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"THE ROLE OF BALANCE ON LUXURY AND SUSTAINABLE CONSUMPTION CHOICES"

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Contents

CHAPTER 1: INTRODUCTION TO THE RESEARCH

Most people would regard shopping as a no-brainer and easy-to-do action. Accordingly, during the last decades, shopping has been considered to be a leisure time, during which people can escape from their day-to-day life commitments and obligations. Nevertheless, this habit is often characterized by active and dynamic circumstances combined with a myriad of external surrounding factors bombarding the potential consumer. During a shopping session, in fact, consumers may walk for several miles traversing parking lots, walkways and mall atriums and, once inside or even some meters before reaching the store, they are assailed by a multitude of external stimuli striking conscious and sub-conscious perceptions. As a result, while one wonders whether to buy the blue t-shirt with logo or the simple red one, it is possible that the consumer’s reasoning could take into account a different number of context-related sensory stimuli, which will consequently affect the judgement of the considered items and the final purchase.

A great majority of the broad number of stimuli that can affect the consumption choice is actually composed by physical and bodily sensations, which indirectly activate metaphorical associations on consumers’ minds. These associations can have an impact on the judgement of the product. Therefore, behavioral economics literature has largely dealt with the role of bodily sensations as potential factors of context effects, focusing particularly on sight, temperature, odors, and tactile sensations. In addition, lots of firms during the last years made large use of the activation of these bodily perceptions as strategical retailing and advertising tools. A typical and renowned example is given by the Abercrombie & Fitch in-store experience.

Nonetheless, with regard to the range of the physical bodily sensations, this dissertation will be centered on the context effects caused by the less explored and still under-exploited sense of *equilibrioception*, commonly known as *sense of balance* or *equilibrium*. Starting from the conceptual metaphor theory assumption that the sense of balance is unconsciously associated with the abstract concept of parity, we based the whole research on the following questions: how can the sense of balance influence people's assessments of sustainable products they observe in-store or in an advertising message? And how can these effects be eventually moderated by the type of product considered?

In order to disentangle these points, we decided to structure the dissertation into two parts:

- *A first, theoretical part* (Chapter 2), resuming all the relevant academic resources about the three main constructs on which the research is grounded: sustainability, luxury and status signaling, context effects from bodily sensations.

- *A second, empirical part* (Chapter 3 and Chapter 4), illustrating the empirical methodologies followed in order to investigate the role of balance on sustainable and luxury consumption choice, the evidence resulting from the conducted experiment and its discussion considering managerial implications, sparks for future researches and limitations of our statistical model.

Specifically, we decided to put the emphasis on the constructs of sustainability, luxury and behavioral economics principles because we wanted to give the readers a solid and reliable theoretical background in order to guide them into the conceptual explanations of the empirical results.

The experimental section, in fact, would answer the research questions throughout the use of a survey manipulating the activation of the subjects' sense of balance and the perceived status signaling attribute of a product. Therefore, the statistical model obtained from the questionnaire's responses elaboration would demonstrate whether and how the activation of balance concept can actually affect consumer choice. Furthermore it would provide evidence of how the effectiveness of the equilibrium sense, on a subject sustainable choice, could be directly moderated by the status signaling attribute featuring the product considered by the potential consumer.

Finally, in light of our results we would conclude the dissertation figuring out if and in what way the activation of the balance sense can represent a good opportunity for marketers to seize and exploit.

CHAPTER 2: THEORETICAL FRAMEWORK

In this chapter, we will go through the different conceptual topics that will be processed and manipulated during the experimental stage of the dissertation. Specifically, we will start with a definition of the sustainability phenomenon, taking into consideration its dimensions and the implications on business and marketing practices. Secondly, we will concentrate on the concept of luxury and the drivers featuring its consumption with a particular focus on the principles and logic behind explaining the status or non-status signaling variable of a product. Thirdly, we will investigate if and how two apparently opposite concepts like luxury and sustainability can find a point of touch, taking into consideration the theoretical principles previously expose and introducing inherent and relevant studies. Finally, we will deal with the behavioral economics principles and their consequent effects on the main cognitive processes of decision-making. In the end, always in order to provide the most complete theoretical framework about factors manipulated in the empirical part, a particular focus will be given to the influence of bodily perceptions on consumer choice, with a specific concentration on the equilibrium and its effects. In sum, the highlight of these points and their clarification has the final purpose to constitute a solid basis and a useful starting point for our empirical analysis and a reliable benchmark for the discussion of the survey results.

