italy" and the digital tools that are driving shopping.
At this point, after having passed through all the previous sections, it is the moment to move toward the next section in which the questionnaire's structure, the sampling technique and the results of the questionnaire conducted will be showed.

Analysis

This section will show the characteristics of the survey and how it is structured. After a first overall overview of the structure, the sampling process will be showed as well as the sampling technique chosen for the project. Once structure and sample are defined, a representation of the answers provided by respondents will be offered.

Questionnaire structure

Questionnaire is a data collection technique characterized by the presence of a set of questions that have the purpose of gathering information and data from respondents. Questionnaires have three major objectives. Firstly, they need to transform the needed information into a question that individuals can understand and answer; secondly, the design of the questionnaire needs to be developed in a way that enhances, motivates and encourages individuals in being cooperative and involved in completing the task; moreover, questionnaires need to be developed in order to reduce, at the lowest level, errors. (Malhotra, Nunan, & Birks, 2017)

One of the first steps in designing a questionnaire is to define the interviewing methods, since each method has different consequences in the content of the questions and how they are asked. Since online and postal questionnaires can be defined as self-administered, they need to have a clear set of rules and characterized by simple and clear questions. On the other hand, questionnaires conducted via face-to-face and telephone interviews are characterized by a direct interaction with the interviewer. Even if both methods lead to an interaction with the interviewer, they present different characteristics depending on the type of questions that have to be asked; face-to-face interviews are preferred for complex and lengthy questions but those conducted by phone are more suitable for simple and short questions (Malhotra, Nunan, & Birks, 2017). The questionnaire handed for answering the research question is conducted via an online platform developed by Google: Google Forms. This decision influences how question will be developed and proposed to relevant respondents; in fact, in the very first page of the survey, a small paragraph explaining the rules is present: in the first lines it is described what can be considered a luxury products is proposed and then a line about the possibility of winning a reward for conducting the survey correctly.

The next step is to determine the question structure that is more suitable to gather information. This questionnaire will be characterized by being designed with structured questions. Structured question are a specific typology of questions that are followed by a set of pre-determined answers. There are three main categories of structured questions; these are: multiple choice, dichotomous or scale. (Malhotra, Nunan, & Birks, 2017)

- Multiple-choice questions: in this type of question, respondents have the possibility to answer the question by selecting one, or more than one, option within all the possible answers. Clearly, it is necessary to design a pool of alternatives that covers all the possible choices answers that respondents may provide. In situations in which it is hard to represent all the different possibilities, it may be useful to add a box with the option: "other" and a box in which the respondent can write his answer. Multiple-choice questions solve some problems that are linked to open-ended question; this because, interviewer bias is reduced, and questions are easier to analyse. As for open-ended questions, even multiple-choice questions have some disadvantage; possible order bias, required effort in designing effective and relevant questions as well as answers, difficulty to in receiving some type of information.

- Dichotomous questions: these questions are characterized by the fact that there are only two different answers (yes or no, agree or disagree). The alternatives proposed are generally one negative and one positive; it is also common to find a third neutral option (none / don't know) among the alternatives. When implementing these questions, it is important to identify if the relative issue is a yes-or-no issue. Even in the case of a yes-or-no issue, it is necessary to highlight that some information can be captured only by the use of multiple-choice answers. As mentioned before, it is not rare to meet the third neutral option in dichotomous questions; however, it is necessary to evaluate whether it is beneficial or not to insert it among the possible alternatives. Advantages and disadvantages of developing dichotomous questionnaire very similar to those of multiple-choice questions.
- Scale questions: scale questions have the purpose of ranking a specific issue or topic by placing respondents' answers on a continuum, according to their thoughts and feels. There are different and numerous ways in which scales can be developed. There is a first general classifications of scales: comparative and non-comparative scales. Comparative scales comprehend a direct comparison between one stimulus object with one another. On the other hand, in non-comparative, scales objects are considered independently.

For the purpose of this study, multiple-choice questions are those that characterize and fit the most in the questionnaire. Almost only multiple-choice questions are present in the questionnaire since it is necessary to understand respondents' opinion and way of behaving; this can be done by providing different general alternatives of opinions and behaviours, also with the aim of reducing the possible variances in similar answers and facilitate the analysis of the answers.

The questionnaire designed has been divided in three different sections, preceded by a small introduction and followed by a small conclusion. As stated before, in the introduction section are presented the rules of the questionnaire and what it is researching; it is also present the description of the reward offered that can be won by a casual respondent. The concluding section is designed to let respondents type, in the dedicated box, their e-mail address in order to correctly conclude the survey and have the possibility of being the lucky one who receives the reward. The main sections of the questionnaire are divided according to their nature:

- General information: here are asked general information to the respondent; questions concern both personal information and general data about luxury such as age, occupation, frequency of purchase and attributes motivating luxury purchase. These four are all multiple-choice questions.
- Purchasing behaviour: questions, in this section, focus on individual's behaviour when purchasing luxury products. Favourite distribution channel, how pre-purchase information are gathered, factors motivating in-store purchases and traditional behaviour when buying. Even in this section, there are present only multiple-choice questions.
- Online: the online section is characterized by questions about the digital world. Are asked questions such as online connection with the brand, most used device when purchasing online and who influences individual's willingness to purchase the most. The first question is a dichotomous question, while the remaining two are multiple-choice questions.

