BI NORWEGIAN BUSINESS SCHOOL

LUISS GUIDO CARLI UNIVERSITY

BI – LUISS JOINT MASTERS IN MARKETING

Master's Degree in Marketing

Master of Science in Strategic Marketing Management

Master Thesis in: Integrated Marketing Communication

Leveraging the power of NFT communities to enter the Web 3 for brands in the luxury jewellery industry. The Case Study of Tiffany & Co. and its NFTiffs

Thesis supervisor

Prof.ssa Stella Romagnoli

Thesis co-supervisor

Prof. Paolo Peverini

Candidate

Maria Elena Martelli

Academic Year 2022/2023

Table of Contents:

Introduction

This elaborate aims at presenting NFTs, digital assets born thanks to blockchain technology, as tools that have a strong potential in the marketing context and in particular for brands in the luxury jewellery industry.

The discussion will start with a focus on NFTs' characteristics of scarcity, uniqueness and proof of ownership which will explain how such features can be seen as the main drivers that make the NFTs the perfect response to the digital revolution that the luxury jewellery industry is facing. Indeed, recent estimates have shown how the industry at stake is changing, and how players are expected to rewrite the rules about products, distribution models and the engagement strategies currently in place. With the emergence of a new target of customers, brands in this industry need to change their way of storytelling and adapt to the shift in values influencing luxury purchases. Digital natives, demanding in terms of experiences, emotional connection and self-identity expression, the new customers are pushing brands into finding new solutions capable of answering all their needs. In this context, leveraging on the power of emotions, NFTs seem to have all the characteristics to be the answer to this change.

Next, will follow a digression about the role that emotions play in luxury purchases. Indeed, literature shows how the immense role that emotions play in consumers' luxury purchasing behaviour is actually decisive over all the other aspects, meaning that the appeal of luxury brands is mainly psychological. Emotional brand relationships are said to be characterized by the preference of a consumer for a brand based on "its symbolic benefits, for the social attractiveness of the brand, and its self-expressive value" (Shin et al., 2022). This suggests luxury brands are more likely to create deeper emotional connections with customers, which results in higher levels of customer loyalty in this industry.

Emotions and experiences are known to be the core and reasons for the success of the luxury industry, and these two attributes seem to reach their peak of expression in the luxury jewellery niche. As a symbol of love, bought to accompany and enshrine the memory of a special moment in life, the purchasing of a luxury jewel creates a deep emotional connection between the customer and the brand. In fact, buying a luxury jewel becomes the equivalent of buying a family heirloom, resulting in a deeper appreciation of a brand's essence to the point of creating a bond that lasts a life-time, and that often is even passed on in the family to future generations. Again, the NFTs features make them fit perfectly with the niche of luxury jewellery since they are able to elicit in NFTs owners the same values that run the luxury jewellery industry itself, and more importantly that will run it in the future.

In support of the arguments put forward up to this point, the discussion will finally focus on the analysis of a major player of the industry at stake: Tiffany & Co. Indeed, in the new evolving context that was exposed so far, only a few luxury jewellery brands have actually started to move their first steps in this direction, beginning to focus their attention on the new target of customers. Among these, Tiffany & Co. stood out for creativity and perspicacity.

With a clear and forward-thinking vision, Tiffany & Co understood the importance of digital innovations since the beginning and was among the first to move its communication on social media at the time. Sapient in social media usage, the brand always managed to retain its air of exclusivity and preserve its appeal to high-end customers while at the same time broadening its communication to new younger ones. Already an expert of the world of social media, recently the brand proved to be an example to follow in the new generation of World Wide Web (the Web 3) as well, with the launch of his collection of branded NFTs, namely the NFTiffs.

For the purposes of this discussion, the sentiment generated as a result of the NFTiffs initiative will be analysed in the limited context of the social media platform Twitter. In particular, through the methodology used, which is a sentiment analysis, the aim is to shed light on the level of interest surrounding the initiative, the sentiment of Tiffany's social media audience relative to the launch of its NFTiffs, and whether the brand was able to expand its awareness and to lay the foundations for the emergence of a relationship with the new target of customers that is destined to evolve towards future loyalty. Moreover, the present research intends to give brands operating in the sector important takeaways on how to enter the Web 3 effectively and provide useful insights about the role they can play in this new environment.

Chapter 1: The NFT phenomenon challenging traditional marketing

1.1 Shaping the new future

1.1.1 From the first industrial revolution to Industry 4.0

The period that goes from the first industrial revolution to the so-called Industry 4.0 of the 20th century was characterized by a rapid transformation of worlds' economy, thanks to the introduction of new technologies and the spread of industrialization.

The first industrial revolution or mechanical revolution, which began in the 18th century, is considered a major turning point in world's history, as it impacted almost every aspect of daily life (Groumpos, 2021). Industrialization changed the economy, transportation, health and medicine and led to many inventions and firsts in history (Groumpos, 2021). This revolution was the first and was soon followed by the Electrical Revolution (began in the 19th through the discovery of electricity), the Automated revolution (from around the 50s in the 20th century though partial automation using memory programmable controls and computers) and, the most disruptive, the Digital revolution, or Industry 4.0 (from year 2000 or so) (Groumpos, 2021). Digital revolution was characterized by the application of information and communication technologies to industries and the rest of societies 'activities (Groumpos, 2021). With the adoption of advanced technologies such as robotics and data analytics, its objective was to create highly flexible, efficient and personalized production systems, able to satisfy markets 'needs in the most rapid and economic way. Again, this revolution influenced the way we work, talk and interact with the world around us, delivering incredible advances in the factory environment (Groumpos, 2021), and transforming human lives in ways that were above every possible imagination.

The beginning of the digital revolution dates to the 20Th century, when the first computers appeared and paved the way to the software industry later on. In the '90s, the advent of the internet was a significant turning point in the history of technology, opening up to new possibilities for communication and information exchange around the world. Moreover, the emergence of social media and online content sharing platforms further expanded the possibilities offered by digital technology, enabling people to connect and allowing a huge amount of information sharing.

As modern society is constantly evolving, a new future is shaping, made of digital innovations and new rules. Recent phenomenon is that the digital revolution and the development of new technologies, and in particular the blockchain technology, allowed the formation of new forms of expression and exchange of digital contents, among which one of the newest are the NFTs (Non-Fungible Tokens), a type of tokens that use blockchain technology to represent ownership of a digital content.

1.1.2 Blockchain technology

The introduction of blockchain technology represents a major evolution in the history of technology. Blockchain technology has been defined as a database of records of transactions which is distributed, and which is validated and maintained by a network of computers around the world (Sarmah, 2018). Blockchain is a type of Distributed Ledger Technology (DLT), which consists of a chain of blocks containing an ever-expanding digital list of data records without the need for a centralized server and that is configured in a way that cannot be updated or altered (Peres et al., 2022). Codified transaction data is contained in a blockchain block. The data may include details like the date, time, amount exchanged, identities of the buyer and seller, as well as any images, texts, sounds, or other information (Peres et al., 2022). Every block has a distinct fingerprint known as a hash. Any modification made inside a block after it has been generated will result in a change in the hash. As a result, the hash creates a cryptographic signature that secures the block and is impenetrable to manipulation (Peres et al., 2022). As said, blockchain transactions take place within a peer-to-peer network of geographically dispersed nodes. These nodes work as safety copies of the blockchain, since any node that wishes to add a new block to an already-existing chain must first verify the block to make sure it hasn't been altered. Each node adds this block to its blockchain when it has been confirmed. Only when all nodes in the network have reached consensus the transaction is sealed and a block is created. Any modification to the block will result in a modification to the hash, which will break the chain and make it known to the whole network (Peres et al., 2022). As a result, it is impossible to change the block's history after the fact.

History of blockchain technology dates to 2008 when Satoshi Nakamoto, a unanimous author, published a paper titled "A Peer-to-Peer Electronic Cash System", describing an electronic payment system based on the concept of cryptography (Sarmah, 2018). The worth of the research relates to the proposal of a solution for the double spending issue, where a digital currency cannot be duplicated and no one can spend it more than once (Sarmah, 2018). The paper stated the concept of public ledger, where an electronic coin transaction history can be traced and confirmed if the coin has not been spent before (Nakamoto & Bitcoin, 2008; Sarmah, 2018). A few months later, in 2009, after the release of an open-source program, the first bitcoin network begun. Among the hundreds of different cryptocurrencies existing, Bitcoin is the one that holds the market. Indeed, Bitcoin is the most popular blockchain technology, which was able to draw the highest attention among users due to its ability to maintain anonymity, and to its transparency (Sarmah, 2018).

Since then, Bitcoin flourished and in 2015 Ethereum platform was launched, enabling blockchain to work with loans and contracts and making this technology very popular. Indeed, it is a technology that brings numerous advantages. While companies keep their data in centralized databases, making them an obvious target for hackers, the decentralized structure of the blockchain has made it a hacker-proof technology, withstanding any security attack. More control over transaction, consistent and up to date data, transparency and immutability of transactions, and peer-to-peer transactions that help to identify fraud activities in the network, are only a few of the advantages and issues that this technology helped to cover (Sarmah, 2018). On the other hand, expensiveness, the need of intense resources, slowness of the processes and general complexity and complication to understand for humans, are still disadvantages it has to cope with (Sarmah, 2018).

1.1.3 Blockchain meets marketing

Being a mechanism for storing information and transactions in a secure and decentralized manner, blockchain technology has primarily been used to develop cryptocurrencies and for financial applications (Peres et al., 2022). However, this technology shows significant potential for marketing purposes. Focusing on the latter, research by Peres and others (2022) tries to offer a path toward incorporating blockchain technology into marketing thinking, providing the following overview of the potential benefits on various areas of marketing:

1. Logging transaction data from different sources into a distributed database: Traditionally marketing data are collected by firms and organizations on their own. Introduction of blockchain technology would enable the creation of an ongoing stream of data that will document, in real-time, all the transactions that occur on the distribution chain and across the channels (Peres et al, 2022).

2. Reducing the need for intermediaries: As the peer-to-peer structure of the network enables direct communication and transactions between members, and is able to offer enhanced levels of security, the extra security provided by intermediaries becomes less relevant. The relevance is reduced to the point that the distributed network can even be used as intermediary-free (Peres et al, 2022).

3. Verifying transaction source: Since every blockchain transaction has a clear owner, no one is able to change the data included in a block. For the sake of this discussion it is important to underline how this high-level of verification shows potential to be used to certify authenticity of products, reducing the pervasive issue of fraud that affects some industries (fashion, entertainment, luxury). Also, this technology, by verification, can support transactions between buyers and sellers in the absence of a centralized authority (Peres et al, 2022).

4. Flexible level of permission and data disclosure: Information is made available only to those authorized, making it a desirable solution, especially for marketing contexts requiring privacy. Moreover, with the brand owners' approval and tracking of the usage, NFTs can also effectively and safely protect and license name, image, and likeness (NIL) rights as well as brand licensing and brand aspects (Peres et al, 2022).

5. Quantifying intangible assets: Intangible assets such as brand and customer equity are difficult to measure and trade. However, the tokenization quality of the blockchain partially allows this quantification, enabling currencies that represent many non-monetary intangibles (Peres et al, 2022).

1.2 NFTs what, how and where

After providing a brief overview of the technological revolutions that led to the panorama of innovations we see today, I now want to focus the discussion on a new class of assets, called NFT (Non-fungible tokens), whose strength is such that it has proven to be able to completely reshape conventional marketing.

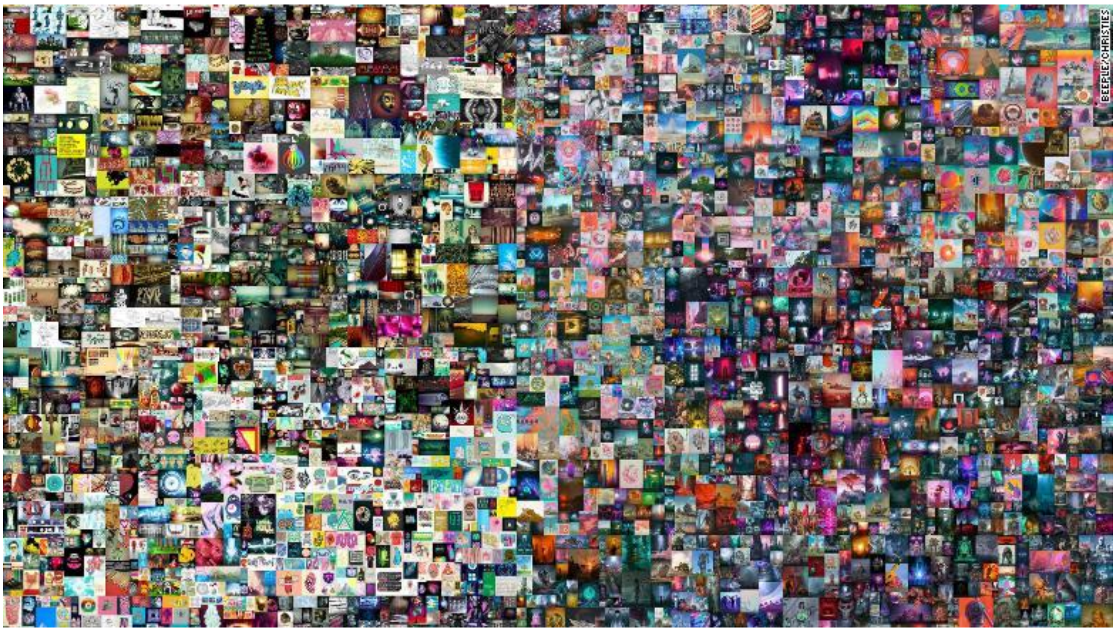
NFTs (non-fungible tokens) are a new and emerging technology that has shown great potential to serve as a communication tool for brands. NFTs are digital assets that represent real-world objects like art, music, in-game items and videos (Nadini et al, 2021). They are a type of digital asset that uses blockchain technology to prove their uniqueness and ownership. Indeed, unlike traditional digital assets they cannot be replaced or exchanged for an identical item.

1.2.1 NFTs: markets, trends ad features

As the discussion will focus on this asset later on, it is interesting to get an overview of some key aspects of its relatively new market. Making their first appearance in 2017, NFTs will only gain popularity in 2021. NFT was first proposed in Ethereum blockchain and differently from the classical cryptocurrencies, as for example Bitcoin, showed the unique feature of not being exchanged with others equivalents, allowing identification of something or someone in a unique way (Wang et al, 2021). Specifically, thanks to the full-history tradability, deep liquidity and convenient interoperability, NFTs became a promising intellectual property-protection solution (Wang et al, 2021), which made them possible to gain remarkable attention in a relatively short time.

With their first appearance in December 2017 with CryptoKitties, a collection of artistic digital images representing cats in a game in Ethereum, NFTs gained first relevant attention to the general public (Nadini, 2021). In December 2017, CryptoKitties congested the Ethereum network (Nadini, 2021). The market remained relatively stable until July 2020, when it started to grow until it exploded with huge attention in March 2021. Indeed, in this date, the digital piece of art “Everydays; The first 5000 Days” by the artist Beeple was sold for $69.3 millions at Christie’s, representing the third-highest auction price achieved for a living artist (Riegelhaupt, 2021; Nadini, 20021) (Figure 1). Rapidly, several other record sales followed. Since then, many celebrities and artists have started to use NFTs to sell digital works of art, which have become highly coveted collector's items.

Figure 1: “Everydays; The first 5000 Days” by artist Beeple



Source: CNN.com

The items traded on the NFT market are arranged in collections, which are groups of NFTs that have some traits in common (Nadini, 2021). Collections come in a variety of forms, ranging from collectible cards to virtual spaces in online games. However, most collections can be classified under six categories: Art, Collectible, Games, Metaverse, Other and Utility (Nadini, 2021). Until 2018, the "Art" category dominated the market, led by the CryptoKitties collection (Nadini, 2021). By July 2020, the volume exchanged was shared by the Art (representing 18% of the total share volume), Games (33%) and Metaverse (39%) categories (Nadini, 2021). From mid July 2020, the volume was again dominated by the Art category which contributed to 71% of the total, followed by Collectibles accounting for 12% (Nadini, 2021). It is important to note that the market showed a discrepancy between volume and transaction, and that was due to the distribution of NFT prices across categories. Indeed, NFTs categorized as Art, Metaverse and Utility, showed higher prices compared to the other categories, with the top assets having an average sale price around 6290, 9485 and 12,756 dollars respectively (Nadini, 2021).

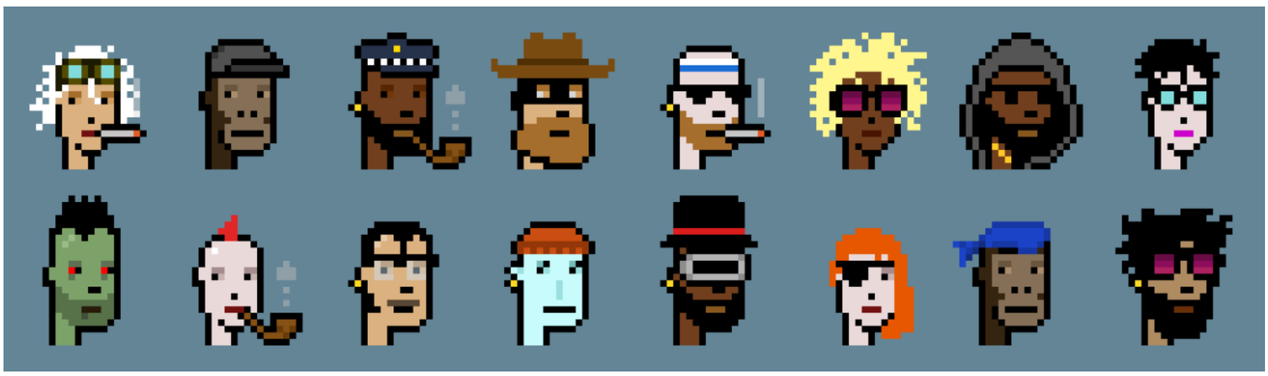
Relative to the network of trades, in research by Nadini and others, which considered mostly the Ethereum and WAX blockchains, it has been found that the top 10% of traders alone, is actually accounting for 85% of all transactions and is trading at least once 97% of all assets (Nadini, 2021). Another interesting fact is that the average number of daily trades is larger when traders are active over longer periods of time. Moreover, there is a trend showing traders are specializing across collections, showing they perform approximately 73% of their total transactions to their top collection (Nadini, 2021). This latter trend links to the finding that NFTs that are part of small collections tend to be bought in sequence in other collections, while NFTs in large ones tend to be bought in sequence with others in the same collection (Nadini, 2021). The implications of these behaviours reveal that the network is clustered and that the collections can be used to represent how underlying communities are structured in the network (Nadini, 2021).

NFTs are digital assets that can be represented in many different visuals, most common are images, video, text, animated GIFs and audio. However, the most popular at the moment are images. Research by Nadini and others (2021) confirm the evident existence of an intra-collection graphical conformity, showing how the different collections have their hallmarks and own styles that distinguish them from others (Nadini, 2021) (Fig 2 and Fig 3). Moreover, there are also sub-groups of collections that can share common features as for example containing pieces of pixel-art (Nadini, 2021).

Figure 2: CryptoKitties NFT collection

Source: Opensea.io

Figure 3: Cryptopunk NFT collection



Source: Opensea.io

Exploring price sales, past history and NFT' specific properties seem to be the best predictors when it comes to NFT sale prices (Nadini, 2021).

1.2.2 NFTs' valuable features

NFTs are a technology to watch since it has the potential to disrupt the future of many businesses as we know them nowadays. NFTs represent a unique opportunity and this is due to five main characteristics it shows (Chohan & Paschen, 2023): scarcity, ownership, non-fungibility, royalties, direct distribution infrastructure.

First, NFTs are digitally scarce (Chohan & Paschen, 2023). Scarcity is a powerful resource able to create an important competitive advantage to the item in question. Indeed, a sense of scarcity works like an obstacle to pursuing a goal in humans' mind (Heshmat, 2017) which results in increased attraction and desire of ownership. Secondly, NFTs have proven authenticity (Chohan & Paschen, 2023). Proven authenticity results in lower perceived risks and increased trust when consumers make purchase decisions (Chohan & Paschen, 2023). Third, NFTs are non-fungible, a characteristic which enables the trading of originals (Chohan & Paschen, 2023). This feature makes it possible to cope with buying and selling problems currently existing for example in traditional digital marketing. Fourth, creators of NFTs can collect royalties (Chohan & Paschen, 2023). Royalties and ownership rights are safe-guarded thanks to technology of smart contracts. Last, NFTs are not limited by physical distribution considerations like costs and geographical boundaries, giving them an important advantage compared to traditional products and services (Chohan & Paschen, 2023).

1.2.2.1 The power of uniqueness and proof of ownership of NFTs in creating value

An NFT is essentially a digital certificate of authenticity that cannot be replicated (Popescu, 2021). Referred to as a unique piece of data with the ability to be traded and stored on a decentralized blockchain, NFTs represent ownership of any information or identifier of a unique good (Hofstetter et al., 2022). NFTs are created by signing a transaction and sending it to the underlying smart contract, once received the transaction, begins the minting process (Sharma et al., 2022). Once created, NFTs transactions are recorded on the blockchain which collects the history occurring for each single NFT. The new born NFT is then associated with a unique identifier in the blockchain, creating evidence of ownership (Sharma et al., 2022). When a trading happens, the NFT metadata and ownership details are added to a new block to preserve the ownership chain (Sharma et al., 2022). Particularly, citing the authors Sharma, Zhou, Huang and Wang, NFTs have enabled the verification of "provenance" of underlying assets, by validating information as who owns a certain item, who previously owned or created that item, as well as how many copies exist for that item (Sharma et al., 2022). What distinguishes NFTs then, is that the full ownership history is publicly available and immutable, unlike for other assets or cryptocurrencies like Bitcoin (Hofstetter et al., 2022).

Why are these features valuable? First, the ability to create strong psychological ownership. Psychological ownership is defined as a cognitive-affective construct used to describe a state in which an individual feels possessive or psychologically tied to an object (Lee & Suh, 2015). From an historical point of view, stronger capacity to generate psychological ownership has always been associated with physical goods rather than to digital ones. However, NFTs, with their difficulty of being replicated and ability to prove consumers they are the only possessors of a good (uniqueness), have in reality proven to drive a lot of psychological ownership (Hofstetter et al., 2022).

Secondly, the possibility to attach the ownership story to a tradable good is an exclusive of NFTs. In particular, this results also in the possibility for creators to receive a royalty for any transaction, similar to a painting by a famous artist (Hofstetter et al., 2022). NFTs are non-fungible tokens and as such they can have their unique traits and are not tradable with another NFT of the same kind, differently from fungible tokens (like Bitcoin) that are all the same and exchangeable. Hence, due to their uniqueness, NFTs can be used for identification purposes (Ali et al., 2023). Citing a creator participant of a study about creators' practices with NFTs by Sharma, Zhou, Huang, and Wang (2022), "fungibles are tradable like stocks, while non-fungibles are like art, have special traits, and if you own one you have some personal emotion for it".

