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Research Proposal for the study of
Brand Modernization Strategies
for Traditional Gold Retailers in Saudi Arabia

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1. INTRODUCTION

Traditional gold retail in Saudi Arabia is rooted in long-standing cultural traditions, where gold plays a significant role in weddings, gifting, and investment. However, Younger Saudi consumers are increasingly expecting modern branding standards through refreshed visual identity, strong digital presence, omnichannel convenience, and transparent assurance such as purity certifications and warranty. In luxury and high-symbolism markets, brand authenticity anchors trust and meaning, while modernization signals relevance and improves shopping convenience (Beverland, 2005). Heritage continuity also strengthens brand relevance when balanced with innovation (Urde et al., 2007). Brands that meaningfully leverage legacy appeal can enhance emotional connection and distinctiveness (Hudson, 2011). Measures of consumer-based brand authenticity demonstrate strong links to trust, commitment, and advocacy (Napoli et al., 2014). Authenticity further supports credibility and brand integrity in luxury (Morhart et al., 2015). Meanwhile, omnichannel and social media allow retailers to have better discoverability and evaluation behavior, influencing customers value perception and engagement (Verhoef et al., 2015). Customer journey strategies and information access are also critical to satisfaction and loyalty (Lemon & Verhoef, 2016). In digital luxury contexts, immersive social content and interaction drive consumer desire and increase loyalty (Kim & Ko, 2012). Social media activities also contribute to brand equity and behavioral responses in premium sectors (Godey et al., 2016). This thesis explores how traditional Saudi gold retailers can modernize their branding and experience while safeguarding authenticity and trust.

1.1 Literature Review

1.1.1 Heritage Branding and Cultural Continuity

Heritage branding emphasizes continuity, cultural symbolism, craftsmanship, and historical roots as key components of brand identity. Brands that highlight their origin story, generational knowledge, and longstanding industry presence create emotional meaning and symbolic value for consumers (Urde et al., 2007). In luxury and culturally symbolic markets, heritage serves as a core differentiator, reinforcing identity and perceived exclusivity (Hudson, 2011). Consumers often associate heritage with authenticity, tradition, and trust — particularly when purchases hold sentimental or status of significance. For gold jewelry, where emotional meaning and legacy play an important role, heritage factors can reassure consumers of product quality, cultural relevance, and craftsmanship legitimacy. Therefore, effectively leveraging heritage can strengthen brand equity while maintaining cultural resonance across generations.

1.1.2 Brand Authenticity and Trust Formation

Brand authenticity is the degree to which consumers perceive a brand as genuine, consistent, and faithful to its core values and origins (Napoli et al., 2014). In luxury and culturally symbolic categories such as gold jewelry, authenticity plays a central role in shaping trust, emotional attachment, and purchase decision. For Saudi consumers, gold carries dual meaning one being sentimental value rooted in family and tradition, and the second being financial security as gold holds its monetary value with the passage of time. As a result, perceived authenticity becomes a key driver of credibility, influencing how consumers evaluate purity, fairness in pricing, and craftsmanship reliability (Morhart et al., 2015).

Traditional factors such as reputable craftsmanship, visible purity certification, and heritage storytelling strengthen trust by signaling continuity, honesty, and mastery (Beverland, 2005). At the same time, consumers increasingly expect clarity in

communication and consistency across digital and physical touchpoints, making transparency an essential component of authenticity in modern retail.

Brand authenticity is further reinforced through signature products that represent a brand's distinctive design language and craftsmanship legacy. Hu (2022) highlights that iconic jewelry brands often anchor their identity around key product lines or signature items that serve as symbolic markers of craftsmanship and identity, shaping consumer trust, recognition, and purchase decision. For instance, the jewelry brand Cartier has their "Love" collection, while Bvlgari has their "Serpenti" collection. For gold retailers, emphasizing signature pieces can serve as proof of originality and quality, strengthening both brand authenticity and loyalty.

1.1.3 Omnichannel Retailing and Customer Experience

Modern consumers expect consistent and convenient interactions across multiple channels, from physical stores to social media and online communication platforms like WhatsApp or Instagram. Omnichannel retailing integrates these touchpoints to support unified product information and communication, service quality, and purchasing options (Verhoef et al., 2015). The alignment between online and offline brand experience increases customer confidence and reduces friction in the purchasing journey (Lemon & Verhoef, 2016). In high involvement categories like jewelry, customers value the ability to explore designs online, engage with sales consultants digitally, and finalize purchases in store after quality verification. Effective omnichannel execution therefore not only enhances convenience, but also reinforces professionalism and brand credibility, which is essential to competing with international luxury brands in the Saudi market.

