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**Luxury Brands between Heritage &
Innovation:
The Bvlgari "Aeterna" High Jewelry
Collection**

Supervisor

Ch. Giulia Cancellieri

Graduand

Arianna Stefani

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Abstract

Luxury corporate heritage brands maintain their relevance only by successfully balancing constancy, change and continuity within the innovative scenario. The tension between heritage (tradition) and innovation, represents a core paradox in corporate heritage brands also within the luxury sector, as they need to remain constant in their core values, but also stay relevant over time. Isn't tradition, a valuable competitive asset to be preserved for the company's future activities? Innovation represents a step following the realization that brand DNA and heritage are values to be preserved and carried forward over time. Does the reinterpretation of tradition as in this specific case, within the new Bvlgari 'Aeterna' high jewelry collection (2024), come at the expense of the brand's identity and authenticity or is it an effective competitive lever? This project aims to understand how luxury heritage brands like Bvlgari faces the paradox between continuity of its roots and change. Therefore, how it approaches innovation while trying to remain faithful to its heritage (tradition), maintaining its DNA and its core values, while at the same time keeping up with the times and modernity? To try to answer these reflections, it is planned to conduct an in-depth consumer perception analysis of the "Aeterna, Eternally Reborn" new collection of the Bvlgari brand.

Introduction

“Our future grows in our heritage “(B.Arnault,2019).

Many successful luxury brands are looking towards the future, embracing innovative strategies and incorporating them across different levels of their organizations. But what does innovation truly mean for a heritage brand like Bvlgari? With over 135 years of bold and groundbreaking actions and strategies, Bvlgari has established itself as an innovative brand inside the luxury world. Even if consumers often associate the Maison with its rich Italian heritage and deep-rooted traditions, it continuously draws from its deep roots and from its core values of Italian excellence to push boundaries and to redefine the luxury scenario, expanding its creative vision while shaping the future of the industry (Bvlgari, 2024e).

The following thesis project aims to analyze the perception of Bvlgari's latest high jewelry collection called "Aeterna, Eternally Reborn," reflecting the brand's ongoing reinterpretation of its deep-rooted traditions. This line exemplifies Bvlgari's ability to bring its tradition (heritage) inside the contemporary context while embracing innovation. "Aeterna", launched in May 2024, represents the celebration of Bvlgari's 140 years of innovation and mastery in high jewelry (Bvlgari, 2024). The collection draws inspiration from Rome's eternal beauty, representing a journey through the Maison's evolution of its creativity and distinctive style (Bvlgari, 2024). The choice of this analysis comes from the interest aroused reading the history of Bvlgari, since the brand represents a legacy through its collection pieces, but looking at his past with an innovative vision, integrating it inside its present and consequently adopting changes and reinterpreting the past. Growing the innovation and digital transformation department year after year, Bvlgari aims to lead in the innovative scenario while preserving its heritage, integrating these elements into the modern world and embracing future opportunities (Bvlgari, 2024). The name "Aeterna," came from Latin, evoking a sense of historical depth and bond to the brand's origins deeply rooted in Rome, the city from which the Maison has been inspired (Bvlgari, 2024). This can be seen by reading the following sentence: "Rome is the eternal city, defined by

perpetual evolution, a place where echoes of past, present, and future vibrate to the same frequency" (Bvlgari, 2024) encapsulating the brand's vision for the future. The collection not only honours the past but also represents a rebirth, an evolution of the Bvlgari's legacy, emphasizing the brand's commitment to celebrate and renew its heritage, while also marking "a new chapter in Bvlgari's legacy of perpetual renewal" (Bvlgari, 2024).

To reach the research objectives of this case study, the first chapter of this thesis intitled "Heritage brands between tradition and innovation" will address a brief literature review concerning the complexity which results in managing the tension between heritage (tradition) and innovation inside corporate heritage brands. The continuity of tradition along with a sight into the future and modernity has been discussed inside mass-market fast-moving consumer goods brands.

Inside the second chapter intitled "Luxury brands between continuity and change", the same discussion will be transferred inside the luxury sector, the area of interest of this research project. In regards of that, there will be a focus on the literature review regarding specifically luxury brands, as this paradox has been investigated also inside these types of companies, requiring the adoption and integration of luxury brand management and luxury brand marketing approaches.

In the third chapter nominated "The case of Bvlgari: "Aeterna" collection between heritage and innovation", it will be described the history of the Bvlgari brand, investigating in detail, through a retrospective of the most important archive exhibitions, seeing how heritage (tradition), the DNA along with the strong identity, are essential and valuable for this company. These features represent a key valuable resource for the Maison, a distinctive factor that can therefore be competitive in the present, and also strategical in view of the company's future vision, as every brand must face evolutions, and it needs to survive dealing with changes that occur within the sector in which it operates. Keeping up with innovation is important, but history and roots of each brand can also arouse a sort of attachment by consumers to luxury brands, a deep emotional connection, driving them to want to return to purchase specifically one type of brand rather than another, consequently expressing a preference for a particular company. Every brand should, for these reasons, take the heritage asset into account as a competitive and leveraging factor with respect to competitors operating inside the same sector, because it

could be also decisive in influencing consumers' purchasing decisions in the present and in the future.

Therefore, isn't tradition (heritage), a valuable resource to be preserved for the company's future activities? Innovation represents only the step which follows the awareness that a brand DNA and heritage are values to be preserved and carried forward over time. For these reasons, it can be pursued by knowing its own roots and carrying them forward over time. Is it or not also a positive factor of trustworthiness for consumers that associate the brand with their purchasing intentions? Does the reinterpretation of tradition, as in this specific context of the Bvlgari's "Aeterna" collection, come at the expense of the brand's authenticity or it could result a lever and a positive factor? Does it a damage or does it improve the brand in terms of innovative strategies?

These research questions will be addressed from chapter four onwards "(" Materials and methods: a consumer perception analysis of Aeterna Collection") , as the aim of this thesis is understanding how a luxury brand, such as Bvlgari, navigates the paradox between the continuity of its roots and identity and change, how it approaches transformations while trying to maintain its DNA and its core traits, remaining faithful to tradition (heritage), yet keeping up with modernity. Inside the fourth chapter this context it is planned to analyse the consumer perceptions regarding this balance, by concretely examining and discussing about Bvlgari " Aeterna" collection.

How do customers perceive the balance of tradition and innovation inside "Aeterna"? How does "Aeterna" compare to Bvlgari's previous collections in terms of brand strength, authenticity, and overall brand image? Which is the impact that "Aeterna" necklaces have on customer loyalty and purchasing intentions?

CHAPTER 1 - HERITAGE BRANDS BETWEEN TRADITION & INNOVATION

1.1 A literature review: framing Heritage

“Preserving one's memory does not mean looking for recipes for the future, but it means accumulating a heritage of ideas, of experiences, a container of testimonies that enriches the added value of the company itself, helps it to be a protagonist in the present. A company with years, decades, or centuries of history behind it is a company with an established image, and its history is a credibility pass on the market. For all these reasons, the historical archive should be considered a source of value for a company's production and its placement in the market” (Fanfani & Ghelli, 2004).

Identity, tradition, symbolic values, and meanings are key components that recall in our mind the concept of heritage (Urde, Greyser, & Balmer, 2007). Defining the term is not an easy task, but it is crucial inside this research context to begin by investigating the meaning starting from the roots of the word itself. Evidence shows that heritage has French origins (Heathcote, 2011), but it could be relevant drawing from the Cambridge Dictionary, which defines it as “features belonging to the culture of a particular society, such as traditions, languages, or buildings, which come from the past and are still important” (Merchant & Rose, 2013, p. 2620). This definition connects to another important term, that is the patrimony, specifically referring to what is transmitted from the past to the present, contributing to the formation of identity and continuity in a rapidly evolving world (Rapport, 2002, as cited in Boccardi et al., 2019).

Generally speaking, the heritage concept refers to the notion of inheritance, the evidence of a past that continues to be relevant over time, that is into the future. As mentioned above, the construct is characterized by its orientation towards a future transmission. It concerns a representation of the past constructed by individuals or groups, characterized by identity-related intentions with the specific goal of passing a legacy into the future. Therefore, the terminology encompasses various forms, such as objects, monuments,

inherited skills, or symbolic representations, and serves as a fundamental element of identity for social groups (Bessiere, 1998).

Another definition frames the concept as cultural patrimony, which can be applied in multiple contexts, including cultural, anthropological, environmental, social, and business contexts (Montemaggi & Severino, 2007). Looking at the sociological perspective, heritage has been described as a tangible manifestation of identity. It encompasses discourses and various practices focused on maintaining the continuity, endurance, and substance of collective identity (Macdonald, 2006). This is particularly relevant in this framework, as it pertains to the intangible dimension of a company's history.

It is important to clarify that brand heritage is a representation of the past, not the past itself (Pecot & De Barnier, 2017). In this sense, the past is seen in a positive way as a competitive resource that can enhance a company's strategies and selling proposition (Chronis, 2005; Goulding, 2000; Peñaloza, 2000). The scholar Peñaloza (2000) demonstrates how the past adds value to a brand's market proposition, while Hartog (2012) argues that the concept plays a crucial role within the current representations of the past, having as a purpose to be credible and to provide meaning to the present identity (Lowenthal, 1998), that is within the modern scenario.

Taking into consideration the business context, the heritage notion helps us understanding how the past is continually constructed by companies that seek to “construct, right now, the museum of tomorrow” (Hartog, 2012, p. 248). This distinctive attribute can make certain brands exceptionally unique, offering sustainable competitive advantages as they embody meaningful and memorable values, meanings, and stories to share with their customers. It speaks to a common history (Benson, 2005) and shared experiences, representing a traditional way of life that holds value for both the present and future generations of individuals.

Therefore, the idea of heritage in itself contains a strong link with the roots, the origins, which are important values that must be continually enhanced and nurtured, especially within the corporate context, which needs, however, take it upon itself keeping up with modernity and the reinterpretation of its own values and DNA. It is vital for a brand that

wants to keep up with innovation, but also wants to present itself as authentic, reliable, trustworthiness and competitive to its target clusters of customers.

1.2 Corporate Heritage Brands

The importance of heritage as a key element and notion in shaping an organization's present and future identity has been emphasized by former Volvo Cars CEO Hans-Olov Olsson, who in a sentence highlighted how:

“Heritage provides a legacy that offers us a timeless relationship to the market, customers, society partners, and employees. Over time, people recognize and expect that the company will continue to deliver on these commitments (safety, quality, environment, design). It sets Volvo apart from other car companies — it is hard [for others] to copy and be trusted. Our brand is the history and the future” (Olsson, 2005, as cited in Urde et al., 2007).

Corporate heritage brand can be considered a relatively emerging topic within the marketing discipline, the so-called heritage marketing discipline, suggesting that inside companies the consumers appeal for specific products or services offered by long-established organizations may result a source of competitive advantage for them (Boccardi, Ciappei, Zollo, & Laudano, 2019). And this particular appeal may be enhanced by the historical essence of a brand. Indeed, especially within a marketing perspective, the heritage as an asset could be “harnessed and employed as a strategic resource in order to generate value as part of corporate marketing” (Urde, Greyser, & Balmer, 2007, p. 6).

Drawing from the existing literature, different corporate-level connections with heritage are rooted into its origins, that is into the past (Boccardi et al., 2019). These associations include some main aspects, which are tradition, custom, nostalgia, melancholia, iconic branding, retro branding, heritage marketing, corporate heritage identities, and corporate heritage brands that are particularly relevant in the setting of this study research (Balmer, 2011).

Considering the first characteristic, that is tradition, it could be said that it is grounded into the past, as it pertains to upholding established behaviours and conventions known for their consistency and unchanging nature (Balmer, 2011).

Secondly, another main aspect is custom. While also evolving from the past, it encompasses behaviours that, unlike tradition, are adaptable and open to change. Relating customs to tradition, the latter remains constant or, in the case of invented tradition, is perceived to be constant (Hobsbawm & Ranger, 1983).

Another important component is nostalgia. Rooted in the past, it focuses on positive associations and the pursuit of happiness through memories. Experiencing nostalgia can provide individuals with a sense of reassurance and stability (Stern, 1992).

Taking about melancholia, it also finds its roots in the past but involves seeking sadness linked to previous experiences. While marketing literature does not extensively explore this emotion, individuals may actively seek this mood, and brands can harness it to fulfil specific customer desires (Brown, 2001).

Iconic Branding is another characteristic, which encompasses brands from the past and present that possess significant cultural relevance, even if the past is imagined. It holds cultural prominence and stands out distinctly. Nike provide a prime example of an iconic brand. Research by Holt (2004) has been particularly influential in this area, suggesting that mythmaking plays a crucial role in a brand's evolution into iconic status (Holt, 2004).

Moreover, there is also Retro Branding, which reinterprets past elements for contemporary contexts, evoking nostalgia while primarily existing in the present. For instance, a watch may feature a retro design but incorporate modern technology. Retro brands are reminiscent of particular eras, celebrating an idealized, and at times imagined, past. The introduction of Volkswagen's new Beetle car serves as a prime example of retro branding (Brown, Kozinets & Sherry, 2003).

Finally, it can be assimilated the concepts of Heritage marketing with corporate heritage brands and corporate heritage identities. Corporate heritage brands maintain a timeless brand promise that spans across the past, present, and potential future (Balmer, 2011). Heritage Marketing could is relevant as a discipline within this context, highlighting a specific historical narrative from the perspective of the present, primarily revolving around the tourism and heritage sectors. It involves promoting history and brands that evoke and symbolize a particular era, such as Boston's Freedom Trail, Brighton's Royal Pavilion, and the Bund in Shanghai (Poria, Butler, & Airey, 2003). Corporate Heritage Identity concept connects with corporate heritage brands, representing a unique aspect of

institutional identity which remains meaningful and consistent over time and in a long-term perspective. It encompasses traits such as corporate competencies, cultures, philosophies, activities, markets, and groups and may manifest in distinctive visual identities, architecture, and service offerings. While these identity traits endure across time, their interpretations may evolve with changing contexts. They represent a distinct category of institutional branding characterized by continuity in the brand promise across the institution's identity, behaviour, and symbolism (Balmer, 2013).

Heritage is a multifaceted concept with significant potential in corporate marketing (Balmer, 2011), which provides existential grounding, acting as an anchor in uncertain times, ensuring brand continuity, relevance, and differentiation (Rapport, 2002). A review of heritage marketing literature reveals seven distinct interpretations of heritage. The first one regards the temporality dimension, as the term is sometimes used to denote the time-related aspect of marketing constructs. For example, Berthon et al. (2003) define brand it as the accumulation of brand associations in the consumer's mind over time. Similarly, Rindell (2007) views it as the activation of past company-related experiences to interpret present ones.

The second one concerns mental associations, as the heritage notion is also defined as mental associations linked to historical references (Aaker, 1996, 2004; Keller, 2001; Keller & Lehmann, 2006), encompassing accumulated outcomes of a brand's or organization's past actions, including values, principles, achievements, and cultural artifacts.

The third dimension regards the so-called corporate culture, as another perspective connects heritage to corporate culture, viewing it as an "accretive past" (Lowenthal, 1985).

The fourth dimension is about a collective memory, as heritage can be seen as a collective memory shared by consumers associated with a brand (Leigh et al., 2006), extending to the shared identity of former organizational members reflecting on their past.

The fifth dimension concerns the provenance, as heritage is often linked to an organization's origins, its founder, and its "roots" (Aaker, 2004; Wilson, 2005; Balmer, 2011a; Thakor & Kohli, 1996; Lim & O'Cass, 2001; Blinda, 2003; Simms & Trott, 2006).

The sixth dimension is longevity, as heritage is sometimes used as a suffix (for instance, heritage brand) to signify a brand's maturity and long-standing market presence (Blackston, 1992, 1995; Aaker, 1996, 2004; Liebrecht-Himes et al., 2007).

Finally, the last dimension described compare it as synonym of the past, as heritage can serve as a general term to connect it to the present based on historical references, often leading to its interchangeable use with terms like history or tradition, without clear distinctions (Balmer & Burghausen, 2015).

Research indicates that during economic downturns and especially in turbulent markets (Aaker, 1996; George, 2004), consumers tend to favour heritage brands for their perceived reliability, credibility, and authenticity (Leigh et al., 2006). Consequently, leveraging this peculiar asset, brand value can grow and be enhanced (Keller & Richey, 2006), as it could become an beneficial resource inside a company instilling a sense of security and reliability in a world which is uncertain and volatile, becoming in a particular way valuable for a business organization.

1.2.1 Key definitions

“A company’s heritage transcends its history, having a story to tell its customers” (Bvlgari, 2024).

Doing a retrospective of literature understanding the brand heritage notion is relevant, also understanding how the concept is perceived inside the business realm and how it can concretely offer a competitive edge to companies inside the today's market scenario.

In the contemporary Western landscape, there's a growing focus on heritage representations of the past, as noted by scholars like Hartog (2012), Leniaud (1992), and Lowenthal (2015). This cultural shift has prompted both managers and researchers to apply the notion to corporate brands. For instance, Lacoste has incorporated tennis-inspired edging into its clothing designs, and the Peugeot Adventure Museum has showcased the company’s brand heritage (Hartog, 2012; Leniaud, 1992; Lowenthal, 2015). As a demonstration of that, consumers are more willing to interact with brands that possess a rich and meaningful heritage (Benson, 2005). Even in dynamic and innovative markets like mobile technology, companies such as Samsung leverage their

brand heritage to forge deeper emotional connections with target customers (Ghosh, 2016).

As previously pointed out, brand heritage is a construct defined by scholars as an integral component of corporate brand identity. According to their characterization, it is noteworthy providing a key definition of this peculiar notion, that is: “a dimension of a brand’ s identity found in its track record, longevity, core values, use of symbols and particularly in an organisational belief that its history is important” (Urde et al, 2007, pp. 4 – 5).

However, it is not the only definition provided. From another point of view, “Brand heritage evokes the origins of a brand, and it encompasses the development of its values, symbols, and associated meanings, thereby providing it with authenticity and distinctiveness” (Aaker, 2004; Urde et al., 2007; Merchant and Rose, 2013). While, there is a different perspective describing corporate heritage identities referring them to those “institutional traits which retain meaning over time, thereby being regarded as an integral part of the company’s past, present and future”. These identity traits encompass corporate competencies, cultures, philosophies, activities, markets and stakeholders (Balmer, 2011a, p. 1385).

Furthermore, a different view considers corporate heritage brands a “distinct category of institutional brands characterized by continuity and consistency in their brand promise manifested through the institution’s identity, behaviour, and symbolism ” (Balmer, 2011a, p. 1385).

Finally, heritage brand is seen also one with "a positioning and a value proposition rooted in its heritage" (Urde, Greyser, & Balmer, 2007). Taking into consideration the niche luxury watch industry, it provides a clear example: both Tag Heuer and Patek Philippe brands own a significant heritage. However, the second one is considered a heritage brand because it deliberately emphasizes its history as a core element of its brand identity and positioning, whereas Tag Heuer does not. Thus, while Tag Heuer is a brand *with* a heritage, it's not classified as a heritage brand like Patek Philippe (Urde, Greyser, & Balmer, 2007).

1.2.2 Key Features

Current scholarly research delves into the field of corporate marketing and brand identity, proposing that past corporate brands represent a unique conceptual category. When interacting with businesses, there are five crucial factors that make up the so-called brand stewardship paradigm. These include their reputation, enduring nature, core principles, symbolism, and the importance of history to their sense of self. These characteristics set these companies apart and show how deeply rooted their history is (Balmer, 2011). Let's examine these five unique qualities in more detail. First off, the performance and accompanying documents that demonstrate a business has continuously kept its promises and core principles over a prolonged period of time are the main focus of the track record dimension. According to Balmer (2011), a historical brand is typically seen as having established trust and dependability.

Longevity, which is a key component of classic brands, is another important attribute (Balmer, 2011). Given that the brand identities of major, multigenerational family businesses like Ford and S.C. Johnson are deeply ingrained in family history, this factor is particularly crucial (Urde, Greyser, & Balmer, 2007). For a brand to be deemed timeless, it must earn its reputation and stand for something important in the eyes of the public (Balmer & Burghausen, 2015). Although it is challenging to measure lifespan precisely, it is noteworthy that even though many legacy brands have been in existence for a long time, a company can become a heritage brand in as little as one or two generations (Hudson, 2011). Balmer (2011) posits that longevity can be interpreted as a continuous manifestation of various heritage elements that have endured through multiple CEOs and have been embedded in the company's culture. The LVMH Group CEO, Bernard Arnault, emphasizes the importance of timelessness as a brand attribute and emphasizes that attaining it takes years or even decades of dedication (Arnault, 2020).

A third important component that is connected to these first two is consistency: the enduring strength and coherence of a company's fundamental core principles. A brand's fundamental values become an integral part of its identity and progressively improve its legacy when they are implemented with consistency (Balmer & Burghausen, 2015). These ideas are embraced by legacy businesses and are essential in formulating company strategy (Balmer, 2011).

Taking as an example the telecom company LM Ericsson adheres to three core values: diligence, professionalism, and respect. As the CEO put it, "In 129 years, [Ericsson] has never abandoned a customer or a market" (Ericsson, 2006), underscoring the need of being persistent. Urde et al. (2007) state that enduring core values form the basis of a brand's positioning and are articulated as a promise in external communications, impacting actions and behavior by way of deeply ingrained mindsets. The fourth category includes a company's use of symbols in its communications, especially when those symbols reflect and symbolize the company's history (Balmer, 2011). For instance, the "Swoosh" of the well-known sportswear company Nike has evolved into a globally recognized symbol that embodies the principles and identity of the company (Holt, 2004). Think about the double GG of the fashion label Gucci, the double CC of Chanel, or the double FF of Fendi, particularly in the luxury market.

In a similar vein "the leaper" and "the growler," Jaguar's two most iconic icons, encapsulate the spirit of sleek and swift automobiles (Kapferer, 2008). Because of these emblems, especially the striking "leaper," Jaguar is set apart from vehicles with more conventional appearance by having an animal appeal (Urde et al., 2007). The deliberate use of symbols in communication is another characteristic of historical brands that sets them apart (Balmer & Burghausen, 2015). Trademarks or distinctive design aspects can serve as these emblems, as exemplified by Burberry patterns, Tiffany Blue, and Red Valentino, among others. These icons represent the essence of the brand (Hudson, 2011). To conclude this discourse, the company's acknowledgment of the degree to which its past has shaped its identity falls into the fifth category (Balmer, 2011). Some companies see their history as more than just a part of the past because it shapes who they are and the purpose of their existence in the market, according to Urde, Greyser, and Balmer (2007). This is a crucial component since, in addition to impacting current operations, historical brands work as a guide for future strategy, choices, and actions (Balmer & Burghausen, 2015). IKEA serves as a wonderful illustration of this, as the company values history internally even while it isn't the primary subject of external communications (Hudson, 2011). Indeed, the significance of a living history is highlighted, with assertions that choices that contradict the brand's legacy and core values may lead to its demise in the future (IKEA, 2016).

1.2.3 The link with time: valuing the past

Talking about the temporal aspect in this context is crucial, as corporate heritage brands are perceived to have a meaningful past, present, and potential future, encompassing all these time frames (Balmer, 2011). As deduced from the above literature definitions, the temporal dimension holds great importance in this context, allowing corporate heritage brands to be seen as having meaningful pasts, presents, and potential future trajectories (Urde et al., 2007). Defining brand heritage begins with acknowledging that it serves as a representation of the past rather than the past itself, and the subjective reconstruction of the past is influenced by factors like age, social status, personality, and peer groups (Fraisie, 1967), shaped by the knowledge accessible to individuals or groups at a given moment (Mead, 1929). Expanding upon this concept, heritage has been explored within studies on phenomenological time, which delves into the time of experience and the workings of the mind (Ricœur, 1985). While all living beings undergo changes, humans possess an awareness of duration and construct a temporal representation that extends beyond the present moment (Bergadà, 1988, 1989; Fraisse, 1967). This representation can take the form of a circular model, such as the seasons, or a linear model, like chronological time, impacting the significance attributed to the past (Geertz, 1973). In Western contexts, where time is predominantly viewed as a linear progression, individuals mentally distinguish between the past that precedes them and the future that follows (Ricœur, 2000). Lowenthal (2015) outlines eight reasons why people seek knowledge of the past: to make the present more relatable, aid decision-making, connect with ancestors, validate intentions, assert identity, claim heritage, transcend the present, and escape from it. In this linear understanding of time, the past encompasses everything preceding the present. Therefore, brand heritage draws upon the past, elucidating its relevance for contemporary contexts and purposes (Balmer, 2011).