To sum up, the online questionnaire developed for answering the research question of this paper is designed through the use of an online platform: Google Form. Online questionnaire needs to be developed with a specific structure that allows respondents to clearly understand questions and answers. In order to correctly perform the questionnaire, in the first page of the online survey, it is present an introduction about what can be defined as a "luxury product", the purpose of the survey and the reward offered. After having read the introduction section, the individual performing the questionnaire moves to the next section where the first general information questions are answered, questions were designed with a multiple-choice structure. After having performed all the general information asked, it is the moment for next section where questions about purchasing behaviour are asked. As for the previous section, are present multiple-choice questions; once having provided all the information needed, the individual performing the survey moves to the next set of questions about the digital world. In the online questions section are present multiple-choice questions and also the unique dichotomous question of the whole survey. Last step is then moving to the conclusion part, in which, the person filling the questionnaire is thanked for taking participation in

the survey and is invited to share his e-mail address in order to have the possibility of winning the reward.
To conclude, it is necessary to specify that this questionnaire has been developed, and proposed to respondents, in Italian; this is done in order to reduce at the lowest level possible language misunderstandings, since all respondents will be Italian.

Sampling

Survey design does not consist in only developing questionnaire structure and how questions are proposed. When developing a survey, it is also necessary to think who would be, and what characteristics make him, a relevant and representative respondent. A survey can be defined as being correctly designed only if it is conducted among people that share similar characteristics, pre-determined by the researcher.
Sampling is fundamental in conducting a survey; it is important to select the right sample of people so that it is representing of the whole population that share the same characteristics. The sampling process can be identified as a two-step process (Malhotra, Nunan, & Birks, 2017). The first step in selecting the right sample is to define the sampling frame. Sampling frame represents the characteristics of the target population; usually, it consists in listing all the elements that represent the selected target population. There are two major elements that identify the most the target population selected for the research: being Italian and being millennial; these two elements are those that guided the first step of the sampling process.
After having defined the sampling frame, a sampling technique has to be evaluated and applied. There are two major categories of sampling techniques: non-probability sampling and probability sampling; probability sampling is usually the best, and most used, solution when choosing the right pool of respondents. Non-probability sampling is based on researcher's opinion, when deciding which elements need to be considered in the sample; on contrary, probability sampling is a technique characterized by the fact of randomly choosing the units present in the sample. Among both probability and non-probability sample, there are different sub-techniques that characterize these two major groups (Malhotra, Nunan, & Birks, 2017). Non-probability sampling techniques are:
Convenience sampling where the selection of the elements representing the sample is completely controlled by the researcher; generally, participants are selected because they are in the right place

at the right time.

Judgemental sampling is a sampling technique similar to convenience sampling; it is characterized by the fact that the sample is selected according to the researcher's judgment and thinking. The sample is characterized by individuals that, from the researcher's point of view, are relevant and representative of the population.

Quota sampling is generally identified as a two-stage judgemental sampling. In the first stage, characteristics, or quotas, are chosen so that the whole population is divided into different groups according to these characteristics (e.g. age, gender, location). The second stage consists in selecting individual, in the sample, according to convenience or judgement.

Snowball sampling is characterized by selecting a first cluster of individuals that are selected randomly or, usually, based on desired characteristics. These individuals selected will be those that, once having concluded their interview or survey, will identify other individuals that share the same relevant characteristics.

As for non-probability sampling, now, there will be illustrated the most important random sampling techniques. Within probability sampling, various different techniques can be chosen: simple random sampling, systematic sampling, stratified sampling and cluster sampling.

Simple random sampling is the technique that selects different individuals in the population randomly, everyone has the same probability of selection. Elements are selected independently.

Systematic sampling develops the sample by picking a random starting element and then selecting elements systematically (every n^{th} element). The sampling interval is not decided by the research but depending on population size and sample size (sampling interval = $\frac{N}{n}$).

Stratified sampling is constituted by two different steps. In the first step, the whole population is divided into subpopulation, or strata. Every stratum needs to be different from each other but, if considered together, all the strata need to represent the entire population. In the second step, elements of the sample are selected in every specific stratum through the use of a random procedure.

Cluster sampling, as for stratified sampling, divides target population in subpopulations, or clusters. Every cluster is expected to be representative of participant's diversity that were present before the clusterization. The second step consists in using a probability sampling technique in order to select a random sample of clusters; in every selected cluster, all the elements present, or a group of them, are chosen to take part in the sample.

With the aim of answering the research question driving this paper, the sampling technique applied here is the simple random sampling; simple random sampling (SRS) is known for making the selection of individuals in the sample randomly. After the first skim conducted by the sampling frame, all the individuals present in the sample will be chosen randomly without taking into consideration any other distinguishing element.

Questionnaire analysis

In this section, an analysis of the answers provided by respondents will be presented.
As stated in the previous paragraphs, this is an online conducted survey characterized by structured multiple-choice questions. The questionnaire is shared via online platforms (WhatsApp and Facebook) to individuals that are relevant for the success and correct analysis of the questionnaire. In the three weeks available for individuals to conduct the questionnaire, the total number of answers provided by the sample is 154. It is necessary to state that in the majority of the multiple-choice questions asked, one or more than one answers can be selected; no specific rules regarding the number of options selectable are present. Due to this reason, when analysing some questions, percentages of answers selected are not relevant and representative; thus, in order to understand what aspects or factors are preferred it is necessary to analyse the frequency of the answers provided in every question.

