

The impact of anxiety and design skill on the perceived value of customising gifts for oneself and others and the effect of complexity

**celine stiris**

university of kingston

**Francesca Dall'Olmo Riley**

University of Kingston

**Jaywant SINGH**

University of Southampton

Cite as:

stiris celine, Dall'Olmo Riley Francesca, SINGH Jaywant (2023), The impact of anxiety and design skill on the perceived value of customising gifts for oneself and others and the effect of complexity. *Proceedings of the European Marketing Academy*, 52nd, (113976)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



# **The impact of anxiety and design skill on the perceived value of customising gifts for oneself and others and the effect of complexity**

## **Abstract:**

Given the expected growth of the sector of customised gifts, it is vital for managers to identify the antecedents of consumer value in gift customisation to develop optimal customisation tools and ensure purchase. However, so far, the impact of the positive and negative aspects of gift customisation on perceived value are not well understood. Using a web-based survey, this study examines the impact of design skill and anxiety on perceived value of customising gifts for oneself and others and the effect of complexity. Findings show that consumers confident in their design skill are less anxious and have higher purchase intention. Conversely, perceived complexity causes anxiety and decreases their willingness to purchase. Contrary to expectations, creating a gift for oneself or other does not affect relationships. Findings extend the theory of consumption value and to the literature on customisation and gifting.

Key Words: *Customer value; Customisation; Gifting*

Track: *Product and Brand Management*

## 1. Introduction

The expansion of customisation has been particularly significant in the context of gifting. In the post COVID-19 business landscape, the global market for personalised gifts estimated at US\$26.6 billion in 2020, is projected to reach US\$39.3 billion by 2027 (Research and Markets 2022). Advances in technology (e.g., 3D printing), and social and market factors (e.g., more occasions when gifts are exchanged) have contributed to the rise in the popularity of gift customisation. Literature has shown that consumers want to enhance their purchase experiences (Holbrook and Hirschman 1982; Verhoef *et al.*, 2009; Lemon and Verhoef, 2016), and are increasingly looking for product uniqueness (Franke and Schreier 2008; De Bellis, Hildebrand, Ito, Herrmann and Schmitt (2019).

Value is key for both customisation and gifting. The value dimensions conferred by customisation have been identified by Merle, Chandon, Roux, Alizon (2010) who developed a scale (Consumer Perceived Value Tool, CPVT), to measure the five value dimensions conferred by customisation (hedonic, utilitarian, uniqueness, self-expressiveness, and creative achievement). Yoo and Park (2016) stated that consumers purchase customised gifts instead of standard gifts for social recognition, social value was therefore added as the sixth value dimension of customisation. Further, Babin, Gonzalez, and Watts (2007) defined the value associated with gifting as the ‘thrill of the hunt’, or the ‘enjoyment’ resulting from finding ‘the perfect gift’ (p. 901).

Whilst customisation and gifting provide value to the consumers and increased opportunities to the retailers, these involve challenges as well. Customising a gift is a more demanding process than purchasing a standard product. Gift customisation can be overwhelming due to the large set of options sometimes offered by the customisation toolkits. In addition, consumers may be in doubt of the recipient’s gift preferences or might even be unsure about their own tastes (Simonson, 2005). In this regard, Moreau, Bonney, and Herd (2011) found that gift customisation can be perceived as complex and can cause anxiety, although self-perceived design skill together with design support can decrease anxiety in certain circumstances.

Further, Merle *et al.* (2010) identified the value dimensions of customisation for oneself, and Moreau *et al.* (2011) studied the antecedents of anxiety in the context of gift customisation (self or other) and the impact on willingness to pay. However, so far, there are no studies investigating the antecedents of the value dimensions of customisation in the context of gifting (self and other) and the impact on purchase intention. This study addresses the above gap. The overall aim of this research is to shed light on the positive impact of self-perceived design skill

and the negative effect of challenges (i.e., perceived complexity and anxiety) on consumer value, and ultimately on purchase intention in the context of gift customisation. Given the expected growth in the sector of customised gifts, it is critical to have a clear understanding of the consumer's psychology behind gift customisation to optimise buying experience and enhance purchase likelihood.