However, the connection with the temporal dimension and the link to the past underscores the need to clarify the difference between history and heritage, as this distinction is crucial in corporate branding contexts. History explores and explains a murky past, while heritage clarifies and makes the past relevant for contemporary contexts and purposes (Balmer, 2011; Urde et al., 2007). The role of heritage is to help make a brand relevant to the present and, potentially, to the future (Balmer, 2013). Moreover, corporate marketing literature explores two distinct perspectives of the past. The first perspective

views the past as a contingency factor that impacts corporate-level phenomena and concepts. This aligns with general management thought, which sees the past as either an enabling or constraining dimension (resource or process) that influences an organization's present and future (Barney, 1991; Kimberly & Bouchikhi, 1995; Schreyögg et al., 2011). In this view, the past is considered a contingent factor (externality or environmental condition) that can either positively (enabling) or negatively (constraining) affect an organization's development or specific corporate-level concepts. This understanding has implications for how corporate-level marketing phenomena are approached and understood. For example, an organization's historical trajectory or its founder(s) play a central role in shaping corporate identity (Moingeon & Ramanantsoa, 1997; Balmer, 2001; Melewar & Karaosmanoglu, 2006; Blombäck & Brunninge, 2009), corporate reputation (Fombrun & van Riel, 1997; Gray & Balmer, 1998; Gotsi & Wilson, 2001), and it acts as a constraint in corporate rebranding activities (Gotsi & Andriopoulos, 2007; Blombäck & Brunninge, 2009). Instead, a second perspective views the past as a constitutive element of corporate-level phenomena and concepts and specifically this view primarily regards the past as an internality or a defining aspect of corporate-level concepts or phenomena, rather than as a mere external variable. Within this framework, the past is conceptualized in three distinct ways: as historical manifestations, as historical associations, and as historical references (Schreyögg et al., 2011; Urde et al., 2007; Balmer & Burghausen, 2015).

Consequently, as just mentioned, when articulating the essence of a heritage brand, one can advance the view that a brand's distinctive and historical traits have been invested with meaning and value, benefiting brand communities of today and tomorrow, just as they have in previous decades or centuries (Balmer, 2011; Urde et al., 2007). Thus, the brand's traditions remain relevant in the present, and its value continues to be both invested in and extracted from the brand (Aaker, 2004). Therefore, heritage brands can be considered unique in the way they encompass both their past and their history in the making, offering a future perspective that enhances their ongoing relevance (Balmer & Burghausen, 2015).

Finally, it's worth noting that all brands possess a history, but only a few hold a heritage, which can be regarded as an integral part of a company's identity and a valuable, competitive corporate asset shaping the company's market positioning (Urde et al., 2007;

Balmer, 2011). Understanding heritage within a brand can serve as a pathway to unlocking its company value by allowing the brand's past and present to fortify its future (Aaker, 2004). It is important to note that it is not necessary for a company to be a heritage brand to achieve success, but the presence of heritage within a company could result in a valuable and competitive resource (Balmer & Burghausen, 2015).

Within this discussion of temporality related to heritage, Russell (1957, p. 374) suggests that memory constitutes the present of past things, sight pertains to the present of current things, and expectation characterizes the present of future things. He also draws upon the time analysis put forth by the fourth-century philosopher Saint Augustine (354–430), who delineated three temporal categories: a present involving past events, a present involving present events, and a present involving future events (Russell, 1957).

1.2.3.1 Heritage & Mythopoesis

Mythmaking, or mythopoesis, plays a role in heritage branding, though it's not always essential. It's more about building and maintaining the heritage asset in a corporate brand and strategically use it to generate value in corporate marketing. Therefore, mythopoesis generates meaning in the present by drawing from the past and looking towards the future (Balmer, 2011). It doesn't just retell old myths, as it reinterprets them in the current context and develops the narrative to shape the future (Sherry, 2005). Myths and heritage can be comparable, as the second concept is able to connects past and present, significantly influencing future directions (Balmer, 2011; Hudson, 2011). Heritage marketing leverages the past for short-term competitive advantage, but in a long-term perspective it should embrace mythopoesis to renew the brand's narrative. This concept result interesting as mythopoesis creates a meaning through storytelling, shaping emotions and perceptions about brand identity.

Taking into consideration the fashion and luxury sector, heritage celebrates the past through communication, while mythopoesis drives innovation in collections. For example, the Italian fashion brand Gucci possesses a strong heritage, evident through its museums, tradition, and quality, while also maintaining high levels of innovativeness thanks to its designers and valuable collections (Davis, 2021). This innovativeness reflects a future-oriented mythopoetic ability, keeping the Gucci brand perception

anchored in authenticity, as consumers perceive it and feel a certain reliability when engaging with the brand. Reintroducing a family stylist could further strengthen this link between mythopoesis and the Gucci family saga (Kapferer, 2012). On the other hand, Ferragamo boasts a strong heritage but demonstrates less mythopoesis, putting it at risk of becoming a "museum brand." While classic fashion is a valid strategy, Ferragamo needs a mythopoetic renewal, possibly by targeting younger consumers with a classic collection and suitable marketing mix to remain relevant and refresh its customer base (Cope, 2019). In contrast, the brand Stefano Ricci exhibits high mythopoesis but less heritage, leveraging Tuscan craftsmanship to enhance its heritage, though it doesn't present itself as a heritage brand per se. Instead, it represents an innovative reinterpretation of tradition, with the risk of failing to transform this mythopoetic flow into brand heritage (Kapferer, 2012). Meanwhile, Louis Vuitton, despite its authenticity, has relatively lower levels of both heritage and mythopoesis. Counterfeit products and attempts at brand renewal through innovative styles have not always been successful over time. Strengthening its heritage through communication that emphasizes exclusivity could help improve its authenticity and foster greater trustworthiness among loyal consumers (Chevalier & Mazzalovo, 2021).

The tension between heritage and mythopoesis creates different levels and types of authenticity, forming an "authentic allure." This allure emerges from the dynamic interplay between the past and the future, and within this narrative space, both brand authenticity and consumer authenticity interact and evolve through experiences (Kapferer & Bastien, 2012). Consumer authenticity, which reflects an individual's true nature (Heidegger, 1996), can vary in fashion brand usage, being either high or low depending on the alignment between the consumer's identity and the brand's image. Consequently, fashion brands, and luxury brands in general, can segment this tension between heritage and mythopoesis by comparing brand authenticity with consumer experience authenticity (Beverland, 2006). This approach allows brands to tailor their narratives, balancing tradition and innovation in ways that resonate with different consumer segments.

1.3 Brand Heritage & Positive Effects

Could be relevant discussing about some studies which demonstrate how brand heritage emerges as a pivotal driver inside the marketing management discipline, where a heritage branding approach prioritize credibility and bonding, followed by differentiation and success imagery, is essential (Hennings, Wiedmann, Wuestefeld, Schmidt, 2011). This strategy needs to align strategic objectives with consumer perceptions, incorporating elements from the brand's past, present, and future interpretations to foster a long-lasting brand meaning. As the marketplace continues to evolve, heritage brands managers have the responsibility to find a balance by preserving the brand's authentic patrimony, adapting the identity, core values, meaning with a sight to contemporary and future consumer needs. The research of this balance aims to construct consumer brand perception, ensuring a sustainable success of brands in between the dynamic interplay which comprehends the three temporality dimensions: past, present, and future.

Moreover, establishing strong consumer relationships stands as a cornerstone in branding efforts (Keller, 1993). There are some studies, like for example a study conducted by Merchant and Rose (2013) devised a scale to evaluate brand heritage and it illustrated that evoking vicarious nostalgia, a yearning for a period the individual didn't experience firsthand, could heighten perceptions of heritage. For instance, advertisements invoking vicarious nostalgia triggered daydreams about bygone eras, eliciting positive emotions that increased brand heritage evaluations and consequently brand attachment by customers. While Merchant and Rose's (2013) investigation delved into brand heritage within an advertising framework, it didn't delve into its broader implications in marketing contexts. It has been conducted a study which explores the in which way brand heritage influences consumers purchase intentions, particularly the link between brand heritage and affective and cognitive outcomes, ramifications encompassing positive emotions, trust, brand loyalty, commitment, and purchasing intentions.

Previous research underscores consumers' emphasis on a brand's historical background (Brown, Kozinets, & Sherry, 2003; Orth & Gal, 2012), and its positive aspects concerning the consistency and an integrated identity in consumers' assessments of authenticity and brand positioning (Beverland, 2005, 2006). While studies on authenticity similarly suggest that authentic brands often cultivate an authentic aura by faithfully upholding traditions (Beverland, 2005; Leigh, Peters, & Shelton, 2006; Napoli, Dickinson,

Beverland, & Farrelly, 2014, p. 1091). This unique construct can provide manifold advantages, like conveying a sense of stability between its customers (Hakala et al., 2011; Wiedmann et al., 2011), in particular way it concerns fundamental values which are the following (Urde et al., 2007): communicating originality, expressing uniqueness, establishing the brand as a pioneer (Merchant & Rose, 2013), and augmenting brand equity by associating past achievements and the brand's history with its current capability to fulfil its commitments and promises (Beverland, 2006). This could entail some positive consequences for both the company and its customers and potential customers.

Discussing about the temporal dimension in evolving corporate brand images, Keller stated that "the power of a brand resides in what customers have learned, felt, seen, and heard about the brand through their cumulative experiences over time" (Keller, 2007, p. 59). Heritage brands, positioned on their long-standing history and bolstered by customer-held beliefs, evoke memories of past company interactions that consumers utilize to interpret present-day experiences (Rindell, 2007). Considering the time-sensitive nature of consumer evaluations, intentions and attitudes, which stem from genuine emotions, thoughts, and actions, the concept of brand heritage holds particular significance. In fact, thinking about history can also foster positive emotions, strengthening brand connections (Merchant, Latour, Ford, & LaTour, 2013), and offering a strong and potent tool for brand promotion (Hakala et al., 2011).

Moreover, the concept of brand heritage it is strictly correlated to consumer brand awareness and brand image (Keller, 1998), and it indicates the perceptions individuals hold about a brand, as reflected by the associations stored inside their memory (Keller, 1993, p. 3). Heritage is a concept which is integral to a brand's past, present, and future identity, encompassing various branding elements that contribute to build consumer loyalty and personal alignment with a brand, consistent with one's behaviour and self-image (Graeff, 1996), intensifying the preference for a brand by clients due to its perceived exclusiveness, rarity and unicity (Verhallen, 1982; Lynn, 1991; Pantzalis, 1995) and moreover a quest for differentiation, which is fulfilled when consuming and using a particular brand elevates one's status (Leibenstein, 1950; Vigneron and Johnson, 1999, 2004). According to these researchers and studies, to measure how brand heritage shapes consumers construction of corporate brand image over time some attitudinal assessments of brand robustness are utilized, integrating also affective, cognitive, and

behavioural components. There are 15 management-oriented drivers / indicators through which measure the brand heritage construct (Hennings, Wiedmann, Wuestefeld, Schmidt, 2011), indeed it encompass continuity, symbolic meaning, the cultural significance, the emotional attachment, perceptions of success, imaginative associations, orientation, mythical aspects, familiarity, knowledge, credibility, prestige, identity significance, identity interpretation and distinctiveness.

In this context, brand strength is important as it represents the collection of associations and behaviours exhibited by a brand's clientele (Srivastava and Schocker, 1991) and it means a brand's capacity to distinguish its products or services from competitors' and to generate customer value through significant associations.

A perceived brand strength is the contribution of manifold components, encompassing the brand's industry category, the competitive positioning, the cultural inclinations of the target demographic, and that type of product attributes which are functional (Aaker and Biel, 1993). Could be particularly relevant focusing on a crucial aspect of the brand strength topic, which is represented by consumer attitudes toward the brand (Aaker and Keller, 1990), such as significant attitudes which shape consumer decisions, like assessments entrenched in consumers' memories (Judd et al., 1991) and influential guides for behaviour. The attitudes represent inclinations to evaluate an entity, that is an attitude object, unfavourable or favourable and this scheme follow a tripartite model which incorporates belief-based (cognitive), emotion-based (affective), and intention-based (behavioral) elements (Rosenberg et al., 1969), typically manifested in cognitive, affective, and behavioral responses (Eagly and Chaiken, 1993, p. 155).

Hence, to be specific, with the following statements we would like to concentrate on potential outcomes of brand heritage concerning its projected impacts on the attitudinal facets of brand strength. The cognitive facet of brand strength involves perceptions, beliefs, and knowledge regarding the heritage brand, which encompasses understanding of product-related attributes alongside functional and symbolic benefits (Rossiter and Percy, 1987; Zeithaml, 1988). Conversely, the emotional or affective dimension of brand strength delineates the extent to which a customer identifies with and feels personally connected to a company, influencing the level of trust and commitment experienced by the customer (Morgan and Hunt, 1994; Bendapudi and Berry, 1997; Garbarino and Johnson, 1999). Spanning both cognitive and affective components, the behavioral or

intentional aspect of brand strength addresses consumer purchase and loyalty intentions (Jacoby and Chestnut, 1978), as well as considerations of price sensitivity and willingness to advocate for the brand (Zeithaml et al., 1996). Brand heritage has a positive impact on cognitive brand strength, improving the consumers perception and comprehension of the brand and favouring a strong connection with the brand, influencing advocacy behaviour, willingness to pay a premium price and fostering a consequent brand loyalty (M. Rose, Merchant, R.Orth, Horstmann, 2015). This suggests that consumers seek authenticity in brands, with genuine and historical roots, as for instance during turbulent times when purchasing decisions entail risks, the heritage construct give to consumers a sense of reliability, resulting secure and trustworthiness. Moreover, the importance attributed to the heritage of a brand by consumers has been shown with other studies, demonstrating a lower price sensitivity as well as a higher willingness to buy and recommend the given brand.

1.4 Integrating Change, Creativity & Innovation

Innovation represents the driving force behind renewal in any company, and the term itself stems from the Latin "*innovare*," meaning "to make something new" (Tidd, Bessant, & Pavitt, 2001). It involves more than just coming up with something completely new; it also entails developing and putting those novel ideas into practice (Freeman, 1982; Rothwell, 1992).

However, how is one to define the concept of innovation? Numerous methodologies have been examined, such as typology (differentiating between radical, incremental, and continuous innovation), adoption rate (Rogers, 2003), and ways to problem-solving (innovators vs adaptors, Kirton, 1976). "The technical, design, manufacturing, management, and commercial activities involved in marketing a new (or improved) product or the first commercial use of a new (or improved) process or equipment" is a broad description given by Freeman (1982). According to Rothwell (1992), innovation doesn't always have to be dramatic because it can simply involve applying modest technological breakthroughs. It is defined as "the successful exploitation of new ideas" by the UK's Innovation Unit (UK Innovation Unit, n.d.). According to Nonaka and Takeuchi (1995), innovation can also be defined as the "embodiment, combination, and/or synthesis of knowledge in novel, relevant, valued new products, processes, or services".

"Openness to new ideas" or an organization's tendency for innovation are two ways to characterize innovativeness (Hurley and Hult, 1998). It is commonly seen as a facet of the culture of a company. It entails developing and implementing novel concepts. Innovation is the engine of change. It might be transformational, affecting the entire business, or incremental, occurring more frequently and causing less disruption. Schermerhorn et al. (2004) state that implementing new policies, practices, goods, and technologies is an example of incremental change.

It is simple to connect the two ideas of creativity and innovation, as they are both part of the idea generation phase of the inventive discourse (Amabile, 1996). In today's highly competitive business environment, companies that are unable to continuously innovate both the products they sell and the methods by which they produce and deliver them are unlikely to survive (Tidd & Bessant, 2009). Therefore, the key question is not whether to innovate, but rather how to innovate successfully. Regardless of the sector or field of study, the core issue remains the same: how to innovate to gain a competitive edge, then grow and endure (Christensen, 1997; Teece, Pisano, & Shuen, 1997).

To successfully transform ideas into reality, businesses essentially need to handle four primary phases (Tidd, Bessant, & Pavitt, 2001). Research and keeping an eye out for signs of possible innovation in the internal and external business contexts are the first steps in promoting innovation. After that, businesses should carefully consider which of these possible innovation catalysts to focus their resources on. After a choice is made, the alternative needs to be resourced by either developing the resources through research and development or obtaining them through technology transfer. The invention must then be put into practice by the companies, who must see it through several phases of development before launching it as a new service or product in the external market or as a new procedure or approach within the organization (Tidd, Bessant, & Pavitt, 2001).

Businesses need to assess their experiences, both successful and unsuccessful, to gain understanding on how to improve process management and derive useful insights from them. According to Tidd, Bessant, and Pavitt (2001), innovation management is the process of identifying the best solution for the problem of continuously managing this process and implementing it in the ways that are most suited for the particular situations that the business is in. The way that corporations truly execute it varies innumerable times. Innovation is a dynamic puzzle, and companies are always looking for answers.

As a result, it will always be necessary to create new approaches to address emerging problems.

The main problem is understanding why companies should embrace change. Reacting to this is simple: innovation is necessary. In an uncertain environment, the only thing that is clear is that it is risky to stand motionless. History demonstrates that creativity is a necessity for survival rather than an extravagance. Companies that oppose changes to their product offerings and delivery strategies may not be guaranteed long-term success. Agile companies are innovative, flexible, and always ready to adapt to new opportunities and manage risks. This could mean not only utilizing new technology or developing their own, but also altering products, processes, or markets. Both learning and unlearning are necessary for innovation when it is guided by a strategic vision (Tidd, Bessant, & Pavitt, 2001).

Many companies take a "resource-based" strategy, acquiring technological assets to raise their degree of proficiency. However, research suggests that information gathering is not enough, as evidenced by the challenges experienced by major companies such as IBM, General Motors, and Kodak. Companies with a sustained competitive edge may efficiently arrange and reallocate both internal and external resources, respond rapidly, and innovate rapidly (Teece & Pisano, 1994). While it's easy to see the benefits of innovation, history shows that many companies struggle to keep up with the constant demand for change. Few people possess the ability to recognize and adapt to the ongoing need for innovation (Christensen, 1997; Hamel, 2000; Womack, Jones, & Roos, 1991).

The second problem is figuring out exactly what needs to happen within organizations. Even when they understand the importance of ongoing innovation, businesses may struggle to choose a suitable innovation strategy. One risk of having little money is making too few or incorrect investments. Innovation can manifest itself in a variety of ways, ranging from the development of entirely new products to the modest improvement of ones that already exist. It can involve changes to products or services, the processes involved in creating and delivering them, or even the positioning of an already-existing product in the marketplace. Rethinking the fundamental concepts underlying a product or service can also lead to innovation (Francis & Bessant, 2005).

The final hurdle is realizing what innovation actually is. Even though the term is used a lot, its meaning and the actions that follow vary a lot (Dodgson & Bessant, 1996; Tidd, Bessant, & Pavitt, 2001). It's common to mix up the terms "invention" with "innovation". The discovery of a new path or invention is the initial spark of creativity. However, transforming that brilliant idea into something that is widely used requires a challenging procedure that requires several resources, problem-solving techniques, and procedures. According to the well-known Edison quotation, "It's 1% inspiration, 99% perspiration!" (Bessant & Tidd, 2009, citing Edison).

The fourth challenge is creating a culture that is inventive. Inventiveness presents a series of dynamic challenges. Companies must nevertheless take an active part in the rules, even though they are unclear. There is no one "right" answer because the problems are constantly evolving. One organization's adoption of a successful solution does not guarantee that other organizations will follow suit and have the same results. Taking someone else's ideas verbatim could make things worse. So what are the options available to institutions? Studies reveal that the process of managing innovation involves the development of routines unique to the organization (Pavitt, 2002; Tidd, Bessant, & Pavitt, 2001; Nelson & Winter, 1982; Cohen, Burkhart, Dosi, Egidi, Marengo, Warglien, & Winter, 1996). These routines are characterized by recurrent and reinforced behaviors.

They become ingrained in the organization's culture, impacting how things are done. Innovation practices are becoming more and more valuable as a source of competitive advantage. Most importantly, they cannot simply be copied; they must be taught and practiced over time (Pavitt, 2000). The Toyota Production System, with its high staff involvement rates, took almost 40 years to develop and become deeply embedded in the company culture (Monden, 1983). Toyota is easily able to demonstrate this technology, but it is hard to replicate. Ford and General Motors had to go through their own learning curves in order to produce their own versions (Adler, 1992; Wickens, 1987). Routines can arise via experimenting or from recognizing successful behaviors. They solidify and become ingrained in procedures and regulations as they continue to be effective, which eventually contributes to defining the identity of the company. It's like learning to drive, really. First and foremost, you need to master basic skills like steering and braking. Putting these skills into complex sequences is the next step. With experience, driving soon becomes second nature, allowing for multitasking. The first step towards developing an

innovation culture is developing and refining these processes, which is essentially incorporating innovation into the organization's core values.

The final assignment emphasizes the value of lifelong learning. Because the innovation landscape is constantly shifting, companies must have adaptable procedures in place to handle emerging problems. Innovation doesn't always need starting from scratch; it's feasible to adapt and learn from past experiences. It's critical to distinguish between mindlessly copying other people's best practices and embracing and enhancing your own. For example, the field of new product development has a well-known "good practice" approach for creating and providing a constant flow of new goods and services (Cooper, 1993, 2000, 2003; Smith & Reinertsen, 1991; Wheelwright & Clark, 1992). In this case, consistency is crucial since, although everyone can succeed once in a while, only well-established companies are able to innovate consistently.

1.4.1 Innovation Sensitivity

Instead of considering mass markets, where consumers often are more price oriented, brand heritage results more relevant for industries which depends more on intangible values, for instance niche sectors/industries like the Luxury Sector, of which this topic will be discussed specifically and more deeply in the following chapters (Kapferer, 2012).

It's evident that some industries result more sensitive to the impact of innovation than others. In rapidly evolving sectors, the risk of disruptive innovation, leading to significant shifts in technology or consumer behaviour, is very intensive and emphasized (Fileri & Raffaele, 2005). As a consequence, companies operating in these sectors must either adapt to these changes or proactively innovate to remain competitive in the environment.

The Danish jam company, Den Gamle Fabrik, exemplifies a heritage brand in a relatively stable industry. Innovations here have been incremental, such as flavour variations, aligning with their core heritage value of traditional jam-making (Den Gamle Fabrik, 2018). They were able to maintain relevance by focusing on their heritage asset, underlined by their slogan "Real jam since 1834."

Conversely, comparing it to a different sector, such as the camera industry, taking Kodak as a prime example, it is possible to observe how major shifts can challenge corporate heritage brands. Kodak's refusal to embrace digital photography, clinging to its film-based heritage and slogan, led to its downfall (Lucas & Goh, 2009). This highlights the need for

heritage brands to adapt, even if it means shifting focus away from their original legacy. To conclude, industries can vary in their propensity for innovation. Brand heritage is particularly valuable in sectors that rely on intangible values, such as luxury brands, where the presence of this peculiar and valuable asset can serve as a significant competitive advantage (Kapferer, 2012).

1.5 Heritage, a lever for Innovative Brands

“If we want things to stay the same, things will have to change” (Lampedusa, 1958).

The historical tradition of corporate heritage identities in relation to contemporaneity represents a blend of continuity and change, encompassing multiple identities, timeframes, and meanings, making them unique, special, different, and competitive (Balmer, 2011; Urde, Greyser, & Balmer, 2007).

Studies undertaken by Gioia et al. (2000) concluded that “a prerequisite for effective organizational change was due regard for an organization’s historical roots, as history had a material effect on organizational adaptation and change” (Gioia, Schultz, & Corley, 2000). Their differentiation, their strong attractiveness and competitive edge come from their ability to evolve with the passage of time, while successfully retain the core elements inside their identity. Consequently, they distinguish their own institutional corporate identity having a considerable influence within corporate marketing contexts (Balmer, 1998, 2001b, 2009b; Balmer and Greyser, 2006), as examining their past brands may discover their future views or perspectives (Balmer, J. M. T., 1994). In regards of that, Parker (2002) conducted an empirical study on a small financial services company in England and observed that managers utilized history sparingly to support their company's future directions. This approach revealed the past as a flexible resource that could be manipulated and reinterpreted (Parker, 2002) looking at the future.

The previous subchapters, make in evidence how heritage brands, occupying a distinct place within the branding category, can results beneficial for companies, relating them positively within the possibility and opportunity to integrating innovation. Consequently, they require a specialized and specific leadership and brand management approach inside the company. In the management of corporate heritage brands, it is crucial to integrate brand archaeology, which delve into a brand's origins and historical allure, with the brand

strategy. This entails harnessing the brand's heritage to maintain its relevance and competitive advantage for future strategies (Balmer, 2011a).

It is important to say that integrating heritage into a brand's value proposition does not create value in itself, but it creates the opportunity to unlock it, resulting in a strategic decision for a company. Finding and understanding this asset internally may result as a path to unlock the value for the company, enabling the brand's past and present to strengthen its future (Urde, Greyser, & Balmer, 2007). Therefore, it is strategic as a decision for a company starting to communicate its heritage and utilize it as a competitive resource. It is a choice activating it inside a brand (Urde, Greyser, & Balmer, 2007).