Q1

The first question focuses on the age of the participant. In the sampling frame is specified that respondents needed to be millennials; thus, the millennial generation is then split into different age slots: 18-21, 22-25, 26-29, 30-35. This division is proposed in order to better understand this generation, since there could also be present possible differences among individuals belonging to the same generation. Those born in the first years of this generation have a completely different mentality from those born in the last years. In the questionnaire, it has been noted that the majority (74%) of the respondents belong to the 22-25 interval, with a total of

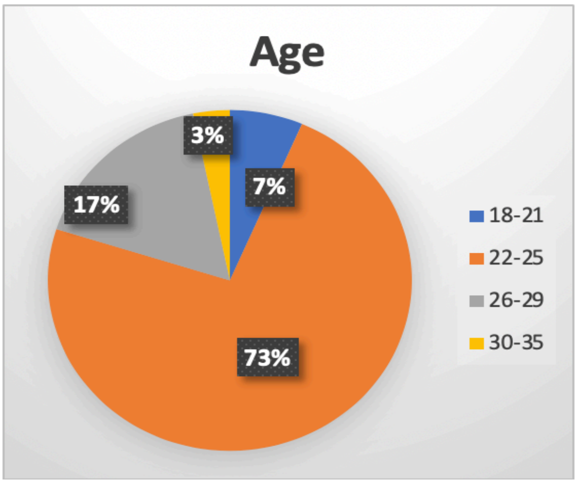

Fig.4 Question 1: Age

114 answers. 26 answers are sufficient for being the second most present group in the questionnaire; individuals that are 26-29 years old are the second more frequent age interval, representing the 17% of the total surveyed population. Young millennials (18-21 years old) that answered the survey, were only 10; thus, they constitute 6% of the total respondents. The remaining 3% is characterized by grown-up millennials (30-35 years old); they are represented only by 4 respondents. To sum up, almost all (91%) the respondents were under 25 millennials.

Q2

The second question focuses on the occupation of those answering the questionnaire. This question is developed to understand the purchasing power of the sample. Young millennials studying and living with their parents have no source of income, this may lead to a lower purchasing power compared to older working people, belonging to the same generation. The possible answers for this answered, that are available, were four: no occupation, student, part-time worker and full-time worker. More than half of respondents (55%) stated that they are currently studying; thus 86 students performed the questionnaire. Full-time workers respondents that answered this question are 38, representing a quarter of the total answers. In addition, also part-time workers took part in completing the survey; 20 individuals answered that their occupation is a part-time job, corresponding to 13% of the total answers provided. Concluding, there is a small portion of individuals (7%) that define themselves as unemployed and not studying; this type of question has been provided by 10 individuals.

Q3

Now respondents are asked about their frequency of purchase. The have to answer how many luxury products they usually buy every year. Non-frequent buyers, those buying between 0 and 2 products, are 27 in total. The majority of individuals (119) that answered the questionnaire declared that they buy between 3 and 5 products every year. Focusing on more frequent buyers, such as people usually buying 6-8 luxury products are less present, and represented, compared to

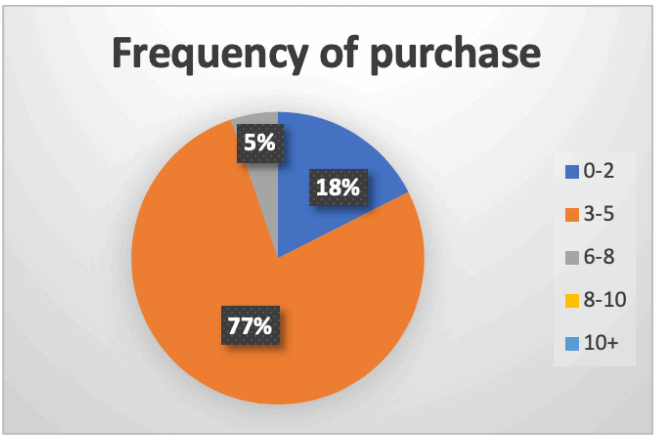

Fig.5 Question 3: Frequency of purchase

less frequent buyers; they are represented by only 8 people in the sample. Millennials buying 9-10 products, or even more than 10 products every year, are not identified in this questionnaire.

Q4

The fourth question asked to people focuses on, when buying luxury products, what are the key aspects representing the most their motivation of purchase; in a few words, they are asked why they buy luxury products. In this question, numerous different options

Fig.6 Question 4: Motivation

are present in order to correctly understand the reasons motivating purchases. Among all the 10 options available, 3 has been selected numerous times while the others obtained lower results. The most selected answer, which explains the reason why millennials buy luxury products, is that it is perceived as a long-term investment; this idea has been chosen 94 times. Similarly, to long-term investment, superior quality is one of the principal motivation of millennials' purchases. In this case, superior quality has been selected 88 times. A third strong factor driving millennials' motivation is the "special occasion". Millennial buyers think that a special occasion needs something special and unique; this is why they buy this type of products. Special occasion was chosen 76 times. The remaining factors are those that, compared with each other, one is slightly preferred from the others; these represent very personal preferences. Product unicity is the aspect, of these remaining motivations, that has been selected the most (20 times). "Made in …" is a product characteristic that transmit a feel of safety in millennial buyers. 16 times, respondents, have selected "Made in…" as factor motivating the final purchase. The willingness of elevating self-image and self-esteem are preferred 12 times. Similar results are offered by the idea that luxury products are a "must have"; in this questionnaire, the idea of luxury product as a "must have", motivated 12 answers. Lower importance is assigned to brand's values; values shared by both the brand and the consumer does not seem to be important, it has been selected only 10 times. Unexpectedly chosen only 8 times, product customization seemed not to be one of the driving factors motivating purchases. In conclusion, partnerships are the last motivating factor remaining, among all the possible answers. Only twice, in the survey, this factor has been identified as what characterizes the purchasing motivation of Italian millennials.

Q5

The question that is now asked is the preferred purchasing channel. Millennials are asked to state which channel they prefer when buying luxury products. There are 5 main channels for luxury products: official physical store, brand's website, online retailer, department store or outlet stores; in this question, express more than one preference is possible.