### *1.1 Perceived complexity and anxiety in gift customisation*

According to Huffman and Kahn (1998), the way customisation options are presented by the customisation tool (e.g., by product alternatives or attributes) may lead to confusion, frustration, and complexity perceptions to the consumer. Indeed, to decide from myriad product options and features either for oneself or for someone else may be daunting for the consumer. Simonson (2005) highlighted that individuals often 'lack insight into their own preferences'. The literature on choice complexity shows the negative effect of perceived complexity on the customisation experience (Valenzuela, Dhar, and Zettelmeyer, 2009). When customising a gift, both perceived complexity of designing a gift and gift giving anxiety come into play (Moreau et al., 2011). However, so far there are no empirical studies on the direct relationship between perceived complexity and perceived anxiety in gift customisation. The analysis of this relationship is important, given the potential distress felt by consumers during the gift customisation process (for oneself and other). The psychological mechanisms underpinning the customisation process needs to be better understood to ensure a positive customisation experience and online purchase. In this regard, Valenzuela et al. (2009) posit that the 'experience of difficulty' during customisation affects purchase intention. Based on the above discussion, this study hypothesizes:

**H<sub>1</sub>:** *The perceived complexity of customisation will increase the anxiety felt during the customisation process.*

### *1.2 Self-perceived design skill and anxiety in gift customisation*

Self-perceived design skill is essential to a positive customisation experience (Dellaert and Stemersch, 2005). Moreau et al. (2011) assert that the combination of design support and self-perceived design skill, decreases anxiety when participants are designing products as gifts. However, in practice, many customisation programs do not offer design support. In that case, the effect of self-perceived design skill on anxiety without the presence of design support is unknown. Therefore, the direct impact of self-perceived design skill on perceptions of anxiety during gift customisation merits further investigation. The impact of self-perceived design skill on respondents' anxiety level independently from design support, needs to be examined, to

establish whether self-perceived design skill can decrease anxiety in the context of self-giving, as well as interpersonal gift giving. The following hypothesis is thus put forward:

**H<sub>2</sub>:** *Self-Perceived design skill will decrease the anxiety felt during the gift customisation process.*

### *1.3 Anxiety and gift customisation value*

As Larsen and Watson (2001) suggest, while gifts may lead to excitement, satisfaction, and extreme pleasure for both giver and recipient, they may also provoke stress, anxiety, and disappointment. Furthermore, customising a gift implies a great deal of personal involvement from the giver in the gift creation process (Bonney, Herd and Moreau, 2011), suggesting more pressure than for the purchase of a standard product. Moreover, the stakes in the gifting process can be high (Babin et al. 2007; Givi and Galak 2021). Hence, in gift customisation, there is an evident effect of anxiety on the perceived value of customisation. Although past research concluded that anxiety is perceived by the consumer in the context of gift customisation (Moreau et al. 2011; Bonney et al. 2011), there seems to be no prior research investigating the impact of anxiety on consumers' perceived value of customising a gift. This relationship needs to be examined to understand the consumer's feelings during the customisation process and the factors, such as anxiety, that can decrease the perceived value and ultimately affect purchase intention. Thus:

**H<sub>3</sub>:** *Perceived anxiety will decrease the perceived value of gift customisation.*

### *1.4 Self-perceived design skill and gift customisation value*

Past literature has shown that one of the key features of a positive customisation experience leading to a purchase is self-perceived design skill (Dellaert and Stemersch, 2005). Moreau et al. (2011) demonstrated that, especially in the context of inter-personal gifting, high confidence in designing a gift, decreases perceived anxiety. Therefore, the higher the self-confidence in designing a gift, the more positive the giver's customisation experience is expected to be. Hence, the relationship between self-perceived design skill and the gift customisation value dimensions seems particularly salient to ensure a positive consumer experience during the customisation task which will then impact purchase intention.