At this point, a naturally occurring question comes up: Why should a business choose to use its legacy as a strategic source of value and as a competitive edge within the cutting-edge business environment when it faces the common challenges faced by many other organizations in the competitive scenario? This is due to the fact that using and expressing one's background while yet making the business appear cutting edge, modern, and high-tech does not conflict. Businesses that possess heritage should leverage it in their strategic choices because it offers a unique and distinguishing feature for the brand that can be valuable to stakeholders and customers alike, and that is genuinely hard for rivals to copy (Urde, Greyser, & Balmer, 2007).

Specifically, tradition can provide a base for distinctiveness of a brand's positioning on the market, generating a source of competitive edge which can be translated also into higher prices and higher margins, allowing also the possibility to retain customers to whom heritage is considered meaningful and for whom they develop a sort of emotional connection and attachment. The tradition of a brand adds the company's value proposition with depth, authenticity, and credibility to customers. Heritage is and can be a vibrant part of how companies think about themselves and the values they offer to their stakeholders. Taking into consideration, for instance, the automobile industry, some brands speak effectively to consumers by connoting a heritage of engineering excellence, style, or prestige. In addition, heritage may make it easier to recruit and retain executives and employees, allowing to build internal commitment and pride to be part of a brand which is distinctive and enriched by heritage and a meaningful tradition.

Hence, the best decision for managers should be to follow three specific processes, ranging from uncover, to extract, protecting and finally nurture the value of a company organisation's brand heritage. Heritage brand stewardship can result an important vehicle for companies to protect their heritage, fostering a heritage-oriented mindset within a company (Urde, A. Greyser, M.T. Balmer, 2007). To leverage heritage and taking advantage of it within the brand identity, a company must acknowledge heritage within its organizational framework. This involves assessing the significance of heritage in various business and company's aspects, such as whether the company possesses a meaningful HQ, if integrating heritage into corporate positioning and communications would be beneficial for the brand to engage both customers and stakeholders, whether utilizing heritage can unlock and maximize value for the present and also in the view of future of the business (Urde, Greyser, & Balmer, 2007; Balmer, 2011).

1.5.1 Tradition-Innovation Trade – Off

There is an expression that perfectly encapsulate the paradox that will be discuss in the following chapters, the tension between tradition and innovation, between change and modernity, that is:

“Nowadays companies need to innovate to some extent, and heritage brands therefore need to find some way of innovating themselves both internal within the organization and external in order to survive, retain or conquer market shares” (Consultancy.uk, 2017).

Discussing about the change and continuity paradox, can result of relative importance analysing the way in which corporate heritage brands affect the company's possibility and/or willingness to innovate, hence how several corporate heritage brands emphasise their historical meaningful roots as a key component of their brand identity. Furthermore, how they welcome innovation, if innovation is always required, and adapt to different industries without sacrificing the brand's character or traditions. It could also be interesting to look into instances where brand heritage has stifled innovation or the reasons heritage brands either choose to ignore or creatively adapt to change in their industry.

Moreover, it could be important understanding the way in which some of traditional corporate heritage brands have been successful in innovating without escaping from their core identity values. It would also be interesting to make an analysis of how some of them

deliberately have limited innovation to retain tradition, which could have serious implications on the long-term profitability and growth of the brand if ever integrated. Furthermore, if a company is an heritage brand, it must asks in which way it will adapt. Continuity is crucial, given the rapidness of change in today's world and since many times brands believe that investing in new innovations is what will allow them to survive. As a consequence, change and continuity create a tension (a paradox), as they are perceived as opposing forces, and consequently companies owning a significant legacy seek to maintain continuity in their brand-building efforts. The question which arises in this discussion regards how these kinds of organizations can deal with innovation and transformations, how they can adapt while maintaining their continuity and how they can preserve their core traits and their legacy embracing also new opportunities.

Many times, innovation and heritage are seen as competing forces. It can be difficult for an established brand to embrace innovation without sacrificing its core principles and rich cultural history, particularly if innovation hasn't always been a part of the brand's identity (Urde, Greyser, & Balmer, 2007). Therefore, one may contend that businesses with a long history, whose brand is founded on these principles, have a competitive advantage since their brand naturally embodies the idea of "change" (Kapferer, 2012).

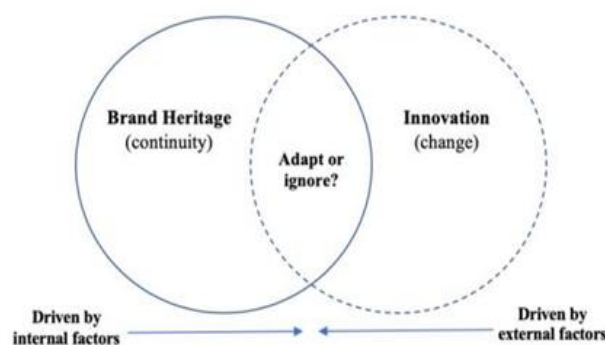


Figure 1. Fit between Heritage and Innovation (Larsen, N., Jong, J., Bendixen, J., & Juncker, S., 2018, pag.11)

According to Urde (2013), heritage brands are based on continuity and are influenced by internal elements such as company culture and deeply held convictions. However, innovation frequently depends on change to remain competitive and is impacted by outside forces like emerging trends and technological advancements (Kapferer J.-N.,

2012). As Kapferer (2012) put it, brands require innovation. In today's market, it is vital since both customers and brands require it. For businesses with a long history, striking a balance between innovation and legacy is essential. You run the danger of losing out to new clients if you don't innovate, but too much change may turn off devoted ones.

Regardless, executives across many sectors frequently encounter the challenge of formulating design decisions that resurrect a beloved history by connecting it to the present and the future (Cancellieri, G., Cattani, G., & Ferriani, S., 2022). There are various ideas that come up when discussing the trade-off between tradition and innovation and how to best exploit legacy, that is, a company's heritage, while changing a brand's product offering. By reinterpreting it, tradition can be a resource for creativity (Cancellieri, G., Cattani, G., & Ferriani, S., 2022) and can become appealing for customers.

While some managers may be led to upholding tradition and resisting change in the face of market volatility, others may be more inclined to ignore the past, addressing current developments and transformations. However, using creativity assets, brand traditions can result stimulating for creativity and also being effective during the changing tastings of consumer inside the dynamic marketplace (Cancellieri, G., Cattani, G., & Ferriani, S., 2022). Consequently, managers need to adopt a perspective able to understand that tradition and innovation can be mutual beneficial one to another, rather than seeing them only as opposite forces: through robust reinterpretation, they can realize the potential of this synergy preserving the core identity features refreshing their products. An example of this is the redesign of the classic Fiat 500, a modernization of Dante Giocosa's iconic 1957 rear-engine model. It testifies that when a traditional brand is reinterpreted, it becomes a resource in response to innovation to deal with changes of preferences in growing markets (Cancellieri, G., Cattani, G., & Ferriani, S., 2022). Another example comes from the famous luxury brand Louis Vuitton, that redesigned its iconic Speedy handbag of the 1930 year, with the help of the renowned artist Takashi Murakami, by printing a cherry blossom pattern on it, consequently incorporating contemporary kawaii pop-art aesthetic elements into the bag. In a similar way, the LV brand collaborated also with artist Yayoi Kusama, creating psychedelic fantasies of the artist inside an assortment of ready-to-wear, accessories, trunks, and fragrances. All the pieces incorporated Kusama's motifs and ideas of infinity, with common colour combinations coming from her art world practices, like black and white, red and white, and yellow and black motifs.

” Brands that thrive on innovation tend to look forward and want to project a contemporary, even futuristic look and personality. On the other hand, brands with deep roots in the past, take pride in their heritage and want to command respectability and trust” (Ottolenghi,2018).

1.5.2 A limit or a resource

“Don’t reinvent the wheel, make it better” (Mullins & Komisar, 2009).

As previously highlighted, innovating a corporate heritage brand can be seen as beneficial for companies operating in different types of industries. Although heritage is viewed as a valuable asset, it may also be viewed as a barrier or liability depending on how freely the companies are able to evolve. A brand's potential to expand may be limited if its history is overly tied to certain historical occurrences (Brown, Sherry, & Kozinets, 2003). Examples of industries where legacy is impeding innovation are provided by Kapferer (2012). Using the wine business as an example, we can distinguish between two broad categories: Old World wines and New World wines (Kapferer J.-N., 2012). Old World wines have attempted to establish regulations governing their wine-making processes in an attempt to maintain their market dominance. An increasingly important barrier to innovation in response to competition from newly developing growing areas is a quality control system. Being without a legacy might be advantageous because it allows for product innovation and adaptation to meet consumer wants. Jacobs Creek and other New World wines are used by Kapferer (2012) as an example of an industry devoid of respectable legacy. The absence of legacy allowed for innovation, and Jacobs Creek increased its market share in Britain from 0% to 16.9%. According to Kapferer (2012), Old World wines will not be able to survive as long as they do not repress the production laws, self-imposed constraints, and supplier concentration that are a significant part of their legacy. As demonstrated by Jacobs Creek, certain businesses have been successful because they innovated and defied the norms of the competition. One persistent flaw in the competition that contributed to the company's attractiveness was that it was not a snobby brand. Being different and creative can create a "blue ocean" in the industry, which could disrupt it and affect many of the current competitors. If these competitors are based on heritage values, they might be stuck in a situation where they can't simply adapt to the changing circumstances without risking damage to their brand. Old wineries,

according to Kapferer (2012), are obstinate and reluctant to look popular because each wine's individuality and distinction is a part of their legacy. However, the long-term effects of this can be fatal for the players. As was previously mentioned, a historical brand usually embodies trustworthiness and trust (Urde, Greyser & Balmer, 2007). The brand loses credibility if they choose to forsake their origins. Therefore, maintaining long-term consistency and building brand trust are essential components of heritage. Thus, upholding trust is essential to heritage brand stewardship (Urde, Greyser, & Balmer, 2007). But being flexible is essential to a brand's long-term relevance; occasionally, businesses must change to remain the same. Examples consist of situating or altering the product (Urde, Greyser, & Balmer, 2007). The challenge here is to do so without compromising the brand's core principles (Urde, Greyser, & Balmer, 2007). Doing so would undermine the brand's legitimacy and continuity, which are key components of its heritage. It is not incompatible to use and express one's heritage while maintaining the company's modern, high-tech, cutting edge, and up-to-date image, claim Urde, Greyser, and Balmer (2007). Businesses having a legacy should leverage it to gain a competitive edge that benefits customers, consumers, and other stakeholders. On the other hand, if innovation and industry change are not consistent with the brand's tradition, they may damage the brand's trust.

1.6 How Tradition cope Innovation

“To be faithful to a tradition means to be faithful to its flame and not its ashes.”
(Jaurès, 1859–1914)

Change and continuity are two opponent forces, representing a paradox. Can a company embrace both its heritage and innovation? How several heritage brands emphasise their history as a key component of their brand identity inside the paradox of change and continuity? How do they embrace innovation, and manage the change without compromising their heritage value and identity? Is innovation always necessary for these types of brands? Are some brands purposely blocking for innovation to protect their history and brand heritage, because the risk of doing so can have too big of an impact on the current existence of the brand? In a world of change, brands need to be able to acquire and invest in new innovations to survive, but are they willing to change? And how does a heritage brand make sure to keep continuity while adapting to change? Heritage brands

want continuity in their brand building process, but how do they change and adapt to new market conditions and innovations while emphasising continuity?

Answering to these questions is not an easy task. In fact, considering some examples of corporate heritage brands allow to understand how they tried to balance tradition and innovation in different ways and through different approaches. It will be illustrated several case studies to see how much transformations can influence businesses in adapting to new demands and market trends: limit innovation with a purpose can slow down market growth to some extent (Balmer & Burghausen, 2015). Companies may find difficult following new market trends and being innovative, if their core beliefs are based on a long tradition, but they should try to deal with new challenges (Hudson, 2011). In contrast, they also need to consider that the possibility that refusing innovation to preserve their historical DNA might not be a sustainable strategy if the market continues to grow in rapid way that is inconsistent with the company's core identity and values (Urde, Greyser, & Balmer, 2007).

Some of the selected brands can successfully incorporate innovation and change into their legacy, while others are struggling to hold onto their appeal and market position in the face of these changes and the ever-changing consumer landscape (Urde, Greyser & Balmer, 2007; Hakala et al., 2011; Merchant & Rose, 2013). In a market that is changing quickly, certain legacy brands can maintain their competitive edge without the need to change (Beverland, 2006; Urde et al., 2007). Finding out which companies have been successful in striking a balance between change and continuity and which have not, along with the reasons why, can make easier understanding how brand heritage affects their position in the market. The sentence "since 1839" is a key component of the communication strategy used by the Swiss business Patek Philippe, which was founded in 1839 (Urde, Greyser, & Balmer, 2007). Buying a Patek Philippe watch is similar to buying a prestigious custom. The brand's heritage identity is defined by its positioning and value statement, which read, "You never actually own a Patek Philippe." They have the ability to uphold their moral principles and pledge to create timepieces that are the culmination of many years of labour and centuries of real experience. This illustrates their decision to highlight the brand's history as a crucial element of identification (Urde, Greyser, & Balmer, 2007). Over the past few years, technological innovation has had a significant impact on the watch industry. For example, while the industry has seen

innovations and new categories like smart watches, Patek Philippe is continuing to embrace its heritage while incorporating minor changes like modern technologies without compromising continuity. This is an example of how innovation can coexist with brand heritage.

Another example from the camera sector comes from Kodak and Fujifilm. The necessity of adapting to be competitive and new inventions have had a significant impact on this industry. Both Fujifilm and Kodak have a long history, however in contrast to Kodak, Fujifilm has innovated without compromising its heritage (Holmblad, 2013). Kodak's failure to secure a position in the market led to their filing for bankruptcy in 2012. They were forced to decide between embracing new developments and technologies and maintaining its position as the industry leader in analog film (Holmblad, 2013). Nonetheless, the Fujifilm firm has managed to maintain its relevance in the eyes of customers by adapting to shifts in social circumstances and technological difficulties (Holmblad, 2013). Fujifilm has been able to keep control over its quality message by quickly responding to client needs and honouring brand promises (Holmblad, 2013). However, while having a long and illustrious history, Kodak was unable to adjust to the changes brought about by the digitalization of the industry (Holmblad, 2013).

Another example is the Danish electronics business Bang & Olufsen: the company sells high-end audio equipment and televisions (Bang & Olufsen, 2018). The industry has changed over the past 90 years due to new technologies and innovation, but the brand's essential values, pride, and entrepreneurial spirit remain unchanged along time. This distinguishes the company as a heritage brand that places a strong emphasis on its legacy, history, track record, longevity, and core values (Urde, Greyser, & Balmer, 2007). Their capacity to uphold their principles and commitments over time, utilizing their past as a crucial component of their brand identity, is a strong indicator of longevity (Urde, Greyser, & Balmer, 2007). However, in the last few years, Bang & Olufsen has faced significant challenges from the rapidly evolving technology and innovations in the electronic industry (Friis, 2015). As a result, the company was forced to adapt and launch a new brand, BeoPlay, which focuses on audio-video products that offer the digital generation convenience combined with high-quality and contemporary design (Bang & Olufsen, 2012). To sum up, it is an example of a business that struggled to stay up with the latest technological advancements in the industry. They tried to adapt, but they didn't

sacrifice the history of their brand. In order to create a new brand that could satisfy the high standards of technology and market developments while upholding their legacy's promises and values, they combined change along with continuity.

To conclude, being a heritage brand can be tricky for companies that have to deal with the contemporary scenario. Of course, it is a strategic decision for brands embracing the innovative scenario or not, in which ways trying to integrate modifications or to adapt (deciding to be reliable to the continuity and avoiding changes) (Balmer, 2011). So how can they deal with innovation?

The first factor is considering the transformation in question and then assessing how big the impact is going to be on the industry (Urde, Greyser, & Balmer, 2007). As it has been said before, this strategy remains open as it is up to brands in general, that is, in the first person concerned to assess whether this investment could be beneficial both financially but also for itself. Not embracing transformations inside a company could result in a great missed opportunity, but the investment can also be indifferent and not necessary (Hudson, 2011). It could happen that the company's heritage does not fit the change due to values and vice versa, resulting in some difficulties (Balmer & Burghausen, 2015). Therefore, it is all upon the brand to find a compromise or an internal balance and take strategic decisions (Friis, 2015).

CHAPTER 2 - LUXURY BRANDS BETWEEN CONTINUITY AND CHANGE

2.1 A “Luxury” characterization

According to Treccani dictionary:

“Luxury is the tendency (even habitual, as a standard of living) for superfluous, uncontrolled spending on the purchase and use of objects which, either because of quality or ornamentation, have no utility corresponding to their price, and are aimed at satisfying ambition and vanity rather than a real need “(Treccani).

To give a characterization of the peculiarities of the luxury goods sector, it is useful starting from a definition of the “luxury” terminology. It comes from the Latin word Lux which means light, helpful for the individual but is also seen by the others. The term “luxury” is derived from the latin word “luxus” and according to its definition in latin oxford dictionary, it refers to “soft or extravagant living, overindulgence” and “sumptuousness, comfort, abundance”. Its double meaning is designated in two ways: “lux” can be seen in a positive way leading to the term “abundance” or it can lead to the negative meaning luxation (gap, excess) leading to “Luxuria”, which is seen as a bad habit. Moreover, “Luxury” has a very strong personal and hedonistic component, otherwise it is no longer a luxury, but simple snobbery. No Luxury brands can rely on clients who are only interested in symbol and not in substance, cause the ones could drift from a symbol to another.

Kapferer (1997) presented the semiotics of the word "luxury," its sociological references, and the pragmatics of luxury brand management with the following statements:

"Luxury defines beauty; it is art applied to functional items. Like light, luxury is enlightening. [...] They offer more than mere objects: they provide a reference of good taste. That is why luxury management should not only depend on customer expectations: luxury brands are animated by their internal program, their global vision, the specific taste which they promote as well as the pursuit of their own standards... Luxury items provide

extra pleasure and flatter all senses at once... Luxury is the appendage of the ruling classes" (p. 253).

- According to Belinda Earl of Jaeger, "None of us are in the business of selling necessities; luxury is the business of creating and satisfying desires" (Earl, as cited in Urde, Greyser, & Balmer, 2007, p. 7).
- In the view of Theo Fannel, "Luxury is something that everybody wants, and nobody needs. It's an area of huge comfort. It's the best of the best' says the jewels maker" (Fennell, as cited in Urde, Greyser, & Balmer, 2007, p. 7).
- According to Christian Hafner, head of Branding at Swarovski, "Luxury is about history, authenticity, depth, and being a partner. Buying a luxury product is like a love affair " (Hafner, as cited in Urde, Greyser, & Balmer, 2007, p. 7).
- From the point of view of Paurav Shukla, member of Luxury Society, "Luxury is a state of mind. It is about how you carry yourself and fulfil yours as well as others desires" (Shukla, as cited in Urde, Greyser, & Balmer, 2007, p. 7).

In contrast, the term "luxury goods" is often associated with attributes like high prices, high quality, aesthetics, craftsmanship, innovation, and rarity. However, this represents a rather narrow and limiting concept of luxury that doesn't fully encompass its modern interpretation (Kapferer & Bastien, 2009). The luxury goods industry is distinguished by its emphasis on the intangible dimension. Luxury brands are characterized by a premium image, intangible brand associations, alignment with high quality, logos, symbols, packaging, and other drivers of brand equity, associations with personalities, events, and countries, strict control over distribution, premium pricing, a well-structured brand architecture, clearly defined competition, and legal protection of trademarks.

Drawing from luxury literature, we reference the theoretical framework presented by Kapferer and Bastien (2009), who identify several key characteristics of luxury goods.

The first one regards the fact that luxury is qualitative, not quantitative, as it emphasizes discerning spending aligned with purchasing power, appealing to emotions and brand heritage rather than solely technical features (Kapferer & Bastien, 2009).

Secondly, luxury prioritizes hedonism over functionality, as its uniqueness doesn't necessarily rely on perfection or functionality (Kapferer & Bastien, 2009).

In the third place, luxury engages all the senses, as experiencing it encompasses a multi-sensory appeal, often communicated through the brand itself (Kapferer & Bastien, 2009).

Fourthly, luxury is a social phenomenon, as it relates to a strong human element, often embodied by the founder. It's intertwined with societal values that consumers express within their communities (Kapferer & Bastien, 2009).

Lastly, luxury requires a history, as these types of brands need a compelling narrative. In fact, storytelling is central to their brand image, conveying uniqueness and evoking emotions (Kapferer & Bastien, 2009).

It is provided by Dubois et al. (2001) another theoretical framework, highlighting the core characteristics particularly regarding luxury goods in particular.

The first one is understanding quality, as luxury products are associated with superior quality in both raw materials and craftsmanship, ensuring reliability and durability, which in turn foster consumer loyalty and trust (Dubois et al., 2001).

The second aspect regards the high prices, as luxury goods command exceptionally high prices, justified by perceived quality, craftsmanship, and longevity (Dubois et al., 2001).

The third one is about scarcity and uniqueness, as scarcity stems from unique materials, skilled labour that prevents industrialization, limited distribution, and an exceptional shopping and post-purchase experience. The less accessible a product is, the more luxurious it becomes (Dubois et al., 2001).

In the fourth place, there is aesthetics, as luxury provides a hedonistic and sensory experience, engaging all the senses and offering pleasure (Dubois et al., 2001).

Fifth, the aspect more important in this research project, the heritage and history. Brand history creates an aura of uniqueness and mystique. Heritage connects with brand values, and the link to the past and brand origins reinforces scarcity and longevity. A strong, enduring aesthetic code is also crucial (Dubois et al., 2001).

Finally, superfluity, because these types of products transcend functional needs, primarily aiming to evoke emotions and fulfil desires (Dubois et al., 2001).

Furthermore, it cannot be cited the most important paradox in luxury industry: the more desirable a brand becomes, the more it sells, but the more it sells, the less desirable it becomes! (Kapferer, 2012) Thus, a luxury brand's strategy constantly balances exclusivity, which drives its image, and accessibility, which drives awareness and sales.

2.2.1 Luxury meanings

Let's now delve into some meanings of the luxury term to understand more about the notion.

"Luxury" as an absolute concept systematically evokes images of unattainable products, services, and lifestyles. Global luxury surveys consistently show that consumers spontaneously associate the word "luxury" with yachts, private jets, private islands in the Caribbean, a world of privilege (Kapferer, 2012).

In contrast, "My luxury" evokes something deeply personal, often not a product but a moment or a rare experience. These are aspirational experiences, not entirely out of reach but still infrequent or difficult to realize (Kapferer, 2012).

"A luxury" is a subjective concept with two primary dimensions: elitism and hedonism. Luxury has two inseparable facets: luxury for oneself and luxury for others. It's characterized by non-necessity yet high desirability, a high price exceeding its functional value, a hedonistic experience, high quality, prestige, and status (Kapferer, 2012).

The "luxury sector" encompasses brands and companies recognized by their peers as producers and marketers of luxury goods or services. Consumer perception of these brands as "luxury" can vary across time and regions. Professional syndicates like the Comité Colbert in France and Fondazione Altagamma in Italy have been established to define the members of this sector. Interestingly, Italians often avoid the term "luxury" even when referring to high-end brands like Bulgari, Armani, Zegna, or Prada, opting for terms like "alta gamma" (high-end) instead (Kapferer, 2012).

The "luxury market" refers to the estimated sales (past, present, and future) of these players. Bain & Company, a consultancy specializing in luxury, annually provides

estimates of the luxury market's size. The "personal luxury market" (excluding cars, yachts, hotels, services, etc., and focusing on apparel, leather goods, jewelry, watches, fragrance, skincare, wine, and spirits) was valued at 77 billion euros in 1995, 170 billion euros in 2007 (pre-economic crisis), and reached 330 billion euros in 2018. It's projected to grow at approximately 3% between 2018 and 2025, driven by accessories and cosmetics (Kapferer, 2012).

Finally, the "luxury strategy" analyzing the behaviour associated with "luxury" reveals three distinct business models often conflated when discussing the "luxury consumer" or "luxury market." The luxury strategy, strictly defined, was pioneered by brands like Louis Vuitton, Chanel, Hermès, Tiffany, BMW, Ferrari, and Ritz-Carlton. It can be further divided into luxury strategy, fashion strategy, and premium strategy (Kapferer, 2012).