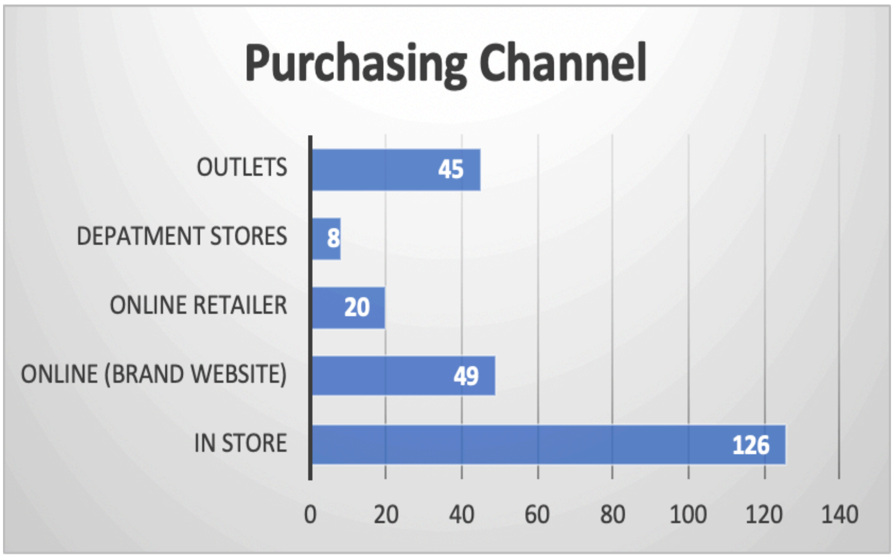

Fig.7 Question 5: Purchasing channel

Department stores are those that generated the lower volume of answers, only 8. These 8 selections tell us that few of those responding millennials prefer to buy their luxury products in department stores. When focusing on online retailers (such as Farfetch, Yoox, Net-a-Porter and so on), these numbers are more than doubled (total online retailer answers = 20). There is a "competition" regarding which are the second and third preferred purchasing channels of Italian millennials. In the questionnaire, online (corporate website) and outlets are channels that generated similar results. Outlet stores are defined as brand owned stores in which brand's products are sold, usually at a discounted price; this type of store is the favourite channel of 46 individuals. Similar results are generated by the online channel. The official brand's website is the second overall preferred channel in which millennial consumers make purchases. 49 consumers stated that, among all the different ways existing for buying a product, purchasing products online is their favourite one. In-store shopping is the option that has been answered by the highest number of individuals, 126. The most traditional way of purchasing product is still driving the purchases of almost a third of millennials answering this questionnaire.

Q6

People are now asked where they find and gather information, before making the final purchase. The main different communication channels are identified, and proposed, as possible answers for this question; these are: Newspapers/Magazines, Friends/Family, Salesperson in the shop, online, and mass media. The majority of people that answered this question declared that they gather information via online channel (124 answers). It is present a gap between online channel and the other information channels. Online is the option that clearly provided more observations According to respondents, the second most important source of information are friends and families (54 answers). Salespersons are those that, from the customer point of view, are trusted the most in the shop. In this questionnaire, the option "salesperson" has been selected 40 times. More traditional ways of gathering information, such as newspapers and magazines as well as mass media, do not have generated similar results of the previous options; they are "left behind" by millennials. Newspaper and magazine have been selected only 16 times; similar performance for traditional mass media (TV advertising, radio program etc.), that are preferred 24 times.

Q7

Now, are asked what are the factors that motivate millennials in visiting a physical store to make the purchase. This question has been designed with the purpose of understanding, even if digital channels exist, what aspects of in-store experience are preferred by millennials. A highly important factor, since it has been selected 141 times, is the possibility of touching and trying the product. Other answers' results are not comparable when focusing on the frequencies of response. The second most selected factor influencing millennials has been selected only 51 times; The service and experience offered to the customer are one of the most important

Fig.8 Question 7: Motivation in-store

characteristics of the in-store experience. In the questionnaire, respondents have selected the option of finding products that are not present or out of stock online 32 times. From the answers provided by the sample, it has been noted that there is a sub group of low frequency answers; every, of the all remaining, answers have been selected less than 20 times. Among this group, the answer that has been selected the most represent the possibility of checking product availability in a specific shop or other brand's official reseller; This factor has been selected 19 times. Similar results are provided by the option describing the fact that the respondent does not like to buy products via online channels. This, nowadays rare, dislike toward online channels was selected 15 times. Slightly fewer answers, 13, are provided by those that selected the possibility of offering benefits to frequent and loyal buyers as factor influencing their motivation in visiting a physical store. The answers left, generate low number of responses; Receiving ad-hoc offers according to customer's habits and needs, has been selected only 4 times. Both the presence of in-store technologies innovations (e.g. virtual dressing room) the possibility of receiving pop-ups on the smartphone, in which ad-hoc offers are sent once entering the store, have been selected only twice each. Wi-fi present in the store has not been selected by any respondent of the questionnaire.

Q8

The next question asks respondents what is the behaviour they usually follow and what are their preferences, before concluding the purchase. Nine examples of different behaviours and preferences are present among the different possible answers. The first option is also the most selected, 79 times; the corresponding behaviour is that consumers gather information online and make the final purchase in physical stores. The other related answers have received lower results. the behaviour of gathering information in-store and concluding the purchase online has been selected 24 times. Similarly, but with even lower response rate (selected 16 times), it is present the possibility of informing online and buying the product online. Alternating the use of online and offline is what describes the preference of 38 respondents, when moving during their purchasing journey. When buying products online, delivery the item at home has received more support from respondents compared to the option stating that once the product is bought online, it is preferred to pick it up from the store. The difference, among these two possibilities, is evident; the first option has been selected 45 times, three times more than the second has been chosen only 15 times. Many respondents, through their answers, shows the fact that their behaviour varies according to the type of product that they want to buy; this option characterizes 36 individuals. Friend and families constitute an important factor in influencing purchasing behaviour. This is proved by the fact that 28 individuals selected the answer stating that in order to decide which product to buy the ask for parents' and friends' opinions or advices. Very few, only 3, declared in the questionnaire that they gather information via traditional channels to decide which product to buy.

