

What 'tainted' engagement rings reveal about consumer expectations

February 11 2016

We're told diamonds—and their value—are forever.

But new research into the re-sale of diamond engagement rings shows a diamond's value is affected by the story people attach to it and whether it fits with their ideas about what a good ring needs to be.

When relationships tank so does the value of the rings meant to honour them. Rings disclosed as products of divorce and other failed relationships were much less likely to sell—and sold at lower prices—than rings without a negative history.

That suggests previous academic research claiming conformity to a single, clearly-defined market category is associated with a product's success is not the whole story, says Anne Bowers, the study's researcher. The assumption there is that consumer expectations are fully met when an item cleanly fits into a category.

"In some sense, these findings are the exact opposite," says Prof. Bowers, an associate professor of [strategic management](#) at the University of Toronto's Rotman School of Management. "Here's a product that technically speaking, fits exactly the criteria for an engagement ring, and yet you still have problems."

Two parts to the study revealed similar findings. Analysis of data from 1.5 million eBay listings of diamond solitaire engagement rings over a 13-month period showed rings with no disclosed negative history were

most likely to sell and at a higher price. Rings where sellers disclosed a divorce or other failed relationship—marked by comments such as "not going to happen," or "right ring wrong guy"—were less successful.

A separate attitudinal survey showed that even though participants believed a diamond ring from a divorce was most likely to be authentic—compared to the same one from a happy marriage or a jewellery store—it was the opposite when it came to how much they'd be willing to pay for it.

The results mean researchers should, "think more carefully about what it is that defines whether or not you fit into a market," says Prof. Bowers, including considering "more than just physical characteristics—but also social characteristics" that define a market category.

And, if marketers can tap into or develop different expectations of engagement rings—such as an interest in the size or cut of the diamond or simply getting a great deal—there is potential to "shift consumers away from the primary market, such as what online used ring marketer I Do Now I Don't has been trying to do.

As for the lovelorn stuck with a ring to unload? "Actual purchases versus number of rings listed suggest that sales are really rare in online markets no matter what the reason. Anecdotally speaking, if you want money quickly, the best hope you have is to try to sell it back to the jeweller you bought it from, but be prepared to take a big loss" advises Prof. Bowers.

The study is published in *Advances in Strategic Management*.

Provided by University of Toronto

Citation: What 'tainted' engagement rings reveal about consumer expectations (2016, February

11) retrieved 4 July 2024 from <https://phys.org/news/2016-02-tainted-engagement-reveal-consumer.html>

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