2.2 The luxury pyramids

The human interest in luxury and the desire to satisfy the needs for self-actualization and belonging are the main elements that link the Maslow's Pyramid and the Allères' Pyramid of Luxury, as these two geometric representations follow the same common thread. Maslow's Pyramid identifies human needs ranging from the base of survival to the apex of self-actualization, while the Allères Pyramid of Luxury highlights the different levels of accessibility related to luxury. In this context, it could be of certain interest trying to understand how these two pyramids are connected and how they can provide an in-depth analysis of the role of luxury in satisfying human needs and obtaining a personal role in society owning luxury products and collecting luxury experiences. To be specific, the Luxury Pyramid theorized by Danielle Allères in 1997, describes the types of products which are offered in the market by luxury brands. The scholar Allères, is marketing expert inside the luxury industry, and her framework represents a social subdivision based on the different levels of access to luxury and the aspirations associated with it, from the bottom to the top.



Figure 2. Luxury Pyramid (Allères,1997)

To describe the above luxury pyramid, it is needed to say that it is divided into three levels (Allèeres, 1997). Starting from the bottom to the top, there is the first level, which regards the “accessible luxury”. In this categorization, brands that want to differentiate themselves from fast fashion and premium products are brands that give prestige to the masses, much more accessible in a cost sense. This gives rise to the concept of 'democratization of luxury' that makes it possible for luxury brands to market themselves wider.

The second level represents the “intermediate luxury”. These are the ready-to-wear goods i.e. standard sizes ready for sale. In the 1970s, such an initiative, in addition to high fashion, enabled the emergence of luxury ready to wear. Ready-to-wear is a term for clothing that is mass-produced and ready to wear, without the need for customization or significant adaptations. It refers to clothing that is packaged in standard sizes and made so that they can be worn immediately without the need for further alterations. The goal of ready-to-wear is to provide affordable and accessible clothing for a wide audience. Unlike haute couture or bespoke tailoring, ready-to-wear is designed to fit a wider range of people and offers ready-to-wear clothing styles that are often influenced by fashion trends

To conclude the description, on the top of the pyramid, there is the “inaccessible luxury”, where there are products for 'connoisseurs only,' perceived by a small circle of customers. They are custom made and limited-edition products placed in a price range very high and distributed through individual and selective channels. Consumers are inclined in their purchase as they are aware of the potential of the product offered, moreover, its value will

tend to increase over time. Kapferer (2017), a professor and marketing consultant French, an expert in brand management and market strategy, states that 'luxury needs time, luxury sells time'. Time not only for the realization of a good rare, original and unique, but also understood as the preservation of its beauty forever.

2.3 The Ostentatious consumption theory

The dominant theory in the luxury market has been that of conspicuous consumption, introduced by the American sociologist and economist Thorstein Veblen (1899). This theory posits that individuals are driven to purchase luxury goods at high prices not primarily for their inherent value or utility, but to display their social status and wealth to others within their social class.

The components of conspicuous consumption, as outlined by Veblen (1899), are mainly four.

The first element is visibility, as consumers show their status to obtain recognition and esteem from society. They mostly show their luxury goods in creative and provocative ways. While the term "ostentatious" indicates status differences, luxury visibility encompasses three dimensions, which will be explained in the following sentences. The first one is intimate, as the consumer choice is to not share its ostentatious behaviour, keeping it private and confidential. The second dimension is the internal one, involving a personal taste in decorating one's home and social environments with valuable artworks and design furniture. The third and last one is external, including all the external signs of conspicuous consumption, such as jewellery or luxury cars (Veblen, 1899).

The second element is symbolism. Beyond the status symbol inherent in each fashion brand, luxury goods contribute to the formation of social identity. They are associated with specific social classes and provide individuals with a sense of security in social and relational spheres (Veblen, 1899).

The third part is identity, as Veblen emphasizes consumption as a means of defining economic and social identity. People purchase goods and services that reflect not only their taste but, more importantly, their class affiliation. He criticizes capitalist consumers who use material possessions to demonstrate their worth and success, arguing that

individuals should be evaluated based on their inner character and contributions to society, rather than on material wealth (Veblen, 1899).

The fourth component is the social belonging, characterized by excessive consumption habits, for instance joining exclusive clubs, owning luxury cars, and wearing designer clothes (Veblen, 1899).

To conclude this discourse, the theory of Veblen underlines that luxury is a means of competition, to showcase one's achievements to others (Veblen, 1899). Over time, this concept of luxury has evolved into two main different perceptions, that is the personal one and the social one. The latter is related to Veblen's concept of conspicuous consumption, and it shows how luxury is used to show social status. Instead, the personal perception focuses on the individual motivations which drives the consumption of luxury itself, like for instance the self-expression or the pleasure coming from the utilization of such goods (Veblen, 1899).

2.4 8 Pillars in luxury brand marketing

Within the luxury marketing literature, it is possible to find some main important pillars, which offers a comprehensive framework for luxury marketers (Kapferer, 2012). While not a one-size-fits-all approach, they provide a valuable analytical toolkit for evaluating and maximizing brand potential. However, a pragmatic approach is crucial, as each brand and market present unique situations and challenges.

In the first place there is Performance, that inside the luxury sector encompasses two dimensions: product excellence and experiential value. At the product level, luxury brands must not only fulfil functional and utilitarian needs but also deliver exceptional quality and design. This involves meticulous craftsmanship, precision, the use of premium materials, and a focus on innovation and unique design, resulting in products with extraordinary capabilities (Kapferer, 2012). Beyond the tangible product, luxury brands must also excel at the experiential level, creating emotional connections with consumers that transcend the product's physical attributes. This emotional value is what consumers truly buy into, associating the brand with specific ideals or aspirations. Rolex, for instance, symbolizes heroic achievement, while Tiffany & Co. embodies love and beauty (Kapferer, 2012).

The second pillar regards the pedigree, as numerous luxury brands own a rich heritage and a notable history that contributes significantly to their mystique (Urde, Greyser, & Balmer, 2007). This mystique often revolves around the exceptional and legendary figure of the founder, who becomes an integral part of the brand's narrative and personality (Urde, Greyser, & Balmer, 2007). Consequently, when consumers purchase a product from a brand like Cartier or Chanel, their decision is influenced not only by the product's performance but also, subconsciously, by the brand's heritage, lineage, and legacy of craftsmanship (Urde, Greyser, & Balmer, 2007).

The paucity is the third pillar, which regards the fact that an excessive exposure and distribution can diminish the perception of luxury (Kapferer, 2012). Therefore, many brands strive to maintain an aura of scarcity. Burberry, for instance, experienced brand dilution in the early 2000s due to over-licensing, undermining its exclusive image (Kapferer, 2012). Gucci, after a similar experience in the 1970s and 80s, now focuses on directly owned stores. Scarcity can be natural (due to rare materials or specialized craftsmanship), technology-driven, or tactical (Kapferer, 2012). Natural scarcity arises from the limited availability of resources like platinum or diamonds, or the reliance on exceptional human skills that limit mass production. Tactical scarcity is intentionally created through limited editions or special series to stimulate desire and demand. Customization of luxury goods is another strategy to enhance perceived scarcity. An example is Garson USA's custom-made, diamond-encrusted Mercedes for Prince Al-Waleed bin Talal in 2007.

The fourth one concerns the luxury persona, largely shaped by two key factors: its distinctive projection and consistent application across consumer touchpoints, and its brand communication through advertising. The visual brand identity encapsulates the brand's personality, mystique, and emotional values. A clear and consistent expression of this identity is crucial for establishing visibility, familiarity, and a recognizable brand image. This visual orchestration can be achieved through the consistent use of brand elements such as the logo, colors, design elements, icons, unique design language, branded environments, and even the tone of voice used in communication. (Kapferer, 2012)

Moreover, there is brand advertising. While a luxury brand's visual identity remains relatively constant, advertising offers a more dynamic and adaptable marketing tool. Although heritage plays a role, maintaining contemporary appeal and a sense of novelty is vital for sustained brand relevance. Luxury advertising must not only generate desire for seasonal collections but also elevate the brand's "cool factor," ensuring it remains desirable and aspirational. Usually, luxury advertising messages distinguish themselves as they are containing emotions and for this reason, they create a unique aura that reflects the brand codes and DNA. Their objective is to reach a meaningful differentiation. There is a new and recent trend inside the way in which luxury brands communicate with their customers: they utilize short films to convey the brand's image and history to be more effective and impactful (Kapferer, 2012). In addition to this there is the digital advertising, which is strictly related to brand advertising, with the objective of creating deeper "emotional connections" between consumers and brands. Tiffany, for instance, launched whatmakeslovetrue.com and an iPhone app to strengthen the association of its brand with love and romance values, offering guidance to couples and showcasing real-life love stories. Nowadays all luxury brands utilize social media, but their primary objective isn't always storytelling, while generating a sort of desire and aspiration for the brand and its products. Social medias are even more valuable and relevant tools in the contemporary scenario, favouring a dialogue and a relationship with consumers (Kapferer, 2012).

Strictly related to this topic it is relevant to connect advertising with celebrities, as they have long been utilized inside the context of luxury brand advertising. As brand ambassadors, they own an ability to create a strong impact, conveying credibility and capturing the attention of customers. These people range from film stars and musicians to athletes, royalty, and even the designers themselves. However, celebrity endorsements are no longer unique to the luxury sector, having become widespread across different product categories. This necessitates a more nuanced approach to celebrity endorsement in the luxury context (Kapferer, 2012). The chosen celebrity's values and personality must align with the luxury brand's aura. Additionally, there's a distinct shift in how their role is strategically crafted and executed. Beyond traditional advertising, often focused on print media, luxury brands employ tactics like providing accessories or attire for red-carpet events, product placement in films and television, and invitations to exclusive events. This strategy aims to create an association between the celebrity and the product,

influencing consumer attitudes, brand value, and purchase intent (Kapferer, 2012). Chopard's 14-year partnership with the Cannes Film Festival, where they adorn celebrities on the red carpet, exemplifies this approach. Also long commercials or short films leverage the celebrities for the same reasons.

Another main pillar is the placement, as the retail branded environment in luxury branding is all about heightening the consumer's brand experience and amplifying the brand aura. Hence, the branded environment and the movement of truth is where it must "live" the brand by orchestrating immaculate detailing that engages all senses of the discerning audience. Starting from the choice of store location, the chain of touch points that consumers interact with, the salesperson's presentation, and the impact of each touch point is critical in creating a unique indulging experience. That said, today's evolving luxury consumers are increasingly looking beyond the typical sophisticated, over-the-top, cosmetically elegant presentation, or even the exclusive invites, free previews. With the increasing democratization of luxury brands and the rapid emergence of masstige brands, luxury consumers have become more discriminating and demanding. These consumers seek more knowledgeable and professional assistance and a trusted and reliable collaboration helping them to manage their stature and lifestyle. Not only has this led to new business offerings, but luxury brands are also increasingly investing in training and empowering their sales staff. Another critical point to note within the placement factor is that it is not limited to the physical environment where the brand retails, but it extends to all of the environments or consumer touch points with which that brand associates itself. This subject spans from the extremely selective niche media where it advertises to the sports, events, art, and conversations with which it identifies. For example, Rolex associates itself with more than 150 events in golf, sailing, tennis, motorsport, arts and equestrian tournaments rather than with sports such as football or cricket that have more of a mass following.

Talking about luxury branding, also public relations play a crucial role in amplifying brand image and in shaping the consumer perception, as they are able to communicate brand messages and attributes that may not be effectively conveyed through the traditional advertising. These messages are extremely important in establishing a brand's personality and emotional values, highlighting brand heritage, associating with influential figures, or leveraging other elements of the marketing mix. Public relations result also as

a sophisticated tool to maintain brand relevance and engage in a continuous dialogue with luxury consumers, particularly in sectors driven by fashion, technology, and seasonal trends. They are tactical as they can generate buzz and also share perspectives from industry leaders and influencers, providing an essential support for brand activations like fashion weeks, sporting events, and themed previews. (Kapferer, 2012)

Finally, pricing significantly influences consumer perception of luxury brands (Kapferer, 2012). Consumers, consciously or subconsciously, associate a brand's price range with its perceived luxury status. Therefore, luxury brands must carefully set prices, as under pricing can damage brand value, while overpricing may not be justifiable to consumers. The importance of pricing strategy in luxury branding has grown recently due to economic challenges and increasingly discerning consumers who demand value beyond just a high price tag. Research suggests that affluent shoppers are unwilling to pay exorbitant prices for marginally better products (Unity Marketing, as cited in Kapferer 2012). Luxury brands must justify their premium pricing through a combination of factors, including the seven Ps of marketing, to maintain a high perceived value.

The essence of luxury brand marketing can be distilled into three main points, which are the following ones.

The first concept is that the product excellence alone is insufficient. Luxury brands must also deliver a superior experiential dimension. As luxury consumers become more sophisticated, product quality not only differentiates a brand but also justifies its premium pricing and value proposition (Kapferer, 2012).

The second important notion is that heritage is important, but ongoing relevance is key. While celebrating a brand's pedigree and history is essential, maintaining contemporary appeal and dynamism through its persona, public relations, and association with influential figures is crucial for long-term success (Urde, Greyser, & Balmer, 2007).

The third one is that exclusivity and stature must be preserved. Luxury brands must uphold a certain degree of exclusivity and prestige through scarcity and strategic placement, encompassing both the retail experience and the brand's associations (Kapferer, 2012).

They 8 pillars of luxury brand marketing discussed above, offer a useful framework for luxury marketers (Kapferer, 2012), giving a valuable analytical toolkit to evaluate and maximize the potential of brands.

2.5 Luxury marketing personas

Brands are very different one to another and their products answer to specific customer needs. Consequently, it's crucial designing marketing strategies to these specific clusters. Luxury consumers exhibit distinct behavioral patterns, and in 2015, the Boston Consulting Group identified eight key categories (Kapferer & Bastien, 2009):

The first one regards the “Absolute Luxurer”. Born into luxury, these consumers prioritize exclusivity and customization, seeking rewards through luxury purchases rather than experimentation.

The second one regards the “Megacitizens”, a global elite values quality and customization, staying abreast of trends without being overly extravagant. They focus on a few select brands and primarily purchase luxury items for travel, home furnishings, and clothing.

The third group is the social wearer, who equates luxury with quality and sustainability, forming emotional connections with the brands they choose and remaining loyal to a select few.

There is also the “experiencer” group. For these consumers, luxury regards unique experiences.

The fifth group is the so-called “Little Prince”, aged 18-25, composed by individuals born into wealth and that view luxury as a natural part of their lives. They value innovation and "coolness," often making impulsive purchases and engaging with brands. They are also high spenders while traveling.

The sixth group encompasses the “fashionista”, who are highly knowledgeable about brands and trends and as a consequence these consumers are trendsetters who enjoy experimenting with different styles. They have strong opinions on fashion and luxury.

There is also the group of “status seeker”, who tend to follow trends and avoid experimentation. They purchase luxury goods to display wealth and success, favouring well-known and easily recognizable brands.

Lastly, the “classpirational” group, who associates luxury with quality and trusted brands. They are less sophisticated luxury consumers who prioritize value for money and prefer a classic style.

2.6 Heritage concept in luxury

A brand is "a name, term, sign, symbol, design, or combination of such elements, by which products or services of one or more vendors are identified in order to differentiate them from others offered by competitors” (American Marketing Association, 2013).

It's not solely about legal protection through trademarks; a brand's authenticity stems from the founders' dedication to crafting a compelling narrative around the symbol. This narrative intertwines with several key elements:

The first one regards the location, as each company's birthplace influences its style and characteristics. For instance, Paris embodies the elegance of Louis Vuitton. Retail stores also play a crucial role, aiming to evoke emotions and provide an exclusive customer experience. Each brand has its own distinctive prototype store.

The second one concerns the brand origins, since a brand's story often begins with a specific theme, evolving from an idea to its realization. Louis Vuitton exemplifies this, with its founder recognizing the growing importance of travel during the Industrial Revolution and focusing on luggage and bags. The iconic LV monogram and travel-themed designs on leather goods further reinforce this connection. The brand's first Parisian store in 1854 exclusively featured suitcases and bags with the LV logo. This founding theme has remained central to the brand's identity, evident in campaigns like "The Soul of Travel" launched in 2019 (Louis Vuitton, 2019).

The third one is about iconic products and Know-how, as an iconic product and its production techniques contribute to a company's market value and protect it from acquisition. This narrative, woven around the brand's symbol, creates an authentic and engaging identity that sets it apart from competitors (Louis Vuitton, 2019).

An example is provided by the jewelry sector with Tiffany & Co, whose signature Tiffany blue colour has become a defining characteristic of the brand (Kapferer, 2012).

The brand's iconic status is built on two key elements: the heart-shaped padlock symbol used in their jewelry, and the packaging of jewelry in the Tiffany blue box, packaging introduced in 1886 that has become the brand's symbol of recognition (Kaur, 2016).

Instead, an example of know-how is provided by the production technique of Bottega Veneta's woven bags (Kapferer, 2012). The “ intrecciato” as a distinctive feature and motif of the brand has been adopted by the creative direction of the fashion brand in the 1970s, a technique still present today (Kapferer, 2012). The authenticity and uniqueness of the brand require an integration of both creativity and management, that is the union between designer-craftsmen and high-level managers (Kapferer, 2012). With a managerial input, it is possible to achieve success and also a continuous innovation. Luxury brands are becoming increasingly creative and innovative, integrating advanced technologies, sustainability, and artisanal techniques to create products that own uniqueness and an high quality. Companies are increasingly open to embrace new trends while maintaining their distinctive traits (Kapferer, 2012).

2.7 Luxury Brands

"Luxury" can be defined as the highest tier of prestigious brands, encompassing both tangible and intangible values (Kapferer, 2012). From another viewpoint, luxury goods are those products accessible to only a select portion of the population (5%), characterized by limited availability, thus creating social differentiation (Kapferer, 2012).

Most definitions of luxury brands shared six common criteria: involve a highly qualitative hedonistic experience, the price significantly surpasses what the luxury brand's mere functional value advises, the brand has a certain heritage, unique know-how and culture: this criterion refers to craftsmanship, as well as a recognizable design that embodies the heritage of the luxury house, distribution is controlled and the brand is accessible in limited quantities, the brand is offered with personalized additional services, the brand symbolizes a social marker and allows the customer to feel special, with feelings of privilege.

Defining a luxury brand is a complex phenomenon with considerable variation in its characteristics and dimensions (Turunen, 2018). Luxury is not only represented by its

uniqueness and exclusiveness but also includes creativity and the emotional value perceived by consumers. Luxury is often described as a brand that evokes exclusivity, establishes brand identity and awareness, maintains quality, and fosters customer loyalty (Phau & Prendergast, 2000). It is characterized by high visibility, distinct identity, emotional appeal, global reputation, creativity, and uniqueness (Okonkwo, 2007). Additionally, it ensures exclusivity, making it inaccessible to the general public (Paul, 2019).

McKinsey & Company (1990) described luxury products as those with the highest price-to-quality ratio compared to similar items. When the functionality-to-price ratio is low, the intangible and situational utility-to-price ratio is relatively high (Nueno & Quelch, 1998). Despite the identification of various characteristics of luxury, the value and degree of luxuriousness of brands are best explained through consumer perception and interpretation (Turunen, 2018). Therefore, understanding why consumers buy luxury products and the role of consumer perception in buying behavior is crucial for marketers and researchers (Jhamb et al., 2020; Wiedmann et al., 2007).

Extensive literature supports the identification of factors influencing consumer behavior and perception of luxury brands (Atwal & Williams, 2017; Jhamb et al., 2020; Schultz & Jain, 2018). To simplify the notion of luxury brands and understand consumer perceptions, attitudes, and behaviors, literature suggests conceptualizing luxury through various dimensions that contribute to luxury brand value (Faschan et al., 2020; Aliyev & Wagner, 2018). Researchers have identified several dimensions of luxury. Vigneron and Johnson (2004) categorized luxury into five dimensions: non-personal perception (perceived conspicuousness, uniqueness, and quality) and personal perception (perceived hedonic and extended self). Woodall (2003) identified four dimensions: exchange, use, utilitarian, and intrinsic values. Similarly, Wiedmann et al. (2007) conceptualized luxury value using financial, functional, social, and individual dimensions.

Other dimensions include objective, subjective, and collective values (Berthon et al., 2009), as well as symbolic, functional, cost-related, and experiential values (Smith & Colgate, 2007). Additionally, self-directed and other-directed values are also important in defining luxury (Tynan et al., 2010). It is evident from early research that certain luxury value dimensions are consistently recognized. The social dimension relates to the

appreciation of luxury brands within social circles, the functional dimension pertains to the use and features of the luxury brand, and the individual dimension addresses personal motives.

Although there is no universally accepted definition of luxury brands, they are generally characterized by extraordinariness, premium quality, high price, aesthetics, rarity, and high value (J. H. Kim, 2019; Okonkwo, 2007; Paul, 2019). Luxury products are associated with pleasure and emotions and are sensitive to customers' income, fulfilling natural or aesthetic desires rather than basic needs. The term luxury often implies a brand's esteemed status (Vigneron & Johnson, 2004). Luxury brands are also renowned for their quality, high cost, and rarity (Kapferer, 1998). According to Nueno and Quelch (1998), luxury brand products have low functional utility relative to their cost, but they possess high situational and intangible value.

According to Keller (2017), defining a luxury brand involves several key characteristics:

First of all, a crucial aspect of luxury brands is maintaining a premium image, which involves both external prestige and unique internal features. The success of them fundamentally depends on creating this image, which justifies its high price. The premium image must be globally relevant to appeal to affluent or near-affluent individuals. Therefore, luxury marketers must ensure that the brand's image, especially its intangible aspects, remains strong, consistent, and cohesive over time (Keller, 2017).

Moreover, luxury branding typically involves creating numerous intangible brand associations and an aspirational image. A significant part of these companies' appeal lies in the depth of meaning it conveys. Many of them boast storied histories and rich heritages that carry symbolic value related to status and achievement. This aspirational component helps in reaching a broader audience through public relations, word-of-mouth, and other channels. Non-users are often drawn to these brands due to a desire to emulate or experience the same rewards as current users. This affiliation often transfers through unpaid media and interpersonal influences, encouraging prospects to consider luxury brands for their discretionary purchases (Keller, 2017).

It is also important that the aspects of the marketing program for luxury brands must be aligned to ensure high-quality products, services, and pleasurable purchase and

consumption experiences. Despite the intangibles contributing to luxury brand value, direct performance aspects must meet or exceed customer expectations. Premium prices demand high standards, and every aspect of the purchase and consumption experience is crucial. Marketers are pressured to deliver flawless value at every step (Silverstein & Fiske, 2003; Keller, 2017).

In the fourth place, brand elements, including names, logos, symbols, packaging, and signage, are important drivers of brand equity for luxury brands. These elements convey a premium, prestigious image and enhance brand awareness and they serve as key indicators of quality and prestige to customers and their social circles (Keller, 2017).

In addition to this, another characteristic of luxury brands is composed by the secondary associations that can strengthen its image. In fact, they can improve their perceived value associating with famous personalities, prestigious locations and esteemed items (Keller, 2017). They also need to carefully control their distribution through a selected channel distribution strategy to maintain their exclusivity and their prestige. Retail distribution is usually highly selective and controlled, with many luxury brands operating their own retail outlets and company stores (Keller, 2017).

Another characteristic is that these types of brands employ a premium pricing strategy supported by strong quality cues and minimal discounts. To justify the high price, luxury brands must create strong intrinsic and extrinsic value, reinforced by quality cues like attractive packaging, personalized customer service, and generous warranties. (Keller, 2017).

Furthermore, effective brand architecture management is crucial for luxury brands. It must balance exclusivity with the need for revenue and profitability growth. Brand architecture reflects the nature of brand elements applied to different products and the development of new products. It becomes particularly important when lower-priced offerings are introduced to attract new customers (Keller, 2017).

Moreover, another important aspect to consider is that these brands often compete broadly with other luxury brands across categories for discretionary consumer spending. They may contend with other luxury categories like vacations or home remodelling for

consumer consideration. Recognizing that luxury brands go beyond basic necessities and involve discretionary spending is vital (Keller, 2017).

Lastly, there is a huge legal protection against counterfeits, because luxury brands must vigorously protect their trademarks and combat counterfeits due to their significant price margins. Marketers need to proactively protect their brand and enforce against infringements to safeguard their luxury status (Keller, 2017).