Q9

Now questions move to the next section in which the online dimension is asked and analysed. The first question is the only dichotomous question of the all questionnaire; this means that, in this case, percentages are relevant. This question asks if the respondent follows one or more luxury brands on any Social Networking Services (SNS). There are 34 individuals that declared that they do not follow any luxury brand. On the other hand, the remaining 120 respondents stated that they follow brands on their SNS, with a particular preference for Instagram. Thus, a wide majority of sample (78%) answered positively to the question; while, the remaining portion of the sample answered negatively (22%).

Q10

The question proposed now is conducted to understand the preferred device. Individuals are asked which device (among Smartphone, iPad/Tablet or Computer/Laptop) they use the most when buying luxury products. As for the previous question, here, it is possible to select only one answer. From the answers provided in the questionnaire, the most used device when buying is the Computer/Laptop; This idea is shared by the majority of the respondents, 93, representing 60% of the whole sample. Only 8 individuals identified the iPad/Tablet as their favourite device when buying online. Smartphone resulted being the second most preferred device; 53 millennials that completed questionnaire, representing 35% of the total, stated that they prefer to use the smartphone when buying.

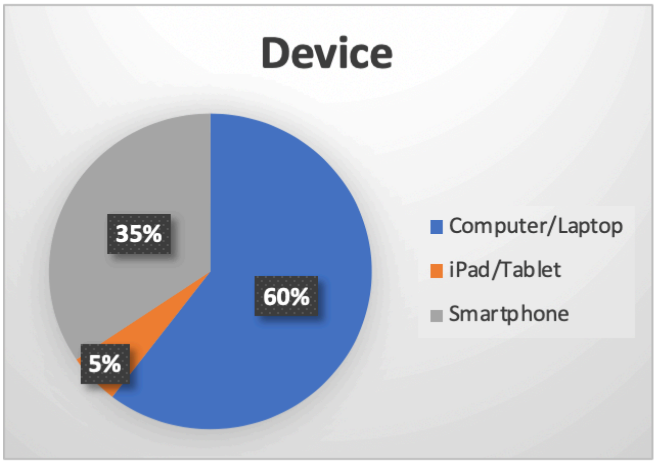

Fig.9 Question 10: Device

Q11

Still dealing with the online world, it is asked which communication channel influences the most individual's purchasing behaviour. The one that resulted influencing more their behaviour is Social Network; in the questionnaire, this answer has been selected 86 times. Company website has been chosen 53 times, resulting the second most influencing online factor. Moreover, 43 respondents identified that what other people buy influences their behaviour. Lower results are obtained by Digital Newspaper/Magazines, Blogs and newsletters. The worst performance is showed by newsletters that has been selected by only one person. Blogs and Digital Newspapers/Magazines show similar results; Blogs are preferred by 19 respondents while Digital Newspapers/Magazines by 20.

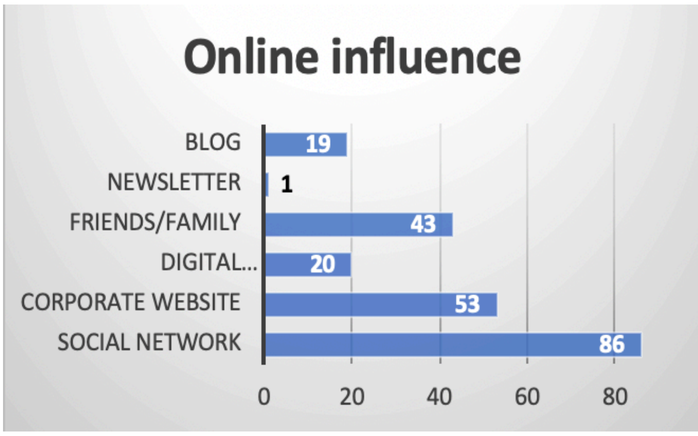

Fig.10 Question 11: Online influence

This analysis section focused on the questionnaire providing knowledge about its structure and how it has been developed; moreover, the sampling section gave an overview of the different sampling techniques used in questionnaires and the one chosen for this research. After having provided all the information about the questionnaire, is present an analysis of the questions and the answers, provided by respondents, showed. Now that all these steps are completed, it is time to move on and deal with the conclusion and limitations section.

Conclusion and limitations

It is now the right moment to draw conclusions. In this section, the conclusion of the research is presented; in addition, it is present a second paragraph showing all the limitations facing this project and, in which, possible future researches are proposed. The conclusion paragraph focuses on offering an image of how Italian millennials behave when buying luxury products in an era influenced by digital and what differentiate them from millennials, buying luxury products, in general.

Conclusion

The analysis of this questionnaire is characterized by the fact that the answers provided by respondent in questionnaire, that focuses on different aspects such as trends, preferences, behaviours and so on, are compared with the information provided by market reports. These reports provide easy and useful information that are compared with the results obtained from the questionnaire proposed in this research; this is possible because reports are, generally, based on a survey conducted by the authors that are researching a specific topic.
The questionnaire has been developed with the aim of investigating the interaction of technology and millennials in luxury. Its purpose is to identify the trends and key aspects that characterize Italian millennials when buying luxury products in contrast with trends and aspects, identified by already existing researches, that characterize European and global millennials.
From the analysis of the questionnaire shared with a sample of 154 Italian luxury consumers, some difference in what characterize the typical European and global consumer are identified.
In the questionnaire, the fourth question deals with the factors driving millennials purchases of luxury products. The answers provided by respondents highlighted three main factors that motivate Italian millennials in buying luxury products; these are: superior product quality, luxury product seen as long-lasting investment and purchase of luxury products for special occasions. These factors, identified from the analysis of the questionnaire, can be defined as the "traditional" values characterizing and motivating luxury purchases. Researches conducted by consulting companies, Altagamma and other organizations showed new driving trends such as collaborations, sustainability and "Made in …". When comparing questionnaire results with the information provided by these market reports it is possible to notice variances among Italian millennials and European or global millennials. Collaboration, in the questionnaire, received the lowest number of responses recorded among all the different possibilities; only 1 individual identified the collaboration of two brands as an important motivating factor. Similar situation is observed when focusing on "Made in…". The country of origin has been observed as being a relevant product characteristic that millennials consider and evaluate. However, questionnaire results show that the country of origin of the products it is not one of the most important factors influencing millennials' motivation, in Italy. As for these two trends, there are other minor difference between the attributes motivating purchases in the questionnaire and in the market reports. Italian millennial consumers seem to be more linked to the values that characterize luxury from its origin, and are already consolidated, rather than to those values that are emerging now.