2.1. The Concept of Sustainability

During last decades, the concept of sustainability has become more and more important gaining a relevant size in academic literature. It is generally recognized that the starting point of this phenomenon coincides with the publication of the report “Our Common Future” by the World Commission on Environment and Development (WCED) in 1987. The report, in fact, were putting in light the importance of a “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987 p.43). From this statement, it is evident that the sustainability is a societal concept that influences different areas of research and topics. In particular, the concept of sustainability is based on three main pillars: the environmental integrity, the economic prosperity and the social equity (Barbier, 1987).

Therefore, in light of the fact that all the above three pillars can be deeply influenced by private companies, the support of the corporate is clearly crucial for the achievement of a real sustainable development. Firms represent the productive resources of the global economy and, as a result, during the last decades have increasingly faced the task to reach a business efficacy while controlling the social impact of their actions. Hence, the consequent introduction of Corporate Social Responsibility as “the satisfaction of the needs for direct and indirect stakeholders of companies (shareholders, employees, customers, communities and others) without compromising the ability to satisfy the needs of future stakeholders” (Dillick and Hockerts, 2002, p. 132).

The continuous research and improvement on the topic allowed companies to recognise sustainability as a unique opportunity of growth through the enhancement of innovation, competitiveness and bottom line results coming from cost saving and more efficient solutions.

In this way, sustainable practices can result in a positive impact on product process and design, but above all on brand image. However, because of the apparently contradictory nature of the concepts, for some sectors, the sustainability topic represented for year an unidentified object from which keeping the distances. And still nowadays the combination seems not to be so easy to put in practice even if the reality propose us an interesting range of cases showing that, in line with the findings of the latest researches, also all the high-end sectors, like the one of luxury, are increasingly moving towards a tighter bond with sustainability and shared value.

2.1.1. What is the Sustainability?

When we refer to sustainability, we usually refer to sustainable development. Literally sustainable development is defined as:

"*Development that meets the needs of the present without compromising the ability of the future generations to meet their own needs*" (Brundtland, 1987, p.43).

Within this definition, it is important to put in light two fundamental concepts: the concept of needs and the idea of limitations, imposed by the state of technology and social organization. In particular, the satisfaction of needs and aspirations is the first goal of development. Nevertheless, in spite of the fact that the typologies and nature of essential needs can vary depending from different societal, economic and individual factors, sustainable development should allow the meeting of basic needs of all the global population. Thus, a sustainable development firstly requires a strong and convincing promotion of values, making aware of consumption standards in line with the ecological possibility and social equity. Essentially, it is a process in which the exploitation of resources, the direction of investments, the orientation of technological development and the institutional changes are all taking into account the respect of present and future generation's needs.

Accordingly to Brundtland (1987) an effective sustainable development path can be feasible only through a specific focus on the following critical objectives:

- An economic growth revival;

- A change in the quality of growth;

- The satisfaction of the essential needs for jobs, food, energy, water, and sanitation;

- A sustainable level of population;

- The careful preservation of the resource base;

- A re-orientation of technology development;

- An effective merge between environment and economics in decision-making.

It is evident that all the components cited by Brundtland are specifically linked to social and economic areas. In particular, going in depth for each point of the list, we can find a tight relationship between the socio-economical and the sustainable development aspects. As a result, in order to fully understand the crucial drivers of the sustainable development, we proceed our analysis with a brief but specific focus for each of the voices above:

Talking about *economic growth revival*, Brundtland deals about the situation in developing countries where the links between economic growth, alleviation of poverty and environmental conditions operate most directly. Therefore, a key element of sustainable development implies an internal stimulus to Third World growth. Yet developing countries are part of an interdependent global system in which their growths are strongly linked to the growth of industrialized countries. Thus, a solid growth rate of industrialized nations combined with a re-orientation of international economic relations are necessary for an effective sustainable development.