However, prior research has only investigated the impact of self-perceived design skill on perceived anxiety but not on the value dimensions conferred by gift customisation. Moreau et al. (2011) posit that self-perceived design skill can decrease anxiety in certain circumstances. Therefore, it could be expected that confidence in one's own design skill also enhance perceived value. Therefore:

**H4:** *Self-Perceived design skill will increase the perceived value of gift customisation.*

### *1.5 Gift customisation value and purchase intention*

Gift customisation offers an ambivalent experience to the customer, which comprises both positive and negative feelings. Valenzuela et al. (2009) posit that a negative perception of the customisation experience does impact the purchase intention of the customised product. Indeed, the complexity of self-designing a product and the effort involved may increase the likelihood of abandoning the customisation process without actually buying the product (Dellaert and Stemersch, 2005). Conversely, a positive outcome of the customisation experience translates into perceived value and purchase intention. Whilst Yoo and Park (2016) examine the impact of the six value dimensions conferred by customisation on satisfaction and ultimately on brand loyalty, the effect of value on the intention to purchase the customised product, in the context of gifting (self and other) has not been examined yet. It is crucial to understand how the propensity to purchase the customised gift may be influenced by the consumer perception of each of the value dimensions. Therefore:

**H5:** *The perceived value of gift customisation will increase purchase intention.*

### *1.6 The effect of the nature of the recipient on the hypothesised relationships*

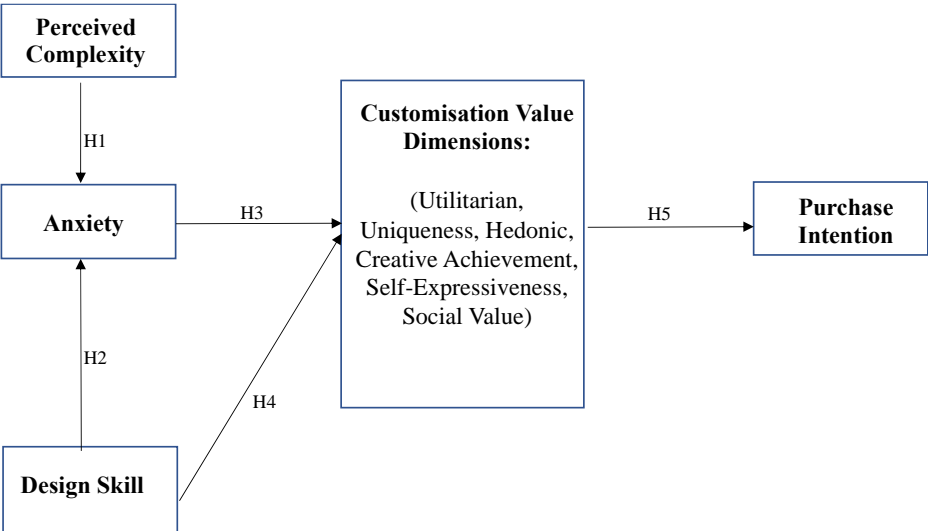
Prior studies in customisation have mostly focused on the consumer perceived value when customising products for themselves rather than a recipient (Schreier, 2006; De Bellis *et al.*, 2019). Merle et al. (2010) developed the Consumer Perceived Value Tool (CPVT) to identify and measure all the benefits that consumers can perceive whilst customising a product for oneself. So far, this tool has only been used in this context (Yoo and Park, 2016). However, empirical studies showed that the nature of the recipient, self or other, in customisation is salient. Indeed, Bonney et al. (2011) demonstrated that the nature of the intended recipient, self- vs. other, influences expectations, emotions, satisfaction and willingness to pay. Although gift customisation always implies a degree of complexity (Valenzuela et al. 2009), perceived choice complexity is exacerbated when customising for a recipient since givers do not have direct access to the recipient's preferences while they create a gift. Given the stakes in gift giving, customising a gift for a friend may spark a different level of stress or anxiety compared to customising for oneself. Ward and Broniarczyk (2013, p. S271) state that '*the choice of the right gift is more complex than choosing something for oneself*'. In addition to the anxiety of designing a product, impression management (Schlenker and Leary, 1982), which occurs when

people are motivated to make desired impressions on others but are doubtful of success, comes into play in the context of customisation for a recipient.