The subsequent question deals with the preferred purchasing channel of Italian millennials. In the questionnaire, it has been noticed that the physical store is still leading as preferred channel when buying luxury products. The second preferred purchasing channel by Italian millennials resulted to be the brand owned website; this is where individuals can purchase products directly from a brand, as like they were in the shop. Surprisingly, outlets stores are heavily preferred when compared with online retailers; this means that the possibility of buying luxury products, coming from previous collections and in store located not close to big city centres, at a discounted price attracts buyers more than buying products online with the possibility of receiving a very small discount (usually 10/20% or free shipping). These preferences both confirm and not confirm the preferences illustrated by reports conducted globally. Published reports show that the brand owned store, even in this digitalization era, is still a strong player in luxury and for its consumers; the results obtained in the questionnaire are in line with this concept. When focusing on online channels, in the questionnaire, brand owned website resulted being the second preferred purchasing channel; when comparing the corporate website with online retailers, it can be noticed that online retailers are less preferred than buying on the brand's e-commerce platform. This is a trend that is shared worldwide. On the other hand, from the answers obtained, it is important to compare online channels with outlet stores noticing that, in Italy, online purchases are slightly preferred to visiting an outlet. From the analysis of answers provided in the questionnaire, compared with the information provided by reports, it is possible to state that Italian millennials prefer to buy products in store, online (preferably on the brand's website) and in outlet stores. These preferences are also shared by millennials worldwide; millennials are now known for using both online and physical channels. Basing on the answers provided in the questionnaire, the unique exception regards outlet stores that, in the reports proposed and analysed, are not showed as being a relevant purchasing channel.

It is now necessary to focus on how millennials gather information before buying a product. In the survey conducted, people providing answers to the question identified online as the first most used information channel; in this specific situation, the online channel is characterized by corporate websites, social networks, influencers, blogs, forums and so on. Respondents identified family and friends as the second preferred information channel; this confirms that what is bought by other people influences individual's purchases. A third relevant source of information, for Italian millennials, are store's salespersons; from the customer's point of view, they are the most trusted among the individuals working for a brand. Low results are obtained by more "traditional" sources of information; newspapers and magazines as well as mass media (TV, radio, films etc) received low support from respondents. By comparing these results with those obtained from global researches it is now possible to illustrate similarities and differences. Trends driving how millennials gather information show and confirm almost all the results obtained in the survey. Researches focusing on millennials in different geographical locations show that they usually access information via online channels; other relevant and used information channel resulted being newspapers and magazines, and what other individuals buy or say. This idea is in contrast with what results from the analysis of the answers provided by respondents, since Italian millennials seem to be reluctant in gathering information on magazines and newspapers. To conclude, the information provided by these reports, make possible to state that the information channels of Italian millennials are similar to those used by their contemporaries in any location, with the exception of newspapers and magazines.

The seventh question asks participants what are the main factors motivating their in store visits. The motivating factors identified in the questionnaire received many different levels of preference. The possibility of touching and trying products is what heavily influences the most Italian millennial in visiting a physical store. It has been noticed a huge gap between the just mentioned factor and the second; this position is characterized by the service provided by salesperson in the store. Salesperson are those that help consumers in completing their purchasing journey with the best experience possible. Thirdly, Italian millennials seem to be motivated by the possibility of finding specific products that are not present online. Other aspects attracting consumes in store that received lower results are the possibility of checking product availability in other stores and receiving ad-hoc promotions. Reports illustrate similar results to those obtained in the questionnaire. Millennials, in general, are highly motivated in visiting physical store because of the possibility of trying and touching a product. By doing this the consumer gather information in order to have a clear idea of the product before concluding the purchase. Service offered to customers from the shop assistants is another key factor motivating millennials, in visiting a store, globally. Moreover, results from the reports show that the wider, and more exclusive, offer of physical shops is a factor motivating millennials. From the comparison of these results it can be seen an alignment in what motivates millennials worldwide and millennials in Italy.

It is now investigated the behaviour that, Italian millennials, follow before concluding the purchase. In the questionnaire, the most selected answer is the one characterized by the fact that the buyer gathers information online, before visiting the store and conclude the purchase physically. The second most followed behaviour is to gather information in-store in order to make the final