As for the *change in the quality of growth*, it is clear that sustainable development requires more that simple growth but a substantial switch in the content of this. This change is supposed to be less material and energy-intensive while more equitable in its impact. Moreover, the changes in the type of growth should involve all countries as “part of a package of measures to maintain the stock of ecological capital, to improve the distribution of income, and to reduce the degree of vulnerability of economic crises” (Brundtland, 1987, p.46). Consequently, all the countries have to be able to measure the impact of the growth in the stock of the natural resources but also, from a more socially point of view, on the income distribution. This is to say that a change in the quality of growth requires changing the approach to development efforts, putting into practice and taking into account all the social and environmental implications deriving from the latter.

Considering the *satisfaction of all the essential needs* it is possible to state that the principal development challenge is to meet the needs and aspirations of an expanding developing world population. Consequently, the productive activity should be able to face the most basic needs for livelihood like the employment (generating sustainable work opportunities on an increasing scale and at a level of productivity enabling poor households to afford the minimum consumption standards) the nourishment, the energy and all the other primary needs of housing, water supply, sanitation and health care.

This point is directly linked with the *increase of the population growth*. As a result, the growing dynamics of this factor is crucial as long as a policy of sustainable development could be reached in a more efficient way if the population size is stable or at least controlled within a range that is compatible with productive capacity of the ecosystem and the economies.

The *Conservation and enhancement of the resource base* can be interpreted as the respect of the natural limits imposed by our ecosystem. In particular, this issue is actually tackled from two different sides: the prevention of wastes and overconsumption and the focus on new renewable resources. From one hand, we can consider the shift towards less energy-intensive or more energy-efficient solutions, while, on the other hand, the recall is towards the new sources of energy capable to substitute the scarce and limited fuel mineral resources.

The fulfillment of all these tasks obviously requires a re-orientation of technology and technical research towards solutions that pay a greater attention to environmental factors and ecosystem limits while allowing the enhancement of these innovations also in developing countries so that they can respond in a more effective way to the challenges of sustainable development. Moreover, a successful implementation of this point should be granted by the role of public policies, able to support through incentives and disincentives, not only the public research, but also the commercial organizations in the development of environmentally appropriate technologies.

Finally, the common theme throughout all these strategic drivers for sustainable development is the *integration between economic and ecological considerations in decision-making*. In fact, after all, they are inter-connected in lots of real aspects: an increase in the efficiency of energy and material use, for sure, can positively affect the costs side of a society or a firm.

2.1.2. Sustainability into Business: CSR

Having a look at the business side of the topic it is important to start from the social role of organizations, like companies. The literature states that organizations are created in order to leverage the collective resources and seek a common set of goals. However, in the pursuit of these objectives, whether an organization is "profits oriented" or "non-profits oriented", it has to deal with governments and stakeholders[1].

[1] For a firm's "Stakeholders" we follow the definition by Freeman R. E. (1984): those who effect or are affected by the firm's goals.

During last years, the impact of corporates' business on society has become more and more relevant and, therefore, the range of stakeholders has changed from the narrow view of corporate owners to a larger range of constituents (including employees and customers). Moreover, in the last years, the adoption of an enlarged stakeholder outlook has often started to comprise within the range of stakeholders also the whole communities in which corporates operate.

Starting from these assumptions, we can actually discern the meanings of Corporate Social Responsibility (CSR) that is essentially grounded on its three constitutive words: corporate, social and responsibility. Following the definition by Werther and Chandler (2006) we can affirm that CSR is the corporate branch that manage the relationship between corporations (or larger organizations) and the societies with which they interact. Furthermore, CSR concept considers society in its widest sense and on many levels in order to include all the constituents groups and stakeholders that effectively have an ongoing interest in the organization's actions. As we stated, stakeholders groups can vary from consumers, suppliers, creditors and governments until the more amorphous constituents such as local communities and local environments authorities. A firm usually can recognize the stakeholders that are more related to its operating environment and, consequently it can be able to prioritize their relative importance for the organization. In fact, increasingly, firms need to incorporate the concern about stakeholders within its strategic outlook in order not to lose its societal legitimacy.

Thus, in order to have more complete definition of CSR we can consider the following viewpoint:

"*The notion of companies looking beyond profits to their role in society is generally termed corporate social responsibilities and it refers to a company linking itself with ethical values,* *transparency, employees' relations, compliance with legal requirements and overall respect for the communities in which they operate"* (McComb, 2002, p.5).