2.7.1 Luxury Segmentation

According to the 2023 Report provided by the Boston Consulting Group x Altgamma, the luxury market is segmented into different types of clients based on their income and behavior, identifying various clusters. The segmentation is classified as follows:

- **Aspirational Mass - Market Households - Trendy Metropolitans (< 2k euros):** This group includes individuals with an annual income of 55,000 euros in developed markets and 18,000 euros in emerging markets. They are categorized as "excursionists," who are not extravagant spenders, with an average annual luxury expenditure of approximately 400 euros. Despite their ordinary backgrounds and average jobs, they aspire to an above-average lifestyle by purchasing status symbols (Boston Consulting Group x Altgamma, 2023).
- **Rising Middle-Class Households – Stylish Career Masters (2k euros):** These are ambitious professionals with an annual income of at least 110,000 euros in developed markets and 35,000 euros in emerging markets. They typically come from middle-class backgrounds and hold well-compensated positions (Boston Consulting Group x Altgamma, 2023).
- **New Money Households – Lavish Self-Made Individuals (5k euros):** This segment consists of high-net-worth individuals (HNWIs) who have rapidly accumulated their wealth through their own efforts. Their capability to afford luxury goods, coupled with their desire to display their accomplishments and openness to new trends, makes them a critical segment for the luxury market, accounting for over a third of global sales, estimated between 55 and 60 billion euros (Boston Consulting Group x Altgamma, 2023).

- Old Money Households – Luxurious Spendthrifts (20k euros): This category also includes HNWIs, but their wealth is inherited rather than self-made, often linked to aristocracy or family businesses. They purchase luxury goods not only for their value but also because these goods align with their established lifestyle (Boston Consulting Group x Altgamma, 2023).
- Beyond-Money Households – Elitist Dandies (50k euros): Similar to old-money families, this group avoids ostentatious displays of wealth, but their aversion to flashy brands reinforces their elevated status. Representing the pinnacle of "snob appeal," they account for roughly 5% of total luxury goods sales (Boston Consulting Group x Altgamma, 2023).

The report reveals that out of approximately 400 million luxury consumers, 20 million are considered "true luxury" buyers, generating 350 billion euros, or 40% of the market. The analysis emphasizes that the top cluster, the wealthiest segment, is driving the most significant growth in the luxury sector (Boston Consulting Group x Altgamma, 2023).

2.8 Trends shaping the current Luxury market

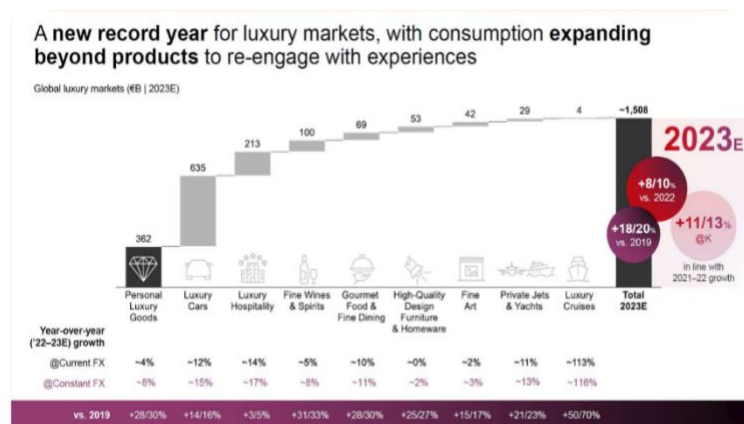


Figure 3. (Bain & Company & Altgamma, 2023)

The above chart represents the global luxury goods market, produced by Bain & Company in collaboration with Altgamma (2023). After the 2022, which closed, despite an uncertain economy, with a record turnover of €345 billion, the global Personal Luxury Goods market saw an excellent first quarter this year with growth of around 10%, giving grounds for a reasonably optimistic outlook for the rest of the year. The growth forecasts for 2023 have been adjusted upwards thanks in particular to the Chinese rebound and

Europe continuing to perform well, and despite a slowdown in the US market and the continued presence of a number of factors of concern in the macroeconomic situation (rising energy costs, still high - albeit slowing - inflation and the prospect of recession, supply chain shortages, geopolitical tensions and the decline in purchasing power of a number of consumer groups) (Bain & Company & Altagamma, 2023). The luxury sector has been evaluated to be 1.5 trillion of dollars in 2023 expected to be, growing very fast compared to last year and recovering the covid pandemic period. Currently the growth is + 11/13 % compared to pre-covid time 2019 (20%), so luxury business was for sure fully recovering in the past years compared to pre-covid in all the different categories (Bain & Company & Altagamma, 2023). There are 9 main categories of products and services and all the different segments are moving in different ways: Luxury cars is the biggest sector, followed as the second it is Personal luxury goods, on which fashion, watches, jewellery and beauty are (Bain & Company & Altagamma, 2023; Cucco, 2024).

Figure 4. (Bain & Company & Altagamma, 2023)

Looking at the above chart (Bain & Company, & Altagamma, 2023), during Covid luxury tourism was going down, we know that for Fashion and Luxury tourism is very much important because, people like to purchase during travels and therefore brands were used to have people in stores able to welcome clients coming from different countries. Now the good news is that travels are back among the different behaviours of most of the cultures all around the world, not all the cultures are recovering the travels at the level before covid, for instance **China**, which is not back in shape in terms of travelling as it was. Chinese people which were travelling in Europe and US, are now travelling but mostly within their regions like Japan, a country very well performing. Thus, Chinese people are travelling and shopping mainly closer in Japan and South Asia (Bain & Company , & Altagamma, 2023; Cucco, 2024).

Luxury market in 2030: snapshot of key breakdowns

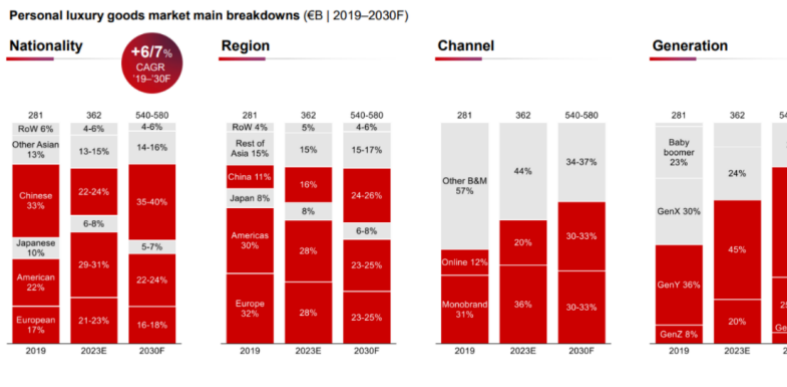


Figure 5. (Bain & Company & Altagamma, 2023)

In terms of what we expect to have by 2023, China, which is currently 22/24 % waiting on total business to grow the most and becoming 30-35% of the business. In terms of clients, we have different clusters of clients and the highest part of the pyramid composed by very wealthy people, few clients in terms of numbers which are defining and creating a huge part of the business and thus very important for the business. BCG is saying that 1% of the population it is providing 10% of the business. Thus, more of the brands are focusing more and more in the latest years in this kind of clients, all the luxury brands move to focus on very wealthy and top part of their customer base, because the wealthiest people are more resilient during turbulent and their behaviour in terms of purchases is not so different compared to the past. All the brands were very much focused on this, this kind of clients were bombarded by activations, by request of attentions, request of engagements from different brands. This was creating additional competition between brands, which were focused on the same kind of audience. The other perspective is that this is leaving a certain part of the market, which is missing attention and engagement from brands. Now by looking into the future, there is a huge portion of the population which is expecting to receive from brands attention, the same one was receiving before covid and brands must be back in taking care about this very huge core part of the customer base, because it is could be potential. Not spend to much time with clients which are not potential, they need to be engaged again by brand to fuel the growth in the future. Thus, this chart in order to have a look of what is growing and from where the growth is come. In terms of Nationalities: Chinese people, as it has been already said previously. In terms of regions: China and US are considered to be the most important. In terms of

channels, which clients are buying now. The expected clients are buying more on e-commerce now. We notice that brands are trying to go closer to the clients, eliminating some intermediaries that in the past were fundamental. And this is happening not only online but also offline. It means that most of the growth is coming from the direct distribution of brands physical distribution (retailing) and from e-commerce, managed directly from brands. It means that the platforms will not grow as well as the e-commerce from directly managed by the brands. This is happening because brands are more conscious about the importance of knowing clients, they want to be directly in contact with them. Online is growing, but online is growing as well as the retail contact with the client, because both are important. Pay attention, for instance, to beautiful stores, flagship stores, now being renewed in terms of experience, because now clients are more and more expected to experience physically the brands and in store you can have this kind of experience. This is something which is requested even more by younger generations, and in the future we will talk about different generations of clients. Gen X are quite wealthy and impacting, but Gen Z is coming and in the future together with Gen Alpha will represent the huge portion of clientele. So, Brands today need to curate people which are part of all generations as well as started creating relationships also with general Alpha people, very young but tomorrow will be the core base of their business. Another sign relevant talking about clients is also the fact that today luxury markets are converging into one, as clients today are expected to move from a category to another one, the competitors are not only the one offering the same kind of product. As a brand, the main competitor is not the one that is offering the same product, so brands must evaluate competitors coming from different segments of the luxury market. A client can be passionate about cars, passionate about watches, passionate about travels: so, the perfect client for watches, perfect client for cars, for travels. As previously stated, customers are not anymore focused on this, as a client can be passionate about cars, but sometimes preferring to buy a jewels and spending time with friends having a luxury dinner. Looking on offline and online of luxury distribution channels, within the offline, brands are able to be very much qualitative when acting directly and level of satisfaction from clients is double when brands are acting directly compared to the mass retailers kind of satisfaction. Brands are going directly to consumers eliminating some intermediaries which are not able to provide the same level of experience. It is true on the physical part. Within the

digital part, some intermediaries went far in terms of services and in terms of experiences, in terms of ability to nourish algorithms and study the client needs and behaviour. So, the direct satisfaction from the luxury brands is lower in comparison of what client get from intermediaries. Therefore, brands must cover this gap, because clients are expecting the same level of quality in terms of services that they receive when they talk with an intermediary. We must keep the traditional physical and offline part of the experience in which brands are very good now and we have to fill the GAP in terms of online experience where intermediaries are much more qualitative in terms of services compared to the brands. These two aspects must be balanced, clients expect a certain experience, both digital and physical. In the field of digital, virtual and augmented reality tools, both are helping brands with engage with the clients and to recreate this aspect of humanity in the relationship which is missed in the online (Bain & Company & Altagamma, 2023; Cucco, 2024).

2.9 Solving the tension between heritage and innovation in Luxury brands

In luxury literature, heritage is recognized as a fundamental aspect of a luxury brand's identity, significantly contributing to the success of enduring luxury brands (Cooper et al., 2015; Dion & Mazzalovo, 2016; Liu et al., 2016; Riley et al., 2004). Despite their strong reputations, corporate heritage brands often face the challenge of being perceived as outdated rather than innovative (Sørensen et al., 2018; Wiedmann et al., 2011). It is argued that these brands remain relevant by skillfully balancing change with continuity, often expressed through brand symbolism (Pizzi & Scarpi, 2019). Luxury brands establish iconic identities through the social construction of their heritage narratives, which impart lasting strategic value. They “remain meaningful not only because of their provenance but because of their salience,” providing both identity and value (Balmer, 2011, p. 1382). The challenge of evolving while appearing unchanged is central to branding literature. However, strategies for managing these conflicting elements are complex, and the brand heritage paradox remains unresolved, with few studies addressing how to effectively manage this tension (Balmer, 2001; Balmer, 2011; Gyrð-Jones et al., 2013). This challenge involves maintaining both the “allure and magic” of a corporate brand and its relevance in contemporary settings (Balmer et al., 2006; Merrillees & Miller, 2008). Corporate heritage brands are valued for their ability to develop new meanings

over time while partly preserving their original characteristics. Connecting brand heritage with cultural heritage through a sense of continuity and communal traditions can either strengthen or undermine (Mencarelli et al., 2020) the emotional and symbolic quality of consumer-brand relationships (Balmer & Chen, 2017; Hakala et al., 2011; Sammour et al., 2020). For instance, Chanel, Chaumet, and Dior have reinforced their status through the sacralization of their heritage stores (Dion & Borraz, 2015). In the jewelry sector, Tiffany & Co. illustrates this concept: in 1956, design director Van Day Treux modernized the brand's history by introducing French vermeil porcelain, which was initially a "great favorite with the French Nobility" when Tiffany first introduced it in 1845. This revival attracted "endless news stories" that re-authenticated the brand's royal past (Cooper et al., 2015; Purtell, 1971, p. 212). Another example is Carl Lagerfeld's reinterpretations of Chanel's designs, which rejuvenated the brand's timeless appeal (Davies, 2001). Lagerfeld's approach, influenced by German writer Goethe's idea to "make a better future by developing elements from the past" (Menkes, 2010), underscores the importance of heritage in contemporary luxury brand management.

2.9.1 Managing the paradox

Within the literature on managing the luxury brand heritage paradox, two key concepts stand out: managing the authentic core and maintaining relevance, particularly through design innovation. Branding literature emphasizes the importance of the core as a central feature of corporate heritage brands (Beverland, 2005; Cooper et al., 2015; Urde & Koch, 2014), linking brand essence to authenticity and brand heritage (Beverland, 2005; Cheah et al., 2016; Napoli et al., 2016). Various terms have been used to describe the core and defining elements of corporate identity, including brand mantra (Keller, 1999), aura (Alexander, 2009; Dion & Arnould, 2011), and brand essence (Balmer et al., 2009; Cooper et al., 2015; Merrilees & Miller, 2008). Urde (2016) incorporates the notion of essence into the concept of the core, which encompasses brand vision, organizational values, and brand promise or covenant—elements consistent across corporate branding (Balmer, 2001; 2009; Balmer et al., 2006; Harris & de Chernatony, 2001) and luxury literature (Cooper et al., 2015). To preserve a brand's authenticity, leaders must carefully manage the corporate brand's core values (Balmer et al., 2009; Urde, 2003), which are

fundamental to a luxury corporate heritage brand's essence (Cooper et al., 2015). These core values ensure the constancy of the brand's promise while allowing for adaptation in interpretation and expression, which can help maintain relevance. Balancing an authentic core with changes in peripheral brand elements is crucial for resolving the corporate heritage brand paradox in the context of luxury brands.

Design innovation is a strategic approach in brand renewal and revitalization (Cooper et al., 2015; Dion & Mazzalovo, 2016), providing an effective means to balance commercial and artistic tensions, especially in luxury heritage brands. Corporate heritage brands can use innovation to address emerging consumer needs (Byrom & Lehman, 2009; Cooper et al., 2015; Urde et al., 2007), which can manifest in various forms such as creative production methods, packaging, delivery of goods and experiences, new communication strategies, and initiatives for cradle-to-cradle sustainability—an increasingly important area in the luxury sector (Chandon et al., 2016; Gustafson & Heine, 2018). Dion and Arnould (2011) suggest that the charismatic aura of the creative director and a retail strategy reflecting their beauty ideology can balance the imperatives of broader distribution (relevance) and exclusivity. Cooper et al. (2015) highlight that Tiffany's design director's vision was crucial to restoring the brand's prestigious status. Thus, the creative charisma of the director may play a significant role in resolving brand paradoxes. Additionally, design serves as a means of communicating brand constancy while evolving the brand's style to engage contemporary stakeholders. Consequently, design innovation could help luxury corporate heritage brands avoid the risk of appearing outdated or timeworn, thereby reinforcing their innovative edge.

Let's take now into consideration an analysis of three corporate heritage brands operating in the context of our interest, specifically inside the Jewelry and Luxury hospitality industries (Paspaley, Percy Marks and Huka Lodge). The focus of these case studies is connected to resolve the tension between heritage and innovation inside the luxury domain. It has been taken into consideration 4 main criteria for their evaluation: the luxury status of the corporate brand, the firm longevity, benchmarks of qualification, the brand's positioning and value proposition based on its corporate heritage, as well as the availability of sufficient data for analysis (Beverland, 2005; Cooper et al., 2015; Urde & Koch, 2014). The findings coming from these case studies offer valuable insights regarding the tension/ paradox within luxury corporate heritage brands, particularly

concerning the protection and evolution of the authentic core and peripheral elements of a brand. One key guideline emerging from the study is that these types of brands exhibited a firm commitment to their brand identity and core values. They demonstrated not just consistency but constancy in maintaining their authentic core, making decisions with a strong adherence to the brand's core ideals. This approach helped in preserving the brand's essence and reinforcing its authenticity (Balmer et al., 2006; Urde, 2003).

This analysis highlighted the symbolic and paradoxical aspects of managing a luxury heritage brand. The authentic core (encompassing organizational values, brand essence, promise, vision, and heritage) was central to managing this tension. While articulating a brand's authentic core is important, an rigid focus on this core can potentially restrict its capacity for development (Balmer, 2001; Balmer et al., 2009; Cooper et al., 2015). A deep understanding of the authentic core can enhance the brand's ability to adapt and manage change.

Corporate heritage brands, like Huka Lodge, have adeptly used their brand heritage strategically. For instance, Huka Lodge integrates its heritage into its marketing collateral, emphasizing its iconic status since the 1930s to highlight its enduring appeal and historical significance (Cooper et al., 2015). Similarly, Paspaley's storytelling about its pioneering pearling heritage exemplifies how heritage can be leveraged to convey authenticity and emotional resonance (Purtell, 1971). The narrative about Grandfather Nick's dream and its impact underscores the value of heritage in shaping contemporary brand identity (Davies, 2001; Menkes, 2010). The cases suggest that while articulating the authentic core is essential, an overly rigid interpretation of it can hinder a brand's growth. Balancing heritage with innovation is crucial for maintaining relevance while preserving the brand's authentic identity (Byrom & Lehman, 2009; Chandon & Heine, 2016; Gustafsson & Heine, 2018).

The second guideline emphasizes that protecting and remaining true to the authentic core necessitates a focus on maintaining brand standards. For corporate heritage brands, staying true to their authentic core is crucial for managing the brand paradox. Diligent oversight of the brand's core values is central to preserving its integrity and authenticity. For instance, Percy Marks prioritizes brand authenticity by upholding the constancy of its core values. Although the brand values remain unchanged, the emphasis on certain values

may shift in response to evolving societal norms. As one leader noted, they do not "waver" from their central brand ideals because frequent changes could compromise the brand's relevance. Instead, foundational values like quality remain constant, with strategic changes aimed at advancing the brand's vision rather than undermining its core (Balmer et al., 2006; Urde & Koch, 2014).

The analysis revealed that brand standards apply universally to all aspects of a corporate heritage brand, including products, services, quality, communications, and visual identity. While some standards are implicit, governing brand conduct and values, others—particularly those related to quality—are stringent. The rigidity of these standards serves as a protective mechanism. As one leader explained, maintaining high standards is vital to the brand's authentic core, emphasizing that their current success is a direct result of not compromising on these standards (Cooper et al., 2015; Purtell, 1971).

All the case studies exhibited a willingness to embrace change through various strategic processes, such as market monitoring and research. Paspaley, in particular, approached change with optimism, viewing it as an opportunity to enhance the brand's legacy. According to one leader, "change can add to life, to the brand, and to its relevance. If you're not contemporary, you're dead." Embracing change is essential for relevance, which is crucial for managing the brand paradox. Leaders across the cases stressed the importance of relevance and strategic change. Paspaley excelled in balancing brand paradox through relevance, resisting industry trends that could compromise the brand's authentic essence, and opting for purposeful changes that maintained a sense of timelessness (Beverland, 2005; Urde, 2003).

Advancing the authentic core involves ongoing improvements to the brand's core and brand heritage. Leaders worked to enhance and refine the corporate heritage brand, with innovation playing a central role. Innovations that improved organizational intelligence, extended expertise, and enriched the brand story were particularly significant. Each generation of leadership must contribute powerfully to the brand's legacy, drawing on past lessons and reinterpreting their heritage to advance the brand. For example, Nicholas Paspaley Senior introduced Japanese culturing techniques to the South Seas in the 1950s to match the quality of natural pearls, demonstrating a strong commitment to innovation (Davies, 2001; Menkes, 2010).

The approach to innovation of Paspaley's encompassed different aspects, including pearl cultivation, organizational processes, consumer experience, and product design. In addition to this, innovation plays a crucial role inside the brand paradox management, helping to give to the brand's past a relevance inside the contemporary scenario. In particular, both Paspaley and Huka Lodge excelled in design innovation: the first one challenged the consumer expectations by reinterpreting past designs in a modern context. In a similar vein, Huka Lodge leveraged its unique design to celebrate its heritage and provide a luxurious experience. Reflecting its brand's heritage it incorporates a modern twist, enhancing both the brand's authentic heritage and the consumer's luxury experience (Chandon & Heine, 2016; Gustafsson & Heine, 2018).

To address the corporate heritage brand paradox, a three-part approach involving the management of brand change contributes to the existing literature on corporate heritage and luxury branding, offering practical guidelines for senior brand management. The approach encompasses: (1) remaining true to the authentic core, (2) innovating, and (3) embracing change to maintain relevance.

Firstly, staying true to an authentic core is essential for resolving the brand paradox, particularly within the luxury corporate heritage sector. Leaders of these brands prioritize preserving the authentic core, ensuring that all brand actions align with this core. Adhering to core brand values is crucial for maintaining brand authenticity (Burghausen & Balmer, 2014; Merrilees & Miller, 2008). Essentially, a brand's values and heritage act as silent moderators, safeguarding the essence of the brand. Core values and brand heritage are fundamental components of a luxury corporate heritage brand's authentic core. These core values guide brand strategies, providing consistency and anchoring change through brand heritage.

Secondly, innovation, especially in the form of design innovation, is critical to resolving the brand paradox. Innovation serves as a bridge between constancy and change by advancing brand heritage. Design innovation was particularly significant across all cases studied, highlighting its role in brand paradox management. Research underscores the need to maintain contemporary relevance and suggests that design innovation can be a key source of brand value (Beverland et al., 2015; Montana et al., 2007). The findings demonstrate that innovation is an effective tool in luxury corporate heritage brand

management, allowing brands to leverage their historical legacy while crafting a modern brand image.

Thirdly, embracing change to maintain relevance is a fundamental aspect of brand paradox management and is vital for the longevity of corporate heritage brands. Evidence indicates that relevance and strategic change are crucial. Leaders navigate brand management by crafting a relevant brand identity that resonates with contemporary stakeholders while remaining true to the brand's authentic essence. The findings suggest that corporate heritage brands that embrace change, rather than merely managing it, are more successful in maintaining relevance. The extent to which each brand embraces change varies, but a positive relationship between openness to change and effective brand paradox management is evident. Brands that more actively embrace change tend to resolve the brand paradox more successfully.

CHAPTER 3 - THE CASE OF BVLGARI: “AETERNA” COLLECTION BETWEEN HERITAGE & INNOVATION

3.1 Bvlgari’s History

“We are very reverent of the past, and while inspiration is a fantastic thing, you must translate both into something that works today and even tomorrow to be successful”
(N.Bulgari, 2008)

The global expansion and diversification of the Bvlgari brand into a luxury powerhouse, encompassing everything from jewelry and watches to accessories and fragrances, were significantly driven by its international success. This culminated in a network of boutiques and hotels located in prime shopping destinations worldwide (Kurtz, 2015). Bvlgari's jewelry collections, renowned for their blend of Italian excellence and contemporary style, reflect the brand's rich heritage (Gianini, 2017). The brand's remarkable journey is marked by a series of significant events:

In 1884, Sotirio Bulgari, a skilled Greek silversmith, opened his first jewelry store in Rome, marking the beginning of Bvlgari's storied history (Gianini, 2017). Sotirio's transition from the workshops of Paramythia to the vibrant streets of Rome exemplifies his entrepreneurial spirit and artistic prowess (Kurtz, 2015).

During its early years, Bvlgari was characterized by a pioneering approach to business and a multicultural vision. Sotirio aimed to craft a universal experience of Rome's grandeur, transcending traditional aesthetics. His Mediterranean-inspired silver creations and carefully selected antiques resonated with both tourists and locals, setting the stage for the brand's future success (Gianini, 2017).

Between 1895 and 1897, Sotirio expanded by opening stores in popular tourist destinations such as San Remo, Naples, Bellagio, and Sorrento, and ventured into luxury resorts by establishing boutiques in St. Moritz and other upscale locations (Kurtz, 2015).

In 1905, it has been constructed the magnificent store of Bvlgari in Via Dei Condotti in Rome, a strategic position that under the leadership of Sotirio's sons, Giorgio and Costantino, allowed to the boutique to expand its product offerings to include luxury

watches and fine jewelry, building upon the family's silversmithing legacy (Gianini, 2017).

The 1920 has been a crucial year for the brand, as Bvlgari's jewelry started to combine the geometric lines and stylized motifs of Art Deco with the elegance of platinum, reflecting global design and fashion trends. This era has been pivotal for the development of Bvlgari's distinctive style, which merge its silversmithing heritage with a modern design (Kurtz, 2015). The monochromatic stones and Art Deco influences created a unique aesthetic that laid the groundwork for the brand's success inside the jewelry industry (Gianini, 2017).