Due to these extraordinary features NFTs are currently being disputed in the diamond and luxury jewellery market. Indeed, NFTs could fix a problem that has plagued the diamond industry for years. Diamonds, unlike gold and silver, are not a tradeable and liquid asset class. A diamond loses value as soon as it leaves a jeweller's store, and may only be worth half of its original price (Mitchell, 2023). NFTs and jewels and heritage artifacts in general, according to Asprey executive chairman John Rigas, are an ideal combination since NFTs can strengthen the validity of the items by recording their ownership history and ensuring their authenticity (Mitchell, 2023). Following this opportunity, De Beers group, leader in the diamond history, launched in 2020 his first blockchain solution platform "Tracr TM". With the deep meaning associated to a diamond purchase and with more and more clients wanting to know where the products they buy are coming from, advanced blockchain solutions seems to be the thing that was missing. Thanks to the capability to provide provenance assurance for 100% of De Beers Group's diamonds, it is the world's only distributed diamond blockchain that starts at the source and provides tamper-proof source assurance at scale (DeBeersGroup.com).

On the same line in 2021, Prada Groups with LVMH house and Cartier jewellery brand, founded the "Aura Blockchain Consortium", the first global blockchain of the luxury industry, a way to enhance customer service, relationship with partners and traceability of items (PradaGroup.com). With the purpose of providing customers with greater transparency and traceability, the Aura blockchain technology allows customers to access the history of the product and transparently follow the lifecycle of it, from creation to distribution, thus strengthening the relationship with the brand (PradaGroup.com).

1.2.3 NFTs: opportunities, evolution and challenges

When new technologies emerge, they change the way businesses operate. NFTs intrinsic features are the reason why these tools have great potential to be implemented in several fields. Some business transformations have already been well documented, such as in robotics, AI and VR (Ali et al, 2022). However, following the research by Wang and others (2022), it is worth mentioning other industries where NFTs implementation can have a great impact:

-The Gaming industry: People widely expressed interest in NFT-related games and trades. There are several crypto games already existing, where basically users can purchase and resell virtual pets and items. The marketplace available on the platforms is the perfect environment for assets such as NFTs. Indeed, as they are able to provide ownership records of the items traded in games, developers which publish features in the games can earn royalties by selling in the game (Wang et al., 2021). At the same time players have the chance to buy limited-edition items. The result is a highly beneficial business model with both parties profiting.

-Virtual Events: Beside games, the market of virtual events is flourishing thanks to NFT usage. Properties of NFTs, such as uniqueness, ownership and liquidity, enable individuals to link to a specific event, just as would happen in real life (Wang et al., 2021). Tickets sold in this way, providing transparent trading history, can solve the problem of reselling affecting this particular industry, eliminating third party fraudulent entities in an efficient and easy way (Wang et al., 2021).

-Protection of art: Art world is full of intermediaries. In the physical world, artists have to find the channels to display their art, let their works be valued at a price incapable of reflecting their true value, and even pay intermediaries to advertise their works (Wang et al., 2021). Moreover, artists do not necessarily receive royalties for future sales of their works. In such an industry, NFTs have the power to transform this mechanism, avoiding transfer of ownership to agents and guaranteeing royalties on future sales. Is worth adding that technologies like this can enable any kind of producer of intangibles to translate his labour into revenues.

-Inspiring the Metaverse: Metaverse is a collective virtual space that allows all types of digital activities (Wang et al., 2021). Based on a block-chain technology, it provides an environment in the virtual world. This virtual world allows participants to live and trade in a virtual economy very similar to the one in their physical world (Wang et al., 2021). They can enjoy games, display self-made arts, trade assets and virtual properties (arts, land parcels, names, video shots, wearables), and can get profits from the virtual economy (Wang et al., 2021).

-Marketing opportunities: In the marketing field, NFTs have great potential. They can be used by brands by turning into NFTs their physical objects to create awareness, and brands can use NFTs to build a thriving brand community that can support the brand (Colicev, 2022). More of their potential in this field will be explained later in the discussion.

Apart from the above-mentioned potentialities of applications of NFTs, this new technology still faces numerous *challenges*, mostly inherited from the underlying blockchain technology. Paper by Ali, Momin and others (2023) reviews a large part of the existing literature and explains some common challenges in NFT ecosystems, some of which I report below:

1. Usability limitations: Referring with this term to user's friendliness of interfaces as a barrier to a wider adoption. This challenge concerns the problem of slow confirmation, consequence of the strong verification and authentication protocols in place. And also, the problem of the large energy consumption required for this technology to work (Ali et al., 2023).

2. Privacy Issues: In particular data inaccessibility and anonymity issues. Indeed, many researchers have pointed out that it is possible to make sense out of pseudonymous data on public blockchains, as one of their features is transparency (Regner et al., 2019). However, new technologies such as ZKP, zero-knowledge proofs are already trying to solve this issue. Moreover, since NFTs use "hashes" as identifiers instead of copies of the files, there is a loss of user's confidence in the NFT because the file is prone to loss or damage (Ali et al, 2023).

3. Lack of regulations: At the moment NFTs are still not under any governmental regulation in many countries, resulting in lack of legal protection for the players of this new technology. Moreover, unlike other IP-related products, NFTs in some countries are still not classified as taxable property. The use of NFT trading as an alibi for financial crimes may be made possible by this lack of recognition. Exchanges of NFT for NFT, NFT for IP, and Eth for NFT should also be taxed (Ali et al., 2023).

4. Security issues: NFTs are a system vulnerable to risks associated with its nature. Firstly, authentication keys may be stolen. Secondly, intentional change of NFT data that compromises the integrity of the system can occur (Ali et al, 2023). Indeed, even though after a transaction has been validated, the metadata and ownership of a transaction should not be altered, the portion of data preserved outside of the blockchain can be altered (Ali et al, 2023), resulting in compromising the integrity of data. Third, information disclosure can happen when a user enters the hash and a malicious attacker can materialize the likability of the hash and the embedded transaction (Ali et al., 2023).

5. Extensibility issues: Interoperability and cross-chain communication for NFTs can only be realized with additional external systems (Ali et al., 2023). In addition, no systematic blockchain updates are in place.

6. Sustainability issues: As one of the core issues faced by NFT technologies, some new blockchains like Polygon and Hedera are committing to become carbon neutral, however, most of the well-established blockchains still aren't. For example, Ethereum is projected to utilize 44.94 terawatt-hours of electricity annually (Rehman et al., 2021; Ali et al., 2023). Numerous pieces of evidence confirm the high energy consumption embedded in the processes of blockchain mining. The Cambridge Bitcoin Electricity

Consumption Index (2021) reports that such proof-of-work mining used to verify Bitcoin devours more electricity than the cumulative consumption of countries including Finland, Kazakhstan, Chile, Belgium, and Austria (The New York Times, 2021; Ali et al., 2023).

7. Intellectual property issues: Assessed as one of the key challenges, intellectual property issues are an important concern. Since uniformed regulatory interventions are still lacking, intellectual protection cannot be assured to creators, resulting in a big barrier to the adoption of this technology (Ali et al., 2023).

1.2.3.1 NFTs and the concept of Metaverse

NFTs and the Metaverse, as two extremely new concepts, are often confused with each other. However, even if they are both based on blockchain technology, they couldn't be two more separate things.

Relying on one of the most accredited theories, the Metaverse is defined as a theoretical concept of a digital 3-D world that can be entered via a virtual reality headset (Fonarov, 2022). In this world participants can enter via creating their own "avatars", or digital bodies, that can be customized by buying digital items in the virtual marketplace, and that live in houses bought and filled with stuff that comes from the digital marketplace. This virtual world allows participants to communicate, interact, work and play, like would do in real life but reducing the need of physical and financial resources. In the Metaverse it is possible to visit different locations and universes, and it is possible to create and sell anything that can be imagined.

Figure 4: Avatars in the metaverse showcasing branded items

Source: Vouge.com "Balenciaga, Prada, and Thom Browne Will Dress Your Meta Avatar"

This means that Metaverse is the base for utilization of the NFTs. In other words, NFTs, due to their aforementioned properties are the elements that make the Metaverse possible. Hence, Metaverse provides an open and fair economy backed by the blockchain's inherent properties of immutability and transparency, so NFTs have a financial role here (Irem, 2022).

NFTs are used by humans in the Metaverse to explain their identity, also meaning that what they can buy and have in the Metaverse will actually reflect the economic possibilities they have in real life. This also means that NFTs avatars are the characters populating the Metaverse and creating social communities and experiences (Irem, 2022).

To summarize, the possibility to have full ownership of items, virtual spaces etc. given by NFTs, has created for people the potential to converge their offline and online lives into a new three-dimensional world. However, it has also created a great playground to extend their business for brands in the various industries that are now willing to dip their toes in the Metaverse selling and creating value with their own virtual products.

1.3 NFTs challenging traditional marketing

1.3.1 Between excitement and scepticism

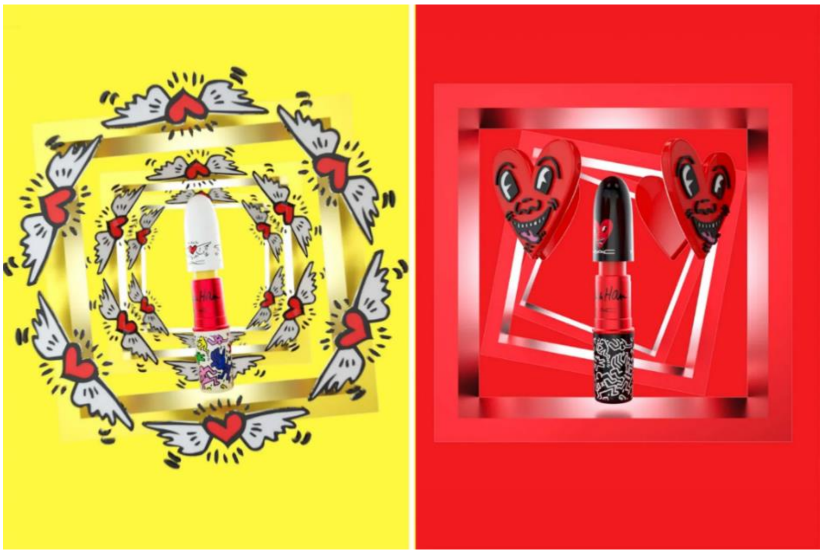
When the digital piece of art "Everydays; The first 5000 Days" by the artist Beeple was sold for $69.3 million at Christie's, NFTs received a lot of attention. It actually happened that someone in the world paid almost $70 million for a picture on the internet. Yet, at the same time, many people are still wondering if buying a picture on the internet is worth it at all. Trying to understand the threats and opportunities, brands are moving their first steps in this new world, between excitement and scepticism.

Brands have started using NFTs in several forms, achieving branding results with their customers, like delivering exclusive experiences, and at the same time breaking down the barriers between the physical and digital universe. Coachella, Super Bowl, Adidas, Dolce & Gabbana and MAC are some examples of companies that strategically used NFTs in different and original ways for marketing purposes. Coachella, the famous American arts festival, in 2022 offered all paying participants of the festival an NFT digital image of a flower that bloomed during the festival, becoming a very good example of engagement marketing (Negaro, 2022). On the other side, fashion brands like Dolce & Gabbana, Forever 21 and Paco Rabanne held their first virtual fashion shows, generating fan engagement and opening new precedents for fashion shows and public events (Negaro, 2022). In addition to the participation in the show, some brands also sold NFTs of clothing and accessories that were in the shows (Negaro, 2022). Also, some companies decided to use NFTs as a way to sell exclusivity. The Californian winery Robert Mondavi, created a limited number of bottles in the form of collectibles. Each NFT of wine was worth $3,500 and had a key to unlock a bottle redemption (Negaro, 2022). Other companies like Mac Cosmetics, a beauty brand known for its performances in social responsibility, used NFTs to raise funds for social movements (Negaro, 2022).

Figure 5: Dolce & Gabbana virtual show

Source: Rockcontent.com

Figure 6: Mac Cosmetic for fundraising



Source: Rockcontent.com

Originality is not always synonymous with performance, and the following cases are examples of brands who registered outstanding performances by adopting NFTs. First in the list is Nike, with an estimated total NFT revenue of almost $190 million and a secondary transaction volume registered of $1.3 billion, is the biggest company to have invested in NFTs. With the acquisition of a digital asset creator, RTFKT Studios, Nike created its CloneX digital avatars and Cryptokicks digital sneakers NFTs (Weston, 2022). Secondly, Adidas, which registered the highest results in the shortest times. With its "Into the Metaverse" NFTs, the sportswear company launched 30.000 unique NFTs in collaboration with popular NFTs projects like Punk Comics and Bored Ape Yacht club, a move which guarantees the brand promising levels of recognition in the NFT market (Weston, 20022). The list of top performing brands also includes luxury firms. The Italian top luxury brand Gucci achieved around $12 million in NFT revenues. With the idea of setting a strong foundation in the metaverse, the brand collaborated with multiple NFTs projects and grew its Vault Art Space (Weston, 2022). Finally, Tiffany & Co. with an initiative for bridging the gap between digital and physical and guaranteeing the customers ‘active involvement, registered almost $13 million revenues by selling 250 NFTiffs. NFTiffs were digital art pieces of the CryptoPunk collection which were paired to real pieces of jewellery, manufactured from 18kt gold and gemstones or diamonds, resembling each CryptoPunk NFT purchased (Weston, 2022). Becoming an example of top performance, the NFTiffs project shows the potential for bringing cryptocurrency, NFTs and luxury brands on the same page (Weston, 2022).

Figure 7: Adidas with Bored Ape Yacht club

Source: Cryptoslate.com

Figure 8: CloneX avatars with Cryptokicks sneakers

Source: Highsnobiety.com

1.3.2 How NFTs can bring value to brands

As we see, evidence shows how brands can move toward NFTs by adopting many possible directions. Brands can turn into NFTs their physical objects like Nike did, they can create and enlarge communities that support the brand like Mac Cosmetics and Gucci, or they can do much more.

Due to the uncertainty around new technologies, to erase the scepticism marketers may have and to avoid waists of NFTs’ marketing potential, some researchers discussed NFTs marketing implementations using established marketing tools like the marketing funnel (used in research from A. Colicev) and the AIDA hierarchy model (used in research by Chohan and Paschen). For the purpose of the discussion, I decided to follow the logical order used in both and summarized their findings as follows.

In order to get a useful overview of the possible marketing strategies brands can design, researcher Anatoli Colicev (2022) used the marketing funnel as a tool to identify how brands can leverage NFTs in each stage of the funnel. Thus, discussing how NFTs can create value for brands in each stage and for different marketing objectives associated with each, the researcher provides a guideline, and a convincing case list of potential benefits to brands. The marketing funnel is a marketing tool used to describe the customer's journey with a brand. There are many variations and interpretations of the funnel that are reported in marketing literature; however, Colicev research is discussed basing it on the model which splits the funnel into three stages of the purchase process: pre-purchase stage; purchase; post-purchase. Also, the AIDA hierarchy model is a tool used to describe the customer journey. The original AIDA hierarchy was created by St. Elmo Lewi in 1900s and had four stages, rather than three, identified as: awareness, interest, desire and action. However, many scholars after him built on this framework to develop their own versions. Researchers Chohan and Paschen, whose work I am going to discuss, follow a fours stages strategy comprising of: awareness, desire, action and recurring action.

The pre-purchase stage is the moment in which consumers compare and evaluate alternatives before making a purchase. Fundamental objective for brands, in this stage, is to be able to create brand awareness. Brand awareness is the association of characteristics such as brand name, logo, package, etc. to a category need. It is clear then that to reach this goal, customers have to be exposed to the brand elements. To do so, Anatoli Colicev (2022) suggests that brands can use NFT product launches to generate awareness. In fact, NFT product launches can reach an audience which is difficult to reach otherwise. In recent years, more IT oriented crowds were born, and to reach those, the means of traditional marketing are not efficient anymore. Gen Z is a big component of this crowd, and an important target for brands of the most various industries. In order to gain more attention, brands could launch NFTs in collaboration with established collections. The partnership between Adidas and Sandbox, the acquisition of the RTKFT by Nike, and the development of Samsung's smart TV compatible with NFT in collaboration with Nifty Gateways (Colicev, 2022), or the one between Tiffany & and the CryptoPunk collection, are all collaborations of this type. Collaborations of this type not only can help in gaining awareness but also can help brands in reaching new audiences while NFT collections can gain hype and legitimacy at the same time (Colicev, 2022). In addition, marketers could increase awareness by promoting NFT's scarcity feature. Indeed, it was mentioned before how possession of scarce commodities has the power to convey feelings of personal distinctiveness and uniqueness (Chohan & Paschen, 2023). Moreover, brands could enrich their relationships and communication with customers by using highly engaging platforms like Discord, Reddit, Twitter or Telegram which are the place where organic conversation about topics like NFT happens. The highly engaging aspect of these platforms, higher than the one that can be achieved using social media platforms, where brand's communication is more indirect and corporate (Colicev, 2022), makes them a strategy to consider. Brands could engage customers more organically or generate higher awareness by organizing daily activities, creating engaging content, or inviting users to digital events (Colicev, 2022). For instance, potentiality given by such platforms might mean that in the future brands will use their NFT communities as the primary relationship channel with their customers.

The purchase stage is the moment in which customers decide to include or not the brand in their consideration set and then become ready to buy to satisfy their need. Fundamental objective for brands here is increasing the chances of being chosen among the other brands in the consideration set. Therefore, NFTs could be used as tools able to create greater value and make the brand stand out among competitors. Very important in this stage is to make consumers develop a desire to own an NFT, and this is possible by showing the added value NFTs have and how owning them can be beneficial (Chohan & Paschen, 2023). NFTs' features of scarcity, authenticity and security can be leveraged to achieve this and foster the desire and emotional connection wanted. As I already mentioned, it became popular for brands approaching this virtual world, to create NFT versions of their physical products or design a standalone NFT product line or to use both together. First two strategies have the power to increase brand visibility but the latter gives consumers access to a unique combination of symbolic and functional benefits (Colicev, 2022). In addition, owning an NFT can have the effect of creating an attachment to the brand that creates cross-selling opportunities with physical products of the same brand. It can serve as a membership program where owning one provides extra benefits like preferential access to products 'drops and the possibility to prove the ownership of unique branded pieces, which is important especially in luxury (Colicev, 2022). Such exclusive benefits can result in extending the celebratory moments to further appeal to consumer emotions (Chohan & Paschen, 2023). Furthermore, the community aspect of NFTs is also important at this stage. For instance, brands can use the power of these communities to connect online and offline consumer experiences with the brand.

The last stage, the post-purchase one, is the moment after the purchase has been made and the customer evaluated the experience, comparing it with its expectations. At this point marketing communication power is weaker since the customer has already experienced and created an idea in his mind. However, NFTs, due to their ownership structure, can create in customers a stronger perceived ownership of certain brand elements and brand attachment (Oliver, 1999; Colicev, 2022). Consumers can share their ownership of an NFT on social media as a status symbol, or resell it (Chohan & Paschen, 2023). Because of this, it is important that brands start to encourage sharing. Indeed, NFT communities play their role also in this stage by enabling brands to create authentic storytelling around the brand identity (Colicev, 2022).

Post purchase phase is also the moment in which the brand tries to establish a relationship with the customer, move him to the loyalty stage and create advocates of the brand. In this sense NFTs, thanks to their ownership and uniqueness features, can work like membership cards that provide special access to events or in-person meetups exclusive for NFT holders treating them as important stakeholders. Thus, owning an NFT can be compared to being an investor of the brand, and a participant in a loyalty program all at once (Kaczynski & Kominers, 2021).

1.4 NFT “the luxury revolution”

Scarcity, authenticity, uniqueness, ownership. I previously referred to these as attributes for describing NFTs, but there are other things we can associate them with, and one is for sure the world of “luxury”. That is why NFTs are sometimes referred to as “the luxury revolution”. From the discussion above a lot of industries have been mentioned as possible grounds for these growing technologies (Gaming industry, Ticketing industry, Art world, to say some), but none of these is “the perfect fit” I am talking about.

Brands living in the luxury industry have historically been communicating their identity as exclusive, and promoting a sense of elitism. A luxury item is communicated as something unique, precious, and an object of desire. Then, owning a luxury item, results in more than fashion, its status, its distinguishing from others. NFTs used as communication tools can clearly respond to these objectives. For example, customization is something particularly important and desired by luxury buyers, is the highest level of luxury.

NFTs on their side are able to guarantee the highest level of personalization, allowing users to express their creativity, tastes and personality with the only limit their imagination, and of course financial availability. In addition, as I already mentioned, NFTs have enabled the verification of “provenance” of underlying assets, by validating information as who owns a certain item, who previously owned or created that item, as well as how many copies exist for that item (Sharma et al., 2022). With the full ownership history publicly available and immutable, NFTs represent the solution to the problems of counterfeiting and fraud that have always been the main issue of the luxury industry, creating both image and financial damages to brands. Thanks to their unique identification, buyers will have a true certificate of ownership that will guarantee the authenticity of their luxury purchase and also facilitate and secure its possible future resale (Sup de Luxe, 2021).

Moreover, NFTs can double the value delivered. Indeed, it seems that coupling a digital component with the physical one can enhance the value delivered to customers (Wallace-Brewster, 2021). Digital components can contain special and unique messages, like for example a message from the designer, or unique benefits, that can serve as material for collectors and generate more awareness for the brand (Wallace-Brewster, 2021).

To conclude, NFTs have all the characteristics to be the designated tool able to bring the concepts of uniqueness and exclusivity to the highest levels possible. They are the opportunity for luxury brands to bring the concepts of exclusivity, preciousness and privilege to a new world, the digital one, open to few, increasing so the sense of loyalty and attachment to the brand.

Chapter 2: The Luxury Jewellery Market

2.1 "Emotion is king" in luxury purchases

2.1.1 Concepts and values in the luxury system

Having explored the possibilities that new technological frontiers can open, I now want to focus the discussion on a particular industry which showed to be the perfect ground where to explore these digital revolutionary assets: the luxury industry.

When talking about luxury and what the luxury industry sells and offers it is reductive to talk about purchasing expensive branded items. Indeed, the luxury world is much more than a market of renowned brands with premium priced items. Luxury is a concept that has to do with lifestyle, aesthetic and hedonism (Chevalier and Mazzalovo, 2012). The word "luxe" itself comes from the Latin word "luxus" which means superabundance and excess in the way of life or a display of wealth aimed at satisfying desires that transcend real needs (Cabigiosu, 2020). Hence, closely linked to human needs, there is no unique definition of luxury as it changes in relation to the context of space and time under analysis (Cabigiosu, 2020). That is why the meaning of luxury evolved during history and will continue to in the future, and why not, maybe becoming synonymous with NTFs. However, even if luxury seems to be a transactional type of culture, I bring back to a definition that allows to well-define it in our minds: luxury represents a system of tangible (clothing, cars, buildings, etc.), as well as intangible components comprising ideals, expected behaviours, and beliefs in a group specific value system (Wiedmann et al., 2007).