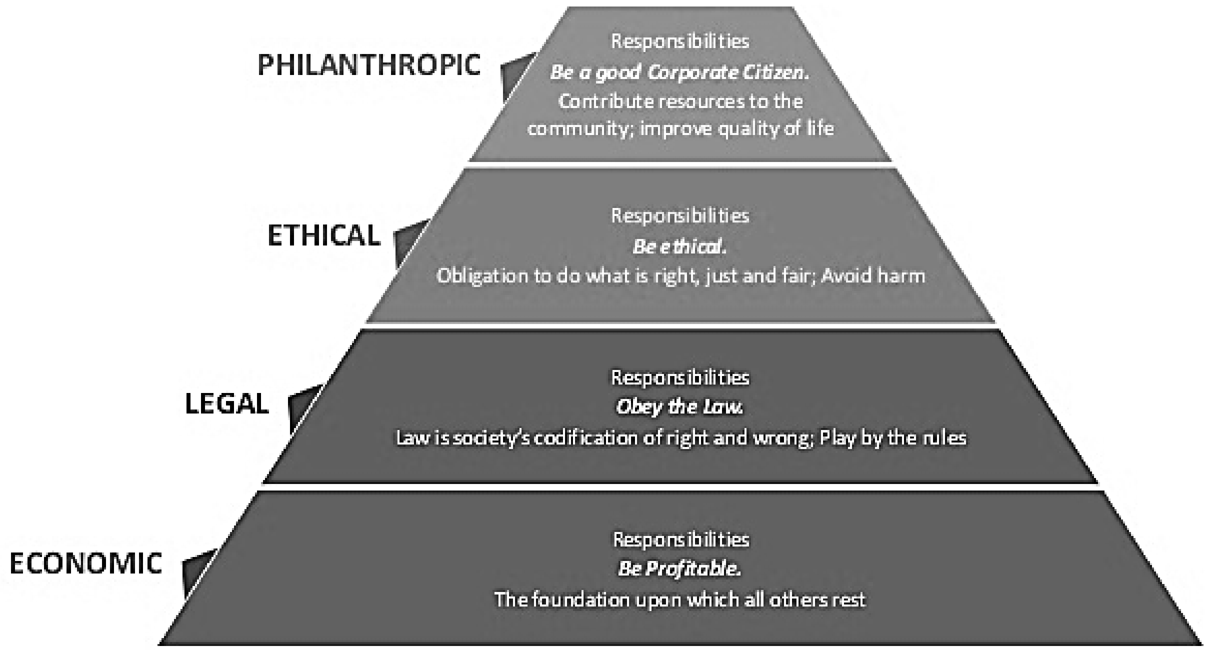
Going more in depth, we can assume social responsibility of business is structured into four different levels (e.g. Carroll, 1979) and, in particular, we recognize a "pyramid of corporate social responsibility" (see Figure 2.1).

Briefly, looking at theoretical assumption, the fundamental firm's responsibility is to create an acceptable level of return on owners' investments. This type of primary goal has to be accomplished within a law-based society and it is a duty to act within a legal framework. Then, taken a step further, the ethical responsibilities may be seen as embracing newly emerging values and norms that society expects business to meet, even though such values and norms usually reflect higher standards of performance than that currently required by law.

Finally, the last step of the pyramid is represented by the philanthropic or discretionary responsibilities that encompasses all those actions that societies expect from a good corporate citizen and these include actively engaging in acts or programs to promote human welfare or goodwill. The distinguishing feature is that they are not expected in an ethical or moral sense (e.g. Carrol, 1991).

In light of this, a crucial variable to be considered is the increasing importance achieved by ethical and discretionary steps of the pyramid. As such, ethical responsibilities are more likely to stand on a par with economic and legal responsibilities as a foundational for business success. As a result, during last years, CSR started focusing more and more on the ethical and discretionary sides while considering the economic and legal aspects merely as minimum operating conditions.

Figure 2.1: The Pyramid of Corporate Social Responsibility



Source: Adapted from Carroll (1991)

CSR is a fluid concept and, in particular is complex and evolving. Furthermore, it is much more than simple business ethics considered that it actually affects many strategical aspects and day-to-day operating activities. Substantially, CSR can be considered a key element of business strategy, providing to this a sustainable competitive advantage. In fact, CSR is both a means and an end. It is an integral element of the firm strategy because it can be seen, simultaneously, the way the firm goes about delivering the products or services to market and the way of maintaining the legitimacy of its actions in the society.