A significant milestone in Bvlgari's history occurred in the 1930s with the death of Sotirio in autumn 1932. His sons, Giorgio and Costantino, continued his legacy and oversaw a major renovation of the Via dei Condotti store. During this period, the iconic "BVLGARI" logo, featuring a distinctive "V" inspired by ancient Roman inscriptions, was introduced. This logo symbolizes the brand's unique identity and enduring connection to its Roman roots (Kurtz, 2015).

The 1930s also saw Bvlgari's workshop flourishing as a center of innovation, with geometric elements and "convertible" jewelry designs, such as necklaces with detachable elements and double clasps, becoming prominent. This period marked the emergence of distinctive Bvlgari style elements, including captivating light effects and harmonious proportions (Gianini, 2017).

World War II brought manufacturing restrictions and resource shortages, prompting Bvlgari to replace platinum and diamond creations with warm-toned yellow gold pieces. Despite the challenges, creativity thrived, leading to the exploration of new, nature-inspired forms (Kurtz, 2015).

In 1940 the iconic "Serpenti collection" has been introduced. The first Serpenti watches featured a geometric dial has been launched in 1948. In the same, also the spiral bracelet crafted using the Tubogas technique has been created. The technique utilized, symbolize the Bvlgari's pursuit of perfection, representing the postwar spirit of optimism and renewal (Gianini, 2017).

During 1950s, Bvlgari had a meaningful evolution, as it has embraced a Mediterranean aesthetic characterized by bold colours and rounded shapes. This period led to the introduction of the cabochon cut, a very important code inside the company, which enhanced the vibrant colours of gemstones. The association of the brand with important celebrities like Gina Lollobrigida and Anna Magnani strengthen its reputation as a luxury brand (Kurtz, 2015).

The 1960s brought the third generation of the Bulgari family (Gianni, Paolo, and Nicola) to cover leadership roles. During this vibrant Dolce Vita era, Bvlgari experienced a global success and became the favourite one among international celebrities. The creative fusion of ancient coins with modern jewelry design led to the birth of the renowned “Monete collection”, blending old and new to solidify Bvlgari's position as a leader in fine jewelry (Gianini, 2017).

The 1970s saw significant growth for Bvlgari, with new boutiques opening across Europe and the US. The introduction of modular jewelry, including the "sautoir" and diverse color palettes, reflected the era's artistic spirit and helped establish Bvlgari's innovative reputation (Kurtz, 2015).

In the 1980s, Bvlgari continued its global expansion, introducing modular jewelry and adaptable pieces for career-oriented women. The Parentesi collection, inspired by Roman roads, exemplified the brand's innovative spirit and achieved widespread success (Gianini, 2017).

The 1990s marked further diversification with silk and leather accessories, the launch of the first Bvlgari fragrance, and the iconic B.zero1 ring. This decade showcased Bvlgari's creativity and ability to adapt to changing markets while celebrating the brand's heritage and vision (Kurtz, 2015).

3.2 Heritage Archival Exhibitions

“Our future grows in our heritage “(B. Arnault,2019).

This year, as Bvlgari celebrates its 140th anniversary, the Maison's Historical Archive stands out as a valuable resource, documenting and conveying the brand's evolution.

Through exclusive exhibitions, high-profile events, and appearances on red carpets globally, the archive reflects Bvlgari's ongoing reinvention and reinterpretation, while maintaining a consistent connection to its core values throughout its history.

Several notable exhibitions have highlighted Bvlgari's legacy. In 2015, the Tokyo National Museum hosted "The Art of Bvlgari: 130 Years of Italian Masterpieces," showcasing over 250 pieces from various decades. This retrospective journey through Bvlgari's history emphasized the brand's innovation and stylistic evolution from the late 1800s, integrating sketches, photographs, and archival materials to present a compelling mix of celebrity, design, and craftsmanship. A special collection inspired by Japanese art further demonstrated the brand's global influence (Tokyo National Museum, 2015).

In 2016 has been created at Madrid's Thyssen-Bornemisza Museum, an exhibition called "Bvlgari y Roma", celebrating Bvlgari's long lasting inspiration coming from Rome's architectural splendour. The exhibition offered a visual exploration of the Rome's essence putting together over 150 pieces from the brand alongside artworks done by major European artists. In 2017 has been introduced the online viewing option, expanding the access to this journey through Bvlgari's history, showcasing the brand's Italian style and connection to Roman heritage (Thyssen-Bornemisza Museum, 2016).

In 2018, "Bvlgari. Tribute to Femininity" highlighted the Maison's alignment with evolving women's tastes, reflecting broader social and cultural shifts. The immersive exhibition displayed over 500 pieces from the late 19th century to the 1990s, underscoring Bvlgari's commitment to timeless, elegant jewelry with artistic value (Bvlgari, 2018).

In 2019 has been created two significant exhibitions. Firstly, the "serpenti" motif has been celebrated with "Serpentiform", to reimagine the 1940s with flexible bracelet-watches. This exhibition, held at various locations including Chengdu Museum, explored the motif's influence across design, fashion, photography, and decorative arts, showcasing exclusive pieces from the "Serpentiform" collection, where it can be seen the motif's evolution and its role in Bvlgari's ongoing innovation (Bvlgari, 2019). In the same year, a second exhibition has been created, called "Bulgari. The Story, The Dream," held in Rome between Castel Sant'Angelo and Palazzo Venezia. The exhibition highlighted the brand's signature circular designs, opulent forms and the exceptional craftsmanship. In addition to this, it has included haute couture dresses from Cecilia Matteucci Lavarini's

collection, illustrating the evolution of fashion trends alongside Bvlgari's historic pieces (Bvlgari, 2019).

In 2020, Bvlgari collaborated with Fondazione Torlonia for "The Torlonia Marbles: Collecting Masterpieces" at Villa Caffarelli, Rome. This exhibition showcased 92 restored masterpieces from the Torlonia Collection, adhering to modern restoration principles to preserve the original patina and historical context of ancient sculptures. The collaboration underscores Bvlgari's dedication to cultural heritage (Fondazione Torlonia, 2020).

In 2021, the Hangaram Design Museum in Seoul presented "Bvlgari Colors: A Journey Between Jewels and Art." This exhibition explored the creative use of color in modern art and jewelry. Featuring approximately 200 pieces from Bvlgari's Heritage Collection and private collections, the exhibition highlighted the brand's expertise in colored gemstones and its distinctive style from the 1930s to the present day (Hangaram Design Museum, 2021).

3.2.1 Brand DNA, identity & codes

The different exhibitions discussed above highlights Bvlgari's dedication to preserving its identity through a specialized heritage department. The commitment of Bvlgari to its tradition show the Maison's ability to distinguish itself by emphasizing its core values through exhibitions that vividly encapsulate its essence. To further understand the elements that define Bvlgari's unique "heritage" and tradition, let's examine several key aspects.

Firstly, very important inside the Bvlgari's history is the silver element, rooted in the tradition of silversmithing, as the Maison's founder (Sotirio Bulgari) has been trained in his family's silversmithing workshop in Paramythia, Greece, before establishing his own shop in Rome. His first creations, made of handcrafted silver, combined classical Greco-Roman elements with Byzantine influences and Middle Eastern motifs, reflecting the rich cultural diversity of the Mediterranean. They quickly gained acclaim among affluent English and American tourists (Bvlgari Historical Archive, 2023).

Sotirio's designs, often featured mythological themes and Greek cultural symbols and this eclectic blend of references became distinctive of Bvlgari's creative approach. The

introduction of high jewelry in the 1920s showcased this mastery of metals and different tastes, blending traditional craftsmanship with a contemporary design (Bvlgari Historical Archive, 2023).

Secondly, the vibrant use of jewels is another distinctive feature. In the mid-1950s, Bvlgari differentiated itself in high jewelry with a fusion of Italian elegance and traditional aesthetics, modernizing the industry with bold colors and balanced volumes. This approach contrasted with the more conservative Parisian styles, incorporating a wide palette of semi-precious stones like tourmalines and garnets. The cabochon cut, known for its smooth, rounded surfaces, became a Bvlgari signature, enhancing gemstone brilliance and color intensity (Bvlgari, 2023).

Thirdly, the city of Rome represents the Bvlgari's source of creativity, as the city's rich artistic heritage represent a blend between Western and Eastern influences, which have profoundly shaped the Maison's style. Rome's architectural grandeur and cultural fusion inspire Bvlgari's design principles, resulting in jewelry characterized by a mix of dynamic forms, textures, and volumes. The influence of the city is evident in Bvlgari's reinterpretations of classical elements, from cabochon-cut stones reflecting monumental domes to antique coins incorporating modern designs (Bvlgari, 2023).

In 1970 the Bvlgari's signature eclecticism flourished, reflecting the request of the new generation for escapism and exoticism. The era's spirit of curiosity and openness led to different inspirations, including motifs from Pop Art and Eastern cultures. Convertible jewelry, like for example sautoirs with interchangeable pendants, became popular, reflecting the vibrant creativity of the decade. This period showcased Bvlgari's ability to blend various influences, while maintaining the strong link with its Roman heritage (Bvlgari, 2023).

The pursuit of new materials is another core element of Bvlgari's identity. In the late 1970s, the Maison expanded its creative universe by integrating unconventional materials like steel, porcelain, silk, wood, and marble into its designs. This innovative approach balanced casual and formal elements, allowing for striking color contrasts and tactile appeal in both jewelry and watches (Bvlgari, 2023).

Since the year 1884, Bvlgari has embodied Italian innovation, continuously pushing boundaries in design. This spirit is exemplified by the Parentesi line introduced in the 1980s, which incorporate the modular jewelry concept. Iconic creations such as the Tubogas, Bvlgari Bvlgari, B.zero1, and Octo lines highlight Bvlgari's avant-garde approach to artistry and design (Bvlgari, 2023).

Finally, there is another important characteristic, that is the Bvlgari's celebration of nature, representing a testament of its artistic vision. In fact, the Maison draws inspiration from flowers, plants, and leaves, integrating their beauty in jewelry. Nature is a source of imagination rather than mere imitation, and it is informed into the design of pieces like the Giardinetto creations and Tremblant brooches. These floral-inspired designs, with their vibrant colors and intricate details, reflect Bvlgari's ongoing commitment to translating natural beauty into sophisticated jewelry pieces (Bvlgari, 2023).

The serpent, a symbol of Bvlgari design, has undergone various transformations while retaining its original essence. Since the debut of the Serpenti design in 1948, the serpent motif has evolved through intricate craftsmanship and creative reinterpretations. The Serpenti collection, featuring the Tubogas technique and subsequent iterations, embodies Bvlgari's ability to explore artistic possibilities while preserving the symbolic power of this iconic shape (Bvlgari, 2023).

3.3 Blending Heritage & Innovation

“When I am in Rome, I always visit Bvlgari because it is the most important museum of contemporary art “(Andy Warhol,1970).

The 2000s have been marked by significant creative energy for Bvlgari, showcasing the Bvlgari's strong commitment to excellence, innovation and social responsibility, while continuing to inspire captivating new creations (Bvlgari, 2024e). Moreover, the Bvlgari's bond with Rome was strengthened in the same years when the brand commissioned the renowned American architect Peter Marino to redesign the historical store in Via dei Condotti, demonstrating its commitment to preserving the city's artistic and historical legacy (Marino, 2008).

In the following year (2001), the Maison introduced the line called “Lvcea”: geometric designs in white gold and platinum highlighting the brilliance of diamonds and pearls, signifying a shift in jewelry design (Bvlgari, 2024c). The success of this collection was followed by the creation of innovative fragrance collections like Bvlgari Omnia and Bvlgari Pour Homme, alongside groundbreaking exhibitions and marketing campaigns (Bvlgari, 2024d).

At the dawn of the new millennium, Bvlgari embarked on a bold expansion beyond personal accessories into the realm of hospitality. The Maison’s inaugural hotel, the Bvlgari Hotel Milan, opened its doors in 2004, marking a significant milestone in its pursuit of luxury and excellence beyond jewelry (Bvlgari, 2024a). In 2006, Bvlgari extended its hospitality footprint with the opening of the Bvlgari Resort Bali, dramatically perched 150 meters above the Indian Ocean, further underscoring its commitment to redefining luxury (Bvlgari, 2024b).

Bvlgari has also strengthened its commitment to social responsibility in 2009, creating a distinctive silver ring supporting the “Save the Future” campaign in partnership with Save the Children. This initiative had the objective of helping disadvantaged children and youth through education, reflecting the brand's commitment to both beauty and social impact (Save the Children, 2009).

During the following year, Bvlgari’s path has been characterized by a deeper connection to its heritage along with a bold innovation. In 2012, the company launched the “Octo finissimo ultra” watch, a design masterpiece that redefined traditional watchmaking standards with its unique octagonal shape, representing the Bvlgari's Roman roots and the perfect bond with classical architecture (Bvlgari, 2012). The year 2014 marked a significant milestone with the celebration of the Maison’s 130th anniversary (Bvlgari, 2014).

In 2017, Bvlgari continued to expand its influence, opening Europe’s largest jewelry manufacturing facility in Valenza and partnering with the Torlonia Foundation to support the restoration of Greco-Roman marbles from the world’s most significant private collection, the Torlonia Collection. The same year, Bvlgari also launched the MAXXI Bvlgari Prize in collaboration with Rome's MAXXI Museum to recognize emerging artists (Torlonia Foundation, 2017; MAXXI Museum, 2017). The Bvlgari hotels and

resorts initiative continued to thrive, with new properties opening in Shanghai, Beijing, Dubai, and London (Bvlgari, 2017).

From 2020 onwards, Bvlgari's narrative continues to intertwine innovation with heritage. In 2021, the brand was the official "Platinum Sponsor" of the Italian Pavilion at Expo 2020 Dubai, where the "Art of Craft" exhibition celebrated Bvlgari's creative legacy and the excellence of Made in Italy craftsmanship. Additionally, a new Bvlgari Hotel opened on Paris's prestigious Avenue George V (Expo 2020 Dubai, 2021).

To continue with a retrospective of the amazing exhibitions of the Maison, the "Mediterranea" high jewelry collection has been launched in 2022, representing the Bvlgari's ability of blending different cultures and eras (from Southern Italy and Venice to Byzantium and beyond). The Mediterranean is a region that embodies the Bvlgari's history and evolution within the jewelry world, and consequently this collection is a tribute to this (Bvlgari, 2022).

Last year (2023), Bvlgari celebrated the 75th anniversary of the iconic Serpenti collection with a series of global events, emphasizing its commitment to innovation and its avant-garde design approach. During the same year, it has been opened also new branches in Tokyo, near the Imperial Palace Garden and in Rome's Piazza Augusto Imperatore, reinforcing the Maison's connection to Rome and the commitment of the company to preserve the city's cultural heritage. (Bvlgari, 2023; Rome City Council, 2023).

3.3.1 The Innovative Vision

Many successful luxury brands are looking towards the future, embracing innovative strategies and incorporating them across different levels of their organizations. But what does innovation truly mean for an heritage brand like Bvlgari? With over 135 years of bold and groundbreaking actions and strategies, Bvlgari has established itself as an innovative brand inside the luxury world. Even if consumers often associate the Maison with its rich Italian heritage and deep-rooted traditions, it continuously draws from its core values of Italian excellence to push boundaries and redefine the luxury scenario, expanding its creative vision while shaping the future of the industry (Bvlgari, 2024e).

Inside the Bvlgari's digital factory department, the digital transformation team of the brand is developing an innovative ecosystem to improve the internal operations across all the departments. Bvlgari's objective is continually redefine the customer experience, exploring cutting edge technologies, partnering with universities and startups. Bvlgari has embraced digitalization, leveraging opportunities in Web 3.0 and the Metaverse. An example of that is VivaTech (2022), under the guidance CEO Jean-Christophe Babin, the Maison announced its entrance inside the digital world (specifically in the Metaverse dimension), for instance launching an exclusive virtual world on the South Korean social media platform Zepeto (Babin, 2022; Bvlgari, 2022). The Bvlgari Metaverse offers a fully immersive experience that reflects the brand's forward-thinking vision, brought to life through advanced technology. Rooted in Bvlgari's core values of boldness and excellence, the virtual world invites visitors into a beautifully illuminated metaphysical Rome. In recent years, many successful luxury brands have established a presence in prominent metaverse platforms like Zepeto, Roblox, The Sandbox, and Decentraland. These brands, including Gucci, Prada, Dolce & Gabbana, Chanel, Celine, Louis Vuitton, Adidas, Nike, Burberry, Moschino, and Balenciaga, have utilized NFTs and blockchain technology to enhance their digital footprint. Their initiatives range from the creation of digital assets, such as clothes, jewelry, and collectibles, to offering new experiences through virtual and augmented reality (AR/VR) (Babin, 2022; Bvlgari, 2022; Gucci, 2022; Louis Vuitton, 2021).

As strong advocates of digital transformation, Bvlgari's digital transformation team is dedicated to identifying and implementing new tools and digital processes to improve operational efficiency. They utilize a range of advanced technologies, including automation solutions, data analytics, and cloud computing, to drive innovation and enhance overall organizational performance. Bvlgari's innovative strategy aims to remain at the forefront by adopting a holistic approach that engages all departments within the company. This vision strives to preserve the brand's rich legacy and heritage while seamlessly integrating it with cutting-edge innovations (Bvlgari, 2024; Babin, 2022).

It will be provide a concrete example of what Innovation means for the brand. In a pioneering blend of Tradition and Innovation, Bvlgari has unveiled its inaugural High Jewelry NFT capsule collection (Bvlgari, 2023). This collection marks a significant departure from traditional artisanal methods, integrating state-of-the-art technology with

digital craftsmanship (Bulgari, 2023). The new creations not only push the boundaries of conventional techniques but also represent a fusion of cutting-edge innovation and artistry.

The Octo Finissimo Ultra, introduced in 2022, exemplifies this fusion by bridging the physical and digital realms. It features an exclusive NFT artwork accessible via a QR code engraved on the watch, ushering in a new era where the timepiece extends beyond its physical form (Bulgari, 2022). This innovative approach transforms the watch into a global ecosystem, supported by a dedicated digital universe. The NFT artwork encapsulates Bulgari's enduring legacy in achieving ultimate thinness and showcases the creative journey that led to the creation of the Octo Finissimo Ultra, the world's thinnest mechanical watch at just 1.8 mm in width (Bulgari, 2022).

The example provided shows how important it is for the brand to uphold its tradition, but also to be perceived as innovative by its target audience. For a brand such as Bulgari to continue to be perceived as an Italian excellence that is true to its past and to the values of its founder and origins is as important as moving in an innovative direction. In the following paragraphs, the brand's new Aeterna collection (2024) will be introduced, demonstrating how much the brand keeps faith with its values and its archival heritage, maintaining excellence and quality handed down over the years, while attempting to position itself in an innovative scenario, through an attractive and modern design aesthetic, and a search for materials that are increasingly avant-garde.

3.4 A perpetual renewal: Bulgari's "Aeterna" high jewelry collection, "Eternally Reborn"

The objective of this thesis project is to analyze the perception of Bulgari's latest high jewelry collection called "Aeterna, Eternally Reborn," reflecting the brand's ongoing reinterpretation of its deep-rooted traditions. This line exemplifies Bulgari's ability to bring its tradition (heritage) inside the contemporary context while embracing innovation.

This chapter aims to present with a brief introduction, some of the key pieces of "Aeterna", subsequently analyzing the consumer perception, to explore in detail the above discussed paradox and tension between continuity and change, exemplificative

inside this collection. "Aeterna", launched in May 2024, represents the celebration of Bvlgari's 140 years of innovation and mastery in high jewelry (Bvlgari, 2024). The collection draws inspiration from Rome's eternal beauty, representing a journey through the Maison's evolution of its creativity and distinctive style (Bvlgari, 2024). The choice of this analysis come from the interest aroused reading the history of Bvlgari, since the brand represents a legacy through its collection pieces, but looking at his past with an innovative vision, integrating it inside its present and consequently adopting changes and reinterpreting the past.

Growing the innovation and digital transformation department year after year, Bvlgari aims to lead in the innovative scenario while preserving its heritage, integrating these elements into the modern world and embracing future opportunities (Bvlgari, 2024). The name "Aeterna," came from Latin, evoking a sense of historical depth and bond to the brand's origins deeply rooted in Rome, the city from which the Maison has been inspired (Bvlgari, 2024). This can be seen by reading the following sentence: "Rome is the eternal city, defined by perpetual evolution, a place where echoes of past, present, and future vibrate to the same frequency" (Bvlgari, 2024) encapsulating the brand's vision for the future. The collection not only honours the past but also represents a rebirth, an evolution of the Bvlgari's legacy, emphasizing the brand's commitment to celebrate and renew its heritage, while also marking "a new chapter in Bvlgari's legacy of perpetual renewal" (Bvlgari, 2024).

3.4.1 An insight into the collection

“Emblematic of the pioneering creativity of Bvlgari's master craftsmen, the Aeterna fine jewelry collection projects a long tradition of craftsmanship excellence into contemporary reality. From the original sketch to the realization of the final masterpiece, each creation is the result of ingenious hands transforming the most extraordinary materials and gems into works of art” (Bvlgari, 2024).

The following sub-chapter aims to illustrate in detail the high jewelry pieces belonging to the collection. They embody the main characteristics of Bvlgari: its exceptional craftsmanship and design along with a timeless savoir-faire that bridges history and modernity. To be specific, the collection reflects Bvlgari's commitment to preserve its

heritage while adapting it to contemporary contexts, emphasizing how tradition can be reinterpreted through modern design (Bulgari, 2024).

- *BULGARI LOTUS CABOCHON:*



Figure 3. Necklace Bulgari Lotus Cabochon (Bulgari, 2024)

The Bulgari Lotus Cabochon necklace, with its vibrant cabochon gems and bold geometric shapes, evokes a symbol of eternal rebirth. This necklace, featuring an avant-garde design inspired by the inherent elegance of Haute Couture, showcases expertly set gemstones in a refined composition that blends tradition and innovation, vitality, and joyful energy. It exemplifies Bulgari's passion for color, irrepressible energy, and the sartorial elegance of jewelry reminiscent of the Maison's iconic Heritage creations, revealing an inexhaustible creative force. This jewel, with its daring style and exuberant vitality, symbolizes the Maison's joie de vivre. Furthermore, a 'sublime harmony' is achieved through Bulgari's 'matting' technique, where each stone is nestled within architectural griffe-like elements. The creation, both solid and supple, combines a variety of cabochon gems, round diamonds, and a delicate diamond pavé in a perfectly symmetrical design (Bulgari, 2024).

- *AETERNA SERPENTI:*



Figure 4. Necklace Aeterna Serpenti (Bvlgari, 2024)

Born from a 200-carat stone, the 'Aeterna Serpenti' necklace represents a testament of the Bvlgari's 140-year journey, the pursuit of perfection which want to showcase the meticulous craftsmanship of Bvlgari artisans. This piece is iconic and pays an homage to the rich heritage of the Maison, embodying the essence and the splendour of Rome. With its 'ethereal embrace,' it perfectly balanced proportions, ensuring a lot of elegance. It represents a true masterpiece: each section is connected through a hidden joint system, allowing it to be extremely comfortable in surrounding the neck. Furthermore, it represents savoir-faire and dedication, the passion for craftsmanship through generations: starting with a single block of wax, a skilled artisan sculpted and shaped the necklace's 18 elements, then gently curved them with a flame to imbue the entire piece with grace (Bvlgari, 2024).

- *SAPPHIRE BROCADE*

Figure 5. Necklace Sapphire Brocade (Bvlgari, 2024)

The 'Sapphire Brocade' necklace transforms the opulent fabrics of Roman palaces into a high jewelry creation, paying homage to a timeless ideal of beauty in the roman art spirit. Evoking the luxurious textures of their decorations through diamonds and precious stones, this piece shows a sophisticated tapestry of light and color with Bvlgari's signature

elegance. The necklace embodies the meticulous craftsmanship of Bvlgari's artisans, who have carefully arranged each gemstone to mimic the intricate patterns of a precious brocade. The interplay of light and color reflects 140 years of artistry and creativity. Instead, the design prioritizes fluidity, allowing light to pass through and reveal the perfection of every detail (Bvlgari, 2024). Each gemstone evokes craftsmanship that transcends generations: like the legacy of Rome continues nowadays, the elegance of this creation is destined to last (Bvlgari, 2024).

- *AUREA CHANDRA*



Figure 6. Necklace Aurea Chandra (Bvlgari, 2024)

The 'Aurea Chandra' necklace exemplifies what "infinite creativity" means. Alternating pink gold and diamond-paved spheres, the collection evokes a sense of lightness and joy (Bvlgari, 2024). It has been done meticulous research by master goldsmiths, which have sculpted each sphere from wax, reaching an harmonious balance of volume and creating a dense light structure. In this necklace are present some invisible connecting elements between the spheres, ensuring their seamless movement (Bvlgari, 2024).