However, to the author’s best knowledge, so far research has not examined the impact of the nature of recipient (self-vs.other) on the positive and negative relationships in the context of gift customisation. This lack of knowledge is a significant gap and merits further research. Consequently, we propose that all the hypothesised relationships (i.e.,  $H_1$  to  $H_5$ ) will be stronger than in the context of self-gift giving. Thus, the following hypothesis:

**H<sub>6</sub>:** *The nature of the recipient (self vs. other) has a significant impact on the relationships hypothesised in  $H_1$  to  $H_5$*

**Figure 1. Conceptual Framework**



$H_6$ : The nature of the recipient (Self vs. Other) has a significant impact on the relationships hypothesised in  $H_1$  to  $H_5$

**2. Methodology**

This research employs a quasi-experimental design involving a real brand. Participants were asked to customise a tote bag using the customisation webpage of Longchamp, a leading luxury brand, to enhance the external validity of the experiment. After the customisation task, they shared their thoughts about their customisation experience using online questionnaires on the survey platform Qualtrics. Two manipulations were conducted, the complexity of the customisation tool and the nature of the recipient. Half of the study participants was randomly allocated to the two high complexity groups with six customisation options to choose from, and the other half was randomly allocated to the two low complexity groups with only two features to choose. The second manipulation was the nature of the recipient. Half of the participants was

asked to customise the bag for themselves for a special occasion (self-gift giving). The other half was asked to customise the bag as a gift for someone else for a special occasion (interpersonal gifting). Therefore, four experimental groups in total: i) High complexity/Self-Giving, ii) High Complexity/ Gift-Giving, iii) Low Complexity/Self-Giving, iv) Low Complexity/ Gift -Giving. Total usable sample, n=405. Given the complexity of the structure of the proposed conceptual framework, partial least squares structural modelling (PLS-SEM) was the analytical technique employed in this research.

The current study consists of measurements adopted from the existing literature with adequate reliabilities. *Perceived value* was measured using the scale developed by Merle et al. (2010), and *social value* by Sweeney and Soutar (2001) scale items. *Perceived Complexity* was assessed with two items from the perceived complexity scale by Huffman and Kahn (1998) and one item from the choice difficulty scale borrowed from Valenzuela et al. (2009). *Self-perceived design skill* was measured by scale borrowed from Moreau et al. (2011). *Purchase intention* was measured with 2 items adapted from Merle, Chandon and Roux (2008). *Anxiety* was assessed by participants reporting their level of anxiety with 3 items, creating an index of ‘anxiety-related negative emotions’ also used by Moreau et al. 2011. All the items were measured on a 7-point Likert-type scale with anchors of 1= ‘strongly agree’ to 7= ‘strongly disagree’.

### 3. Results and Analysis

The results of ANOVA showed that the manipulation of task complexity (high vs. low) has worked, with a significant effect of task complexity (high vs low) on perceived complexity ( $p = .035$ ). However, the multi-group analysis only revealed one significant path between creative achievement and purchase intention ( $p = 0.039$ ). Hence, contrary to expectations, task complexity does not have any impact on any relationships of the model. The results of the second manipulation of the *nature of the recipient*, i.e., gift customisation for oneself vs. best friend are below (i.e.,  $H_6$ ).