From the firm point of view, using CSR as a strategical philosophy can be understandable for different reasons. A first moral argument is represented by the assumption that, CSR constitutes the relationship between a company and the key values considered by the society within which it operates. Hence, it is clear that a for-profit entity does not operate all alone or in a vacuum, consequently, its success is justified also by actions in line with the societal values. From a more rational side, CSR is a good opportunity to reconceive the firm, maximizing the performance by minimizing restrictions on operations. The sum of moral and rational arguments in favor of CSR leads to a final economic argument: CSR allows companies to add value reflecting needs and concerns of various stakeholder groups. In this way, it is able to maintain and improve societal legitimacy and financial visibility, not only on short but especially over the long term (Werther and Chandler, 2006).

Then, CSR is important because it can be a driver of influenced for all the operations of a company. Increasingly: consumers want to buy products from companies they trus; suppliers want to form business partnership with companies they can rely on; employees want to work for companies they respect; large investment funds want to support firm that they can see as socially responsible (Werther and Chandler, 2006). Accordingly, CSR is nowadays crucial to success because it gives companies a mission and strategy around which they can build up their business model. Hence, the business has more opportunity to succeed if it is able to balance the conflicting interests between the economic performance of the company and the broad range of stakeholders' interests.

Finally, in a society where, from a cultural point of view, people are more and more interested by environmental and social sustainability topics, a CSR approach has become a fundamental managerial variable to seriously take into consideration and lever in order to enhance the image and the visibility of the firm. It is not just a question of added value, but a real toll of brand differentiation. As a result, in light of what we previously said about the increasing importance of ethical and discretionary components of CSR, the focus of the firm towards strategies that could exploit effective and original sustainability policies could easily become a concrete new element of competitive advantage for firm's business.

2.1.3. Improving CSR: the Shared Value Concept

With an article on the Harvard Business Review, Michael Porter and Mark Kramer (2011), points out the need to bring business and society back together. The crucial and initial point of their analysis is the stuck in "social responsibility" mind-set that often put societal issues at the periphery and not at the core of their business projects.

For the two scholars, the solution of this situation lies in the principle of *shared value*: a new concept of capitalism that consider the creation of economic value in a way that also creates value for the society by addressing its needs and challenges. The idea of shared value is about re-conceiving the intersection between society and corporate. Shared value, in fact, is not isolated social-oriented, philanthropic or environmental actions, but a new way to achieve economic success: it is not a part of what corporates do, or a margin of their strategies, but the core of their day-to-day operations.

As a result, following Porter and Kramer's logic, the new purpose of the corporation must be redefined as creating shared value and not just profit *per se*. In order to complete this fundamental step, it is necessary that corporates move beyond the typical trade-offs usually on which the neo-classical economic thinking is grounded. In neo-classical theory, in fact, a requirement for social improvement would impose a constraint on the corporation and, adding a constraint to a firm that is already maximizing its profits would mean raise costs and reduce profits. This type of perspective deeply influenced the strategies of firm themselves, bringing them to consider as "necessary" only all those CSR expenses that could create a good firm's reputation return: and anything more (ethical or discretionary responsibility) is often seen as an irresponsible way to use shareholders' money. However shared value is not about sharing the value already created by the firm (it is not a redistribution approach, as CSR is often interpreted by firms) but it is about expanding the size of economic value while improving the social one.

For this reason, it is possible to improve the concept of CSR with the definition of a deeper and more engaged approach to sustainability:

"*The concept of Shared Value can be defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress*" (Porter and Kramer, 2011, p.6).

It is evident, that differently from the concept of CSR, shared value blurs the line that separates for-profit and non-profit organizations. Thus, the main idea is that companies can and should create economic value by creating societal value. From a more practical point of view, this is possible through three different ways:

1. reconceiving products and markets;

2. redefining productivity in the value chain;

3. creating supportive industry clusters (e.g. Porter and Kramer, 2011).