1.1.4 Digital and Social Media in Luxury Branding

Luxury brands increasingly rely on digital platforms to communicate identity, lifestyle positioning, exclusivity, and emotional aspirations. Digital storytelling, influencer collaboration, and curated visual content significantly enhance consumer engagement

and perceived brand value (Kim & Ko, 2012). Social-media marketing efforts (e.g., product showcases, behind-the-scenes content, cultural storytelling) reinforce premium perception and influence attitudes toward purchase (Godey et al., 2016). For jewelry consumers, platforms like Instagram, Snapchat, and TikTok act as inspiration and research channels, helping them compare designs, evaluate craftsmanship, view other customers feedback, and validate retailer credibility. As younger Saudi consumers prioritize digital discovery and visual validation, traditional retailers must professionalize their digital presence to remain competitive and relevant in the evolving luxury retail environment.

1.1.5 Cultural Significance of Jewelry in Saudi Arabia

Gold jewelry in Saudi Arabia holds deep social and emotional significance, traditionally representing wealth, generational value transfer, and ceremonial importance in weddings and family events. Local cultural studies highlight a strong appreciation for classic craftsmanship and heritage motifs within Saudi jewelry culture (Al-Arifi, 2023). At the same time, market research shows that younger Saudi consumers actively seek modern aesthetics, transparent pricing, and digital convenience. A study on luxury retail in Riyadh found that social media platforms influence information seeking behavior and trust perceptions among Saudi consumers engaging with premium brands (Dadwal & Atalla, 2018). This dual dynamic creates a unique market environment where traditional gold retailers must preserve cultural authenticity while adopting contemporary marketing and retail practices to stay competitive in a rapidly modernizing economy.

1.1.6 Summary of Literature Gaps

Existing literature establishes that heritage, authenticity, digital engagement, and omnichannel practices shape consumer trust and loyalty in luxury markets. However, academic research remains limited in examining how these concepts interact in traditional gold retail environments, particularly within Saudi Arabia's culturally symbolic and rapidly modernizing jewelry sector. Most prior studies focus on Western luxury brands or general retail contexts, leaving a gap in understanding how Saudi gold

retailers can modernize brand identity and customer experience without compromising cultural heritage and trust signals. This study aims to address this gap by exploring which modernization strategies most effectively enhance perceived modernity, trust, purchase intention, and loyalty while respecting cultural authenticity and consumer expectations in the Saudi market.

1.2 Problem Statement

Gold retail in Saudi Arabia has historically been shaped by deep cultural traditions, where gold jewelry serves both symbolic and financial purposes, especially in weddings, family gifting and gatherings, and long-term wealth preservation through investments. Traditional gold souqs (markets) and family-owned jewelers such as Fitaihi and Musalli have long been trusted for craftsmanship, purity, and cultural familiarity. However, the industry is undergoing significant transformation driven by the rising consumer sophistication, generational shifts, and the rapid modernization of the Saudi retail environment aligned with Vision 2030.

Younger and digitally native Saudi consumers increasingly expect elevated shopping standards, modern brand experiences, transparent quality assurances, and seamless digital engagement like that of global jewelry brands such as Cartier, Tiffany, or Damas. International luxury and contemporary jewelry players are aggressively expanding their presence in the Kingdom, bringing advanced retail design, strong digital storytelling, omni-channel services, and institutional trust-building mechanisms.

While these trends create competitive pressure, most traditional Saudi gold retailers continue to rely on old business practices, informal customer communication, and heritage credibility without clear modernization strategies .

This causes several challenges such as:

- Traditional retailers lack structured branding frameworks to evolve their visual identity and communication while maintaining heritage value.
- There is limited adoption of professional digital and omnichannel practices, despite consumers increasingly researching, comparing, and engaging online before purchasing.
- Many local jewelers do not clearly communicate purity, pricing breakdowns, and certification, which undermines trust and competitiveness in a transparency driven retail environment.
- Academic research on gold retail in Saudi Arabia remains minimal, particularly regarding how modernization and authenticity interact to drive trust, purchase decision, and loyalty.