Partial least squares-based structural equation modelling (PLS-SEM) was used to test the six hypotheses.  $H_1$  is supported with highly significant path between perceived complexity and anxiety ( $p = 0.000$ ). The analysis confirms that high confidence in design skill lowers the anxiety of gift customisation,  $p = 0.027$ .  $H_2$  is supported. The results of the bootstrapping procedure reveal that anxiety decreases perceived value conferred by gift customisation, except uniqueness ( $p = 0.269$ ) and social value ( $p = 0.740$ ). Thus,  $H_3$  is partially supported. Anxiety significantly decreases all value dimensions ( $p = 0.000$ ) apart from uniqueness value. All value



dimensions except creative achievement positively impact purchase intention. **H<sub>5</sub>** is partially supported as well, while **H<sub>6</sub>** was not supported. The results of the multi-group analysis (self-gift giving groups vs. gift-giving groups) show that there is no significant impact of the nature of the recipient on any of the relationships of the conceptual framework. Only one path is significant between design skill and uniqueness value ( $p=0.030$ ).

#### **4. Discussion, Conclusions, Implications**

Whilst customisation provides experiential benefits to consumers and increased opportunities for retailers, the trade-offs between the experiential benefits and the ‘costs’ of customisation and their effect on value needed to be better understood, especially in the context of gifting. This study investigated the relationships between perceived customisation complexity, anxiety and self-perceived design skill and their impact on the perceived value provided by customisation in the context of gift-giving and self-gifting. The effect of these relationships on purchase intention of the customised gift was also examined. Regarding the negative aspects of gift customisation, the findings confirm that perceived complexity increases anxiety which in turns decreases the perceived value conferred by customisation. As for the positive aspects, results show that self-perceived design skill decreases anxiety and has a positive effect on all value dimensions provided by the customisation experience, except uniqueness value. Uniqueness value relates to the desire to obtain a unique product (Schreier 2006). Whether consumers believe in their design skill or not during the customisation task, they will still consider that the bag they have customised is unique. Hence, regardless of their confidence in designing a bag, the uniqueness value will be intact.

Furthermore, findings reveal that apart from creative achievement value, all other value dimensions have a positive impact on the purchase intention of the customised bag. This outcome could be explained by the fact that consumers perceive creative achievement value thanks to the creative experience of customising a bag, the ‘pride of authorship’ (Schreier, 2006), regardless of their intention to purchase the bag. Hence, the irrepressible presence of pride and feeling of accomplishment given by the customisation experience would explain the absence of the significant impact of creative achievement value on purchase intention. Finally, contrary to expectations, the nature of the recipient, self vs. other, does not affect the relationships hypothesised in the model. This surprising outcome could be explained by findings by Larsen and Watson (2001), stating that personally made presents involving ‘psychic costs’ of the giver are more appreciated by recipients than pre-wrapped gifts ‘picked’ on a shelf of a store. Equally, consumers do not feel more complexity or anxiety when customising for

recipient than for themselves since they assume that the recipient will value their effort to customise a bag rather than buying a ready-made one, regardless of whether the actual design of the bag is liked by the recipient or not.

The findings of this study make substantial contribution to the interface of the theory of consumption value and gift customisation behaviour. The study thus makes novel contributions to the literature on customisation and gifting. The findings have implications for brand managers working towards customisation of their product offerings through website design optimisation. This new knowledge will help create online customisation programs that optimise the gift customisation experience of the consumer by maximising the value perceived, increasing their perceived design skill and minimising the negative feelings such as perceived complexity and anxiety and most importantly will therefore encourage the purchase of the customised product. In practice, the following suggestions could be put in action: at the beginning of the customisation task, the consumer could be asked to grade their perceived design skill. Based on their answer, the level of the task complexity could then be adjusted automatically. For the ones who have the least confidence in their customisation skills, some additional design support could be offered during the task. For instance, the program could generate some visuals of customised bags to inspire the customising consumer.