According to the theory of impression management, one of the motives for purchasing luxury brands is consumers' internal need to create a favourable social image of themselves coming from the purchase (Wiedmann et al., 2007). However, following a broader perspective, motives cannot be reduced to social aspects displaying status, success or human desire to impress others, but the consumption of luxury goods also involves purchasing a product that represents value to both the individual and their reference group (Wiedmann et al., 2007). According to Wiedmann, Hennings and Siebels, the researchers Vigneron and Johnson in 2004 developed a framework of five main drivers which form a semantic network that explains the decision-making process of customers buying luxury items. The framework includes both personal (perceived extended self, perceived hedonism), and non-personal perceptions (perceived conspicuousness, perceived uniqueness, perceived quality) that goes to form the latent structure and the interrelationships between the primary meanings of the luxury concept underlying decision-making process (Wiedmann et al., 2007). For example, one reason why consumers buy luxury brands is the superior quality associated with the craftsmanship, attention to detail and know-how of luxury brands that reassures on the performance of the item, and results in more value perceived from it. Uniqueness too is an important value, coming from the perceived exclusivity and rareness of the limited product which enhances the consumer desire and preference for the brand (Wiedmann et al., 2007). Furthermore, this value is also proven to strengthen the individuals 'need for uniqueness and his wish for differentiation which is fulfilled when a brand is accessible to an exclusive clientele (Wiedmann et al., 2007). For example, what became one of the most desired bags of all time is the Birkin bag by Hermes. Indeed, Hermes started a trend, which was then followed by many other brands, with the purpose of enhancing the exclusivity of its clientele thanks to the creation of waiting lists for some selected items (like the Birkin bag, Figure 9). With a waiting list of over ten years, and with the subscription not even open to all, Hermes bags are an object of desire, a symbol of exclusivity and status. Pursuing the same search for exclusivity, other fashion luxury brands like Chanel stated that their decision to gradually increase prices was not due to inflation or rising production costs, but rather a desire to reduce the number of people going around with their branded items in order to increase the exclusivity of their clientele.

Figure 9: Birkin bag by Hermes

Source: Hermes.com

On the other hand, self-identity value refers to how the individual perceives himself, and in this way, consumers may use luxury items to integrate the symbolic meaning into their own identity or use them to support and develop their own identity (Wiedmann et al, 2007). I believe it happened to all of us to judge a person that always wears and shows-off branded items and associating that person to a certain degree of wealth. However, I also believe we are all conscious that there is the possibility this is not necessarily true. In fact, nowadays making an expensive purchase can become a reason for someone to associate their identity, and for others to associate someone's identity, with something as precious and unique as the things they show-off, associating their identity with the identity given to the item itself. As a consequence, awareness of one's own personality also passes through the brand's awareness. Moreover, all this mechanism is enforced by the customer experience that luxury brands deliver, further bringing customers into this mindset. Concerning perceived hedonism, certain products and services have proven to be able to carry an emotional value and to provide intrinsic enjoyment, additionally to their functional utility (Wiedmann et al., 2007).

2.1.2 The power of emotions

Emotional responses such as sensory pleasure and gratification, aesthetic beauty, or excitement have been repeatedly associated with luxury purchases (Wiedmann et al., 2007). Hence describing the power of luxury brands in arousing feelings and affective states from their purchases (Wiedmann et al., 2007).

Literature is full of examples that show how, when brands connect with customers' emotions, enormous opportunities for creating new value open for them. Among literature, luxury brands in particular, distinguish themselves for their ability to entice their buyers with emotional experiences more than mass brands do. In fact, buying a luxury item most of the time is satisfying a lavish need, meaning that the underlying emotional motive is strong enough to drive the purchase. Emotion is king when these types of purchases are made, and it is the reason why, even during periods of economic recessions, the luxury industry was one of the few to experience not only stability, but an increase in growth. The immense role that emotions play in consumer behaviour and in particular in those important decisions to spend money on luxury brands, is actually decisive over all the other aspects. This means that the appeal of luxury brands is mainly psychological.

In literature they talk about emotional branding discussing the process that provides the resources and methodology for a deep emotional connection between the customer and the product, which is what helps brands to create unique and real connections (Savić et al., 2019). The power of emotional branding stems from sparking the right real emotions (Savić et al., 2019). Important in this sense is shifting the focus from the product to the experience, a concept that the luxury industry knows well.

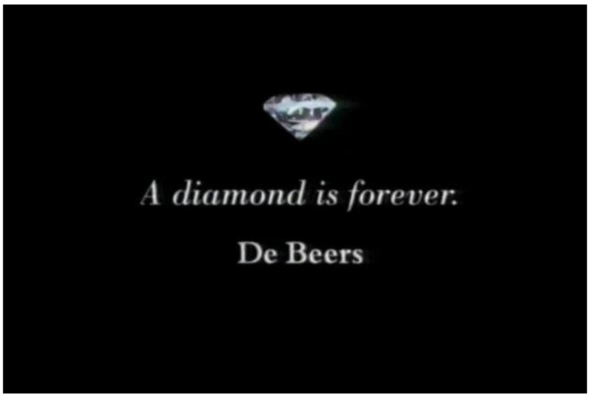
Emotional brand relationships are characterized by the preference of a consumer for a brand based on "its symbolic benefits, for the social attractiveness of the brand, and its self-expressive value" (Shin et al., 2022). This suggests again how luxury brands are more likely to create deeper emotional connections with customers. Consumers that establish a strong attachment to a brand begin a relationship that can evolve in a long-lasting bond (Shin et al., 2022). In addition, an emotional attachment to a brand is shown to have a positive influence on customer loyalty creation. Concerning luxury brands, since emotional aspects are crucial in the relationship established between the brand and the customer, the average customer loyalty is higher than the one registered in other industries (Shin et al., 2022). Moreover, since luxury purchases are an occasional kind of purchase, brands in the industry have always focused their attention on establishing a relationship with their customers as well as delivering the best customer experience possible in order to encourage following purchases.

Emotions and experiences are the core and reasons for the success of the luxury industry. However, the luxury industry is a broad one, and even if the discussion above could be potentially applied to all of it, there is a niche where the power of emotions reaches a whole other level.

Marylin Monroe once sang: "*A kiss on the hand, may be quite continental, but diamonds are a girl's best friends*" (Marylin Monroe, in Gentlemen Prefers Blondes, 1949)

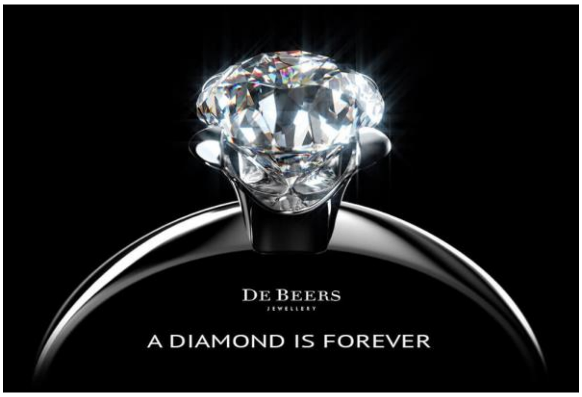
The luxury jewellery industry is the niche of the luxury world which sells jewellery of the highest quality levels made from precious metals and gemstones. Once only associated with wealthy aristocrats, luxury jewellery over the years entered ordinary people's homes, and they did so after a major player in the industry decided to broaden his customer base by linking jewellery with the concept of love. It was 1947 when De Beers, the biggest and most ancient corporation specialized in diamond mining retail and trading, marked the entire diamond industry with the campaign slogan "A diamond is forever" (Picciotto, 2020) (Figure 10 and Figure 11 showing the original slogan in the campaign from 1947 compared to the current one). With the purpose of creating a parallel between a diamond and love, this campaign pushed diamonds as the most romantic purchase a man could make for his lover (Picciotto, 2020). Diamonds, thus, became forever linked to the concept of eternal love and De Beers created a new behaviour, while also creating the myth that marriage is incomplete without a diamond to seal this bond.

Figure 10: De Beers' Campaign with slogan, 1947



Source: Adage.com

Figure 11: De Beers' Campaign with slogan, 2022



Source: Teamabovo.com

Over the years, luxury jewellery became not only something associated with richness and wealth but rather a symbol of love, often bought to accompany and enshrine the memory of a special moment in life. The strong emotional connection created by luxury jewellery brands allows them to create a sense of belonging among their customers which can result in building a community of brand enthusiasts. In fact, buying a luxury jewel is the equivalent of buying a family heirloom, resulting in a deeper appreciation of a brand's essence to the point of creating a bond with the associated brand that lasts a life-time, and that often is even passed on in the family to future generations.

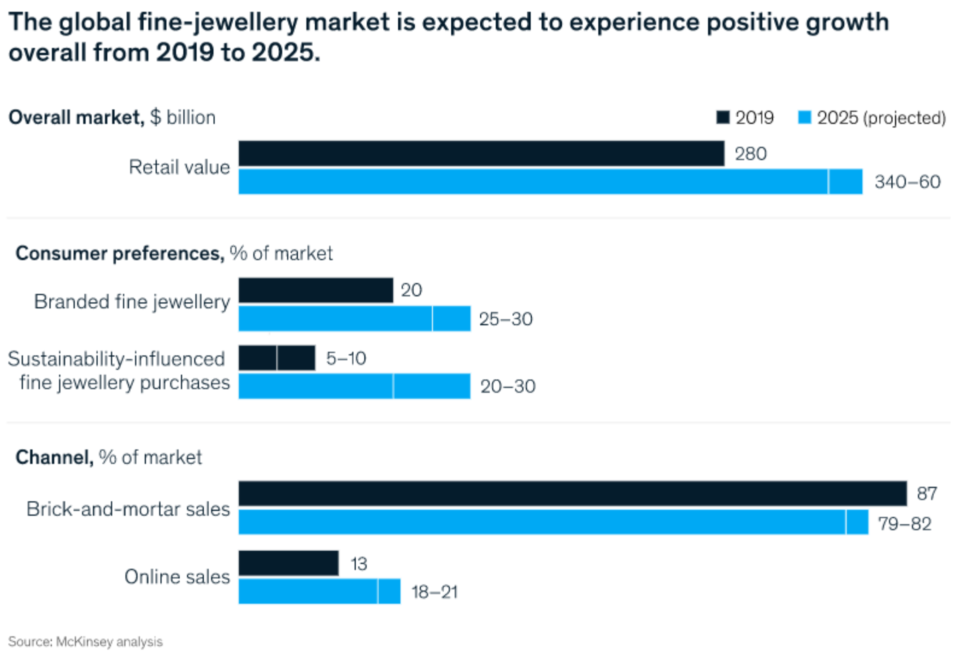
2.2 A market overview of the luxury jewellery industry

2.2.1 Dimensions, Players, and the Macro environment insights

In the past three years, due to COVID- 19 pandemic, as for many other industries, the demand for luxury jewellery slowed down, registering a revenue decline of 10 to 15 percent according to McKinsey estimates (McKinsey & Company, 2021). In an industry where online sales only represented 13% of the global market, the closure of physical shops and the legal restrictions put in place, which limited social gatherings and reunions of any kind during the pandemic period, had a strong negative effect on the businesses. A component of the loss is also the number of purchases made by consumers on trips abroad, which accounted for 30% before COVID-19 (McKinsey & Company, 2021). Despite the negative circumstances that have hindered the growth of this industry in the past period, it is expected to see a new global growth of 3 to 4 percent per year from now to 2025, expanding from $280 billion in sales to between $340 and $360 billion (McKinsey & Company, 2021). The expected growth is predicted to come from the numerous opportunities the industry is giving to the operating businesses. Indeed, players are expected to rewrite their rules about products, distribution models and engagement strategies currently in place, moving to a more branded, more digital and more sustainable-focused future (McKinsey & Company, 2021).

Branded luxury jewellery is predicted to be on the rise with an expected compound annual growth rate (CAGR) of 8 to 12 percent from 2019 to 2025, meaning that this segment will grow three times faster than the total market due to the higher price points of the items sold (McKinsey & Company, 2021). Moreover, branded luxury players will find themselves in competition, and under the pressure of other unbranded jewellery players already well-positioned on the online market. Since online sales are expected to increase from 13% to 18 to 21 percent of the total global market by 2025, the urgency to adapt their business models to the online world is stringent for the branded luxury brands (McKinsey & Company, 2021). Indeed, these online well-positioned unbranded players, in virtue of their first digital presence, are best able to acquire customers through social media and digital marketing, representing a big threat to branded luxury jewellery but also an example to look at. Meanwhile, a predicted trend is that sustainability will increase in importance in customer's buying decisions. As sustainability practices are expected to triple in the years ahead, firms in this industry will have one more opportunity to show their social responsibility (McKinsey & Company, 2021). Finally, while the industry in analysis was not far-sighted in the past by not understanding the importance of investing in e-commerce, today's big players seem to be very busy in creating new advanced digital solutions. From a geographical point of view, according to McKinsey estimates, Asia is expected to lead the overall global growth with Chinese customers to grow in importance for global brands (McKinsey & Company, 2021). The region, accounting already in 2021 around 45% of all branded jewellery sales, is expected to grow in sales at a 10 to 14 percent CAGR by 2025. The table below (Table 1) is taken from McKinsey & Company website and is reported here to help in visualizing the aforementioned projections for 2025.

Table 1: McKinsey & Company: The State of Fashion: Watches and Jewellery Report June 2021.



Source: McKinsey.com

Therefore, the growth in the market is driven by changing customer behaviours and trends. Because of this, companies are employing many tactics to expand their customer base and in doing so are changing the jewellery industry from the rigid structured one we knew before. Bulgari, for example, is investing more in marketing practices and increasing its production, launching two to three collections per year (McKinsey & Company, 2021). Similarly, Cartier is expanding his store footprint in order to increase visibility. Also, Cartier in 2019 announced its partnership with Alibaba Group to launch their online store on the Tmall luxury pavilion platform, a strategy with the purpose of expanding the brand to the Chinese market. Besides Bulgari and Cartier, there are other leading players in this industry that are worth to be mentioned:

-Chopard International SA, a Swiss brand of watches and luxury jewellery founded in 1860.

-Boucheron, a French brand founded in 1858 now part of the Kering group.

-Pomellato, an Italian jewellery brand founded in 1967, part of the Kering group from 2013.

-De Beer, one of the biggest and most ancient corporations specialized in diamond mining retail and trading.

-Tiffany & Co., American jewellery brand founded in 1837 now part of the LVMH group since 2021.

-Van Cleef & Arpels, a French luxury brand founded in 1906.

Since it is a well populated niche of the luxury industry with brands competing for similar market shares the list of players is long but not relevant for the purpose of the discussion.

To sum up, with customers' interests shifting to brands that can best represent their values, and branded jewellery flocking to online shopping with enormous resources compared to unbranded ones, the branded luxury jewellery industry is expected to grow fast in the following years, and the largest growth is expected to come from Asia.

2.2.2 Industry trends - A new target

While luxury has always been a world open to everyone but accessible to a wealthy elite of people, with the passing of time and modernization, luxury modified its structure of doing business as well as to whom to turn its attention.

As emerged in both the 2020 the 2021 annual report about consumer insights for the future luxury market, from the Boston Consulting Group in collaboration with Altagamma (the Italian luxury goods manufacturers' trade association) the Millennials (those born between 1980 and 1995) and Gen Z (those born between 1996 and 2010) are the generations to look at in this business, estimated to account for more than 60% of the global luxury market by 2025. In particular, these generational groups are interesting as their purchasing power will increase in the coming years and due to their potential to influence the older generations (BCG and Altagamma consumer insight 2021). Younger and tech-savvy, these new luxury customers are pioneers of emerging trends such as the preference for customized experiences, online shopping and opinion-forming through social media and influencers (BCG and Altagamma consumer insight 2021).

Like mentioned before, the jewellery segment was one of the ones to show the fastest recovery from the COVID-19 pandemic, and both consultants and researchers attribute this recovery to the purchasing power of the new generations, and in particular to Millennials (Ratakam & Petison, 2023). Indeed, studies show how the perceived value of Millennials when buying luxury jewellery drastically changed from before the pandemic, when Millennials exhibited more price-value consciousness. Today, rather than price, it seems that the emotional attachment to the brand, along with experience play a significant role in influencing Millennials' behaviour (Ratakam & Petison, 2023). In particular, Millennials appear to focus more on experience or happiness as values that drive luxury jewellery purchasing intentions (Ratakam & Petison, 2023). For Millennials, the experience value comes from the feelings of excitement and the massive feelings of experiences on how creativity in various styles uses a piece of jewellery (Ratakam & Petison, 2023). Experience is seen as the intrinsic benefit that makes them willing to pay higher prices. The higher the value of luxury products, the more entertaining and impressive the brand experience appears to Millennials (Ratakam & Petison, 2023). Furthermore, the emotional connection people have with high-end jewellery brands is closely related to how valuable the experience is (Ratakam & Petison, 2023). Another main hidden final value that drives Millennials' luxury purchases intentions is self-confidence. The perception of the high quality of luxury jewellery, makes Millennials feel they own a prestigious and valuable product, thus making them more confident about themselves when wearing expensive jewellery (Ratakam & Petison, 2023).

On the other hand, as the first generation born in the digital world, Generation Z shows unique traits that distinguish it from the others. Having access to all kinds of technologies they are always connected, they value safety and saving, and feel a strong responsibility for the environment (Shin et al., 2022). Younger and digitally oriented, Gen Z consumers are starting to buy luxury goods, showing a more precocious attitude toward luxury compared to the generations before (Frank, 2023). Social media had an important role in this sense, influencing consumers' minds to what is cool. Indeed, Bain & Company estimated that today, 70% of luxury purchases are influenced by online interactions. Moreover, with the possibility to buy luxury items online as also with the trend of sustainability that fuelled the creation of the second-hand luxury goods websites that have emerged, luxury has never been more accessible. Gen Z, today are mostly adolescents and young adults in search of self-worth and self-identity, which can be facilitated by luxury consumption (Shin et al., 2022). Indeed, research about Gen Z's brand relationship with luxury shows how this generation deeply sustains the importance and enjoyment of one's self in the consumer-luxury relationship, appreciating the hedonic value and expressive self-identity aspects of luxury (Shin et al., 2022). Furthermore, aspects like family, celebrities, peers and first experiences with the brand have also shown to be very important factors in the Gen Z relationship with luxury consumption. As a consequence, since Gen Z sees luxury consumption as a tool to express self-identity in the context of daily life, it is important that luxury brands allow always more freedom of customization and present entertaining, fun and interactive content to positively enhance luxury brand perceptions and purchases (Shin et al., 2022).

To summarize, Millennials and Gen Z are the new luxury consumers. Digital natives, demanding in terms of experiences, emotional connection and self-identity expression, are pushing brands into finding new solutions capable of answering all their needs. Will the metaverse and NFTs be this solution?

2.2.3 Industry trends - A new storytelling

With the shift of the target audience to a new generation of young adults' customers with totally different values from their predecessors, brands need to shift to a new kind of communication to hold their grip.

The new luxury customers, living in a digital era, have wide access to all kinds of information and technology. Curious more than ever, these types of customers express the desire to know the story behind the products they buy, seeking in them consistency and an opportunity to feel represented and to connect with others who also feel represented by the same products. The values behind creation, the means of production, the emotions evoked and the experiences that they can create, become essential components both of the customer luxury purchase decision and of the strategy that luxury brands must put in place.

In this sense, a powerful emotional story becomes the essential component in the creation of a strong connection with the brand. Storytelling is a powerful technique, well-known in communication, that leverages on the power of telling an authentic story rather than common advertising. Luxury brands have always done extensive use of this technique, understanding its power since its theorization. Let's just think for example about the aforementioned De Beers' commercial from 1947, which marked the history not only thanks to its iconic slogan but also for the TV spot released. Indeed, the commercial showed a couple in their luxurious beach house, symbol of status and wealth, spending the most beautiful day at the beach running and loving until the man proposes with a gold solitaire diamond ring (Picciotto, 2020). The fast-paced music and loving glances between the couple in love, accompany the close-up of the ring giving the commercial an emotional charge that was bound to make history. However, a spot like that would not be appealing for today's customers and that is why brands need to explore a new way to do storytelling.

In this sense luxury brands today could use NFTs to develop a new storytelling and interact with their customers by offering new digital experiences. As mentioned before when I explored NFTs' marketing potential, brands now have the unique opportunity of building brand related stories with characters and everything else, with which customers can connect in many different ways. In other words, NFTs used in the virtual world, give brands the possibility to develop the highest level of customer interaction and customization of the service ever seen, and as such are the tools that can offer brands new and innovative ways of doing storytelling today.

Moreover, NFTs adoption should not be a problem for the target in discussion. Indeed, already into the gaming industry, Millennials and Gen Z are the first generations that could appreciate and understand the opportunities NFTs can bring them, especially in terms of experiences. This said, the doors that the digital world can open for brands are so many that they only need to move and experiment what suits them the most, in relation to their culture and their target. For example, brands could hire platform moderators and make use of them as trust-worthy sources of brand-related messages (Colicev, 2022), or they could engage with users in the metaverse through in-game characters created to be brand-advocates in the virtual reality.

2.3 From in-store to digital experiences

2.3.1 How brands are re-thinking in-store experiences

The advent of the pandemic changed the game for the luxury jewellery industry, accelerating the need for adoption of e-commerce and the online presence that until then many luxury brands in the industry had tried to ignore.

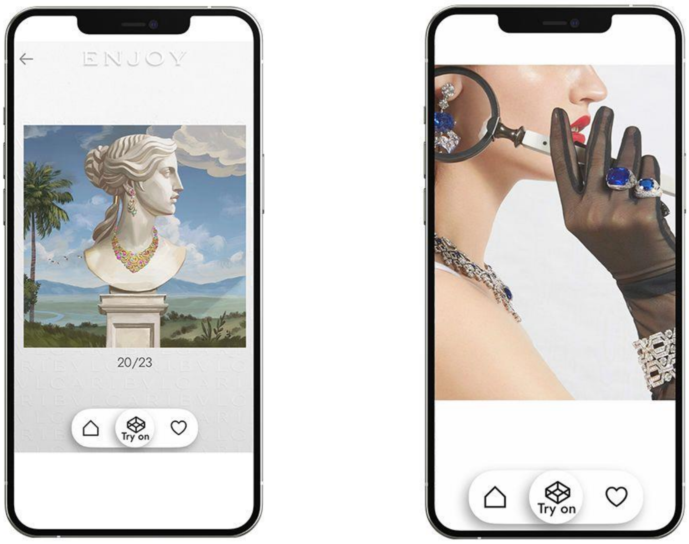
According to McKinsey estimates, online luxury jewellery sales are expected to represent 18 to 21 percent of the market by 2025, with a market value increase of 60 to 80 billion from 2019 (before COVD-19) (McKinsey and Company, 2021). Long ignored, the online world represents something that has always seemed incompatible with one of the main assets offered by the luxury industry: the customer experience. Representing one of the crucial points in the purchase process, the customer experience has constantly been the subject of attention and study by luxury brands that strived to offer the best possible one.

As discussed in previous paragraphs when talking about the power of emotions, making a luxury purchase and in particular buying a luxury jewel is something where emotions play an immense role. Indeed, in-store luxury jewellery purchases involve many experiential aspects like greetings and serving, consultation, fitting, confidence in a professional hands-on assistance etc. (McKinsey & Company, 2021). The personal care offered, the sensory aspect of touching jewels by hands, the scent in the air and the moment itself which can be in the company of someone you love create long-lasting memories in the customer's brain. While there is no doubt that these experiences cannot be replaced by similar online ones, what brands are focusing on, and must focus on in the near future, is not replacing, but rather getting the best out of the digital experience that the customers are demanding anyway.

Doing their first steps toward extending their online presence, brands are experimenting with means like high resolution photos onsite, augmented reality try-on and virtual appointments that enhance the online experience and serve the practical customer needs (Figure 12) (McKinsey & Company, 2021). For instance, Bulgari already developed a special app for key customers that enables them to discover the new collections and try the pieces with augmented reality directly from their phone (McKinsey & Company, 2021). Moreover, getting the best out of the digital experience can also mean to bring online the in-store relationships between store employees and clientele. Indeed, it is common practice, in this industry, to assign employees to clients when they first come visiting the store and making a purchase. From then on, the employees are committed to nourishing the relationship with the customer, inviting them to in-store events or signalling special sales and being their reference for future purchases. In this sense store personnel become like personal shoppers that know the tastes and preferences of the customers and can offer an extremely customized experience. Consequently, to offer a digital experience luxury brand could make their in-store sales force available for advice online, making online communication channels available for video calls and try-ons (McKinsey & Company, 2021). Other major trends that are taking place are social media usage, to connect with younger generations, and organizing live streaming sessions of videos to promote interactions with clients.

