**Thesis**

### MASTER THESIS MARKETING MANAGEMENT/MARKETING ANALYTICS FALL 2022

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1. *Chapter – Introduction*
2. *Chapter – Theoretical framework*
3. *Chapter – Methodology*
4. *Chapter – Analysis and Results*
5. *Chapter - Discussion, conclusions and recommendations*
   1. *Conclusions and discussion*

The two main objectives of this study were, first to determine if the tendency of consumers to pay premium prices for customized products was explained by psychological ownership and second to see to what extent the type of features used to customize products could affect the relationship between the level of customization of a product and both, psychological ownership and willingness to pay.

To handle these targets some research questions were stated. The first and second were focused to understand the extent to which willingness to pay and psychological ownership were affected by the level of customization on a product. Although the mean of willingness to pay was higher for the expected conditions, the results were not significant according to either, the t-test or the moderated mediation analysis. This lack of significant difference could have been produced, following Dellaert & Stremersch (2005) contribution, perhaps because the number of modules to customize a product, probably, is not the most relevant parameter at the time of setting a customization configuration based on a specific product. In the case of psychological ownership, the two-sided t-test was close to being significant but not in the expected direction. The results showed higher psychological ownership for the low-level condition than for the high-level condition. Again, this could be explained by the customization configurations parameters theory previously exposed.

The third and fourth questions were aimed to identify a possible moderation effect of the type of features used to customize products on the relationship between the level of customization on a product and both, psychological ownership and willingness to pay. For both cases, the interactions, carried out using one-way ANOVA, were close to being significant but in the bootstrapping analysis, the interaction between the moderator and the independent variable, and their influence on willingness to pay was in fact significant.

Although the p-value obtained in the measurement of the interaction and its effect on the dependent variable could be considered positive; again, the direction of the effect was not the expected one. Of the 4 experimental groups, the two related to the utilitarian condition showed a higher WTP than those linked with the hedonic one. These results go against some theories, previously exposed in chapter 2, like those proposed by, Dhar & Wertenbroch (2000) or Shu & Peck (2011) which say that hedonic items tend to produce more positive effects, on respondents, than utilitarian ones. This contradiction could be produced and explained by the selected product which was customized by respondents. First, although the respondents were able to identify correctly the utilitarian and hedonic components of the car, through the pre-test, the product as a whole could be perceived more as utilitarian given that it fulfills a specific goal, for that reason, participants probably valued higher utilitarian attributes than hedonic ones. Second, the model of the car, Ford Fiesta 2022, also could be seen as a regular car that is not very linked with customization purposes, if the shown car had been a more extravagant or fancy model (e.g., a Lamborghini Gallardo, Porsche 911) the interpretation of the respondents probably would have been different and the result would have leaned more towards the hedonic condition than to the utilitarian one.

The last question was about the possible mediating role of psychological ownership on the level of customization and willingness to pay. This procedure was crucial in determining whether this variable was the cause of why customers pay more for customized goods. Although a significant correlation was found between WTP and the mediator, the final results, supported by Hayes’s (2022) conditional analysis and bootstrapping technique, do not allow us to say that psychological ownership mediates the relationship between the level of customization and willingness to pay.

Initially, the findings of this study are aligned with the theory previously discussed in chapter two regarding psychological ownership. As was said by Morewedge et al (2021) psychological ownership is positively related to WTP and this research confirms it. Nevertheless, these findings do not match other research contributions like the one made by Atasoy & Morewedge (2017) who proposed an approach where psychological ownership performs as a mediator between product format and willingness to pay.

In summary, there were not enough significant results to affirm that there is a moderated mediation effect in this experiment; however, there are some interesting insights that are worth to be highlighted. The most interesting significant finding was the one related to the interaction between the level of customization the and type of features used to customize products and its influence on willingness to pay. From it, we learned that for this experiment, participants valued more utilitarian attributes than hedonic which is a statement that goes against some research papers related to customization and willingness to pay literature. Also, was interesting to see the level of significance in the relationship between psychological ownership and WTP. Finally, is worth reminding the influence of the knowledge about cars held by the respondents on the two previously mentioned variables.

* 1. *Theoretical and managerial implications.*