## References

- Babin, B.J., Gonzalez, C. and Watts, C. (2007). 'Does Santa have a great job? Gift shopping value and satisfaction', *Psychology & Marketing*, 24(10), pp. 895–917.
- De Bellis, E., Hildebrand C., Ito K., Herrmann A. and Schmitt B. (2019). 'Personalizing the Customization Experience: A Matching Theory of Mass Customization Interfaces and Cultural Information Processing', *Journal of Marketing Research*, 56(6), pp. 1050–1065.
- Dellaert, B. G. C., Stremersch, S. (2005). 'Marketing mass-customized products: Striking the balance between utility and complexity', *Journal of Marketing Research*, 42(2), pp. 219–227.
- Franke, N. and Schreier, M. (2008). 'Product uniqueness as a driver of customer utility in mass customization', *Marketing Letters*, 19(2), pp. 93–107.
- Givi, J., and Galak, J. (2021). 'Gift Recipients' Beliefs About Occasion-based and Nonoccasion-based Gifts: The Importance of Signaling Care and Meeting Expectations in Gift Giving', *Journal of Consumer Psychology*, 32(3), pp. 445–465.
- Holbrook, M.B. and Hirschman E.C. (1982). 'The Experiential Aspects of Consumption Fantasies, Feelings, and Fun', *Journal of Consumer Research*, 9, pp. 132-40.
- Huffman, C. and Kahn, B. E. (1998). 'Variety for Sale: Mass Customization or Mass Confusion?', *Journal of Retailing*, 74(4), pp. 491–515.
- Larsen, D., and Watson, J. J. (2001). 'A guide map to the terrain of gift value', *Psychology & Marketing*, 18, pp. 889–906.
- Lemon, K. N., and Verhoef, P. C. (2016). 'Understanding customer experience throughout the customer journey', *Journal of Marketing*, 80 (6), pp. 69-96.

- Merle, A., Chandon, J.L, Roux, E., Alizon, F. (2010). 'Perceived Value of the Mass-Customized Product and Mass Customization Experience for Individual Consumers', *Production and Operations Management*, 19(5), pp. 503–514.
- Merle, A., Chandon, J.-L. and Roux, E. (2008). 'Understanding the perceived value of mass customization: the distinction between product value and experiential value of co-design', *Recherche et Applications en Marketing (English Edition) (AFM c/o ESCP-EAP)*, 23(3), pp. 27–50.
- Moreau, C. P., Bonney, L. and Herd, K. B. (2011). 'It's the Thought (and the Effort) That Counts: How Customizing for Others Differs from Customizing for Oneself.', *Journal of Marketing*, 75(5), pp. 120–133.
- Research and Markets, 2022, Personalized Gifts: Global Strategic Business Report, accessed on 24th of November 2022, <https://www.researchandmarkets.com/reports/5030449/personalized-gifts-global-strategic-business#rela0-5454756>
- Robben, H.S.J. and Verhallen, T.M.M. (1994). 'Behavioral Costs as Determinants of Cost Perception and Preference Formation for Gifts to Receive and Gifts to Give', *Journal of Economic Psychology*, 15 (2), pp. 333–50.
- Schreier, M. (2006). 'The value increment of mass-customized products: an empirical assessment', *Journal of Consumer Behaviour*, 5(4), pp. 317–327.
- Sheth J.N, Newman B.I, Gross B. L. (1991). 'Why we buy what we buy: A theory of consumption values', *Journal of Business Research*, 22 (3), pp.159-170.
- Simonson, I. (2005). 'Determinants of Customers' Responses to Customized Offers: Conceptual Framework and Research Propositions', *Journal of Marketing*, 69(1), pp. 32–45.
- Yoo, J. and Park, M. (2016). 'The effects of e-mass customization on consumer perceived value, satisfaction, and loyalty toward luxury brands', *Journal of Business Research*, 69(12), pp. 5775–5784.
- Valenzuela, A., Dhar, R. and Zettelmeyer, F. (2009). 'Contingent Response to Self-Customization Procedures: Implications for Decision Satisfaction and Choice', *Journal of Marketing Research*, 46(6), pp. 754–763.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., and Shlesinger, L. A. (2009). 'Customer experience creation: determinants, dynamics and management strategies', *Journal of Retailing*, 85(1), pp.31–41.