However, since mastering all these elements will soon be a prerequisite, and all brands are moving online, to be competitive and stand out from the crowd, luxury brands must invest in creativity.

Figure 12: Bulgari app for virtual try-on



Source: VO.com

2.3.1.1 NFTs: means to the highest expression of creativity

We saw how younger generations today, have abandoned certain characteristics that marked previous ones, such as price-consciousness, and are now seeking more experiential and emotional values in their purchases; they are looking for brand's consistency in term of values; and for an opportunity to feel represented and to connect with others who also feel represented by the same products. For these reasons, since the luxury jewellery industry is particularly strong in creating deep emotional connections and long-lasting bonds that remain generation after generation, it is expected to benefit from this cultural shift more than other industries.

The younger generations are a fertile ground for the industry in analysis, however, no benefit can be gained if the brands don't find effective ways to reach out to them. On their side, NFTs seem to have all the characteristics to be the designed tool to make this possible. NFTs are able to guarantee uniqueness, authenticity, community-building, high levels of customization and digital experiences that can go beyond any imagination. Generation Z in particular, is the most fertile ground to exploit NFTs' potential. Indeed, digitally savvy and demanding in terms of luxury experiences, they can better understand the incremental value coming from the association between the world of luxury and the NFTs. Moreover, estimates show how in the following years the Metaverse will expand in adoption and people will create their own parallel lives in the virtual world, stressing the importance for brands of expanding their business in this direction. In fact, brands should find ways to leverage the same drivers that led customers to use luxury items to support and develop their own identity and create the same need with NFTs in the virtual world. In other words, brands must find ways to push customers to use branded NFTs as a form of expression in the virtual world.

The Metaverse seems to be the place where everything is possible. Imagination and self-expression possibilities have no limit there, and finding the people that share the same interests and desires has never been easier. An example of extreme extension of the boundaries of creativity in the Metaverse is shown by Bulgari. Creating a bridge between the physical and the digital world, in 2022 Bulgari released the Octo Finissimo Ultra (Figure 13), an ultra-thin watch in titanium with a QR code engraved that gives access to a stunning NFT artwork (Bulgari.com), developed thanks to the technology of the Aura blockchain. Part of a limited edition of only 10 pieces, the Octo Finissimo Ultra trough the engraved QR gives to its owners' access to a metaphysical world dedicated to the intimate story of its design and history. Subsequently, the brand launched the first capsule collection of jewellery NFT (yet not for sale) in collaboration with MIAT – Multiverse Institute for Arts and Technology. The collection represents the emblem of how creativity in the Metaverse transcends the physical and financial constraints that jewellery making has in the real world (Figure 14). Moreover, during the VivaTech 2022, Europe's largest fair dedicated to technology, the roman jewellery house decided to give a preview of its personal vision of the luxury universe in the future. The preview, in video form, showed a Multiverse that welcomes visitors to a metaphysical Rome (Figure 15).

Thus, taking the possibility of generating fun, entertainment and freedom of expression to the extreme, brands have the possibility to positively enhance their brand perceptions and purchases like never before.

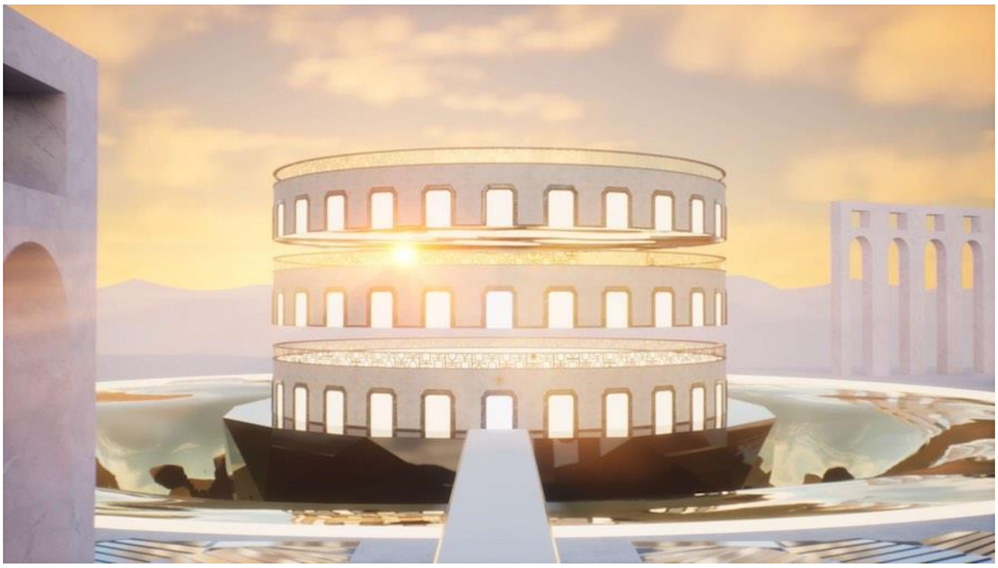
Figure 13: Octo Finissimo Ultra watch

Source: Bulgari.com

Figure 14: Pieces from the NFT capsule collection

Source: VougueBusiness.com

Figure 15: Frames from the preview of the Bulgari Metaverse



Source: Brandnews.com

Chapter 3: Tiffany & Co.

3.1 Tiffany & Co – A story of success

Among the major players in the luxury jewellery market, Tiffany & Co. brand will be taken into this study as an example of both heritage and digital innovation.

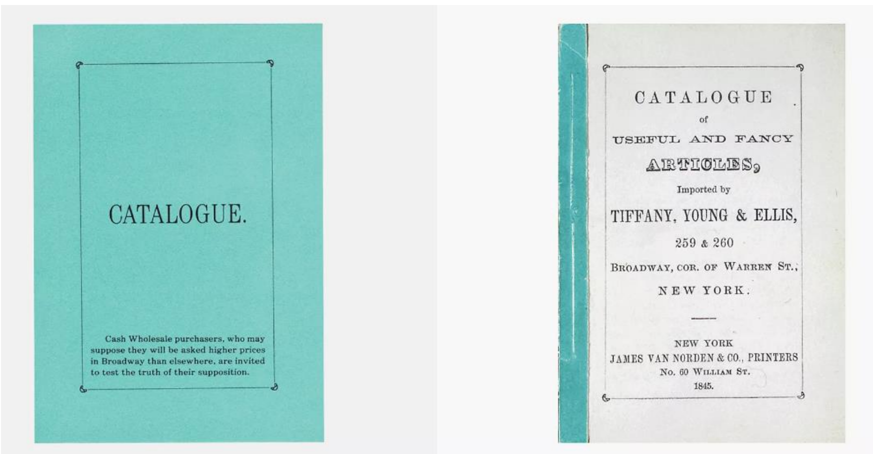
3.1.1 Brand's history and cultural influence

Founded in 1837 by Charles Lewis Tiffany and John F. Young, the first Tiffany store was opened in Manhattan, New York, under the name Tiffany Youngs and Ellis, and was only renamed in 1853 when Charles Tiffany took over. In the America of when everything was possible and dreams come true, the 25 years old Charles Tiffany decided to open a shop specialized in stationary and fancy items, which recalled a simple and clean style, far from the European opulence (Luè, 2020).

In 1845 Tiffany published the first mail order catalogue of the United States, introducing luxury goods in the houses of Americans. Known as "The Blue book" (Figure 16), the catalogue showed the first fine jewellery Tiffany collection and marked the history for its iconic cover's blue colour. The blue colour was inspired by the turquoise, a very glamorous and modern gemstone, which perfectly suited the modernity Tiffany was trying to convey.

The particular shade of blue, trademarked in 1998 as Pantone shade #1837 blue, soon became part of the iconography and heritage of the American house, promising exclusivity, sophistication, and elegance, as it could only be acquired by purchasing jewellery from a Tiffany's store (Kaur, 2016). The blue shade, which colours Tiffany's packages, thus became the stronger signifier of the brand, shaping Tiffany's global brand image as stylish, superior and as iconic as the jewellery itself (Kaur, 2016).

Figure 16: The Blue book and the Tiffany iconic blue colour



Source: Tiffany.com

In 1848 Charles Lewis Tiffany decided to focus the business on fine jewellery and made the store a point of reference for diamonds when he decided to buy precious stones from the European aristocracy (Tiffany.com). For the first time in history, the American elite had his hands on precious and important pieces of jewellery and Charles Lewis was crowned the King of Diamonds (Tiffany.com; Luè, 2020). In the following years Tiffany became a reference point also in the silver industry establishing the .925 silver standard and becoming the most important jewellery of the nation (Tiffany.com; Luè, 2020). In addition, the fame he gained in America allowed him to become the official jeweller to many European royals, as well as the Ottoman emperor and the tsar of Russia (Luè, 2020).

If that were not enough, the American brand is also credited with the creation of a piece of jewellery that shaped the idea of the engagement ring as we understand it today. Indeed, in 1886 Tiffany presented the "Tiffany Setting", a handmade ring with a rare diamond whose innovative diamond setting highlighted the nuances of light (Luè, 2020). Designed to perfection, the result is a ring so stunning that it has been the symbol of the world's greatest love stories for over 130 years (Tiffany.com).

In 1902, succeeding after his father's death, Louis Comfort Tiffany became the new creative director and gave the brand a new colourful and naturalistic aesthetic.

Becoming a symbol of American luxury and elegance, over the course of years, the brand began to partner with important designers (Gene Moore, Jean Schlumberg, Elsa Peretti), bringing to life magical creations full of romance, wit and adventure (Tiffany.com). However, the remarkable popularity of the jewellery only exploded exponentially in the 1960s with the release of the film by Truman Capote "Breakfast at Tiffany's". It was with the character of Holly Golightly, embodied by actress Audrey Hepburn that were portrayed the emotionally evocative connotations of experiencing Tiffany's in New York (Kaur, 2016). Conveying the message that "nothing bad could ever happen at Tiffany's store" it began the Tiffany's from New York cultural phenomenon, which is consistently reiterated in popular media culture ever since (Kaur, 2016).

After Capote's film, Tiffany continued to consistently disseminate its brand ideology of expensive business love, lust and marriage in consumer culture through iconic films like "Gentlemen Prefer Blondes" (1953), starred by Marilyn Monroe who became image of the allure of Tiffanys' diamonds; but also, though the music industry with Madonna in the "Material Girl" music video (1985) which further strengthened Tiffany's image of glamour and luxury (Kaur, 2016).

Figure 17: Frame from "Breakfast at Tiffany's" (1961).

Source: Vogue.com

The film "Breakfast at Tiffany's" introduced the world to New York as the setting upon which the Tiffany's diamond rested and made Tiffany's brand culturally iconic (Kaur, 2016). To further shape the identity myth embraced by the company and the city for their international audience, Capote used the iconic Holly Golightly to personify the sense of feeling foreign in New York, and to illustrate the seductive nature of a Tiffany's store experience (Kaur, 2016). In this way New York became the influential cultural instigator that propelled Tiffany & Co. from a consumer product, to a cultural icon (Kaur, 2016).

At that time, the market for jewellery and in particular diamonds was led by the South African De Beers cartel, which in addition to controlling the world market had managed to create a desire for diamonds by making them a status symbol (Kaur, 2016) (remember the aforementioned De Beers commercial from 1947 which linked the concept of love and marriage to diamonds purchases). This ideology was welcomed by Tiffany & Co. which further ritualized the justification of the material symbolisation of love in relation to its diamond ring experiences (Kaur, 2016).

Moreover, Tiffany & Co played an important role in the creation and design of the in-store experience as an additional means to delivering value. Indeed, Charles Tiffany initiated the experiential process of purchasing a diamond product by designing the first enticing store experience (Kaur, 2016). Making the experience exclusive, customers had the chance to take part in an intricately branded journey. Stores around the world are designed to resemble the iconic one in New York, satisfying the need of its global target to live the New York experience. Customers can indulge in their thoughts of what it might be like to be abroad, and the limitless potential of a city like New York could have for them, by taking part in the Tiffany's store experience where their love can be personified by purchasing a Tiffany Diamond (Kaur, 2016). This marketing strategy enabled Tiffany & Co. to build brand loyalty by consistently connecting with each of its consumers, no matter where they are in the world (Kaur, 2016).

Figure 18 and 19 show the iconic New York flagship store in the year of it's opening (1940) comparing it with the new one, opened in April 2023 after a massive renovation. This new opening is meant to be a "cultural phenomenon showcasing incredible architecture, as well as cutting-edge art and design", says Tiffany president and CEO Anthony Ledru (Guilbault, 2023). "It will be unique. It's a reason to come in addition to seeing a product at Tiffany — to spend a cultural moment through the brand and what it can offer," says Bernard Arnault, chairman and CEO of Tiffany owner LVMH (Guilbault, 2023). Showcasing paintings, sculptures, videos, NFTs and installations, this flag ship store is meant to be the testimony of the modernization that the brand in going through in the past years.

Figure 18: Tiffany's flagship store 1940

Source: Tiffany.com

Figure 19: Tiffany's flagship store 2023

Source: Tiffany & Co via LinkedIn profile

To conclude Tiffany & Co., thanks to its presence in cultural phenomena and through the support of iconic and influential figures throughout history, successfully managed to position the brand in the mind of customers as a symbol of wealth, luxury, commitment, love and exclusivity (Kaur, 2016). Constantly building positive brand associations and investing considerable resources to keep up with the trends and modern technologies, Tiffany & Co. earned the position and influence it still enjoys today.

3.2 Tiffany & Co. and the social media usage

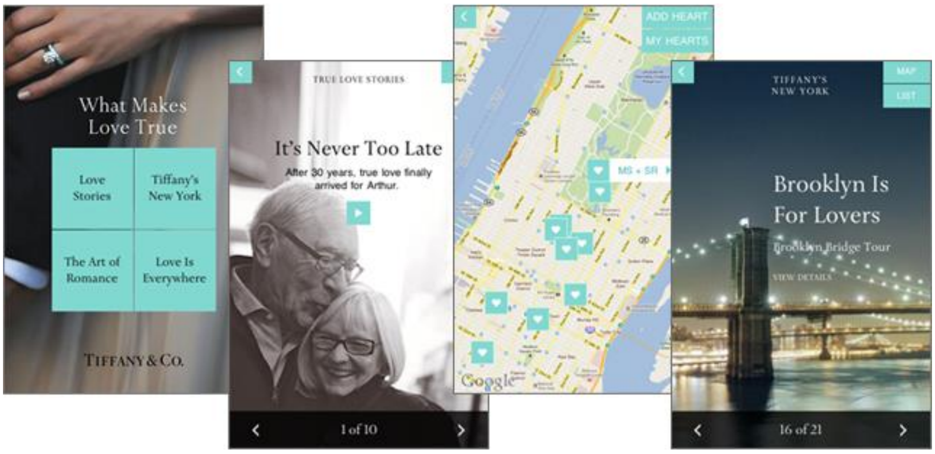
3.2.1 Tiffany and social media then

In the ’90s, the advent of the internet was a significant turning point in the history of technology, opening up to new possibilities for communication and information exchange around the world. In particular, the development of social networks changed the way brands and customers used to communicate traditionally, allowing for faster communication and more interaction. A brand that understood social media potential and has been able to use them effectively in its marketing strategy is Tiffany & Co., which is now one of the most visible luxury brands online. Indeed, while the debate about e-commerce was still going on, Tiffany quickly created its official website making it not only a place where customers could order jewels online, but also a window to the history and unicity of the products and the brand itself (Sivtseva, 2022).

Moreover, Tiffany made its digital marketing strategy all about engagement since the beginning. The description of the products on their website was not focused only on the materials and design used, but also proposed the stories behind their creation (Tiffany.com). In 2011, Tiffany smartly developed their new microsite and an app based on the "What Makes Love Real" campaign. A move that soon made Tiffany rank as number 1 among 35 jewellery and watch brands in L2 Think Tank’s Digital IQ Index (an index that ranks brands based on their digital performance against industry competitors) for 2011 and 2012 (Üçok Hughes et al., 2016). Through this campaign users were invited to upload photos, videos and stories about their true love experiences, sharing their personal vision of love and making Tiffany the medium of spreading this message. Importantly the app allowed users to share their stories also on social media like Facebook, Twitter and LinkedIn instantly, something that may sound normal nowadays, but that was a great digital marketing strategy to create brand awareness and engagement for the time. Tiffany & Co. enable their community to visit their “What Makes Love True” site to share and engage with other like-minded visitors (Üçok Hughes et al., 2016). In this sense the app was not a commercial site but rather an extension for the brand community created via the storytelling generated by the community’s engagement (Üçok Hughes et al., 2016). The app campaign had four sections: Love story, Tiffany’s New York, The art of Romance, Love is everywhere. The first two sections were meant to promote the idea of romance, anchoring the brand as an expression of love toward loved ones; while the other two sections were meant to promote engagement and community building.

Through the interaction between the brand and customers, the “What Makes Love True” campaign increased the brand's popularity, but also started to create a whole new brand community that helped to nurture customer loyalty (Sivtseva, 2022).

Figure 20: “What Makes Love True” app



Source: RandyMatheson.com; personal blog post

3.2.2 Tiffany and social media now

Today Tiffany & Co is one of the most visible luxury brands online and thanks to its sapient social media usage it managed to retain its air of exclusivity and preserve its appeal to high-end customers while at the same time broadening its communication to new younger ones.

Through its official social accounts, Tiffany & Co. is able to reach and interact with its audience in a direct and personalized way, while showcasing its products and brand image. The brand uses social media to share stories about its history and jewellery collections, promote events and collaborations, and engage its customers through contests and interactive marketing initiatives.

Active across various social media platforms, namely Facebook, Instagram, Twitter, Pinterest and YouTube, the brand does not promote the same content but rather uses each social platform strategically, selecting the content, the way of displaying it, and the adequate language in order to get the best out of the possible communication on each platform, to reach the right target while promoting the brand.

<u>Facebook:</u>

With almost 10.5 million followers (May 2023) the brand has an official page on Facebook where it connects with its community by sharing stories about its history, pictures of its products and promotes events, partnerships and initiatives. Posting almost every day, and more times a day, especially for events that require the creation of a post dedicated to different celebrities, the account generates thousands of likes (it varies depending on the content) and an impressive but smaller number of comments (around a few hundred) for each post.

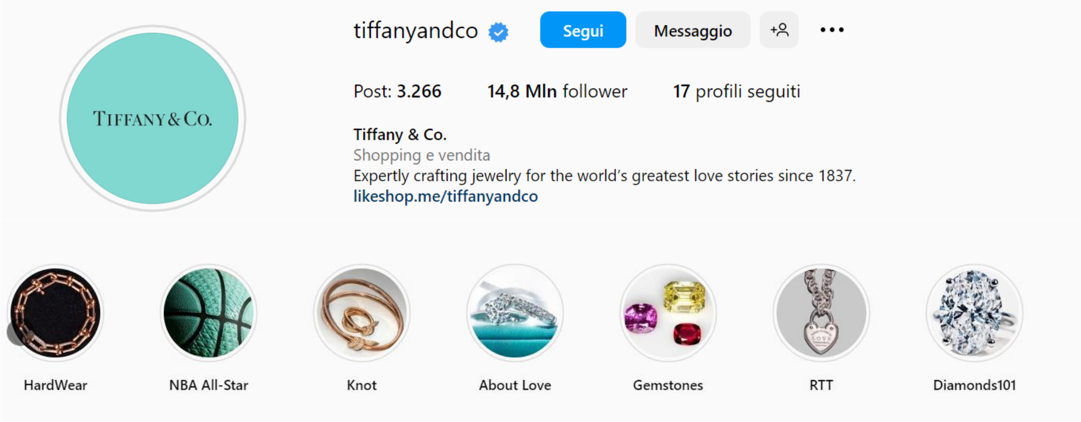
Figure 21: On the occasion of the MET Gala of May 2023, the brand posted a picture of the pop singer Dua Lipa, adorned with a Tiffany necklace. The post is an example of how the brand uses this space to create topical content capable of attracting an audience while presenting a stunning piece of jewellery at the same time.

Source: Tiffany & Co. Facebook account

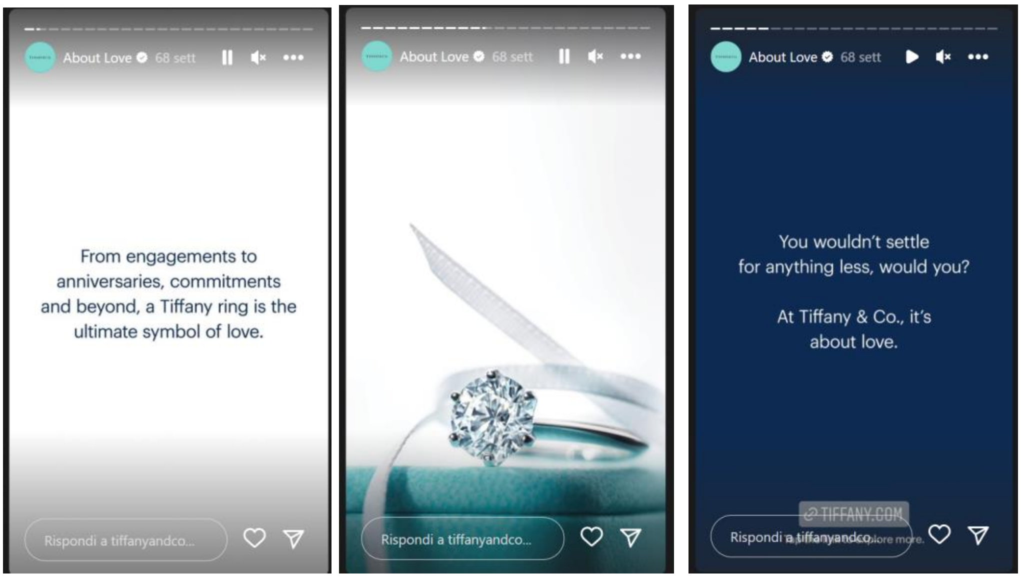
<u>Instagram:</u>

With 14.8 million followers on Instagram (May 2023), the brand uses the visual platform to showcase its products in a creative way. While using the same content and language for posts as on Facebook, Instagram's features allow the brand to reach higher customer engagement. Using visual aesthetics and collaborating with influencers and partners via Instagram Stories, the brand is able to reach a wider new audience and engage its followers through contests and interactive marketing initiatives. With the same post frequency as Facebook, the Instagram account of the brand is able to get more engagement, counting almost three times the number of comments and 10 times the number of likes of a Facebook post, per post. For example, the post in Figure 21, posted on the same day on both platforms, has 144 comments and 5517 likes on Facebook, while 621 comments and 191.000 likes on Instagram.

Figure 22 to **25**: The "highlighted stories" in Tiffany's Instagram account show a collection of images and news grouped by topic, that enable visitors of the page to have a complete and more interactive overview of the subject matter.



Clicking on the story "About love" the user enters into a 25 media (pictures, video, text) slideshow dedicated to engagement rings and to the added value that choosing a Tiffany ring can bring, as the ultimate symbol of love.