purchase online. Similarly, online solo (accessing information online and purchase online) resulted being the third most preferred behaviour, when buying luxury products by the respondents of the questionnaire. It has now been analysed also the delivery preference of respondents when buying products online; in fact, individuals answering the questionnaire expressed their preference whether they want the products delivered at home or following a click and collect approach (buy products online, collect them in-store when preferred by the buyer). It has been noticed that a big majority of respondents selected home delivery as their favourite delivery option. Reports, when investigating purchasing behaviours, show that ROPO is almost as preferred as store solo. ROPO refers to: researched online - purchased offline, as well as, researched offline – purchased online. Information obtained from these studies identify that almost of half of the purchases in total are conducted in-store; almost same results are obtained by ROPO. Millennials, globally, seem to balance the use of in-store and online with similar numbers of purchases for both channels. Reports also show the preference among click and collect and home delivery to collect the product bought online. It can be stated that, from the comparison of questionnaire results with the trends and preferences identified in the reports, it has been noticed an alignment of the Italian millennials' preferences with those of millennials distributed worldwide. For both millennials living in Italy and the ones interviewed globally, it can be said that there is a balanced and alternate use of online and physical channel; thus, it can be also confirmed that among the entire generation is also important to interrelate the use of online and offline channel. In addition, it needs to be added that are present similar preferences when focusing on the delivery method of products bought online. Reports, as well as the questionnaire, show that there is a higher preference toward products delivered at home, when compared to click and collect.
There is now present a small investigation among the most used device to make purchases of luxury products. The three main devices used to make purchases online are smartphones, tablets or computers. The questionnaire illustrates the computer, or laptop, as being the most used device by millennials buying luxury products online; this thinking is shared by more than half of the respondents. The other relevant device used is the smartphone; this device is gaining more and more use during the years; in fact, it is becoming an extension of the human hand. Tablets did not receive strong support by respondents. Reports show different results and trends. According to these researches, millennials are characterized by the fact that they purchase more via their smartphones compared to older generations that, on contrary, show a higher use of computers to buy luxury products. In this case, there a misalignment between what resulted in the reports and what resulted

from the questionnaire. It is observed that Italian millennials are shifting at a slower pace toward the use of the smartphone for purchasing luxury products online, compared to millennials worldwide.

From the above comparison of the result obtained from the questionnaire shared with the results obtained by market reports it is possible to identify similarities and differences among preferences and trend of Italian millennials with those of millennials distributed on different geographical locations. In fact, it will be now presented the conclusion of this research highlighting how Italian millennials behave in this digital world; secondary data are used to benchmark results obtained in the survey.
To sum up, according to the results obtained after the analysis in the previous paragraph, Italian millennials share similar preferences and follow similar trends when compared with other individuals equal in age; only small differences in behaving are detected. Italian millennials are identified as those that purchase luxury because they are motivated by aspects that can be defined as the traditional attributes that characterize luxury (superior quality, exclusivity, craftmanship, made in… etc); new trending factors, such as collaborations or sustainability, seem to have higher resistance in becoming relevant motivations for purchasing luxury products when dealing with millennials in Italy. After these motivations have created the desire, in individual's mind, Italian millennials are characterized by preferring to buy products directly in store. Online is the second most used channel, showing a higher preference toward buying products from the official corporate website rather than from other online retailers. Moreover, it has to be mentioned that Italian millennials also like to buy luxury products in outlet stores; the idea of having the possibility of buying luxury products with a discounted price is strong enough that, even if the outlet store is located 1-2 hours far from where the individual lives, he will visit the outlet to buy products. The here mentioned preferred purchasing channels means that Italian millennials, compared with other individuals equal in age, are showing slower inclination toward buying luxury products via online channels. On contrary from what concerns purchasing channel, when focusing on the information channel, Italian millennials show behaviour similar to the one identified for millennials in general; both worldwide and in Italy, millennials gather the majority of information via online channels while other more traditional sources of information (e.g. mass media) are recording decreasing results. As noticed above, it is possible to say physical store is something that is still important in millennials purchasing behaviour. The physical store, due to digitalization, is transforming itself into a mix of physical and digital; this is a trend that is driving the entire world. As for the

motivations driving in buying luxury products, Italian millennials differ from millennials in general since they are motivated in visiting a store because of its “traditional” benefits like touch and try the product, wider offer compared to online, customer service provided etc. New motivating factors, such as the technology upgrades of the store, are not strong enough in the mind of millennials living in Italy. There are other factors and preferences analysed in order to better understand and explain the behaviour of Italian millennials. ROPO is something that is highly used and describes how the majority of the purchases are conducted. The alternate use of online and offline before making the final purchase is something that characterizes millennials, both in general and in Italy; store solo is the only purchasing behaviour that is still contrasting ROPO. Also when dealing with delivery method of online luxury purchases, the preferences seem to be aligned. Receiving a product directly at the door (Home delivery) is preferred to buying products online and pick them up directly in the store once they are available; this a way of thinking shared by millennials both in Italy and worldwide. By focusing on the device most used, when purchasing luxury products, it can be seen a difference between Italian millennials and millennials in general. For Italian millennials the computer, or laptop, is still the device that is used the most when buying; the smartphone resulted being the favourite purchasing device only for a third of Italians. This preference differs from what are the trends guiding purchases worldwide; in fact, globally, the smartphone is heavily used to make purchases, more than a personal computer.

All the aspects, preferences, and behaviours illustrated in the previous paragraph explain what characterizes the purchasing behaviour of Italian millennials. From the comparison with secondary data focusing on millennials distributed globally, it is possible to understand how millennials behave and understand the role played by digital during their purchasing behaviour. By focusing on the purchasing behaviour that characterize Italian millennials buying luxury products, it is possible to state that their behaviour is very similar globally; they are attracted from similar factors and have similar preferences concerning various topics. When focusing on digital, and its impact, it can be said that Italian millennials adapted well to the transition era that spread worldwide. However, it is important to highlight the fact that digitalization has not completely conquered Italian millennials’ mind and their way of behaving; this is confirmed from the comparison with individuals equal in age analysed in other geographical areas. The possible reasons explaining this concept is that the adaptation and implementation of digital in Italy travels at lower levels compared to other countries. From this research it seems that in Italy, among its population, technological progress is developing at a slower pace compared to other countries; this statement can be confirmed also by the 2018 International Innovation Index (Cornell University, INSEAD, WIPO, 2018) in which Italy is ranked at the 38th position worldwide, meaning that Italy has still some difficulty in becoming a global leader when dealing with the digital world. In addition, it has to be said that, Italy is a country in which tradition is very present and it drives many different environments present in the culture of the country. Tradition is especially present in luxury and in those products that are eligible for receiving the "Made in Italy" label; luxury and "Made in Italy" products are those that represent the country worldwide.