Thus, there is a knowledge and practice gap in understanding which modernization strategies are most effective for traditional Saudi gold retailers and how they can enhance customer perceptions without compromising cultural authenticity and trust signals.

This study addresses this gap by empirically examining the relationship between brand modernization strategies (visual identity, digital presence, and transparency practices) and key customer outcomes—perceived modernity, authenticity, trust, purchase intention, and loyalty—within the context of Saudi Arabia’s evolving luxury and heritage driven jewelry market.

1.3 Significance of Study

Academic

The study integrates heritage branding, authenticity, and omnichannel frameworks in a Middle Eastern luxury-tradition setting, extending validated authenticity scales to a culturally embedded category.

Managerial

The research provides a practical modernization roadmap for Saudi gold retailers, helping them update their branding, digital experience, and in-store engagement without weakening cultural trust foundations.

1.4 Objectives of Study

- Develop and evaluate a conceptual model linking modernization strategies to perceived modernity, authenticity, trust, purchase intention, and loyalty.
- Measure the impact of brand identity, digital presence, omnichannel capability, transparency, storytelling, and in-store experience.
- Produce a prioritized modernization roadmap for traditional Saudi gold retailers.

1.5 Questions of Study

1. Which modernization strategies most strengthen trust and purchase decision?
2. How does heritage storytelling influence authenticity and loyalty?
3. Which digital and omnichannel features most reduce friction across the purchase journey?
4. How do generational differences shape modernization perception among consumers?

1.6 Concepts of Study

This study proposes that brand modernization strategies adopted by traditional gold retailers in Saudi Arabia influence customer behavior by shaping how consumers perceive the retailer's modernity, authenticity, and trustworthiness. It assumes that modernization must become balanced with the preservation of cultural and heritage factors to ensure credibility in the Saudi gold market.

➤ **Independent Variables: Brand Modernization Strategies**

The model focuses on three main modernization strategies:

1. Modern Visual Identity & Store Experience

- Updated store design, displays, and visual branding.
- Improved ambiance, lighting, and customer service interactions

2. Digital Presence & Social Media Engagement

- Active social media content displaying products and brand stories.
- Use of WhatsApp/online communication for customer support and catalog sharing

3. Transparency & Quality Assurance

- Clear communication of gold purity, pricing components, certification, and buy-back policies.
- These strategies represent practical modernization actions relevant to traditional jewelers in Saudi Arabia.

➤ **Mediating Variables**

The model suggests that modernization impacts customer outcomes through two key perceptions:

- Perceived Modernity: How current, relevant, and contemporary the retailer appears.
- Trust: Customer confidence in product authenticity, fair pricing, and brand reliability.

Authenticity is embedded within trust and cultural perception rather than treated as a separate construct, which simplifies measurement and analysis.

➤ **Dependent Variables: Customer Outcomes**

The study examines how customer perceptions affect:

- Purchase Intention
- Customer Loyalty

➤ Conceptual Logic

Modernization Strategies → Perceived Modernity & Trust → Purchase Intention & Loyalty

When traditional Saudi gold retailers modernize in meaningful ways while staying trustworthy and clear, customers are more likely to buy from them and remain loyal.

➤ Why This Model Fits Saudi Arabia

- Saudi customers value heritage, trust, and purity.
- Younger shoppers expect modern stores and digital convenience.
- Gold is culturally symbolic and financially meaningful, so trust is essential.

Thus, modernization should enhance the shopping experience while reinforcing trust and heritage.

1.7 Theoretical Framework

The study uses the brand identity prism developed by J.N. Kapferer (1997) to show how traditional Saudi gold retailers can modernize while staying true to their heritage. The model breaks brand identity into six parts: physique, personality, culture, relationship, reflection, and self-Image.

Traditional Gold Retailers Modernization

Identity Prism Element	Traditional Gold Retail	Modernized Retail Approach
Physique	Gold purity stamps, traditional motifs	Refreshed store design, modern visual identity, curated signature collections
Personality	Respectful, traditional service tone	Responsive digital communication and contemporary brand personality
Culture	Trust, family traditions, craftsmanship	Cultural continuity supported by transparency, certification, and warranties

Relationship	Personalized in-store service	Omnichannel relationships and online consultations
Reflection	Traditional family-oriented buyers	Inclusion of younger, trend-oriented audiences
Self-Image	Cultural pride and investment mindset	Pride in heritage and modern style consciousness

Signature Products as Identity Anchors

Signature gold collections combine traditional motifs with refreshed and modern designs, helping brands stay relevant to younger buyers while preserving authenticity.