Source: Tiffany & Co. Instagram account

Call to action buttons like the link present in the last picture above, are largely used on this platform to increase customer engagement.

<u>Twitter:</u>

With 1.8 million followers on Twitter (May 2023), the brand uses the platform to share news and real-time updates on its business, such as launch of new collections and participation in events, as well as to interact directly with its customers and followers. While the content per post remains the same as in the aforementioned platforms, the language used here is different. The difference is shown by comparing the same post published

on Facebook reported in Figure 21 with Figure 26, which shows the post from the Twitter account. Because of the character limit (currently max 280 per post, 4.000 for paying users) and to increase possible interactions, posts on Twitter present shorter, more concise sentences and more numerous hashtags and tags.

Figure 26: On the occasion of the MET Gala of May 2023, the brand posted a picture of the pop singer Dua Lipa, adorned with a Tiffany necklace.

Source: Tiffany & Co. Twitter account

Tiffany's Twitter account is a place where the brand can portray its brand personality as reported by Diana Hong, senior Vice President and creative director of global digital marketing at Tiffany & Co. in an interview. "We found our groove on Twitter", "It's an interesting platform for us. The Tiffany brand, historically, has created a culture around language, and we've found that in 140 characters, there's so much you can say that's impactful." said Diana Hong (Digiday.com, 2016).

<u>Pinterest and YouTube:</u>

With 310.9 thousand followers on Pinterest and almost 140 thousand subscribed to the YouTube channel (May 2023) Tiffany & Co. uses these two platforms to share images and high-quality videos that promote its product and brand image.

Pinterest is the platform used to share inspiration and ideas for using its products, as well as to showcase the craftsmanship and quality of its jewels. Thus, the purpose of this platform is to inspire and showcase rather than creating engagement. Tiffany's Pinterest account is organized in "boards", collections of images, which are divided by themes such as: “Wedding Day Jewellery”, “Engagement Ring Styles”, “Wedding Party Gifts” and many more. On the other hand, the brand uses YouTube as a channel for premium video material, uploading videos featuring its products as well as stories about its history and design philosophy. Tiffany & Co. uses the platform to interact with its audience with entertaining and innovative material, including tutorials on various jewellery styles and celebrity interviews about their experience with the brand.

To sum up, Tiffany & Co. uses each social platform in a unique way to promote its brand image and reach its desired audience in a personalized way.

3.2.3 An example to follow

Besides being the first luxury jewellery brand to move its business online, Tiffany was also one of the first to move its communication to social media, thus ensuring a place among the best in this field until our times. Indeed, the American jewellery brand is not only an icon of design and craftsmanship but also a very good strategist when talking about social media marketing.

As a luxury brand, Tiffany & Co. knows the importance of protecting the brand’s reputation, and has found a way to establish a presence on social media that can reinforce it (Booher, 2021). Indeed, each content posted is deliberate and tidy, the copy (text used as description of the post) is excellent and each image is beautiful, sophisticated, and matches the aesthetic quality that the brand is known for (Booher, 2021).

Moreover, the brand knows how to work a product collaboration. Most unexpected and successful collaborations have been with Supreme, a young premium New York clothing brand, in 2021, and the very recent one with Nike, in January 2023. The Tiffany x Supreme merchandising starred Tiffany’s iconic pieces branded with the supreme logo (Figure 27). Both Tiffany’s and Supreme are NYC-founded companies that represent different New York subcultures (McClelland, 2021). This collaboration tried to unify the different clientele of the two businesses and to help Tiffany enter in its modern style “Not Your Mother’s Tiffany” era (McClelland, 2021). On the other hand, the collaboration with Nike was the first Tiffany’s partnership with a mass market brand and its intent was of connecting the over 180 years old brand with a broader younger audience while making it breathe some fresh new air (Figure 28) (Segran, 2023). The collection featured the iconic “Nike Air Force 1” pair of shoes and other silver items, including a 10 kg silver shoes ‘box.

Both Tiffany’s collaborations resulted to be a great success allowing the American jewellery brand to “feel part of the cultural conversation” again (Segran, 2023).

Figure 27: Tiffany & Co. X Supreme

Figure 28: Tiffany & Co. X Nike

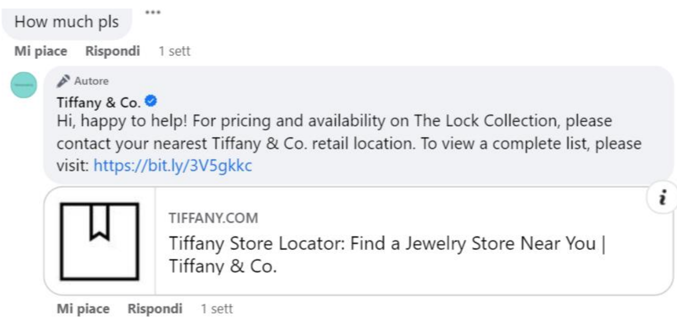
Source: Grazia Magazine.com

Source: Tiffany & Co Twitter account

Another thing that Tiffany masters on social media is showing support for its brand ambassadors. Indeed, models and celebrities that work for Tiffany's campaigns are always tagged showing a high level of support. This support is also due to the fact that the brand invests a lot in celebrity endorsement to create desirability by association. A memorable example of celebrity endorsement is the "About Love" campaign, starring singers and married couple Beyonce and Jay Z, symbol of modern love, which was an immense success for the brand that in return gained awareness and a massive amount of user generated content on social media.

Finally, Tiffany is an example of well-done social listening (the activity of monitoring and analysing social media content that will be further explained in the next chapter). In the paragraph before I showed the brand has millions of followers, but unfortunately, it still doesn't count millions of customers. The reason for that is because while Tiffany's products may be unobtainable for many, developing a personal connection with the brand is something that can happen even among those who never purchased with the brand (Mojica, 2019). To establish a relationship with your audience on social media is important to interact. Indeed, Tiffany's accounts engage and respond to users' comments left under their posts, giving support when needed and encouraging call to action (Figure 29) (Mojica, 2019).

Figure 29: Example of a response to user generated content from Tiffany's Facebook account



Source: Tiffany & Co. Facebook account

3.3 Tiffany & Co. and the NFTiffs

3.3.1 Leveraging on the power of communities

Younger generations today are seeking more experiential and emotional values in their purchases. They expressed their desire to feel represented by the brand they purchase and to feel connected with it and with the community of people around it.

As discussed before, from a theoretical point of view NFTs have all the characteristics to be the means designated for brands to achieve this goal. Indeed, NFTs are a phenomenon that is expanding quickly and that received a lot of attention in the last few years. However, one factor that seems to be emerging more clearly about this phenomenon, and is arousing interest for brands, is that of creating brand communities and instilling in participants of such communities a strong sense of belonging.

To further explain this, we can analyse the NFT community of CryptoPunk holders. First to say, belonging to a community means that participants collectively believe in the project of a digital artist or team of creators, and in the example in analysis the project are the CryptoPunks, one of the earliest collections of NFTs living on the Ethereum blockchain.

The CryptoPunks are a collection of 10.000 pieces of 24x24 8-bit-style pixel art, each with their own unique combination of distinctive traits (Christie's.com, 2021). The two authors, Matt Hall and John Watkinson, wanted to create a collection of non-conformists' figures, for this reason we can see each CryptoPunk can exhibits a combination of 87 unique attributes that can be wearing lipstick, hoodies, 3-D glasses, some can be smoking cigarettes etc (Langston, 2023). Among these 10.000, there are some types that are considered more valuable because of their rarity, these are the zombies, apes and aliens (Langston, 2023) (Figure 30, 31, 32). Since their release in 2017, this collection has grown from a niche to the world's more expansive and well-known NFT project (Langston, 2023), but what is more interesting about it, is the community of supporters it was able to create. Due to the ultra-rarity of the NFTs of the collection, becoming an owner of a CryptoPunk becomes a status, a reason for pride, a crucial element to define the identity of its owner. Indeed, CryptoPunk holders use the image of their Punk as profile photo of their main social media, that is how much this ownership defines them. Moreover, they are seen as trailblazers and visionaries, as buying this type of NFT today is almost impossible in terms of money and of scarcity, therefore owning one means having realised its potential before others.

Thanks to the recognition they receive, the owners of CryptoPunks are very influential on Web 3, and as such, have a constant following and numerous interactions as a result of what they post on the main platforms of use among NFT enthusiasts. Interestingly, the widest used platform for content sharing among NFT enthusiasts is Twitter.

Figure 30 :CryptoPunk Zombie

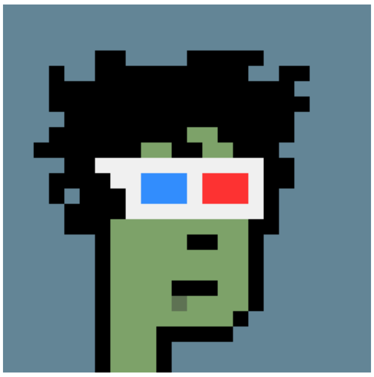


Figure 31 : CryptoPunk Ape

Figure 32 : CryptoPunk Alien

Sources Opensea.io

For the sake of the discussion, the term Web 3 refers to a new generation of the Web that is deliberately distinguished from the two previous versions. The first conceptualization of the Web, which is now referred to as Web 1, occurred between 1990 and 2004 and consisted in static websites owned by companies, opened to anyone to search information but with no interaction allowed and no generation of content coming from outside those companies' production (Ethereum.org, 2023). The Web 2 started with the emergence of social platforms, when it started to involve users in content production and also interaction began to emerge, bringing to a version of the web which is the one we know nowadays (Ethereum.org, 2023). Based on its conceptualization, the traffic generated on Web 2 is controlled by a handful of large companies, who allow users generation of content but do not let users' ownership or monetization coming from that. In this landscape, Web 3 is an umbrella term used to express the third generation of the World Wide Web that refers to the envisioned future of the internet that aims to overcome the limitations and centralization of Web 2 using blockchain, cryptocurrencies and NFTs to return power in the form of property. In particular, it seeks to address the concerns related to data privacy, censorship, and monopolistic control that emerged in Web 2, representing a paradigm shift towards a more decentralized, open, and user-centric web experience. Within the context of the evolving internet landscape, Web 3 can be considered as the metaphysical place where the change is happening.

3.3.2 The NFTiffs project

Already an expert of the world of social media, the brand Tiffany & Co. proved to be an example to follow on the Web 3 as well.

The luxury jewellery brand’s history with NFTs started in March 2022 when Tiffany bought an Okapi NFT, featuring a blue Tiffany rocket, from the artist Tom Sachs for 380.000 dollars, and chose it as its Twitter account new profile photo (Figure 33). Notice how, among the social media accounts of the brand, the NFT rocket is used only as profile photo on Twitter, since it is the only platform where the brand can communicate with NFT communities. From then on, the jewellery brand never stopped looking at the world of NFT until in July 2022, it claimed to “take NFTs to the next level” with the release of its first collection (Tiffany & Co. Twitter account). Indeed, in the beginning of August 2022, Tiffany & Co. by partnering with Chain, a company that supports brands in launching their entrance into Web 3, released their first NFT collection, called NFTiffs (Medium.com, 2022).

Most importantly, the luxury brand entered the world of NFTs by leveraging one of the most important communities in this world, the CryptoPunks (Canzani, 2022). The collection, which represents the first concrete connection between NFTs and luxury jewels, featured 250 pieces sold, for 30 Eth (around 50.600 dollars) each (Medium.com, 2022). The collection was made exclusively available only to selected CryptoPunk owners, allowing them to mint on the NFTiffs and obtain, a customised pendant made of 18 carat gold and at least 30 gemstones and diamond, plus the respective NFT. More precisely, each piece sold comprised of the of digital art of the selected CryptoPunk (designed in its Tiffany jewellery version) plus the corresponding real-life pendant.

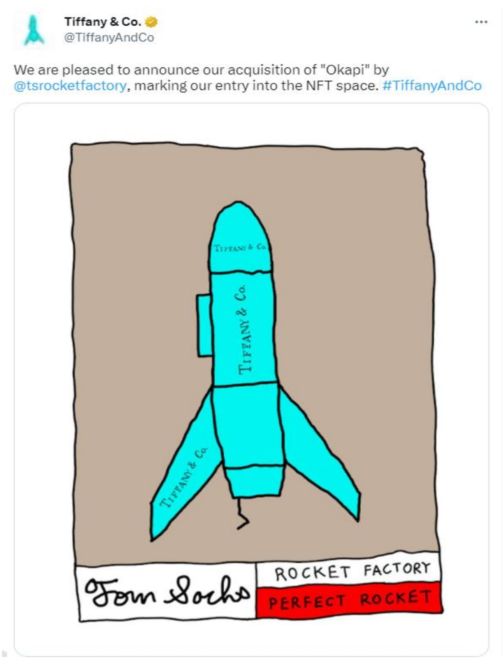
The launch was announced and promoted first via the personal profile of Tiffany & Co.’s Vice Chairman Alexandre Arnault and some months later via the brand's Twitter account. In fact, the 7th of April 2022, with a tweet, Arnault, who owns the CryptoPunk #3167, revealed to the world his new branded Tiffany’s CryptoPunk in rose gold and enamel, personalised with sapphire and Mozambique coloured glasses and with an earring with an attached yellow diamond (Figure 34).

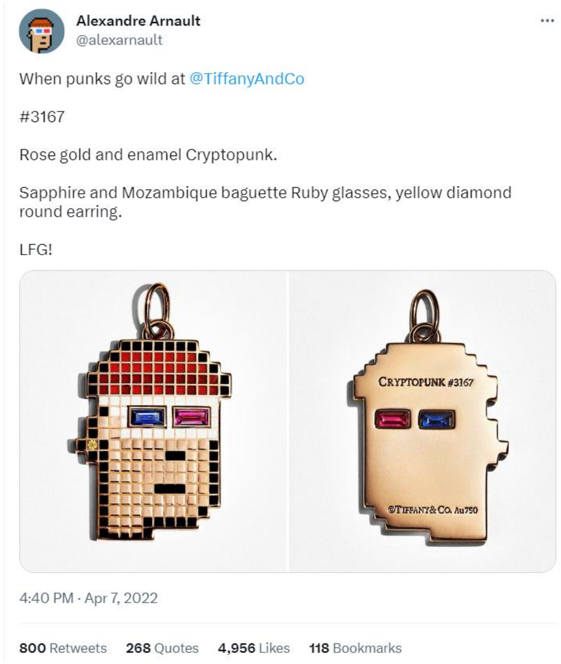
Arnault, is a member of the prestigious CryptoPunks community, as he proudly shows with his profile photo on his personal Twitter account, and as such played a key role in the launch. In fact, on the 9th of April 2022, a few months before the launch, Arnault posted the following tweet accompanied by a poll, which received major positive feedback thus giving the go-ahead for the initiative:

"Shall we custom make @TiffanyAndCo CryptoPunk pendants available for punk owners to order for 1 week? Can't do 10,000 though ..."

Figure 33: Okapi NFT

Figure 34: Alexandre Arnault tweet promoting NFTiffs





Source: Tiffany & Co Twitter account *Source: Alexandre Arnault Twitter Account*

As one might have predicted, the launch of the NFTiffs turned out to be a success, with the collection selling out in just 20 minutes and with the brand earning approximately $12.5 million (Grammar, 2022). However, financial return was not exactly the goal the brand wanted to achieve when releasing its NFTiffs. In fact, thanks to this launch, it managed to enter and build a reputation in the NFT world and the Web 3 in general, and it did so by choosing the most influential community in this market as its target audience. Moreover, CryptoPunks is an already ultra-rare collection limited in number, and Tiffany's decision to limit their NFTiffs to 250 generated even more sense of exclusivity, which resulted in a massive demand.

As I mentioned in the previous paragraph, CryptoPunk owners establish a bond with their NFTs such that they become part of their identity. Consequently, it was predictable that even if the owners were not supporters of the brand, they would buy the NFTiff corresponding to their CryptoPunk because of this sense of belonging they feel. With this brilliant marketing move, Tiffany has managed to physically enter the homes of a target audience that it would have difficultly reached any other way, and by doing so has created a bond that has all the makings to develop into true loyalty. And all of this was accomplished by making a wise use of the communication channels that were already available.

Figure 35: CryptoPunk owner using NFTiffs as the cover photo of its Twitter profile, showing appreciation to Tiffany's initiative.

Source: Twitter.com

Chapter 4: The study

4.1 Research gap and potential contributions

Little is said in literature about this niche in the market, while more has been discussed about luxury fashion brands and the usage they are doing about NFTs. However, in previous chapters it was explained how, more than in fashion, the luxury jewellery market is the perfect ground for acquiring interesting insights about this phenomenon.

Following the scarcity of literature about the role that NFTs can play for brands in the luxury jewellery industry, the purpose of this research is to fill this gap by presenting the reasons why this new mean has shown to be a potential powerful tool for marketing purposes, and to back up this idea not only through the literature previously exposed but also by analysing the success of the launch of a brand in this industry. Thus, in this elaborate it will be given a contribution to the field by examining:

"How and to what extent is the sentiment of Tiffany's social media audience changing when the brand posts content about their branded NFTs compared to posting traditional brand's content."

4.2 Research methodology

4.2.1 Research method

The approach used to investigate the sentiment of Tiffany's social media audience is a sentiment analysis.

For the purpose of this research, doing a sentiment analysis is the best possible way to get insights about the overall sentiment of the public audience toward a marketing initiative like the NFTiffs. Indeed, since NFTs are a relatively new phenomenon, there is still a lack of assessment metrics that regards them at this point in time. Some examples of the metrics available nowadays to measure NFTs are, trading volumes, average price sales, total sales, market capitalization. However, none of these seems to be helpful to research deeper in the phenomenon in the terms in which we have discussed it so far, that is, of using NFTs to create emotional connection and instilling in customers the feeling of being represented by the brand.

However, since the brand Tiffany & Co. decided to announce the launch of its NFT collection on a social media platform (Twitter), it is possible to measure the social media activity generated around the launch on this platform. In this way it is possible to gain insights about: the level of interest surrounding the initiative, the sentiment of Tiffany's social media audience relative to the launch, and whether the brand was able to expand its awareness.

Moreover, by choosing to make a comparison between the publication of two different types of content it is possible to test what the NFT ingredient adds to Tiffany's social media publication.

The sentiment analysis is a method that extracts, converts, and interprets opinions from texts using Natural Language Processing (NLP), classifying them as either positive, negative, or natural sentiment (Drus & Khalid, 2019). There are two approaches that can be followed when doing a sentiment analysis: machine learning and lexicon-based approach. Machine learning methods use algorithms to extract and detect the sentiment from data, while the lexicon-based ones work by counting the positive and negative words related to the data (Drus & Khalid, 2019). The method to use depends on the structure of the text, time and amount of data available (Drus & Khalid, 2019). When the data available is messy, limited in quantity and the time available to analyse is short, it is recommended to use the lexicon-based approach. On the other side, with bigger data available and with time to train data it is better to use machine learning (Drus & Khalid, 2019). For the purpose of this research, since the data gathered from social media are considered to be messier in structure and since the amount of data gathered is limited in number, the lexicon-based approach is the preferred one. Moreover, the lexicon-based approach does have some advantages, including simple counting of positive and negative terms, adaptability to other languages, and speed of analysis (Drus & Khalid, 2019).

Regarding the suitability of the analysis for the platform chosen, among the different types of social media platforms used to extract data for the sentiment analysis, Twitter has shown to be the preferred one to collect information about users' opinions (Drus & Khalid, 2019). Due to the availability, easy access and richness of the content, Twitter stands out as a very important source of information that can be applied to many contexts (Drus & Khalid, 2019). Twitter is used by common people, academics, public organizations and governments to express their opinions and share important information though brief messages (280 words maximum per post/tweet) (Drus & Khalid, 2019). Like other social platforms it allows users to express their feelings and opinions in a concise way, but what makes it different is the ease of accessing information or content. Allowing public access to its data by simply searching for keywords or using hashtags, Twitter is used to gather tweets from different countries in the world, making it rich in opinion and views (Drus & Khalid, 2019).

Social media platforms like Twitter, allow users to share their opinions and thoughts through various forms of expression such as for example text, images, audio and video. However, text is still the preferred way of communication among social platforms (Sailunaz & Alhajj, 2019). That is why sentiment analysis is a suitable method to process this kind of data.

Regarding the purpose of the research, what is expected by performing a sentiment analysis on the comments under the brand's social media posts, is to get useful insights about the overall sentiment of the discussed topic.

These insights regard the possibility to:
-classify the comments as positive, negative or neutral;

-identify opinions or emotions;
-understand the sentiment of particular groups of people;
-identify common themes or topics that are being discussed;
-identify recurring themes that elicit negative comments.

Moreover, through the comparison between the post containing traditional branded content and the posts regarding the launch of the branded NFTiffs it is possible to compare the overall engagement generated in both cases.

4.2.2 Study design and data collection

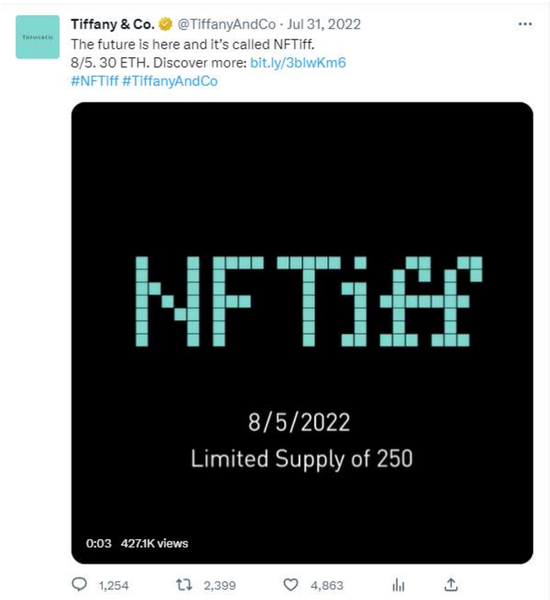
In order to investigate how the sentiment of Tiffany's social audience changes when posting content about NFTiffs in opposition to when posting traditional content, such as products and brand's material, two separate sentiment analyses will be conducted in this study.

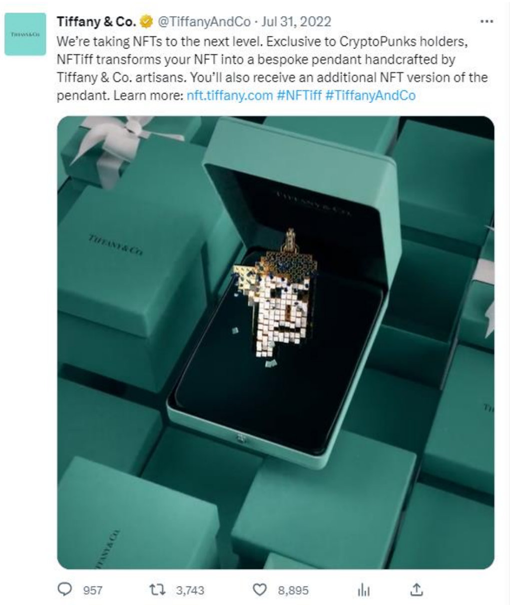
The first sentiment analysis will take into consideration the comments left under a cluster of selected posts about NFTiffs. The second sentiment analysis will take into consideration the comments left under a cluster of selected posts regarding traditional brand's content. To ensure consistency of the comparison, the selected posts for both clusters promote content that is intended to arouse positive emotions towards the brand and promote the same type of content (product images and videos).