Limitations

This research was conducted in order to have a clear image of the purchasing behaviour of Italian millennials buying luxury products and how it is influenced by digital. Even if this research has been developed with a specific focus on luxury brands, this does not mean that general findings could not be used by other companies or industries. In order to understand if this research has validity and could be used for future researches, it is necessary to consider and analyse some aspects.

In first place, it has to be said that this research is developed with an inductive approach, this means that data from the market and from people are analysed to find a possible pattern. Since an inductive approach was used in this research, it could be now considered the possibility that, by implementing a deductive approach, results obtained could have been different.

The biggest limitation that is, for sure, present in this research is the author's subjectivity; this because this study has been written based on the author's personal interpretation of the results obtained from the survey and of the behaviour showed by Italian millennials when buying luxury products. Limitation is also present in secondary data since secondary data are information gathered, by other people, for another purpose; in addition, as said in the introduction, luxury is a closed environment where information is very important and are rarely shared. Due to the origin of secondary data, and the limited availability of data and insights about luxury, it can be stated that the questionnaire has been developed according to the typology of information available. Since the process developed to understand Italian millennials' behaviour when buying luxury products is based on comparing the results obtained from the questionnaire with those proposed already

existing researches, and to facilitate results' analysis and presentation, the aspects researched in the survey are similar to those that were researched by other organizations for other purposes.
The questionnaire conducted online, has been available for respondents for a 3 weeks' time. During this time frame a total number of 154 individuals concluded the questionnaire. Thinking that 154 individuals are able to represent the entire generation is difficult, this means that the sample is not totally representative of the entire Italian millennials' generation; thus, generalization is in some way limited. The elements present in the sample, that answered the survey, are defined as Italian millennials. The real limitation, in the questionnaire, is the fact that all these individuals were selected among author's friends and acquaintances. This means that they are located in the first or second degree of separation from the author's point of view. By selecting individuals "close" to the author, it can be stated that they would some similarity. For instance, they will probably show similar characteristics, similar age, preferences, tastes and so on; in addition, they will also come from similar environments and backgrounds, meaning that individuals in the sample have also similar purchasing power and lifestyles. This is why results obtained from the questionnaire are not totally representative of Italian millennials and may be biased. By conducting the questionnaire among a higher number of millennials, with ages that cover the entire generation, widely distributed across the entire country and with different levels of purchasing power allows the author to make generalization since the sample is more representative of the entire population.
This research gives an overview of what is important for Italian millennials when approaching, and following, the purchasing process of a luxury product. The purchasing behavior of Italian millennials illustrated in the conclusion section may be used by luxury brand as starting point for better understand how millennials in Italy behave and what they consider important. The results obtained may be useful for companies since they may help companies in implementing marketing strategies that are effective on Italian millennials. Even with these premises, there are numerous possibilities of future researches that can bring additional relevant information. The author hopes that this research helps luxury companies in having a clearer understanding of Italian millennials and market them effectively; moreover, he hopes that it also motivates other individuals in exploring and studying new aspects of the purchasing behavior of Italian millennials when buying luxury products.

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Appendix

Appendix 1: Questionnaire

Q1
How old are you?

- 18-21
- 22-25
- 26-29
- 30-35

Q2
Occupation?

- None
- Student
- Part-time job
- Full-time job

Q3
Every year, how many times do you buy a luxury product?

- 0-2
- 3-5
- 6-8
- 9-10
- 10+

Q4
When buying luxury product, which of the present motivations best represent the reason why you buy luxury products?

- Superior quality
- Long-term investment
- Special occasion
- Willingness of elevating self-image
- “must have” product
- Product uniqueness
- “Made in …” provide me a sense of safety
- Brand’s values are similar to mine

- Collaboration of two brands
- Customized product

Q5
Where do you prefer buy luxury products?

- In store
- Online, corporate website
- Online retailer (Farfetch, YOOX etc.)
- Department stores
- Outlet stores

Q6
Before making the final purchase, where do you usually gather information about luxury products?

- Newspapers / Magazines
- Friends / Family
- Salesperson
- Online
- Mass Media (TV, radio etc.)

Q7
Which factors motivate you in visiting a physical store when buying a luxury product?

- Customer service and experience offered to customers
- Find products that are not present online
- Possibility of touching and trying a product
- I don't like to buy products online
- Ad-hoc promotions, based on customer's need and habits
- Checking product availability in other stores
- Smartphones pop-up in which promotions are present
- In-store Wi-fi
- Benefits for frequent and loyal customers
- In-store technological innovation (e.g. virtual dressing room)

Q8
Before concluding the purchase, which of these answers mostly represent the behavior followed?

- Research online, purchase offline
- Research offline, purchase online
- Online solo
- Alternate use of online and offline

- When I buy a product online, I prefer to have it delivered at home
- When I buy a product online, I prefer to collect it from a brand's point of sales
- I use mass media (tv, radio etc.) in order to decide which product to buy
- I listen to friends' / family's opinions to decide which product to buy
- It depends on the typology of product I want to buy

Q9
Do you follow any luxury brand on social networks?

- Yes, I do
- No, I don't

Q10
Which device you use the most when buying products online?

- Smartphone
- Computer / laptop
- iPad / tablet

Q11
Online, who influences the most your willingness to buy?

- Social Networks
- Brand's website
- Digital newspapers / magazines
- Friends / Family
- Newsletter
- Blogs