Why Kapferer’s prism fit this study?

- Updated visuals and branding boost perceived modernity.
- A consistent digital presence reinforces authenticity.
- Seamless online and offline experiences drive purchase decisions.
- Heritage storytelling and signature lines strengthen loyalty and repeat purchase.

1.8 Hypothesis & Assumptions

1.8.1 Hypotheses

his study examines how modernization strategies aligned with Kapferer’s Brand Identity Prism (1997) influence perceptions of modernity, authenticity, trust, and consumer behavior in traditional Saudi gold retail .

Based on the conceptual model, the following hypotheses are proposed :

H1: Enhancing Physique through modern store design, visual identity, and product presentation positively increases perceived brand modernity .

H2: Strengthening Personality through consistent and professional digital communication positively increases perceived authenticity and trust .

H3: Reinforcing Culture through transparent purity standards, pricing clarity, certification, and warranties positively increases trust .

H4: Enhancing Relationship through seamless omnichannel interactions and online consultation services positively increases purchase intention .

H5: Showcasing Reflection through marketing content that resonates with both traditional and younger consumers positively enhance perceived brand modernity and loyalty .

H6: Emphasizing Self-Image by promoting gold as both a cultural symbol and modern style choice positively influences loyalty and repeat intention .

H7: Signature product lines that blend tradition and modernity positively enhance perceived authenticity and strengthen loyalty .

H8: Perceived authenticity and trust mediate the relationship between modernization strategies and customer outcomes (purchase intention and loyalty).

1.8.2 Assumptions

The following assumptions ensure participants can meaningfully evaluate brand identity evolution in the Saudi gold retail context .

A1: Respondents have purchased or considered purchasing gold in the last 24 months, ensuring familiarity with the retail category .

A2: Modernization and cultural heritage can coexist when identity elements remain coherent across Kapferer's Brand Identity Prism .

A3: Participants are exposed to both traditional and modern jewelry retail formats in Saudi Arabia, enabling valid evaluation of modernization and authenticity .

A4: Survey respondents can accurately assess perceptions of modernity, authenticity, trust, and loyalty based on their shopping experiences.

2. METHODOLOGY

2.1 Research Design

This study will use a quantitative survey approach to examine how brand modernization strategies influence customers' perceptions and purchase decisions toward traditional gold retailers in Saudi Arabia. A survey design is preferable because it is efficient, practical, and suitable for measuring attitudes and behavioral intentions from a reasonable number of consumers.

2.2 Population & Sampling

The target population consists of consumers in Saudi Arabia who have purchased or considered purchasing gold jewelry in the past 12–24 months.

A convenience sampling method will collect responses from:

- Gold retail areas (e.g., Riyadh Gold Souq, Jeddah Balad, Dammam markets)
- Shopping malls with gold stores
- Online platforms and social media

The study aims to ask 25-50 individuals, which is appropriate for basic statistical analysis and hypothesis testing.

2.3 Data Collection

Data collection will use a self-administered online questionnaire using Google forms shared through social media channels (Instagram, X, WhatsApp, Snapchat). Participants will first answer short screening questions to identify their demographic group and confirm recent gold purchase consideration.

2.4 Research Instruments

The questionnaire will use a 5-point Likert scale (1 = Strongly disagree, 5 = Strongly agree) and include questions measuring:

- Modern visual identity and store experience
- Digital presence and social media activities
- Transparency and quality assurance practices
- Perceived modernity
- Trust
- Purchase intention
- Loyalty

Questions will be adapted from previous academic studies to ensure reliability. The survey will be prepared in both Arabic and English for accessibility.

2.5 Data Processing

The collected data may be processed using analyzing research data tools such as SPSS and reports extracted may include :

- Descriptive statistics (respondent profile): such as genders and age group
- Regression analysis: to test the impact of independent variables on dependent variables.

2.6 Ethical Considerations

Participation will be voluntary and anonymous. The Respondents will be informed that the data is for academic research only, and no personal identifying details will be collected.

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