Moreover, in order to get insights about the sentiment of the NFT community subject of the launch, namely the CryptoPunks, a third sentiment analysis will be performed by processing only the comments left under the posts about branded NFTiffs by this specific group of people. In particular, this third analysis will tell if the brand's decision to leverage on the recognition that the CryptoPunk community has in the Web 3, was appreciated by the representatives of the community itself.

<u>First cluster:</u>
Post selection: To promote the launch of the NFTiffs, from 31st of July to 5ft of August 2022, Tiffany & Co. posted on its official Twitter account 4 posts about NFTiffs. With the first two posts, published both on the 31st of July, Tiffany announced the launch, claiming a new future was attending the brand. However, only the second post, provided relevant information about the launch and showed a video of the NFT pendant handcrafted by Tiffany & Co artisans, while explaining the subject of the launch was the community of CryptoPunks (Figure 36 and 37).

Figure 36 and 37: First and second posts about NFTiffs published on Tiffany &Co. Twitter account.

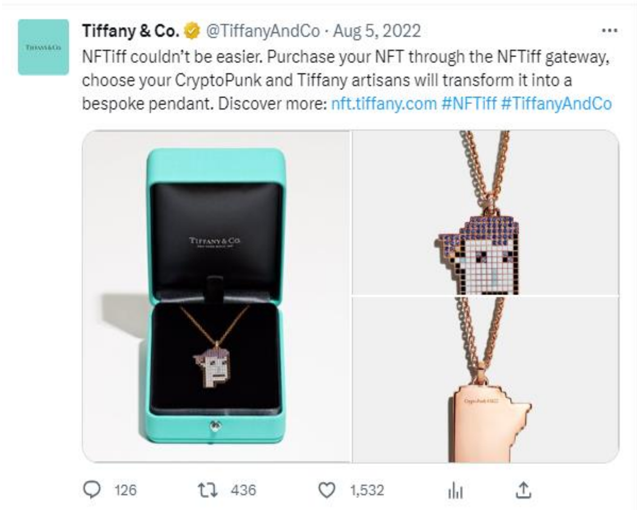




Source: Tiffany & Co Twitter account

The third post was published the 3rd of August and its purpose was to inform who was eligible to the sale (Figure 38). While the fourth post, published on the 5ft of August, showed again to the public the finished product of the pendant (Figure 39).

Figure 38 and 39: Third and fourth post about NFTiffs published on Tiffany & Co. Twitter account



Source: Tiffany & Co Twitter account

Since for the purpose and validity of the study it is important to have two comparable datasets, among the 4 posts above, only the second and the fourth have been chosen for the analysis. Indeed, since the first and third posts were mainly informative about technicalities of the launch, they were not considered relevant for the purpose of the analysis.

Moreover, as part of this first cluster, since it is the very first post of the product on the platform and it played a key role in the launch, also the tweet published on the 7th of April 2022 from the Vice Chairman Alexandre Arnoult (see Figure 34) was considered.

Thus, the number of posts selected for the first cluster is 3.

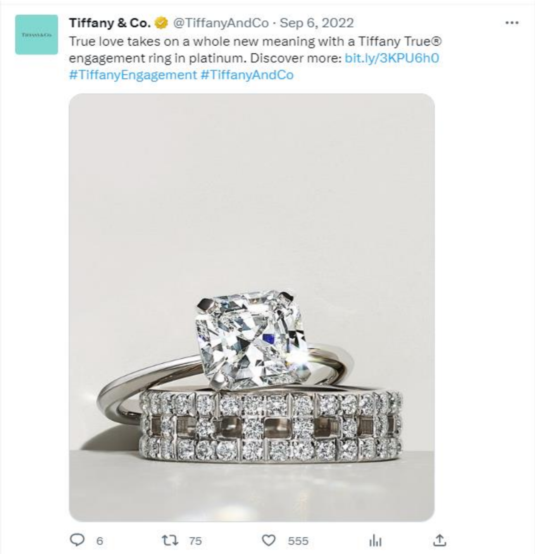
Data collection: The final number of comments to be processed through a sentiment analysis coming from the 3 selected posts reaches around 380 comments. This number was obtained after a process of data clean-up in which some comments have been excluded. Comments containing only tags (example of tag: @user123) and comments of pages sponsoring their own content have been excluded from the dataset.

Second cluster:

The choice of the posts in the second cluster concerned the ones exclusively related to the brand. Consequently, to avoid biases in sentiment, no posts related to celebrities, events or collaborations with other brands were considered. As said before, the choice regarded posts that were meant to elicit emotions and positive attitude toward the brand (examples in Figure 40 and 41). In addition, as part of this second cluster, was added in the selection one post from the profile of Tiffany's Vice Chairman Alexandre Arnault that promoted the launch of a jewellery collection, in order to consider his contribution in both analyses (Figure 42).

To reach approximately the same number of comments as the ones in the first cluster, in order to assure the validity of the comparison, the number of posts selected for the second cluster is 41.

Figure 40 and 41: Examples of the content of posts chosen for the second cluster



Source: Tiffany & Co Twitter account

Figure 42: Alexandre Arnault post promoting the launch of a jewellery collection

Source: Alexandre Arnault Twitter Account

Data collection: The final number of comments to be processed through the sentiment analysis from the 41 selected posts reaches around 380 comments. This number was obtained after a process of data clean-up in which some comments have been excluded following the same criteria of the first cluster.

4.2.3 Data analysis processes

The platform chosen to process the data in order to run the three sentiment analysis was NVivo.14.

Due to limitations of the software for non-paid accounts, the files containing the datasets were manually prepared before and consequently imported on the NVivo.14 platform to be processed. The dataset preparation included downloading the comments relative to each analysis into three separated Word files. These comments were cleaned-up, following the criteria mentioned before, and were translated in English language to comply with the platform's limitations. Moreover, the data extracted came out with a lot of meta-data such as the name of the entity making the comment, the actual text, date and time of when the comment was made and the number of likes under each comment. For the purpose of the study, only the name and the text were taken as part of the datasets for the analysis.

Once the files were ready each one was downloaded on NVivo.14 separately.

The comments contained in each document were finally tagged into positive, moderately positive, negative, moderately negative or neutral sentiment by making use of the "auto code" by sentiment feature in NVivo.14. A feature which has built-in lexicons for positive and negative sentiment (Pudaruth et al., 2018). In order to overcome the limitation of the software which does not recognize irony or words spelled in slang, the results acquired with the “auto code” feature were then reviewed individually and manually coded in their corresponding category if needed. In all the three sentiment analyses, comments containing exclusively emojis were automatically classified as neutral by the auto code. However, those which contained emojis that are commonly recognized in today’s digital communication culture as conveying positive or negative sentiment have been manually coded in the corresponding category. For example, emoticons of the heart repeated more times have been classified into the very positive category. The emoticon of the fire, which literal meaning is “this is fire”, has been classified as very positive. The emoticon of the eyes, whose is used on social media to communicate interest and attention toward something, has been classified as moderately positive.

In the document containing the first cluster of posts, the comments containing the words “dope”, “sick”, “hard” and “fire”, have been classified as very positive. Indeed, these adjectives represent extremely positive slang descriptions. On the other side, comments containing the words “like”, “nice” and “good”, have been classified as moderately positive. Moreover, in this dataset, the large number of comments asking for a collaboration between Tiffany and the NFT collection of an NFT in their possession, have been considered of people with high interest and appreciation for the brand’s initiative, and are so part of the very positive category: “Please do it for DiamondPunks”, “This is amazing. When BAYC x Tiffany collaboration?!”. For the same reason, i.e of strong explicit interest, also comments like “This is epic. Where can I claim mine, ser?” “Please, when is it possible to claim” have been interpreted as very positive.

In the document containing the second cluster of posts, the comments contained less words in slang (as for example “dope”) compared to the previous one. However, if present, they were categorized following the same rules. The very positive category in this document covers adjectives like “exquisite”, “stunning”, “beautiful” and “gorgeous”. While the moderately positive contains adjectives like “pretty” and “nice”. Moreover, this dataset contained numerous comments about the meaning and symbolism of the stones used to make the Tiffany jewels shown. Because of the involvement shown by users in writing such content, these kinds of comments have been classified as positive but moderately positive. In addition, comments structured along the lines of “I have one just like it”, were classified as moderately positive too rather than just neutral, because they were interpreted as a way of showing pride of the ownership, and in this light as positive.

Finally, the document used for the analysis investigating the sentiment of the CryptoPunk community, followed the same rules of codification explained for the first file. In particular, it was noticed that a characteristic of this group of people is to use a lot of irony, slang and abbreviations. Most of the terms used come from forms of language that are used on gaming platforms, for example: LFG, abbreviation for “Let’s freaking go”, NGL “Not gonna lie”, IRL “In real life”, GG “Good game”. Due to these specifics, this dataset was largely manually encoded using online NFT slang words dictionaries as a reference.

Another of the insights searched in this analysis is identifying common themes or topics that are being discussed by the users in each cluster. To do so, the same three Word documents resulting from data preparation, were processed again in NVivo.14 but by making use of the "auto code" by themes feature. No manual manipulation was required in this analysis.

Finally, the NVivo.14 platform has some "Word frequency" features that allow to extract the most frequent words within the content under analysis. With this tool, it was possible to get a list of the words and their frequency number or to get it visualized in the form of a Word cloud. A word cloud is a type of data visualization of a collection of words depicted in different sizes that facilitates the communication of important textual data points. Among these, the bigger and bolder words are the ones that appeared the more often in the dataset. Indeed, for all the three analyses were run word frequency queries, which were grouped by stemmed words (include words that derived from the same matrix, ex. love, loved, lovely) in order to have better results.

4.3 Analysis of results

First data processing:

Starting from the document containing the cluster of posts about NFTiffs, the NVivo.14 "auto code" by sentiment feature and manual coding were used to classify the comments as positive, negative or neutral. Table 2 shows a summary of the results for each category.

Table 2: Sentiment analysis results of the branded NFTiffs posts

	Category	**Number of comments**	**% of Total**
Negative	Moderately negative	24	
	Very negative	24	
Total Negative		49	12,89%
Positive	Moderately positive	71	
	Very positive	228	
Total Positive		299	78,68%
Neutral		32	8,40%
Total		380	

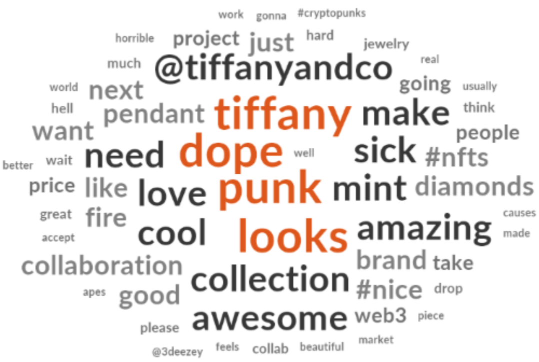
Source: Own processing of NVivo.14 results

Out of 380 comments, almost 80% have been coded as positive, of which a very high percentage, around 76,3%, as very positive. On the other hand, only 13% of comments have been coded as negative, with a homogeneous division found between moderately and very negative categories. Evidence from these results is that the overall sentiment of the public audience toward a marketing initiative like the NFTiffs was not only positive but extremely positive. Indeed, a bunch of the comments complimented the initiative by addressing the brand made a great move and was able to make "the best NFT entrance from a corporate brand to date". Moreover, the majority of comments showed huge interest and appreciation for the collaboration, to the point of hundreds of comments asking Tiffany to make new collaborations with other NFT collections in order to have the possibility of access to a sale like this one day. Overall, the results of this first analysis show a major positive response.

However, in order to get additional insights about the responses of this first cluster, thanks to the "auto code" by themes feature of NVivo.14 it was also possible to see which themes had been addressed the most. As was easily foreseeable, one of the most discussed topics is the request for a collaboration with the brand, followed by themes like punk, digital art, minting processes and marketplace considerations. Nevertheless, it was interesting to research which issues attracted the most negative comments. Accordingly, an analysis was carried out by themes of the negative comments category. Through this analysis it was shown that the recurring theme for the comments classified as negative was the price, which was considered excessively high. As was said before, 30ETH corresponded to 50.600 dollars at the time, a price that seemed to the audience inexplicably high to own what in fact is a different version of an NFT already possessed. However, the price did not represent at all a barrier in the launch and that is due to the following reasons. Firstly, even if NFTiffs represent a different version of already existing CryptoPunks they don't have to be mistaken with real CryptoPunks (which are only 10.000) but indeed can be seen as additional accessories for the owners of such NFTs. CryptoPunk is a category of NFTs that is sold on the secondary market at a value which goes from 60ETH for less rare versions, to even 3300 ETH (5.6 million dollars) for the most valuable ones. Consequently, the NFTiffs which is in fact a collection of crypto art that become accessories to other NFTs which are valued millions of dollars, could have not had lower prices. Furthermore, the price is also determined by the production of the physical jewellery made of real 18kt gold and diamonds that came with the digital art piece. Indeed, it is clear that the majority of the audience which commented negatively relative to the price, was not aware of the circumstances regarding the launch nor about the average prices at which Tiffany's jewellery is sold.

Moreover, a "Word Frequency" query was carried out, through which it was possible to see which were the most frequent words within the content under analysis (Figure 43). Apart from the brand name and the name of the collection in question, the most frequently mentioned words among all in the comments under the first cluster of posts, include adjectives such as "dope", "amazing", "sick", "love", "need" and "awesome". These words ultimately underline how the most frequent reactions to the launch were extremely positive.

Figure 43: Word cloud resulting from NVivo.14 world frequency queries.



Source: NVivo.14

<u>Second data processing</u>:

Going on with the analysis of the posts regarding traditional brand's content, NVivo.14 <u>"auto code" by sentiment</u> feature and manual coding were again used to classify the comments. Table 3 shows a summary of the results for each category.

Table 3: Sentiment analysis results of the posts traditional brand's content

	Category	**Number of comments**	**% of Total**
Negative	Moderately negative	9	
	Very negative	31	
Total Negative		40	10,52%
Positive	Moderately positive	147	
	Very positive	85	
Total Positive		232	61,05%
Neutral		108	24,42%
Total		380	

Source: Own processing of NVivo.14 results

Out of 380 comments, 61% have been coded as positive, of which around 64% as moderately positive. On the other hand, only around 11% of comments have been coded as negative, with a high polarization toward the very negative category (almost 76% of the total negative comments). Differently from the previous analysis, in this case, it should be noted that there is a significant percentage of comments coded as neutral. Indeed, almost a quarter of the total comments does not show relevant sentiment toward the content posted. Evidence from these results is that the overall sentiment of the public audience toward traditional marketing content posted is moderately positive. Indeed, the majority of the comments expressed positive sentiment using adjectives like “pretty”, “nice” and similar ones, which have lower positive valence than adjectives such as “stunning” or “exquisite”, which instead recur less frequently among the comments of the very positive category.

However, if we compare these results with the results from the previous analysis, we get some interesting insights. The percentage of positive comments resulting from this second analysis is significant, yet there are far more moderately positive comments than very positive ones. In contrast, in the first analysis, a strong polarisation of the comments towards an extremely positive sentiment was recognised. With regard to the percentage of negative comments, here we find a majority of very negative comments, whereas in the first analysis a fairly even distribution of comments between moderate and very negative was present. Moreover, as already highlighted, the percentage of neutral comments in this second analysis is almost three times that of the first analysis, a fact that underlines the lesser capacity of this type of content to stimulate any kind of sentiment.

In order to get additional insights about the responses of this cluster, thanks to the “auto code” by themes feature of NVivo.14 it was also possible to see which themes had been addressed the most. Among the main themes touched upon by the users were found: rings, diamonds, design and customer service. Indeed, as already mentioned in the data processing explanation, many of the comments in this second cluster of posts focused on telling stories about the products and diamonds in question. Additionally, an analysis was carried out by themes of the negative comments category. Through this analysis it was shown that the recurring theme for the comments classified as negative was the customer service, which was described as “poor” and “a terrible LIE”.

Moreover, a “Word Frequency” query was carried out with the comments contained in this cluster (Figure 44). As can be easily seen from the picture below, the most frequently mentioned words among all, include adjectives such as “stunning”, “beautiful”, “love”, “gorgeous”, “pretty” and “nice”. Thus, the results of this latest analysis confirm the trend of positivity that is also present in this second cluster.

Figure 44: Word cloud resulting from NVivo.14 world frequency queries.

Source: NVivo.14

<u>Third data processing:</u>

In order to analyse the brand's launch into the NFT world even more in depth, a third sentiment analysis was carried out in which only comments from members of the community of the NFT collection in question, the CryptoPunks' owners, were processed.

However, before moving on to the analysis of the results, it must be specified that the CryptoPunks are a collection that also enters in the category of PFP. The term PFP refers to NFTs that are used as profile pictures in social networks. This feature is very important in the environment of the Web 3 since it allows the owners to have a digital identity. And in particular, having the digital identity of a rare NFT like the CryptoPunk becomes a status symbol. This prestige that CryptoPunks owners have, results in major following and attention to what they do in the digital context. In an always more digital context, having a digital identity is an asset, and CryptoPunks are an asset of entrepreneurs who want to establish themselves in the Web 3. Indeed, thanks to this special characteristic, it was possible to identify the comments of the target group among all, resulting in a dataset of 86 comments.

Starting with the analysis, the NVivo.14 <u>"auto code" by sentiment</u> feature and manual coding were again used to classify the comments. Table 4 shows a summary of the results for each category.

Table 4: Sentiment analysis results of CryptoPunk owners' comments

	Category	**Number of comments**	**% of Total**
Negative	Moderately negative	3	
	Very negative	8	
Total Negative		11	12,79%
Positive	Moderately positive	15	
	Very positive	51	
Total Positive		66	76,74%

Neutral		9	10,46%
Total		86	

Source: Own processing of NVivo.14 results

Out of 86 comments, almost 80% have been coded as positive, of which a very high percentage, around 78%, as very positive. On the other hand, only 12,8% of comments have been coded as negative, among which the majority was very negative. Evidence from these results is that the overall sentiment of the CryptoPunk community toward a marketing initiative like the NFTiffs was not only positive but extremely positive. Indeed, the reason behind this huge success can be found in the fact that Tiffany & Co. understood that approaching Web 3 by leveraging the most established and iconic community was the right way of doing it. Big brands like Tiffany, which find themselves in fiercely competitive environments, know the importance of being the first to preside over new environments as well as how the first impression is decisive. Indeed, Tiffany was wise in understanding that to validate its entrance, it had to have the support of a community, and it chose an important one. This move, as resulted from the analysis, was widely appreciated by the community chosen, because in a certain way it represented a validation of the importance of the community itself. As a result, Tiffany's idea was perfectly in line with how the Web 3 works, understanding in that environment users have a lot of voice, and communities have the power to validate or not incoming projects, being themselves the consumers of those products.

<u>Comparison of the overall engagement generated through the two clusters of posts:</u>
Now that the sentiment in the three different scenarios was discussed, it is interesting to compare the overall engagement generated from the two clusters of posts on the Twitter platform.

As it was said before, Twitter is a platform that distinguishes itself from other social media because it encourages real-time conversation through rapid short messages dissemination (Read et al., 2019). Differently from other platforms, Twitter is where the discussion about trends and chatting with strangers happen, and not a place where you can share content about yourself and just catch up with your friends. Given its public availability and immediacy characteristics, Twitter has been considered as the ideal social media platform to examine customer engagement with brands (Read et al., 2019). Engagement on Twitter is calculated as the sum of likes, retweets and replies generated under each tweet. In particular retweets are re-publications of tweets, a function that allows to quickly share tweets about own or others' content with all your followers.

By measuring the different types of engagement generated by the two types of published content, some interesting observations can be extrapolated. First, the average number of likes generated through the first cluster of posts is 5128, while the one for the second cluster is 439. Almost twelve times higher, the appreciation for the branded NFTs' content is pretty evident. Secondly, the average number of comments generated through the first type of content is 579, while through the second content is 8,6. Ultimately, the average number of retweets under the first cluster of posts is 1750, while in the second cluster is 62. Evidence for this data is that the engagement that Tiffany & Co. was able to generate through the publication of its branded NFTiffs is extremely higher than the one it generated through traditional content posting. In particular, such a result was easily predictable since to reach a comparable number of comments (380) for the second cluster, 41 posts were chosen in contrast to 3.

The main reason behind these numbers is the wider audience the brand was able to acquire. Indeed, the branded NFTiffs caught the attention not only of the CryptoPunk community, which is an audience of 10.000 people, but of all NFTs enthusiasts, since Twitter is the playground of the all existing NFT communities. Moreover, the numbers show how the awareness generated does not only consist of impressions and views but rather in massive interactions and thus engagement.

4.4 Limitations and theoretical implications

NFTs are a relatively new technology, and the research and data available of their impact on brands is still limited. The lack of data, of empirical studies and of long-term analyses makes it difficult to draw definitive conclusions about their value for brands. And that is even more true if the industry we are analysing is a niche that only recently is starting to get some attention.

The purpose of this discussion was to research deeper in this phenomenon, backing up the ideas proposed with evidence from literature about blockchain technology and some notions of consumer psychology in the context of luxury shopping. The decision to study public sentiment was determined by the scarcity of available data adequate to carry out another type of analysis. However, this methodology was chosen in order to shed more light on at least one facet of this phenomenon giving a new contribution to the research regarding it.

While a sentiment analysis can provide some valuable insights about the overall sentiment of the topic discussed, without the proper contextual understanding its results may be misleading or incorrect. The language used on social media is often ambiguous and the platforms chosen to analyse it, may fail to identify sarcasm and irony or to interpret symbols like emojis and emoticons. Due to these limitations a lot of manipulation was needed while carrying out the analyses.

In addition, it must be addressed that although Twitter is one of the preferred platforms on which NFT discussion takes place, there are also other important venues in this regard that have not been analysed in this study. Discord, for example, is a communication platform that works like a chat and where a lot of the discussion about NFTs happens. It has hundreds of millions of users around the world and is one of the most popular ways to connect with people online. Within this platform, users can invite others into their private chats and thus start discussion groups about dedicated topics that have often led to the creation of real communities. However, since it works by invitation, the content discussed in the chats is not publicly available, differently from Twitter, which makes it impossible to gather data from there.

Furthermore, with regard to the comparison on the amount of engagement generated by the two clusters of posts, there are some limitations that should be emphasised. Indeed, the study did not consider a huge component of the content published by Tiffany, which is the one about celebrities. In fact, it would be easily demonstrable how posts showing celebrities wearing or advertising the brand are able to create high engagement rates. However, in the study under analysis, including this type of content would not have been possible due to the positive or negative sentiment towards the celebrity that would have biased the sentiment about the content posted.

Finally, it would have been interesting to study the sentiment of NFTs' enthusiasts and not only the CryptoPunk group, in order to have a broader view on the reaction to the entry of the brand in the Web 3. However, for obvious limits of identification of users this was not possible. In fact, only thanks to the fact that CryptoPunks are a collection that falls in the category of profile pictures images, it was possible to easily identify members of this community. Moreover, this particularity does not exclude that among the social audience analysed there were other CryptoPunk owners who had as a profile image a different digital image and not that of CryptoPunk, and therefore have not been identified in the study.

Conclusion

In this elaborate it was presented one of the most recent phenomena in the context of digital innovation, the NFTs, and it was done discussing its potentialities in a marketing perspective.