Focusing on the first point, as we have already put in light previously, the most important consideration is that advanced economies are more and more demanding for products and services that are able to meet societal needs. This requires the firm to make a particular effort in the discovery of new avenues for innovation that respects the fundamental needs of society and consider the increasing citizens' consciousness about sustainability. Not only, equal or greater opportunities for companies arise from serving disadvantaged communities with specific products that could be able to satisfy the particular and even more pressing societal needs in these countries. For sure, the starting point for creating this kind of share value is the identification of all most pressing societal needs, benefits and harms that could be embodied in the product or service (e.g. Porter and Kramer, 2011)

With special regard to the second point, we know that a company's value chain obviously affects (and is also affected) by the various societal issues (natural resources, health and safety, working conditions...). These societal problems, in fact, can create rising economic costs for the firm's supply chain. Thus, a better analysis and understanding of the productivity, together with a growing awareness of a short-term costs reduction policy can allow the firm to transform the value chain. A new sustainable approach that could improve the use of energy and resource, logistics, procurement, distribution systems and employees productivity would allow the firm to increase the level of efficiency while increasing the conditions of the stakeholders involved directly or indirectly in the production process: in few words, create shared value.

Thirdly, the success of every company is affected by the support from companies and infrastructures around it. In particular, the elements of innovation and productivity are deeply influenced by "clusters". Clusters are geographical concentrations of firms, related businesses, suppliers, service providers and logistical infrastructure. A typical example of cluster is the IT business concentration in the Silicon Valley. Clusters can be a crucial drivers for productivity and innovation for firms while a source of successful and general growth for local economies. As a result, the existence of clusters results in the creation of shared value: increasing possibilities for the firms operating in the area and economic local growth for the region and its stakeholders. Hence, to support cluster development in the communities where the company operates, it is necessary that the firm could identify gaps and deficiencies of that area and, consequently, focus on the weaknesses that actually represent constraint to company's productivity and growth. However, the enhancement of clusters also requires a collective action by the interested local firms: this means a positive collaboration between interdependent for-profits and non-profits organizations is unavoidable and necessary in order to lever this type of approach.

In conclusion, we analyzed the particular case of shared value and we underlined that this concept focuses companies on a more sophisticated form of capitalism. Shared value represents a broader interpretation of the Adam Smith's invisible hand that goes beyond the typical trade-offs between self-interest and community interest. Shared value allows companies to ground their businesses on the "right kind of profits" (Porter and Kramer, 2011, p.17): profits that create societal benefits rather than ignore or negatively affect them.

Creating shared value (CSV) approach should supersede simple CSR policies in guiding the investments of companies within their communities. CSR programs, in fact, focus mostly on reputation and they often have only a limited connection to the core business, making them hard to justify and maintain over the long run.

Table 2.2: How Shared Value differs from CSR

Corporate Social Responsibility	Creating Shared Value
Value: doing good	**Value**: economical and societal benefits relative to cost
Citizenship, philanthropy, sustainability	Joint company and community value creation
Discretionary or in response to external pressure	Integral to competing
Separate from profit maximization	Integral to profit maximization
Agenda is determined by external reporting and personal references	Agenda is company specific and internally generated
Impact limited by corporate footprint and CSR budget	Realigns the entire company budget
Example: Fair trade purchasing	**Example**: transforming procurement to increase quality and yield

Source: Adapted from Porter and Kramer (2011).

In contrast, CSV is an all-around strategic approach, integral to the company's profitability and competitive position. As a result, it levers on the unique resources and company's expertise advantage in order to create economic value while creating social value (See Table 2.2 above; differences between CSV and CSR).

2.2. The Luxury Concept and its Taxonomy

"*While a Volkswagen Polo could be considered as a luxury for a young university student, from the other hand, a Mercedes Class S could be consider just as an ordinary car by a wealthy heir*" (Heine, 2011, p.2).

This first example immediately evidence that the concept of luxury is not so clear and it could essentially referred to almost anything or nothing depending on whom you ask. This confusion can also be observed in the management literature where it does not exist a singular and clear definition of the luxury concept. However, although it is substantially impossible to develop a specific and comprehensive definition of luxury products that could also include some intangible luxuries such as space and time, it is possible to identify a limited and solid conceptual framework thanks to a clear taxonomy. This taxonomy will permit to distinguish with less effort between luxury and non-luxury and the relative rules actually driving the management of this category.