- *TERRA MATER SERPENTI*



Figure 6. Necklace Terra Mater Serpenti (Bvlgari, 2024)

The necklace “*Terra Mater Serpenti*”, pays homage to the beauty of nature and to human ingenuity. Here, an exceptional gemstone meets the iconic tubular design and this is represented by a magnificent serpent which embraces a precious green Colombian emerald. (Bvlgari, 2024). It represents a sacred ode rooted in Bvlgari's roman tradition and its timeless artistic legacy. (Bvlgari, 2024). *Terra Mater* incorporates the roman heritage by representing the ancient Roman Earth goddess, it speaks about it (Bvlgari, 2024). As a source of inspiration and experimentation, it merges the transformative power of Serpenti together with the richness of earth, symbolizing the metamorphosis of natural treasures into works of art (Bvlgari, 2024).

- *SERPENTI SAPPHIRE ECHO*



Figure 7. Serpenti Sapphire Echo (Bvlgari, 2024)

The *Serpenti Sapphire Echo* necklace embodies the "art of metamorphosis," showcasing a reinterpretation of tradition (Bvlgari, 2024). The jewel's transformative power is evident in its two teardrop-shaped sapphires, which can be detached from the necklace and worn as earrings, offering a unique charm and remarkable versatility (Bvlgari, 2024). The necklace symbolizes perpetual growth and change, a testament to innovative craftsmanship (Luxury Society, 2024). Meticulously crafted, the jewel's surprising transformation is achieved through an invisible touch of artistry. It stands as a timeless masterpiece, blending engineering, passion, and creativity (Bvlgari Press Release, 2024).

- *EARTH SONG*



Figure 8. Necklace Earth Song (Bvlgari, 2024)

The *Earth Song* necklace, with its exuberant design, represents Bvlgari's celebration of nature and its hidden gems (Bvlgari, 2024). These earthly treasures are transformed into jewels of everlasting beauty, exemplifying Bvlgari's mastery in sourcing and crafting precious stones (Luxury Society, 2024). The artisans' skill is showcased in the composition of exceptional carat stones and the harmonious balance of spaces within the three gem-studded circles (Bvlgari Press Release, 2024). By leaving deliberate gaps between the stones, the necklace drapes gracefully around the neck, allowing light to filter through and amplify the brilliance of each gem (Bvlgari, 2024).

- *AUGUSTUS AETERNUS EMERALD MONETE*



Figure 9. Necklace Augustus Aeternus Emerald Monete (Bulgari, 2024)

Lastly, the *Sautoir Augustus Aeternus Emerald Monete* necklace powerfully expresses the brand's deep connection to its Roman roots, reawakening the splendor of antiquity in a precious tribute to Rome's enduring beauty (Bulgari, 2024). The *Monete* collections, featuring fragments of history, serve as a sublime testament to Bulgari's Roman heritage (Luxury Society, 2023). These magnificent artifacts transcend time, narrating stories that enhance the elegance of each piece (Vogue, 2024). This high jewelry masterpiece, adorned with a rare bronze coin, stands as a witness to the glorious grandeur of the past. Embodying imperial majesty and timeless elegance, the necklace is embellished with emerald pearls and pavé diamonds (Bulgari Press Release, 2024).

CHAPTER 4 - MATERIALS AND METHODS: A CONSUMER PERCEPTION ANALYSIS OF “AETERNA” COLLECTION

4.1 Research objectives

The chapters above treated about a literature review and an examination concerning the complexity that results in managing the tension between heritage (tradition) and innovation inside corporate heritage brands. The continuity of tradition along with a sight into the future and modernity has been discussed inside mass-market fast-moving consumer goods brands. This discussion will be particularly addressed focusing on the area of interest of this thesis, that is the luxury sector.

In regards of that, the second chapter follows a literature review which regards specifically luxury brands, as this paradox has been investigated specifically inside these types of companies, requiring the adoption and integration of luxury brand management and luxury marketing approaches.

Then, through a deep retrospective of the Bvlgari brand archival exhibitions, it has been seen how heritage (tradition), the DNA along with the strong identity, result essential for this company. These features represent a key valuable resource for the Maison, a distinctive factor that can therefore be competitive in the present, and strategical in view of the company's future vision, as every brand must face evolutions, and it needs to survive dealing with changes that occur within the sector in which it operates. Keeping up with innovation is important, but history and roots of each brand can also arouse a sort of attachment by consumers to luxury brands, a deep emotional connection, driving them to want to return to purchase specifically one type of brand rather than another, consequently expressing a preference for a particular company. Every brand should, for these reasons, take the heritage asset into account as a competitive and leveraging factor with respect to competitors operating inside the same sector, because it could be also decisive in influencing consumers' purchasing decisions in the present and in the future.

Therefore, isn't tradition (heritage), a valuable resource to be preserved for the company's future activities? Innovation represents only the step which follows the awareness that a brand DNA and heritage are values to be preserved and carried forward over time. For

these reasons, it can be pursued by knowing its own roots and carrying them forward over time. Is it or not also a positive factor of trustworthiness for consumers that associate the brand with their purchasing intentions? Does the reinterpretation of tradition, as in this specific context of the Bvlgari's "Aeterna" collection, come at the expense of the brand's authenticity or it could result a lever and a positive factor? Does it a damage or does it improve the brand in terms of innovative strategies?

As mentioned above, the aim of this thesis is, therefore, understanding how a luxury brand, such as Bvlgari, navigates the paradox between the continuity of its roots and identity and change, how it approaches transformations while trying to maintain its DNA and its core traits, remaining faithful to tradition (heritage), yet keeping up with modernity. Furthermore, in this context it is planned to analyse, as it has been said above, the consumer perceptions regarding this balance, by concretely examining and discussing about Bvlgari, asking to frequent luxury and non-frequent luxury consumers specific questions concerning their perception about "Aeterna" collection.

How do customers perceive the balance of tradition and innovation inside "Aeterna"? How does "Aeterna" compare to Bvlgari's previous collections in terms of brand strength, authenticity, and overall brand image? Which is the impact that "Aeterna" necklaces have on customer loyalty and purchasing intentions?

4.2 Methodology: the "Aeterna Collection" Questionnaire

This section examines the research method used to pursue the thesis objectives. The following research analysis it's based on a quantitative analysis using a structured questionnaire, which has been intitled "Aeterna Collection Questionnaire".

The following high jewellery collection of Bvlgari has been taken into consideration and consequently examined as it testifies perfectly a continuous reinterpretation of the roots and history of the brand, while continuing to grow in its innovative vision. As previously illustrated, the case study represents "a tribute to Bvlgari's 140-year-long vocation to perpetual reinvention", by witnessing a certain consistency of the brand in terms of its history, codes & DNA and traditional values over time. The brand identity of the Maison is very strong: the romanity from which it took its inspiration, the colourful gemstones and the snake motif, represent the pillars of the brand, which are continually reinterpreted

through amazing contemporary collections to remain competitive inside the jewelry market. The most important thing is to stay faithful to tradition, which will always be part of the brand and that will always continue to be present through a reinterpretation inside the innovative scenario. In fact, the aim of the brand, is being able to keep its strong heritage alive, communicating it even in modern times, without forgetting the values that the founder Sotirio Bvlgari would probably have wanted to transmit even in today's present and in function of the future, while at the same time remaining competitive in the jewelry market.

To pursue the objectives outlined above, it has been utilized a non-probabilistic sampling method. First, the questions of the questionnaire have been sent to a sample of students enrolled in a master's programme in Luxury Management. Subsequently, data collection has been also extended to individuals interested in the luxury sector in general and in luxury brands in particular. This decision allows for a broad and heterogeneous analysis, not only considering a sample of individuals who frequently purchase luxury goods, but also including people who are interested in these kinds of brands and who do not usually consume luxury goods, but who are fascinated and interested in them,

4.2.1 Structure & Data collection

A discussion regarding the structure of the questionnaire is needed. It has been divided into three main sections:

- 1) Starting with a first section entitled "Demographics & Customer Profile", some general information has been requested to individuals in order to segment the sample: income level, current occupation and frequency of purchase of luxury brands.

- 2) The first section is followed by a second section entitled "Bvlgari Brand Perception", in which through the introduction of the brand's most important and recognizable identity codes, the consumer is asked to answer a very specific question to measure how the individual knows the brand, and therefore the general perception of the Maison.

- 3) Finally, the third and last section was entitled “The Aeterna Collection Perception”. The aim was to examine more specifically the brand perception of Bvlgari's most recent high jewellery collection (2024), measuring the level of knowledge and familiarity with the Maison, to also find out if they were aware of the new line collection launch. The criteria utilized aimed to understand the balance between heritage and innovation, measuring the perception of brand authenticity, brand strength and consumers purchasing intentions.

4.2.2 Segmentation

Before discussing the main findings from the data collection, the responses to the questionnaire reveal a distinction between different consumer segments. It is possible to group them into three main clusters:

- 1) Frequent luxury brands buyers: customers with a high frequency of purchase of luxury brands. That know about the collection
- 2) Frequent luxury brands buyers, but who don't know the “Aeterna” collection: customers with a low frequency of purchase of luxury brands.
- 3) Non-frequent luxury brand buyers, who are interested in luxury: customers with a low frequency of luxury purchases, but interested in luxury and consequently with the associated assumption that they know the new “Aeterna” collection launch.

Before analyzing the data gathered and drawing reflections and conclusions, it is relevant to make a distinction between these kinds of clusters of customers considered. This is because, individuals who frequently purchase luxury goods and who often experience them, can have a different perception of Bvlgari and in particular of “Aeterna” collection with respect to individuals who purchase luxury brands, but who have a low knowledge about Bvlgari and the launch of its new collection. Moreover, it could be relevant taking into consideration people who not regularly consume luxury brands, but who are interested in luxury and therefore could be familiar with the launch of the new collections like “Aeterna”, as they could be updated on the novelties of the luxury brands performances.

For these reasons, data will be analyzed in this sense, starting from the consideration of the brand awareness level and the “Aeterna” collection knowledge level.

4.3 Data collection & Interpretation of findings

Which are the differences between the selected group of customers, based on their knowledge of the brand and based on the knowledge of the “Aeterna” new collection? Which are the answers of the respondents based on the fact that they are frequent or non-frequent luxury buyers? And what did people who are not regular luxury consumers but who are interested in the sector respond?

In general, taking into consideration the clusters of our interest, to the question (“are you a frequent buyer of luxury brands?”), 79 individuals (38%) answered YES. On the contrary, to the question (“are you a non-frequent buyer of luxury brands?”), 129 (62%) individuals who answered NO.

These are the percentages of people who answered to the question regarding the knowledge about the launch of “Aeterna”: 44% of them answered YES and 56% of them answered NO (Figure 9).

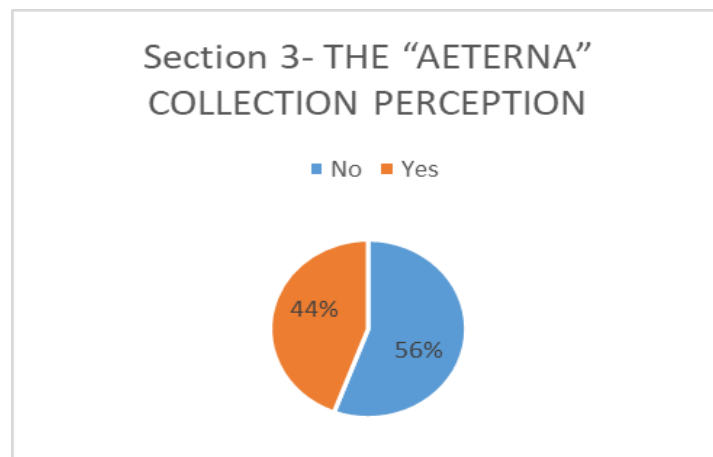


Figure 9. Knowledge about “Aeterna” new collection launch

4.3.1 Frequent luxury Buyers

Taking into consideration the first cluster of our interest, it is composed by customers who regularly purchase luxury brands, and it is assumed that they own a good knowledge of the Bvlgari brand, and consequently of the new collection launch. On the total, data showed that they are 35.

First of all, considering individuals who answered YES (44%) also regarding the knowledge of “Aeterna”, the data collected are the following:

Q9: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the key features (Design, Materials and Craftsmanship) of the first necklace of Bvlgari’s new collection proposed for the consumer perception analysis, these are the data gathered:

- Design feature: the 29% answered 3, the 37% answered 4 and the 34% answered 5 (Figure 10).

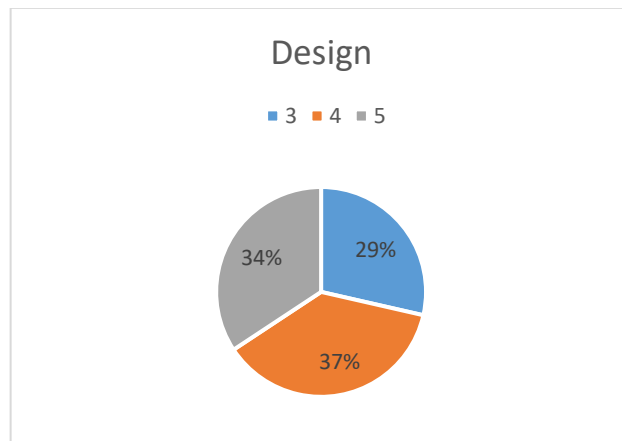


Figure 10. Design feature results

- Materials feature: the 3% answered 2, the 26% answered 3, the 14% answered 4, the 57% answered 5 (Figure 11).

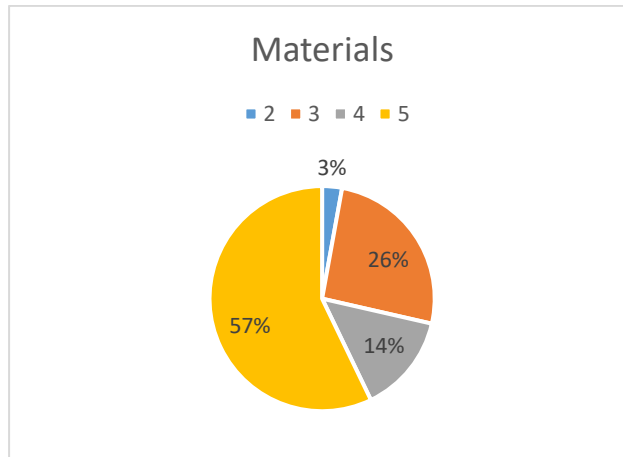


Figure 11. Materials feature results

- Craftmanship feature: the 20% answered 3, the 29% answered 4, the 51% answered 5 (Figure 12).

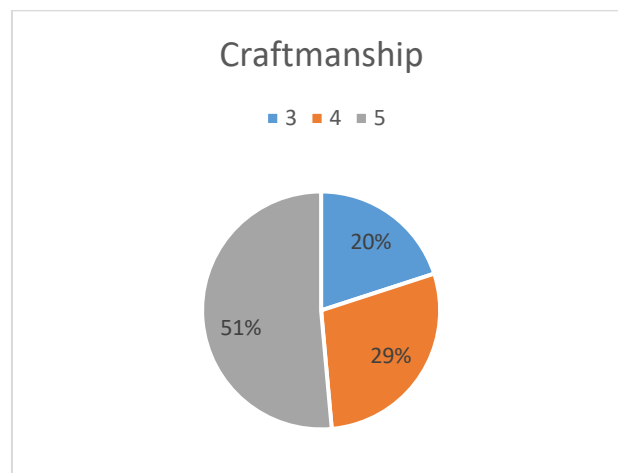


Figure 12. Craftmanship feature results

Let's consider now the second necklace's consumer perception.

Q10: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the features (design, materials and craftsmanship) of the second necklace of Bvlgari's new collection proposed for the perception analysis.

- Design feature: the 11% answered 2, the 26% answered 3, the 23% answered 4, the 40% answered 5 (Figure 14) .

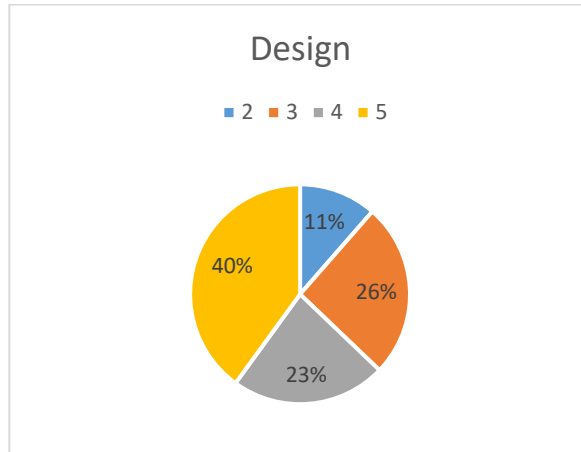


Figure 14. Design feature: second necklace results

- Materials feature: the 3% answered 2, the 23% answered 3, the 28% answered 4, the 46% answered 5 (Figure 15).

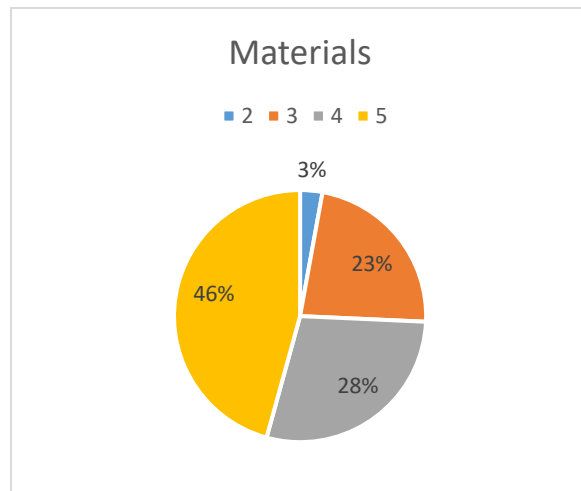


Figure 14. Materials feature: second necklace results.

- Craftmanship feature: the 3% answered 1, the 3% answered 2, the 20% answered 3, the 31% answered 4, the 43% answered 5 (Figure 16).

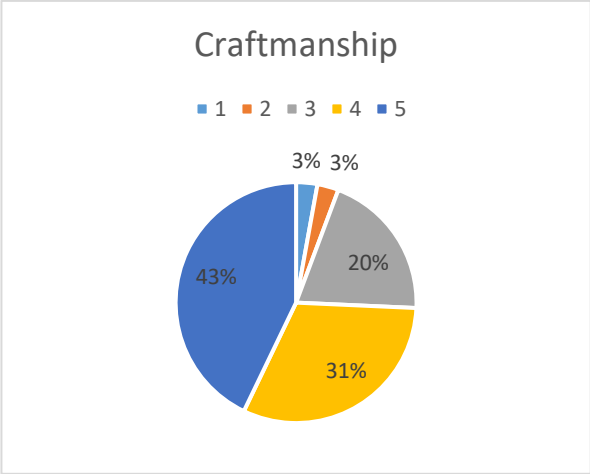


Figure 16. Craftmanship feature: second necklace results

Let's take now delve into the Q12, to understand how frequent luxury buyers (who already know "Aeterna") perceive it in terms of reinterpretation of the brand codes, therefore how they perceive the ability of the brand to reinterpret its tradition balancing innovation (Figure 17).

Q12: How do you rate Bvlgari's ability to reinterpret while preserving tradition in the 'Aeterna' collection? Please express an opinion from 1 to 5.

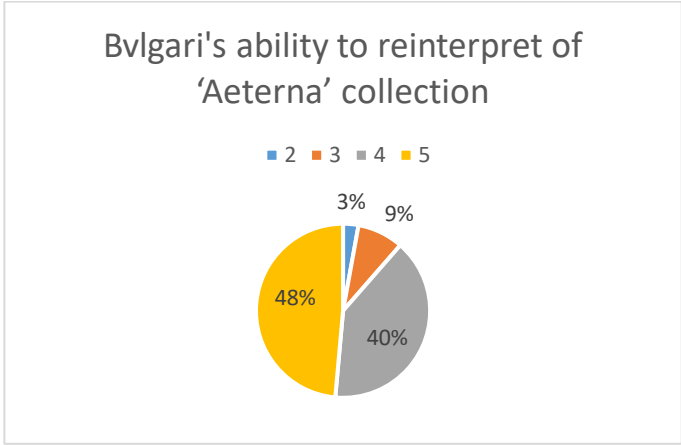


Figure 17. Bvlgari ability to reinterpret tradition balancing innovation

Lastly, taking into account what has been asked through the questionnaire, it has been asked to respondent if they prefer to buy an archival piece of a piece of the new "Aeterna" collection (Figure 18). Therefore, the question was the following:

Q13: Taking into account what was asked in the questionnaire, would you prefer to buy:

- 1) An archival piece.
- 2) A piece of this collection.

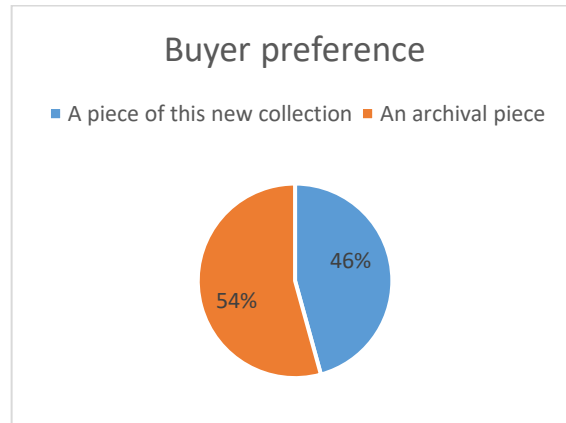


Figure 18. Frequent luxury buyers preferences in terms of tradition or innovation

As we can see from the graph, the 54% would prefer to buy an archival piece and the 46% would prefer to purchase a piece of “Aeterna” new collection.

4.3.2 Frequent Luxury Buyers, but who don’t know “Aeterna”

Let’s give a look on the answers of the second clusters of customers of our interest, that regards the frequent luxury buyers, but who don’t know “Aeterna”. It has been taken into consideration here the group of customers who regularly buy luxury goods , but who are not already familiar with the collection (44 people).

Secondly, for this group of customers, the data collected are the following:

Q9: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the features (design, materials and craftsmanship) of the first necklace of Bvlgari’s new collection proposed for the perception analysis.

- Design feature: the 7% answered 1, the 11% answered 2, the 30% answered 3, the 41% answered 4, the 11% answered 5 (Figure 19).

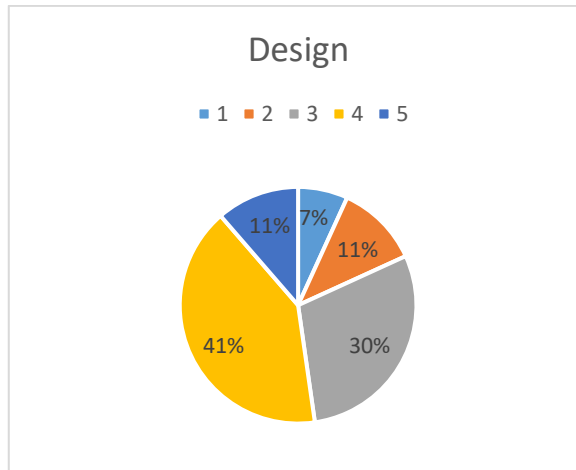


Figure 19. Design feature results

- Materials feature: the 2 % answered 1, the 9% answered 2, the 25% answered 3, the 30% answered 4, the 34% answered 5 (Figure 20).

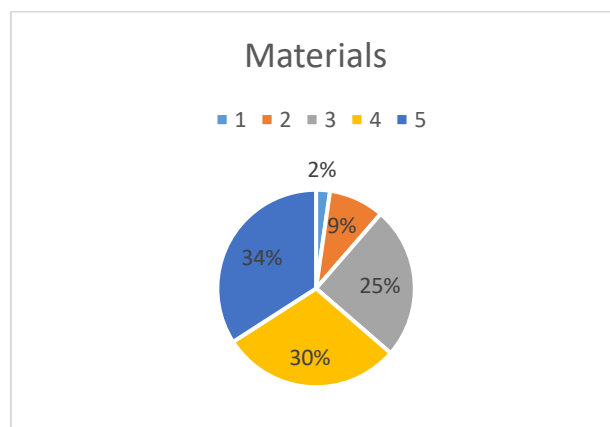


Figure 20. Materials feature results

- Craftmanship feature: the 2% answered 1, the 9% answered 2, the 18% answered 3, the 25% answered 4, the 46% answered 5 (Figure 21).