During the discussion, NFTs have been identified as tools able to disrupt the traditional way of doing marketing communication, proposing new and alternative ways that seem to work better and more effectively to reach existing marketing goals. NFTs are able to generate and enhance brand awareness. In fact, NFT product launches can reach an audience of young and digital natives difficult to reach otherwise. A crowd for which traditional marketing communication is not efficient anymore. NFTs discussion platforms like Twitter, Reddit or Discord have the highest levels of engagement, and can be used by brands to engage their digital audience in new and more powerful ways. NFTs can generate greater value for brands, being an additional asset that can make them stand out among competitors. Indeed, NFTs' features of scarcity, authenticity and security can be leveraged to achieve this and foster the desire and emotional connection with brands. Moreover, the additional value created can lead to cross-selling opportunities and to the creation of brands' enthusiast's with whom establishing new durable relationships.

NFTs, due to their novelty, are still being discussed in literature. However, research done up to this point has already shown their greatness and potentialities in marketing perspective enough to push brands to start moving in this direction.

In the course of the discussion, it was pointed out how NFTs features make them fit perfectly in the luxury industry and in particular in the niche of luxury jewellery. The intrinsic characteristics of these new technologies like scarcity, authenticity and proof of ownership are able to elicit in NFTs owners the same values that run the luxury jewellery industry itself, and more importantly that will run it in the future. Not only these two words seem to share foundation values but they also share the same market audience. The target of users of NFTs is young, digitally oriented, interested in experiencing and excitement, and in search of establishing connections, of self-worth and self-identity. On the same line, the future luxury jewellery purchasers are estimated to be looking for more digital solutions to enhance their purchasing experiences. Moreover, focused more on experience or happiness as values that drive their purchasing intentions, they seem to appreciate the hedonic value and expressive self-identity aspects of luxury, but they look for more freedom of customization, entertainment, fun and interactive content to positively enhance their brand perceptions and purchases.

It was made clear then, that the luxury jewellery industry is experiencing important structural changes to comply with emerging market needs, and this also translated in starting to communicate now with the target audience that will run sales in the future.

Among the numerous players of the industry, the brand Tiffany & Co. showed to be wise enough to see before the others that the digital innovations that were happening around the world were not only trends or something far from the world of luxury and perhaps only part of the world of gaming or IT in general. Tiffany understood that concepts like the Metaverse, digital communities and digital art are the future, but most importantly understood the importance of establishing its presence in such a world following the rules running it.

In a competitive environment like the one of the luxury jewels, being the first and preferred is almost impossible. In fact, there are various emotional factors that can cause a brand to be preferred, and this has nothing to do with the quality of products or prices that they are all almost the same. Perhaps, the preference for a Tiffany's blue box rather than for the Cartier's iconic dark burgundy box could be totally determined by emotional values and therefore memories related to a particular brand.

In this sense, Tiffany understood that entering this world before others would have meant to establish its presence in the heart of the new potential customers before others. Thus, Tiffany & Co. was forward-thinking in its decision, but also intelligent in the way of doing so.

In a world where millions of pieces of digital art are created and sold each minute, creating a branded digital piece of art is not enough. One of the major forces that moves the game is validation. A digital piece of art to be valuable needs to be accepted and validated by the community, and most important by the communities and by people with a certain authority. Tiffany & Co. studied the rules of the game and decided to enter this world not by selling NFTs versions of its physical jewels but rather selling NFTs jewellery versions of the most established, valuable and influential community existing, the CryptoPunks. This decision granted the brand major online visibility and online word of mouth. Leveraging on the power of a community like the CryptoPunks, which has authority and power of influence, got the brand online validation, thus success.

Moreover, Tiffany creatively decided to pair the digital launch with a physical proof of the craftsmanship and expertise that distinguish the brand. Indeed, by selling with the NFT also real pieces of jewellery made of 18kt gold and real diamonds and precious stones, the brand not only kept doing what it is known for, not distorting its brand nature, but also managed to physically enter its iconic blue box in the homes of a target audience that it probably would have difficultly reached any other way, creating foundation for future loyalty.

Finally, the analysis of the sentiment conducted in this elaborate provides reasons that support what has been discussed so far. Indeed, thanks to a sentiment analysis of the comments left under the Twitter posts of the brand, it was seen that sentiment resulting from the NFTiffs initiative is extremely positive. Excitement and appreciation for the fact that a big brand like Tiffany is giving attention to a world which is still looked at with discard by many emerge for the analysis, and the results show to be in line with the factors discussed so far. Moreover, results of the analysis show how a mechanism through which owners of existing NFT collections were asking Tiffany to collaborate was emerging, perhaps looking for validation of their own collection from a big brand like Tiffany. In addition, thanks to the comparison between the two different types of content published on the platform by the brand it was possible to give interesting insights to brands about what kind of content is able to create more awareness and engagement.

To conclude, NFTs have shown to be a new marketing tool to take into consideration for future marketing strategies in this sector. Moreover, the results of this analysis give brands in this sector important takeaways on how to enter the Web 3 effectively and insights about the new role of "validators" they could play.

Tiffany & Co. is a prestigious brand and through its example it showed how it is not enough to be big and to be present. To have success is important to study the environment you are going into and present yourself speaking the language of the audience you want to impress. Thanks to this move, Tiffany managed to acquire a whole new follower base of NFT enthusiasts, which engages with the content posted and is there listening and waiting for the brand's next move.

@use123

> *"TiffanyAndCo has been built on scarcity packaged in recognizability. Tiffany's iconic blue-box-big-brain moves being made. 250 NFTs + 30ETH mint reinforced their understanding of their iconic brand's core values: Rarity, heritage, craftsmanship and innovation."*

BIBLIOGRAFY:

Ali, O., Momin, M., Shrestha, A., Das, R., Alhajj, F., & Dwivedi, Y. K. (2023). A review of the key challenges of non-fungible tokens. Technological Forecasting and Social Change, 187, 122248.

Cabigiosu, A., & Cabigiosu, A. (2020). An overview of the luxury fashion industry. Digitalization in the Luxury Fashion Industry: Strategic Branding for Millennial Consumers, 9-31.

Chevaler, M., & Mazzalovo, G. (2012). Luxury brand management. John Wiley.

Chohan, R., & Paschen, J. (2023). NFT marketing: How marketers can use nonfungible tokens in their campaigns. Business Horizons, 66(1), 43-50.

Colicev, A. (2023). How can non-fungible tokens bring value to brands. International Journal of Research in Marketing, 40(1), 30-37.

Drus, Z., & Khalid, H. (2019). Sentiment analysis in social media and its application: Systematic literature review. Procedia Computer Science, 161, 707-714.

Groumpos, P. P. (2021). A critical historical and scientific overview of all industrial revolutions. IFAC-PapersOnLine, 54(13), 464-471.

Hofstetter, R., de Bellis, E., Brandes, L., Clegg, M., Lamberton, C., Reibstein, D., ... & Zhang, J. Z. (2022). Crypto-marketing: How non-fungible tokens (NFTs) challenge traditional marketing. Marketing Letters, 33(4), 705-711.

Kaczynski, S., & Kominers, S. D. (2021). How NFTs create value. Harvard Business Review, 10.

Kaur, J. (2016). Allure of the Abroad: Tiffany & Co., Its Cultural Influence, and Consumers. M/C Journal, 19(5). https://doi.org/10.5204/mcj.1153

Lee, J., & Suh, A. (2015). How do virtual community members develop psychological ownership and what are the effects of psychological ownership in virtual communities?. Computers in Human Behavior, 45, 382-391.

Nadini, M., Alessandretti, L., Di Giacinto, F., Martino, M., Aiello, L. M., & Baronchelli, A. (2021). Mapping the NFT revolution: market trends, trade networks, and visual features. Scientific reports, 11(1), 20902.

Nakamoto, S., & Bitcoin, A. (2008). A peer-to-peer electronic cash system. Bitcoin.–URL: https://bitcoin. org/bitcoin. pdf, 4(2).

Oliver, R. L. (1999). Whence consumer loyalty?. Journal of marketing, 63(4_suppl1), 33-44.

Ozuem, W., Willis, M., Howell, K., Helal, G., Ranfagni, S., & Lancaster, G. (2021). Effects of online brand communities on Millennials' brand loyalty in the fashion industry. *Psychology & Marketing*, *38*(5), 774-793.

Peres, R., Schreier, M., Schweidel, D. A., & Sorescu, A. (2022). Blockchain meets marketing: Opportunities, threats, and avenues for future research. International Journal of Research in Marketing.

Popescu, A. (2021, May). Non-Fungible Tokens (NFT)-Innovation Beyond the Craze. In 5th International Conference on Innovation in Business, Economics and Marketing Research (pp. 26-30).

Pudaruth, S., Moheeputh, S., Permessur, N., & Chamroo, A. (2018). Sentiment analysis from Facebook comments using automatic coding in NVivo 11. Advances in Distributed Computing and Articial Intelligence Journal Regular Issue, Vol. 7 N. 1 (2018), 41-48

Ratakam, P., & Petison, P. (2023). From means to end: understanding the millennial mind when buying luxury jewelry brands. Journal of Global Fashion Marketing, 14(1), 35-47.

Read, W., Robertson, N., McQuilken, L., & Ferdous, A. S. (2019). Consumer engagement on Twitter: perceptions of the brand matter. European Journal of Marketing, 53(9), 1905-1933.

Regner, F., Urbach, N., & Schweizer, A. (2019). NFTs in practice–non-fungible tokens as core component of a blockchain-based event ticketing application.

Sailunaz, K., & Alhajj, R. (2019). Emotion and sentiment analysis from Twitter text. Journal of Computational Science, 36, 101003.

Sarmah, S. S. (2018). Understanding blockchain technology. Computer Science and Engineering, *8*(2), 23-29.

Savić, M., Perić, N., & Frfulanović, Š. (2019). Emotional branding of luxury goods. Middle-East Journal of Scientific Research, 27(6), 494-499.

Sharma, T., Zhou, Z., Huang, Y., & Wang, Y. (2022). " It's A Blessing and A Curse": Unpacking Creators' Practices with Non-Fungible Tokens (NFTs) and Their Communities. arXiv preprint arXiv:2201.13233.

Shin, H., Eastman, J., & Li, Y. (2022). Is it love or just like? Generation Z's brand relationship with luxury. Journal of Product & Brand Management, 31(3), 394-414.

Üçok Hughes, M., Bendoni, W. K., & Pehlivan, E. (2016). Storygiving as a co-creation tool for luxury brands in the age of the internet: A love story by Tiffany and thousands of lovers. Journal of Product & Brand Management, 25(4), 357-364.

Wang, Q., Li, R., Wang, Q., & Chen, S. (2021). Non-fungible token (NFT): Overview, evaluation, opportunities and challenges. arXiv preprint arXiv:2105.07447.

Wiedmann, K. P., Hennigs, N., & Siebels, A. (2007). Measuring consumers' luxury value perception: a cross-cultural framework. Academy of Marketing Science Review, 2007, 1.

SITOGRAFY:

Adejumo, O. (2021, December 3). Adidas makes Bored Ape Yacht Club NFT its Twitter display, what's with the endorsements?. Downloaded April 28, 2023, from: https://cryptoslate.com/adidas-makes-bored-ape-yacht-club-nft-its-twitter-display-whats-with-the-endorsements/

Alexandre Arnault Twitter account: https://twitter.com/alexarnault

Bain & Company and Farfetch (n.d). The millennial state of mind. Downloaded April 24, from: https://www.bain.com/contentassets/0b0b0e19099a448e83af2fb53a5630aa/bain20media20pack_the_millennial_state_of_mind.pdf

BCG and Altagamma (2021). BCG and Altagamma consumer insight 2021. Downloaded April 24, 2023 from: https://web-assets.bcg.com/f2/f1/002816bc4aca91276243c72ee57d/bcgxaltagamma-true-luxury-global-consumer-insight-2021.pdf

Becker, S. Berg, A. Harris, T. & Thiel, A. (2021, June 14). State of fashion: Watches and Jewellery. Downloaded, April 24, 2023, from: https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion-watches-and-jewellery

Booher, L. (2021, February 21). Twitter best practices: Tiffany & Co. Downloaded, May 4, 2023, from: https://lorren-booher.medium.com/twitter-best-practices-tiffany-co-4f9c8254ebd6

Bulgari.com: https://www.bulgari.com/it-it/the-maison/about-bvlgari/bulgari-and-innovation.html

Canzani, M. (2022, August 8). Gli NFTiff di Tiffany vanno sold out. Downloaded April 27, 2023, from: https://cryptonomist.ch/2022/08/08/nftiff-tiffany-sold-out/

Centiero, H. (2021, December 20). 79 Crypto/NFT words you need to know: The Crypto/NFT slang dictionary. Downloaded May 10, 2023, from: https://medium.datadriveninvestor.com/79-nft-crypto-words-you-need-to-know-the-crypto-nft-slang-dictionary-adcc39ad846b

Christie's.com (n.d). 10 Things to know about CryptoPunks, the original NFTs. Downloaded May 4, 2023, from: https://www.christies.com/features/10-things-to-know-about-CryptoPunks-11569-1.aspx

Cointelegraph Italia (2022, August 1). Tiffany & Co trasforma gli NFT CryptoPunk in ciondoli personalizzati da 50 mila dollari. Downloaded April 26, 2023, from: https://it.cointelegraph.com/news/tiffany-co-turning-cryptopunk-nfts-into-50k-custom-pendants

Debeersbroup.com (2022, May 5). De Beers group introduces world's first blockchain-backed diamond source platform at scale. Downloaded April 26, 2023, from: https://www.debeersgroup.com/media/company-news/2022/de-beers-group-introduces-worlds-first-blockchain-backed-diamond-source-platform-at-scale

Digiday.com (2016, January 6). How Tiffany found its Twitter voice. Downloaded May 10 from: https://digiday.com/marketing/tiffany-co-found-twitter-voice/

Ethereum.org (2023, May 10). Introduzione al Web 3. Downloaded May 20, 2023 from: https://ethereum.org/it/web3/

Fonarov, O. (2022, March 11). Council Post: What Is The Role Of NFTs In The Metaverse?. Downloaded April 2, 2023, from: https://www.forbes.com/sites/forbestechcouncil/2022/03/11/what-is-the-role-of-nfts-in-the-metaverse/

Frank, R. (2023, January 17). Gen Z is driving luxury sales as wealthy shoppers get younger. Downloaded April 24, 2023, from: https://www.cnbc.com/2023/01/17/gen-z-is-driving-luxury-sales-as-wealthy-shoppers-get-younger.html

Genest, J. (n.d). Rtfkt's clonex collection ushers in forging szn. Downloaded April 28, 2023, from: https://www.highsnobiety.com/p/rtfkt-clonex-drop-avatar-nft-lookbook/

Guilbalt, L. (2022, June 7). Emeralds, rubies, and NFts: Inside Bulgari's new era high jewellery. Downloaded April 26, 2023, from: https://www.voguebusiness.com/technology/emeralds-rubies-and-nfts-inside-bulgaris-new-era-high-jewellery

Guilbault, L. (2023, April 20). More than a flagship: Tiffany unveils Fifth Avenue revamp. Downloaded April 30, 2023, from: https://www.voguebusiness.com/consumers/more-than-a-flagship-tiffany-unveils-fifth-avenue-revamp

Hermes.com (2023) https://www.hermes.com/it/it/story/297713-birkin/

Heshmat, s. (2017). Scarcity makes everything desirable. How does scarcity shape our decision making?. Psychology Today. From: https://www.psychologytoday.com/gb/blog/science-choice/201704/scarcity-makes-everything-desirable

Irem, B. (2022, February 5). The Relationship Between NFTs and Metaverse - NFT Horizon. Downloaded April 2, 2023, from: https://nfthorizon.io/the-relationship-between-nfts-and-metaverse

Langston, T. (2023, April 26). A guide to CryptoPunks NFTs: pricing, how to buy, and more. Downloaded May 4, 2023, from: https://nftnow.com/guides/cryptopunks-guide/#:~:text=The%20maximum%20number%20of%20traits,to%20have%20two%20or%20three.

Luè, C. A. (2020, August 31). La straordinaria storia di Tiffany & Co. Downloaded April 30, 2023, from: https://www.harpersbazaar.com/it/moda/gioielli/a32875467/tiffany-co-storia/

McClelland, M. (n.d). What if Holly Golightly was a hyperbeast? Inside the Tiffany & Co. X Supreme collection. Downloaded May 3, 2023, from: https://graziamagazine.com/me/articles/tiffanys-supreme-collaboration/

Medium.com (2022, November 10). Brands Entering Web3: Tiffany & Co's NFTiff. Downloaded, May 4, 2023, from: https://medium.com/@stormsglobal/brands-entering-web3-tiffany-cos-nftiff-94e707b7e0b1

Mojica, N. (2019, November 5). Social listening: Tiffany & Co. Downloaded April 30, 2023, from: https://medium.com/@nmojicaa/social-listening-tiffany-co-12923b95b58c

Negaro, D. (2022, April 25). 5 times brands used NFTs for branding, unique experiences and better results. Downloaded April 29, 2023, from: https://rockcontent.com/blog/brands-using-nfts/

NFT Plazas (n.d). NFT Dictionary. Downloaded May 18, 2023, from: https://nftplazas.com/learn-about-nfts/nft-slang-words-you-need-to-know/

Opensea.io https://opensea.io/collection/cryptokitties

Opensea.io https://opensea.io/collection/cryptopunks

Palumbo, J. (2021, March 12). First NFT artwork at auction sells for staggering $69 million. Downloaded April 26, 2023, from: https://edition.cnn.com/style/article/beeple-first-nft-artwork-at-auction-sale-result/index.html

Picciotto, E. (2020, April 22). De Beers' most famous campaign marked the entire diamond industry. Downloaded April 25, 2023, from: https://theeyeofjewelry.com/de-beers/de-beers-jewelry/de-beers-most-famous-ad-campaign-marked-the-entire-diamond-industry/

Pradagroup (n.d). Il Gruppo Prada, Insieme A Lvmh E Cartier, Fonda Aura Blockchain Consortium. Downloaded April 26, 2023 from: https://www.pradagroup.com/it/news-media/news-section/aura-blockchain-consortium.html

Raju, K. and Roshan D. (2021). Luxury Jewelry Market by Product Type (Necklaces, Ring, Earrings, Bracelets, Others), by Application (Men, Women, Children), by Distribution Channel (Online, Offline): Global Opportunity Analysis and Industry Forecast, 2021-2031. Downloaded April 15, 2023, from: https://www.alliedmarketresearch.com/luxury-jewelry-market-A16918

Riegelhaupt, R. (2021, March 11). Results: Beeple's purely digital NFT-based work of Art achieves $69.3 million at Christie's Downloaded April 26, 2023, from: https://www.christies.com/about-us/press-archive/details?PressReleaseID=9970&lid=1

Segran, E. (2023, January 2). The Nike X Tiffany & Co. collab is a match made in branding heaven. Downloaded May 1, 2023, from: https://www.fastcompany.com/90843222/nike-tiffany-co-collab-is-match-made-in-branding-heaven

Sup de Luxe Paris. (2021, August 31). NFT & Luxury: The advantages of a growing system. Downloaded May 3, 2023, from: https://www.supdeluxe.com/en/luxury-news/nft-luxury-advantages-growing-system

Team Abovo.com https://www.teamabovo.com/resources/great-work-a-de-beers-campaign/

Huang, J. O'Neil, C. and Tabuchi, H. (2021, September 3). Bitcoin uses more electricity than many countries. How is that possible?. From: https://www.nytimes.com/interactive/2021/09/03/climate/bitcoin-carbon-footprint-electricity.html

Tiffany & Co. (2023) https://www.tiffany.com/

Tiffany & Co. Facebook account: https://www.facebook.com/Tiffany

Tiffany & Co. Instagram account: https://www.instagram.com/tiffanyandco/

Tiffany & Co. Pinterest account: https://www.pinterest.it/tiffanyandco/

Tiffany & Co. Twitter account: https://twitter.com/TiffanyAndCo/

Tiffany & Co. YouTube account: https://www.youtube.com/OfficialTiffanyAndCo

Wallace-Brewster, D. (2021, August 27). Why NFTs could be luxury retail's new frontier. Downloaded April 18, 2023, from: https://www.forbes.com/sites/forbescommunicationscouncil/2021/08/27/why-nfts-could-be-luxury-retails-new-frontier/?sh=250235b51b2a

Warschawski (n.d). The secrets behind the marketing success of luxury brands. Downloaded April 23, 2023, from: https://www.warschawski.com/blog/the-secrets-behind-the-marketing-success-of-luxury-brands/

Weston, G. (2022, September 15). Top 10 brands investing in NFT. Downloaded April 27, 2023, from: https://101blockchains.com/brands-investing-in-nft/

Yotka, S. (2022, June 17). Balenciaga, Prada, and Thom Browne Will Dress Your Meta Avatar. Downloaded April 29, 2023, from: https://www.vogue.com/article/balenciaga-prada-thom-browne-meta-instagram-avatar

SUMMARY

Chapter 1: The NFT phenomenon challenging traditional marketing

The period that goes from the first industrial revolution to the so-called Industry 4.0 of the 20^{th} century was characterized by a rapid transformation of worlds' economy, thanks to the introduction of new technologies and the spread of industrialization. As modern society is constantly evolving, a new future is shaping, made of digital innovations and new rules.

Recent phenomenon is that the digital revolution and the development of new technologies, and in particular the blockchain technology, allowed the formation of new forms of expression and exchange of digital contents, among which one of the newest are the NFTs (Non-Fungible Tokens). In particular, the introduction of blockchain technology represents a major evolution in the history of technology, since it allows proof of ownership in the digital context. Though being a mechanism for storing information and transactions in a secure and decentralized manner, blockchain technology has primarily been used to develop cryptocurrencies and for financial applications. However, it shows significant potential also for marketing purposes.

NFTs are a type of tokens that use blockchain technology to represent ownership of a digital content, and recently have proved to have the potential to disrupt the future of many businesses as we know them nowadays. Indeed, NFTs are digital assets that represent real-world objects like art, music, in-game items and videos.

Benefits of using such technology can be summarized with its five main characteristics: scarcity, ownership, non-fungibility, royalties, direct distribution infrastructure. NFTs are digitally scarce and scarcity is a powerful resource since it works like an obstacle to pursuing a goal in humans' mind, which results in increased attraction and desire of ownership. Secondly, NFTs have proven authenticity, which results in lower perceived risks and increased trust when consumers make purchase decisions. NFTs are also non-fungible, a characteristic which enables the trading of originals and makes it possible to cope with buying and selling problems currently existing for example in traditional digital marketing. Then, creators of NFTs can collect royalties and ownership rights which are safe-guarded thanks to technology of smart contracts. Last, NFTs are not limited by physical distribution considerations like costs and geographical boundaries, giving them an important advantage compared to traditional products and services. Due to these extraordinary features NFTs are currently being disputed as a solution to the problems of counterfeiting and fraud that have plagued the luxury industry for years.

When the digital piece of art "Everydays; The first 5000 Days" by the artist Beeple was sold in 2021 for $69.3 million at Christie's, NFTs started to receive a lot of attention. Despite the fact that someone in the world paid almost $70 million for a picture on the internet, many people today are still wondering if buying a picture on the internet is worth it at all. Thus, trying to understand the threats and opportunities, brands are moving their first steps in this new world, between excitement and scepticism. Due to the uncertainty around new

technologies, to erase the scepticism marketers may have and to avoid waists of NFTs' marketing potential, some researchers discussed NFTs marketing implementations using established marketing tools like the marketing funnel (used in research from A. Colicev) and the AIDA hierarchy model (used in research by Chohan and Paschen). From these researches the main findings can be summarized as follows.

NFTs are able to generate and enhance brand awareness. In fact, NFT product launches can reach an audience of young and digital natives difficult to reach otherwise. A crowd for which traditional marketing communication is not efficient anymore. NFTs discussion platforms like Twitter, Reddit or Discord have high levels of engagement, and can be used by brands to engage their digital audience in new and more powerful ways. NFTs can generate greater value for brands, being an additional asset that can make them stand out among competitors. Indeed, the features of scarcity, authenticity and security can be leveraged to achieve this and foster the desire and emotional connection with brands. Moreover, the additional value created can lead to cross-selling opportunities and to the creation of brands' enthusiasts with whom establishing new durable relationships.

The attributes of scarcity, authenticity, uniqueness and ownership allow to associate NFTs with the world of "luxury". Indeed, brands living in the luxury industry have historically been communicating their identity as exclusive, and promoting a sense of elitism. A luxury item is communicated as something unique, precious, and an object of desire. Then, owning a luxury item, results in more than fashion, its status, its distinguishing from others. In this context, NFTs, able to bring the concepts of uniqueness and exclusivity to the highest levels possible, can be the designated communication tools that can clearly respond to this industry's objectives.

Chapter 2: The Luxury Jewellery Market

Having explored the possibilities that new technological frontiers can open, the discussion now focuses on a particular industry which showed to be the perfect ground where to explore these digital revolutionary assets: the luxury industry, and in particular the niche of luxury jewellery.

First, when talking about luxury and what the luxury industry sells and offers it is reductive to talk about purchasing expensive branded items. Indeed, the luxury world is much more than a market of renowned brands with premium priced items. Luxury is a concept that has to do with lifestyle, aesthetic and hedonism. According to the theory of impression management, one of the motives for purchasing luxury brands is consumers' internal need to create a favourable social image of themselves coming from the purchase. However, following a broader perspective, motives cannot be reduced to social aspects displaying status, success or human desire to impress others, but the consumption also involves purchasing a product that represents value to both the individual and their reference group.

Emotions play an important role in the process of purchasing a luxury object. Indeed, literature is full of examples that show how, when brands connect with customers' emotions, enormous opportunities for creating new value open for them. Among literature, luxury brands in particular, distinguish themselves for their ability to entice their buyers with emotional experiences more than mass brands do. In fact, buying a luxury item most of the time is satisfying a lavish need, meaning that the underlying emotional motive is strong enough to drive the purchase. Emotion is king when these types of purchases are made, and it is the reason why, even during periods of economic recessions, the luxury industry was one of the few to experience not only stability, but an increase in growth.

Emotional brand relationships are characterized by the preference of a consumer for a brand based on "its symbolic benefits, for the social attractiveness of it, and its self-expressive value". This suggests how luxury brands are more likely to create deeper emotional connections with customers. Consumers that establish a strong attachment to a brand begin a relationship that can evolve in a long-lasting bond. In addition, emotional attachment is shown to have a positive influence on customer loyalty creation. Concerning luxury brands, since emotional aspects are crucial in the relationship established between the brand and the customer, the average customer loyalty is higher than the one registered in other industries. Moreover, since luxury purchases are an occasional kind of purchase, brands in the industry have always focused their attention on establishing a relationship with their customers as well as delivering the best customer experience possible in order to encourage following purchases.

Thus, emotions and experiences are the core and reasons for the success of the luxury industry. However, the luxury industry is a broad one, and even if the discussion above could be potentially applied to all of it, there is a niche where the power of emotions reaches a whole other level: the luxury jewellery market. Once only associated with wealthy aristocrats, luxury jewellery over the years entered ordinary people's homes and became not only something associated with richness and wealth but rather a symbol of love, often bought to accompany and enshrine the memory of a special moment in life. The strong emotional connection created by luxury jewellery brands allows them to establish a sense of belonging among their customers which can result in building a community of brand enthusiasts. In fact, buying a luxury jewel is the equivalent of buying a family heirloom, resulting in a deeper appreciation of a brand's essence to the point of creating a bond with the associated brand that lasts a life-time, and that often is even passed on in the family to future generations.

The luxury jewellery market went through important changes in the past years. Due to COVID- 19 pandemic, as for many other industries, the demand for luxury jewellery slowed down, registering a revenue decline of 10 to 15 percent according to McKinsey estimates. However, despite the negative circumstances that have hindered the growth of this industry in the past period, it is expected to see a new global growth of 3 to 4 percent per year from now to 2025, expanding from $280 billion in sales to between $340 and $360 billion. The expected growth is predicted to come from the numerous opportunities the industry is giving to the operating businesses. Indeed, players are expected to rewrite their rules about products, distribution models and engagement strategies currently in place, moving to a more branded, more digital and more sustainable-focused future.

The growth in the market is driven by changing customer behaviours and trends which can be found mainly in the focus on a new target and a new way of doing storytelling. Indeed, as emerged in both the 2020 the 2021 annual report about consumer insights for the future luxury market, from the Boston Consulting Group in collaboration with Altagamma (the Italian luxury goods manufacturers' trade association) the Millennials (those born between 1980 and 1995) and Gen Z (those born between 1996 and 2010) are the generations to look at in this business, estimated to account for more than 60% of the global luxury market by 2025. In particular, these generational groups are interesting as their purchasing power will increase in the coming years and due to their potential to influence the older generations. Younger and tech-savvy, these new luxury customers are pioneers of emerging trends such as the preference for customized experiences, online shopping and opinion-forming through social media and influencers.

Today, rather than price, it seems that the emotional attachment to the brand, along with experience play a significant role in influencing Millennials' behaviour. In particular, Millennials appear to focus more on experience or happiness as values that drive luxury jewellery purchasing intentions. Experience is seen as the intrinsic benefit that makes them willing to pay higher prices. Another main hidden final value that drives Millennials' luxury purchases intentions is self-confidence. The perception of the high quality of luxury jewellery, makes them feel they own a prestigious and valuable product, thus making them more confident about themselves when wearing expensive jewellery. On the other hand, Gen Z today are mostly adolescents and young adults in search of self-worth and self-identity, which can be facilitated by luxury consumption. Indeed, research about Gen Z's brand relationship with luxury shows how this generation deeply sustains the importance and enjoyment of one's self in the consumer-luxury relationship, appreciating the hedonic value and expressive self-identity aspects of luxury. Furthermore, aspects like family, celebrities, peers and first experiences with the brand have also shown to be very important factors in the Gen Z relationship with luxury consumption. As a consequence, since Gen Z sees luxury consumption as a tool to express self-identity in the context of daily life, it is important that luxury brands always allow more freedom of customization and present entertaining, fun and interactive content to positively enhance luxury brand perceptions and purchases.

With the shift of the target audience to a new generation of young adults' customers with totally different values from their predecessors, brands need to shift to a new kind of communication to hold their grip. The new luxury customers, living in a digital era, have wide access to all kinds of information and technology. Curious more than ever, these types of customers express the desire to know the story behind the products they buy, seeking in them consistency and an opportunity to feel represented and to connect with others who also feel represented by the same products. The values behind creation, the means of production, the emotions evoked and the experiences that they can create, become essential components both of the customer luxury purchase decision and of the strategy that luxury brands must put in place. In this sense luxury brands today could use NFTs to develop a new storytelling and interact with their customers by offering new digital experiences. As mentioned before when exploring NFTs' marketing potential, brands now have the unique opportunity of building brand related stories with characters and everything else, with which customers can connect in many different ways.

In other words, NFTs used in the virtual world, give brands the possibility to develop the highest level of customer interaction and customization of the service ever seen, and as such are the tools that can offer brands new and innovative ways of doing storytelling today. NFTs adoption should not be a problem for the target in discussion. Indeed, already into the gaming industry, Millennials and Gen Z are the first generations that could appreciate and understand the opportunities NFTs can bring them, especially in terms of experiences. Moreover, estimates show how in the following years the Metaverse will expand in adoption and people will create their own parallel lives in the virtual world, stressing the importance for brands of expanding their business in this direction. In fact, brands should find ways to leverage the same drivers that led customers to use luxury items to support and develop their own identity and create the same need with NFTs in the virtual world. In other words, brands must find ways to push customers to use branded NFTs as a form of expression in the virtual world. The Metaverse seems to be the place where everything is possible. Imagination and self-expression possibilities have no limit there, and finding the people that share the same interests and desires has never been easier.

This said, the doors that the digital world can open for brands are so many that they only need to move and experiment what suits them the most, in relation to their culture and their target.

Chapter 3: Tiffany & Co.

In support of the arguments put forward up to this point, the discussion will focus on the analysis of a major player of the industry at stake: Tiffany & Co. Indeed, in the new evolving context that was exposed so far, only a few luxury jewellery brands have actually started to move their first steps in this direction, beginning to focus their attention on the new target of customers. Among these, Tiffany & Co., symbol of both heritage and digital innovation, stood out for creativity and perspicacity.

Founded in 1837 by Charles Lewis Tiffany and John F. Young, the first Tiffany store was opened in Manhattan, New York. In the America of when everything was possible and dreams come true, the 25 years old Charles Tiffany decided to open a shop specialized in stationary and fancy items, which recalled a simple and clean style, far from the European opulence. In 1848 Charles Lewis Tiffany decided to focus the business on fine jewellery and made the store a point of reference for diamonds when he decided to buy precious stones from the European aristocracy. For the first time in history, the American elite had his hands on precious and important pieces of jewellery and Charles Lewis was crowned the King of Diamonds. In the following years Tiffany became a reference point also in the silver industry establishing the .925 silver standard and becoming the most important jewellery of the nation.

If that were not enough, the American brand is also credited with the creation of a piece of jewellery that shaped the idea of the engagement ring as we understand it today. Designed to perfection, the “Tiffany setting” is a ring so stunning that it has been the symbol of the world's greatest love stories for over 130 years.

Becoming a symbol of American luxury and elegance, over the course of years, the brand began to partner with important designers (Gene Moore, Jean Schlumberg, Elsa Peretti), bringing to life magical creations full of romance, wit and adventure. However, the remarkable popularity of the jewellery only exploded exponentially in the 1960s with the release of the film by Truman Capote “Breakfast at Tiffany’s”. It was with the character of Holly Golightly, embodied by actress Audrey Hepburn that were portrayed the emotionally evocative connotations of experiencing Tiffany’s in New York. Conveying the message that “nothing bad could ever happen at Tiffany’s store” it began the Tiffany’s from New York cultural phenomenon, which is consistently reiterated in popular media culture ever since. Moreover, the brand. played an important role in the creation and design of the in-store experience as an additional means to delivering value. Indeed, Charles Tiffany initiated the experiential process of purchasing a diamond product by designing the first enticing store experience. Thus, Tiffany & Co., thanks to its presence in cultural phenomena and through the support of iconic and influential figures throughout history, successfully managed to position the brand in the mind of customers as a symbol of wealth, luxury, commitment, love and exclusivity.

With the advent of the internet and the development of social networks, the brand proved to be forward-thinking in understanding social media potential and how to use them effectively in its marketing strategy since the beginning. Indeed, while the debate about e-commerce was still going on, Tiffany quickly created its official website making it not only a place where customers could order jewels online, but also a window to the history and unicity of the products and the brand itself.

Today Tiffany & Co. is one of the most visible luxury brands online and thanks to its sapient social media usage it managed to retain its air of exclusivity and preserve its appeal to high-end customers while at the same time broadening its communication to new younger ones. In fact, through its official social accounts, the brand is able to reach and interact with its audience in a direct and personalized way, while showcasing its products and brand image. Tiffany uses social media to share stories about its history and jewellery collections, promote events and collaborations, and engage its customers through contests and interactive marketing initiatives. Active across various social media platforms, namely Facebook, Instagram, Twitter, Pinterest and YouTube, the brand does not promote the same content but rather uses each social platform strategically, selecting the content, the way of displaying it, and the adequate language in order to get the best out of the possible communication on each platform, to reach the right target while promoting the brand.

Already an expert of the world of social media, recently the brand proved to be an example to follow in the new generation of World Wide Web (the Web 3) as well, with the launch of his collection of branded NFTs, namely the NFTiffs. Among the numerous players of the industry, Tiffany & Co. showed to be wise enough to see before the others that the digital innovations that were happening around the world were not only trends or something far from the world of luxury. The brand's history with NFTs started in March 2022 when it bought an Okapi NFT, featuring a blue Tiffany rocket, from the artist Tom Sachs for 380.000 dollars, and chose it as its Twitter account new profile photo. From then on, the jewellery brand never stopped looking at the world of NFTs until in July 2022, it claimed to "take NFTs to the next level" with the release of its first collection.

Most importantly, the luxury brand entered the world of NFTs by leveraging one of the most important communities in this world, the CryptoPunks. The collection, which represents the first concrete connection between NFTs and luxury jewels, featured 250 pieces sold, for 30 Eth (around 50.600 dollars) each. The collection was made exclusively available only to selected CryptoPunks owners, allowing them to mint on the NFTiffs and obtain, a customised pendant made of 18 carat gold and at least 30 gemstones and diamond, plus the respective NFT. The launch was announced and promoted first via the personal profile of Tiffany & Co.'s Vice Chairman Alexandre Arnault and some months later via the brand's Twitter account. As one might have predicted, the launch of the NFTiffs turned out to be a success, with the collection selling out in just 20 minutes and with the brand earning approximately $12.5 million. However, financial return was not exactly the goal it wanted to achieve when releasing its NFTiffs. In fact, thanks to this launch, it managed to enter and build a reputation in the NFT world and the Web 3 in general, and it did so by choosing the most influential community in this market as its target audience. Moreover, CryptoPunks is an already ultra-rare collection limited in number, and Tiffany's decision to limit their NFTiffs to 250 generated even more sense of exclusivity, which resulted in a massive demand.

Chapter 4: The study

Following the scarcity of literature about the role that NFTs can play for brands in the luxury jewellery industry, the purpose of this research was to fill this gap by presenting the reasons why this new mean has shown to be a potential powerful tool for marketing purposes, and to back up this idea not only through the literature previously exposed but also by analysing the success of the launch of a brand in this industry. Thus, in this elaborate it was given a contribution to the field by examining:

"How and to what extent is the sentiment of Tiffany's social media audience changing when the brand posts content about their branded NFTs compared to posting traditional brand's content."

The approach used to investigate the sentiment of Tiffany's social media audience was a sentiment analysis. Thus, thanks to the fact that the brand decided to announce the launch of its NFT collection on a social media platform (Twitter), it was possible to measure the social media activity generated around the launch on this platform. Indeed, due to the lack of assessment metrics that regards NFTs at this point in time, doing a sentiment analysis was the best possible way to get insights about the overall sentiment of the public audience toward a marketing initiative like the NFTiffs.

Validity of the method chosen was confirmed by literature about possible methods to analyse sentiment on social media platforms. In particular the approach selected for the sentiment analysis in place is the lexicon-based one. The approach to use depends on the structure of the text, time and amount of data available. Indeed, when the data available is messy, limited in quantity and the time available to analyse is short, it is recommended to use the lexicon-based approach. Regarding the suitability of the analysis for the platform chosen, among the different types of social media platforms used to extract data for the sentiment analysis, due to the availability, easy access and richness of the content, Twitter has shown to be the preferred one.

For the purpose of the study, three separate sentiment analyses were conducted. The first took in consideration the comments left under a cluster (of 3 posts) of selected posts about NFTiffs. The second sentiment analysis took the comments left under a cluster (of 41 posts) of selected posts regarding traditional brand's content. And, in order to get insights about the sentiment of the NFT community subject of the launch, namely the CryptoPunks, the third sentiment analysis was performed by processing only the comments left under the posts about branded NFTiffs by this specific group of people. The post selection process followed criteria of consistency and similarity of content to ensure validity of the comparison. The data collection led to a number of 380 comments processed for each cluster of posts.

The platform chosen to process the data in order to run the three sentiment analyses was NVivo.14. Due to limitations of the software for non-paid accounts, the files containing the datasets were manually prepared before and consequently imported on NVivo.14 to be processed. The dataset preparation included downloading the comments relative to each analysis into three separated Word files. These comments were cleaned-up, and were translated in English language to comply with the platform's limitations. Moreover, the data extracted came out with a lot of meta-data but for the purpose of the study, only the name and the text were taken as part of the datasets for the analysis.

To get the insights wanted, 3 main features of NVivo.14 were used, namely: auto code by sentiment, which allowed to tag into positive, moderately positive, negative, moderately negative or neutral sentiment the comments of each cluster; auto code by themes, which allowed to identify common themes or topics that were being discussed by the users in each cluster; and word frequency features that allowed to extract the most frequent words within the content under analysis. In addition, due to platform limitations in understanding irony and the use of slang present in the comments, results were reviewed and manually coded when needed.

Starting from the document containing the cluster of posts about NFTiffs, the analysis of results revealed that the overall sentiment of the public audience toward a marketing initiative like the NFTiffs was not only positive but extremely positive. Indeed, a bunch of the comments complimented the initiative by addressing the brand made a great move and was able to make "the best NFT entrance from a corporate brand to date". Moreover, the majority of comments showed huge interest and appreciation for the collaboration, to the point of hundreds of comments asking Tiffany to make new collaborations with other NFT collections in order to have the possibility of access to a sale like this one day. Overall, the results of this first analysis show a major positive response. Nevertheless, the issue that resulted in attracting the most negative comments was the price, which was considered excessively high. However, following some consideration it is clear that the majority of the audience which commented negatively relative to the price, was not aware of the circumstances regarding the launch nor about the average prices at which Tiffany's jewellery is sold.

From the document containing the cluster of posts regarding traditional brand's content, the analysis of results revealed that the overall sentiment of the public audience toward traditional marketing content posted is moderately positive. Indeed, the majority of the comments expressed positive sentiment using adjectives which have lower positive valence.

Comparing the results of these two analyses it was seen that the percentage of positive comments resulting from the second analysis is significant, yet there are far more moderately positive comments than very positive ones. In contrast, in the first analysis, a strong polarisation of the comments towards an extremely positive sentiment was recognised. With regard to the percentage of negative comments, a majority of very negative comments was found in the second analysis, whereas in the first a fairly even distribution of comments between moderate and very negative was present. Regarding the percentage of neutral comments in the second analysis it is almost three times that of the first one, a fact that underlines the lesser capacity of this type of content to stimulate any kind of sentiment.

Moreover, comparing the overall engagement generated through the two clusters of posts it was seen that the average number of likes generated through the first cluster was almost twelve times higher than the one for the second cluster. Secondly, the average number of comments generated through the first type of content is sixty times higher, and the average number of retweets under the first cluster of posts is thirty times higher. Evidence for this data is that the engagement that Tiffany & Co. was able to generate through the publication of its branded NFTiffs is extremely higher than the one it generated through traditional content posting. In particular, such a result was easily predictable since to reach a comparable number of comments (380) for the second cluster, 41 posts were chosen in contrast to 3.

From the document which contained only comments of CryptoPunks' owners, the analysis of results revealed a major positive response. Indeed, the reason behind this huge success can be found in the fact that Tiffany & Co. understood that approaching Web 3 by leveraging the most established and iconic community was the right way of doing it. Big brands like Tiffany, which find themselves in fiercely competitive environments, know the importance of being the first to preside over new environments as well as how the first impression is decisive. Indeed, Tiffany was wise in understanding that to validate its entrance, it had to have the support of a community, and it chose an important one. This move, as resulted from the analysis, was widely appreciated by the community chosen, because in a certain way it represented a validation of the importance of the community itself. As a result, Tiffany's idea was perfectly in line with how the Web 3 works, understanding in that environment users have a lot of voice, and communities have the power to validate or not incoming projects, being themselves the consumers of those products.

Regarding the limitations of the study, while a sentiment analysis can provide some valuable insights about the overall sentiment of the topic discussed, without the proper contextual understanding its results may be misleading or incorrect. The language used on social media is often ambiguous and the platforms chosen to analyse it, may fail to identify sarcasm and irony or to interpret symbols like emojis and emoticons. Due to these limitations a lot of manipulation was needed while carrying out the analyses. In addition, it was addressed that although Twitter is one of the preferred platforms on which NFT discussion takes place, there are also other important venues in this regard that have not been analysed in this study due to lack of public data to gather from there. Moreover, the study did not consider a huge component of the content published on Twitter by Tiffany, which is the one about celebrities. However, in the study under analysis, including this type of content would not have been possible due to the positive or negative sentiment towards the celebrity that would have biased the results. Finally, it would have been interesting to study the sentiment of NFTs' enthusiasts and not only the CryptoPunk group, in order to have a broader view on the reaction to the entry of the brand in the Web 3. However, for obvious limits of identification of users this was not possible. In fact, only thanks to the fact that CryptoPunks are a collection that falls in the category of profile pictures images, it was possible to easily identify members of this community. Moreover, this particularity does not exclude that among the social audience analysed there were other CryptoPunk owners who had as a profile image a different digital image and not that of CryptoPunk, and therefore have not been identified in the study.

Conclusion

To conclude, the analysis of the sentiment conducted in this elaborate provides reasons that support what has been discussed so far. Indeed, thanks to a sentiment analysis of the comments left under the Twitter posts of the brand, it was seen that sentiment resulting from the NFTiffs initiative is extremely positive. Excitement and appreciation for the fact that a big brand like Tiffany is giving attention to a world which is still looked at with discard by many emerge for the analysis, and the results show to be in line with the factors discussed so far.

Among the numerous players of the industry, the brand Tiffany & Co. showed to be wise enough to see before the others that the digital innovations that were happening around the world were not only trends or something far from the world of luxury. In a competitive environment like the one of the luxury jewels, being the first and preferred is almost impossible and Tiffany understood that entering this world before others would have meant to establish its presence in the heart of the new potential customers before others. Thus, the brand was forward-thinking in its decision, but also intelligent in the way of doing so.

In a world where millions of pieces of digital art are created and sold each minute, creating a branded digital piece of art is not enough. One of the major forces that moves the game is validation. A digital piece of art to be valuable needs to be accepted and validated by the community, and most important by the communities and by people with a certain authority. Tiffany & Co. studied the rules of the game and decided to enter this world not by selling NFTs versions of its physical jewels but rather selling NFTs jewellery versions of the most established, valuable and influential community existing, the CryptoPunks. This decision granted the brand major online visibility and online word of mouth. Leveraging on the power of a community like the CryptoPunks, which has authority and power of influence, got the brand online validation, thus success. Moreover, Tiffany creatively decided to pair the digital launch with a physical proof of the craftsmanship and expertise that distinguish them. Indeed, by selling with the NFT also real pieces of jewellery made of 18kt gold and real diamonds and precious stones, the brand not only kept doing want it is known for, not distorting its nature, but also managed to physically enter its iconic blue box in the homes of a target audience that it probably would have difficultly reached any other way, creating foundation for future loyalty.

To conclude, NFTs have shown to be a new marketing tool to take into consideration for future marketing strategies in this sector. Moreover, the results of this analysis give brands in this sector important takeaways on how to enter the Web 3 effectively and insights about the new role of "validators" they could play.

Tiffany & Co. is a prestigious brand and through its example it showed how it is not enough to be big and to be present. To have success is important to study the environment you are going into and present yourself speaking the language of the audience you want to impress. Thanks to this move, Tiffany managed to acquire a whole new follower base of NFT enthusiasts, which engages with the content posted and is there listening and waiting for the brand's next move.