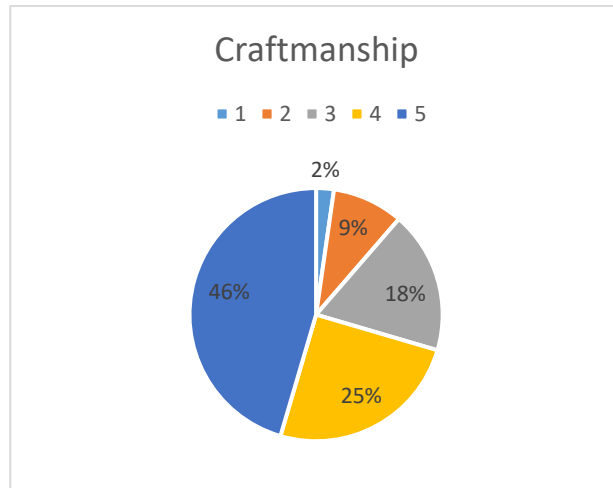


Figure 21. Craftmanship feature results

Let's now focus on the second necklace consumer perception for non-frequent luxury buyers.

Q10: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the features (design, materials and craftsmanship) of the second necklace of Bvlgari's new collection proposed for the perception analysis.

- Design feature: the 7% answered 1, the 23% answered 2, the 25% answered 3, the 27% answered 4, the 18% answered 5.

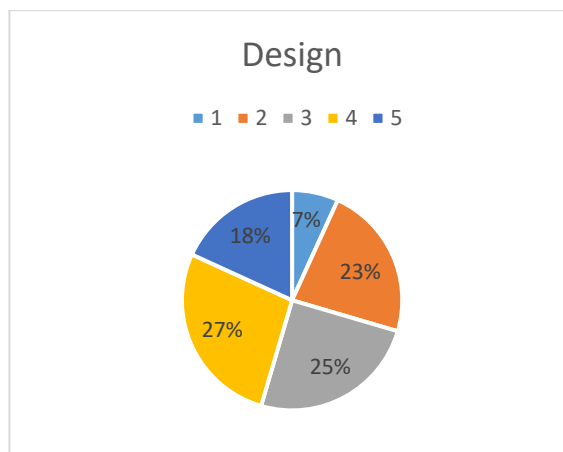


Figure 22. Design feature: second necklace results

- Materials feature: the 5% answered 1, the 11% answered 2, the 25% answered 3, the 27% answered 4, the 32% answered 5 (Figure 23).

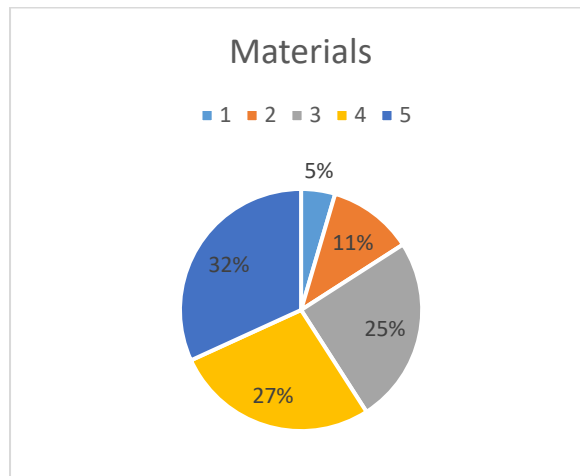


Figure 23. Materials feature second necklace results

- Craftmanship feature: the 23% answered 1, the 14% answered 2, the 38% answered 3, the 23% answered 4, the 23% answered 5 (Figure 24).

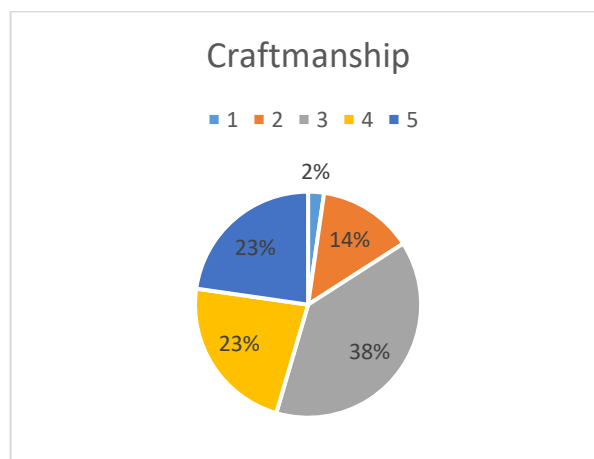


Figure 24. Craftmanship feature second necklace results

Let's take now into consideration Q12, to understand how non-frequent luxury buyers (who don't already know "Aeterna") perceive it in terms of reinterpretation of the brand

codes, therefore how they perceive the ability of the brand to reinterpret its tradition balancing innovation (Figure 25).

Q12: How do you rate Bvlgari's ability to reinterpret while preserving tradition in the 'Aeterna' collection? Please express an opinion from 1 to 5.

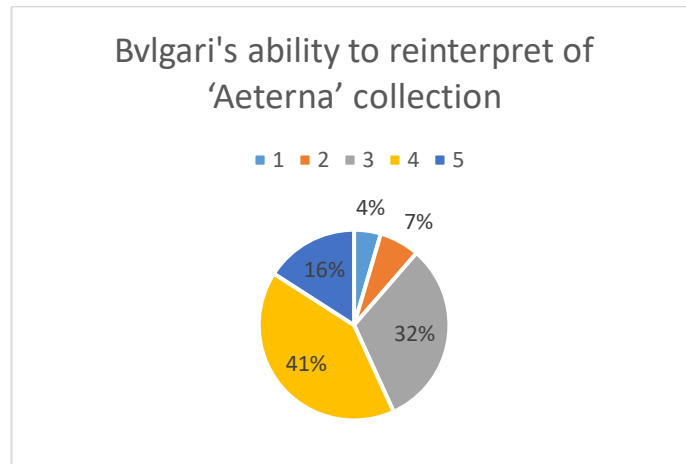


Figure 25. Bvlgari's ability to reinterpret tradition balancing innovation

Lastly, taking into account what has been asked through the questionnaire, it has been asked also to this kind of respondent if they prefer to buy an archival piece of a piece of the new "Aeterna" collection (Figure 26). Therefore, the question was the following:

Q13: Taking into account what was asked in the questionnaire, would you prefer to buy:

- 1) An archival piece.
- 2) A piece of this collection.

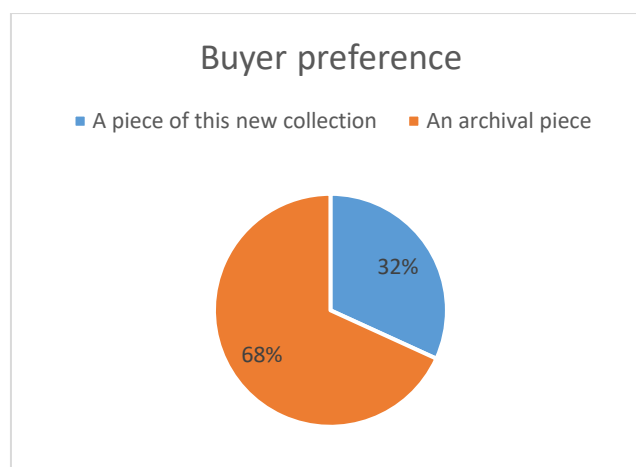


Figure 26. Non-frequent luxury buyers' preferences in terms of tradition or innovation

4.3.3 Non-luxury buyers, but interested in luxury

It results interested considering a third group of customers chosen for this analysis, which regards that type of individuals who not regularly consume luxury brands , but who are interested in luxury and therefore are updated on the launch of new collections like “Aeterna”, or who are updated on the novelties of the luxury brands performances (16 people).

The data collected are the followings.

Q9: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the features (design, materials and craftsmanship) of the first necklace of Bvlgari's new collection proposed for the perception analysis.

- Design feature: the 37% answered 3, the 44% answered 4, the 19% answered 5 (Figure 27).

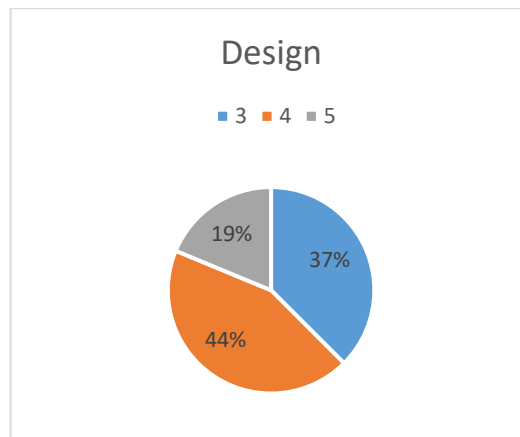


Figure 27. Design feature results

- Materials feature: the 6% answered 2, the 13% answered 3, the 25% answered 4, the 56% answered 5 (Figure 28).

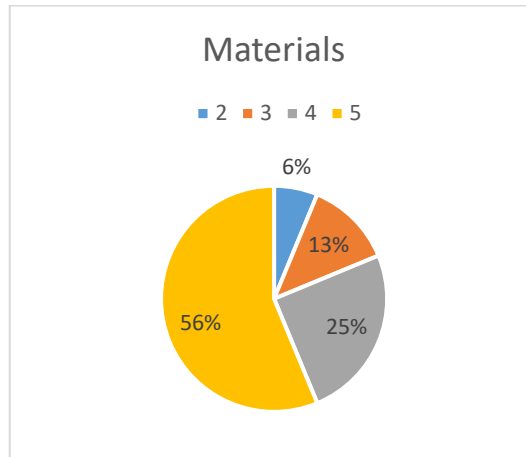


Figure 28. Materials feature results

- Craftmanship results: the 6% answered 3, the 25% answered 4, the 69% answered 5 (Figure 29).

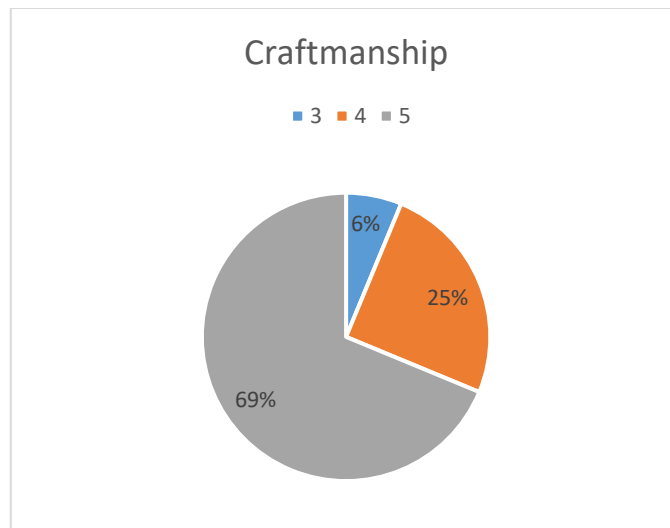


Figure 29. Craftmanship results

Let's give a look at the second necklace consumer perceptions regarding the non-frequent luxury buyers but interested in luxury.

Q10: Observe carefully some pieces of the collection that represent the relationship between tradition and innovation. How do you rate the blend between tradition and innovation? Please express your opinion from 1 to 5.

Below are the results in terms of the features (design, materials and craftsmanship) of the second necklace of Bvlgari's new collection proposed for the perception analysis.

- Design feature: 12% answered 2, the 44% answered 3, the 25% answered 4, the 19% answered 5 (Figure 30).

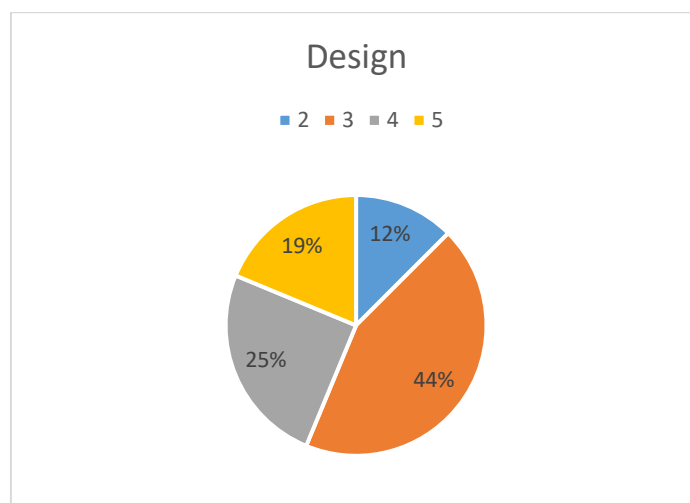


Figure 30. Design feature second necklace

- Materials feature: the 6% answered 2, the 19% answered 3, the 31% answered 4, the 44% answered 5 (Figure 31).

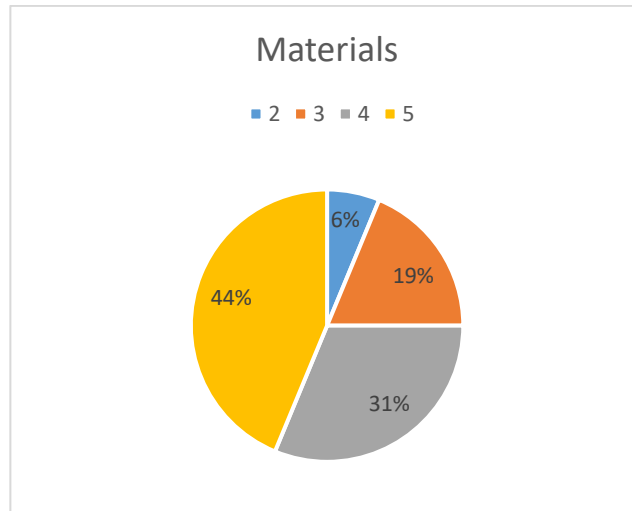


Figure 31. Materials feature second necklace

- Craftmanship feature: the 6% answered 2, the 19% answered 3, the 31% answered 4 and the 44% answered 5 (Figure 32).

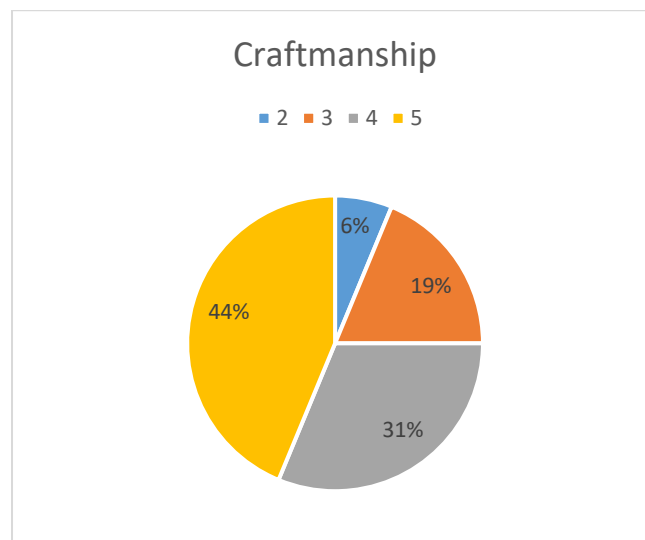


Figure 32. Craftmanship results second necklace

Let's take now into consideration Q12, to understand how non-frequent luxury buyers, but who know "Aeterna" collection, perceive it in terms of reinterpretation of the brand

codes, therefore how they perceive the ability of the brand to reinterpret its tradition balancing innovation (Figure 33).

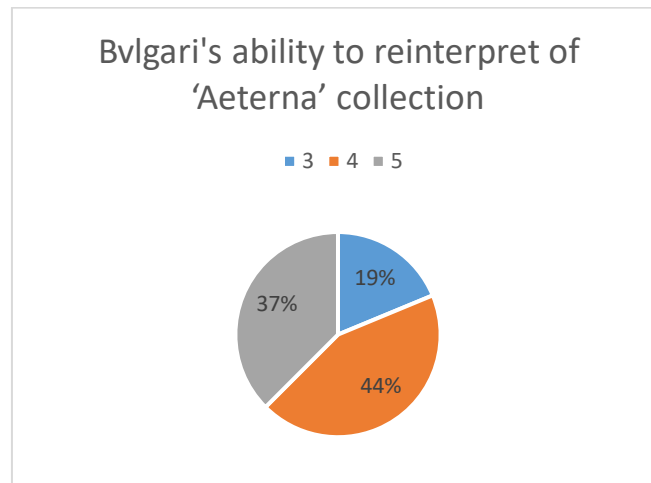


Figure 33. Bvlgari's ability to reinterpret tradition balancing innovation

Lastly, taking into account what has been asked through the questionnaire, it has been asked also to this kind of respondent if they prefer to buy an archival piece of a piece of the new "Aeterna" collection (Figure 34). Therefore, the question was the following:

Q13: Taking into account what was asked in the questionnaire, would you prefer to buy:

- 1) An archival piece.
- 2) A piece of this collection.

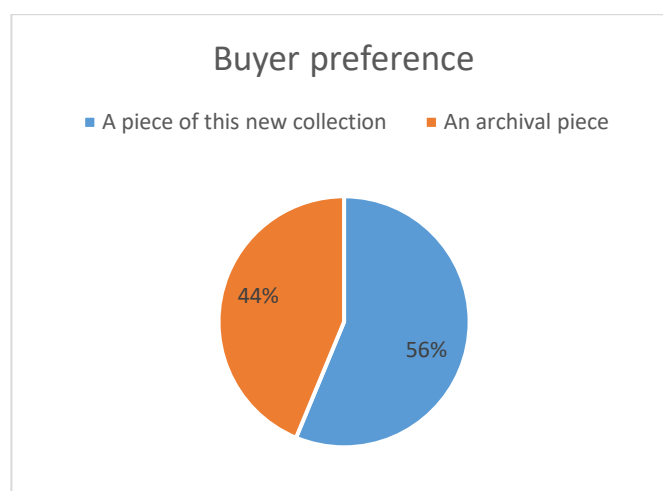


Figure 34. Non- frequent luxury buyers but interested in luxury preferences in terms of tradition or innovation.

4.4 Comparative analysis

Based on the research objectives listed above and as a result of the three main clusters of customers analyzed, a number of reflections and considerations can be made.

It is relevant to do a comparative analysis between the three different clusters of customers taken into consideration.

How did they perceive the blending between tradition and innovation inside the new collection of Bvlgari? How important is it for them in terms of the brand perception and in terms of brand authenticity? How does it affect brand loyalty?

Taking into account the two questions regarding the perception of the blending between tradition and innovation of the two necklaces of the collection, let's unify the three criteria considered in this evaluation (design, materials and craftsmanship), on a scale between 1 and 5, consequently interpreting the perception of the three main clusters:

1. Frequent luxury brands buyers:

- For the first necklace, the first cluster of customers answered design (37%), materials (57%) and craftsmanship (51%) with the higher percentage on the evaluation scale that is above (>) 4. In terms of innovation, the higher percentage is attributed to a value below (<) 4, that is 37%. It could be interpreted that in the first necklace the perception of brand heritage is higher than the perception of innovation.
- For the second necklace they answered design (40%), materials (46%) and craftsmanship (43%) with the higher percentage for 5 on the evaluation scale. In terms of innovation, they evaluated 26% for both 4 and 5 in the evaluation scale. Even here, it could be interpreted that also in the second necklace the higher percentage regards the heritage aspect, which is higher compared to innovation.

2. Frequent luxury brands buyers, who don't know "Aeterna:

- For the first necklace, the second cluster of customers answered design (41%), materials (34 %) and craftsmanship (46 %) with the higher percentage on the evaluation scale that is above (>) 4. In terms of Innovation, the higher percentage (34%) is attributed to a value below (<) 4. It could be interpreted that in the first necklace the perception of brand heritage is higher than the perception of innovation.
- For the second necklace they answered design (27 %), materials (32 %) and craftsmanship (38 %) with the higher percentage on the evaluation scale. In terms of innovation, they evaluated 36% above (>) 4 in the evaluation scale. Here it could be interpreted that the consideration of the heritage attribute and the perception of innovation are similar.

3. Non- frequent luxury brands buyers, but interested in luxury:

- For the first necklace, the third cluster of customers answered design (44 %), materials (56 %) and craftsmanship (69 %) with the higher percentage on the evaluation scale that is above (>) 4. In terms of Innovation, the higher percentage (44%) is attributed to a value below (<) 4. It could be interpreted that in the first necklace the perception of brand heritage is higher compared to the perception of innovation.
- For the second necklace they answered design (44%), materials (44 %) and craftsmanship (44%) with the higher percentage for 5 on the evaluation scale. In terms of innovation, they evaluated 50 % below (<) 4 in the evaluation scale. Even here, it could be interpreted that also in the second necklace the percentage regarding the heritage attribute is higher compared to innovation.

For what concerns Q12, what is the perception of the three clusters in terms of reinterpretation of the brand codes and identity (tradition), therefore how they perceive the ability of the brand to reinterpret its tradition balancing innovation?

- 1) Frequent luxury brands buyers: they evaluated 48%, attributing the maximum (5) on an evaluation scale between 1 and 5.
- 2) Frequent luxury brands buyers, who don't know "Aeterna": they evaluated 41% attributing (4) on an evaluation scale between 1 and 5.
- 3) Non-frequent luxury brands buyers but interested in luxury: they evaluated 44% attributing (4) on an evaluation scale between 1 and 5.

Finally, taking into account what has been asked through the questionnaire, it has been asked also to this kind of respondent if they prefer to buy an archival piece of a piece of the new "Aeterna" collection. The question was the following:

Q13: Taking into account what was asked in the questionnaire, would you prefer to buy:

- 1) An archival piece.
- 2) A piece of this collection.
 - The first cluster would prefer to buy an archival piece (54%).
 - The second cluster would prefer to buy an archival piece (68%).
 - The third cluster would prefer to buy a piece of the new collection (56%).

Conclusion

Isn't tradition (heritage), a valuable resource to be preserved for the company's future activities? Is it a positive factor of trustworthiness for consumers that associate the brand with their purchasing intentions? Does the reinterpretation of tradition, as in this specific context of the Bvlgari's "Aeterna" collection, come at the expense of the brand's authenticity or it could result a lever and a positive factor? Does it a damage or does it improve the brand in terms of innovative strategies? How do customers perceive the balance of tradition and innovation inside "Aeterna"? How does "Aeterna" compare to Bvlgari's previous collections in terms of brand strength, brand authenticity, and overall brand image? Which is the impact that "Aeterna" necklaces have on customer loyalty and purchasing intentions?

From the analysis of the data collected and interpreted, especially from the last question (Q13), it can be seen that the first cluster would prefer to buy an archival piece (54%) compared to a piece of the new collection. Therefore, in the evaluation of the tension between continuity and change inside the "Aeterna" high jewelry collection, individuals who frequently purchase luxury brands seem to be more attached to the authenticity of the brand, as they attributed more of value to tradition (heritage) aspect of the brand compared to innovation. In terms of brand perception, the heritage as an asset results very important also inside the innovative context, as it can be a lever inside the evolutions and transformations of the sector.

Also, frequent luxury buyers, who don't know "Aeterna" collection seems to prefer to buy an archival piece (68%), giving more value to the roots and core identity of Bvlgari, evaluated positively the authentic core features of the brand.

Therefore, analyzing the answers of frequent buyers knowing "Aeterna" collection or not brought to the same results in term of preference not affecting the purchasing decisions, as being more knowledgeable about the luxury sector and consequently about Bvlgari, show an attachment to the origins and to the deep roots of the brand, by favouring to buy a classical one.

Instead, the third cluster regarding the non-frequent buyers who own an interest in luxury brands, would prefer to buy a piece of the new collection, as they could associate more

value to innovative trends, by staying up to date on the constant innovations inside the realm of luxury.

Consequently, for a brand Bvlgari, heritage could result very relevant inside the current scenario, becoming a truly competitive factor for the company having consumers who perceive it as authentic to this extent.

The general results, show that even if Bvlgari stays at the forefront with innovation, like for instance launching new collections like “Aeterna”, tradition that is still present inside the new collections is incorporated as a source of positive and competitive asset for the company and not a boundary or a limit.

Bvlgari continues to innovate to remain relevant inside the contemporary scenario, without losing its authenticity and the consumer perception analysis has demonstrated that. Frequent luxury brand buyers who are not familiar with the collection, frequent luxury buyers who know the collection and even non- frequent luxury buyers who could be updated on the new collection launch, attribute a certain respect to the Bvlgari brand authenticity and to its core DNA. Related to this, the reinterpretation of the main codes, especially within “Aeterna” (which shows an higher degree of blend between heritage and innovation), doesn’t come at the expense of brand authenticity, but it strengthens the current company’s value. This because it gives relevance also to the creation and maintenance of a solid brand reputation, that represents an element of a vital importance during the mutations and transformations that could happen inside the luxury sector (Greyser, 2009).

Therefore, Bvlgari with this collection shows how it is possible to evolve by reinterpreting tradition and at the same time stay faithful to its tradition, not damaging it, as it does not ruin the brand identity, while it only strengthens it.

Authenticity means respecting heritage, while also a search for creativity and innovation and a quest for distinctiveness inside the contemporary scenario, strengthening the brand in its competitiveness (De Massis et al., 2016; Oke, 2015).

Appendix

"Aeterna" High Jewelry Collection Questionnaire (microsoft.com)

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