2.2.1. A basic definition of Luxury

In spite of the confusion due to the idiosyncratic nature of the luxury concept in management literature, researchers across the different disciplines are still able to share a basic understanding of what could be defined as luxury. First of all, luxury can be identified as something that is more than necessary (e.g. Bearden and Etzel, 1982). However, partially in contrast with this view, there are some authors that characterize luxury not only by non-necessity but also by its superfluity (e.g. De Barnier et al. 2006; Dubois et al. 2001). Furthermore, some others authors conceive the definition of luxury focusing on its scarcity elements and exclusivity describing it as a set of "*out of reach products*" (Bastien and Kapferer, 2013, p.22) and putting in light the defining typical characteristic of limited availability (e.g. Catry 2003; Kemp 1998).

As a result, the key point of the question seems to be the distinction that could be done between necessity and luxury based on the availability or exclusivity of resources: this is to say that a necessary good can be potentially possessed by anyone, on the other hand, a luxury thing is something that is constrained to a few number of people and sometimes only in rare occasions.

Following this primary distinction made by Bearden and Etzel (1982) we can imagine and build up a sort of continuum range varying from what is absolute necessity to what is absolute luxury, in the mid of which we can place the ordinary goods, needed for ordinary "day-to-day living". Proceeding on this reasoning we can easily improve our initial definition stating that luxury is something that is more than necessary and ordinary.

Nevertheless, as Heine points out during its analysis "*not everything that is neither necessary nor ordinary is a luxury. For instance, most people rarely have moths in their wardrobe, but still do not consider this extraordinary occurrence a luxury*" (Bastien and Kapferer, 2013, p.30). The latter evidence demonstrates that, besides the basic distinction between necessary or not and the scarcity aspects, a further variable should also be considered: that is the desirability of the luxury product. Accordingly, luxury is also associated with dream, esteem and self-actualization; elements and concepts recalling the hierarchy of needs stated by Maslow (1970) which ranges from basic physiological needs (necessities) up to needs of self-actualization that can be directly linked to luxuries. In light of this, we also need to add to luxury concept also the people's desire for it and, as a result, we can finally summarize the basic definition of luxury as follows:

"Anything that is desirable and more than necessary and ordinary" (Heine, 2011, p.30)

Once determined a basic definition it is now important to underline that such concept need to take into account the relative perception of the sub-concepts of necessary, ordinary and desirability. As a consequence, it is possible to split down the relativity of these concepts into five main typologies of relativity: regional, temporal, economic, cultural, situational. (See figure 2.3, below).

The Regional Relativity refers to the local availability of the resources. Some goods, in fact, could be much more available in some areas and very scarce in others. A practice case useful to explain this phenomenon is given by the kola example: during the 19th century kola nuts could be freely collected in the West Africa but became a luxury in Europe where this particular resource were used to produce some rare foods.

The Temporal Relativity refers to the possible changes in the perception of what is luxurious over time. The most important example, in this case, can be provided by a new disrupting technology: at first opened to a restricted and elite group of people that can afford them, and in a second time, once the economies of scale are fully exploited, available to the mass of consumers.

The Economic Relativity focus on the different perception of luxuriousness that people have depending on their purchasing power. Obviously, this typology takes into account the differences of wealth and development between different countries around the World: as a result, a good like cars that can be considered as ordinary in the Western countries, probably could not be perceived in the same way for a citizen of developing countries.

The Cultural Relativity, differently from the previous categories, is mainly referring to the desirability component of the definition. Depending on their culture, in fact, the level of desirability of a resource or a product could considerably change. The typical example is represented by the Champagne that is considered a well-known luxury product in all Western countries, while is generally not so requested or desired in the Islamic societies for obvious religious reasons.

The Situational Relativity simply explain that the luxuriousness of a same resource can be perceived in different way depending on the effective circumstance a person is experiencing.

Fundamentally, the moment experienced by the single person influences the perception of the resource: this means for instance that a bottle of alcoholic drink ordered in a disco club could be perceived much more luxurious than in other normal everyday circumstances.

Then, the way these types of relativities are combined together can determine a global perspective from which a more precise concept of luxury can be defined, with particular relevance for the field of luxury brand management. Regional Relativity is intended as global, this is to say, with the omission of regional particular situations or preferences, with the aim to better reach a broad international coverage view. The temporal point of view is set on the present and the economic relativity should be considered as representative of the entire society in developed regions so, a perspective that is in the mid between the very poor and the very rich.

As long as cultural relativity is considered, the perspective taken into account is that of the upper class that generally results in the homogeneous segment of the global elite and, at the same time, is able to deeply influence the global desirability of resources (e.g. Vickers and Renand 2003).

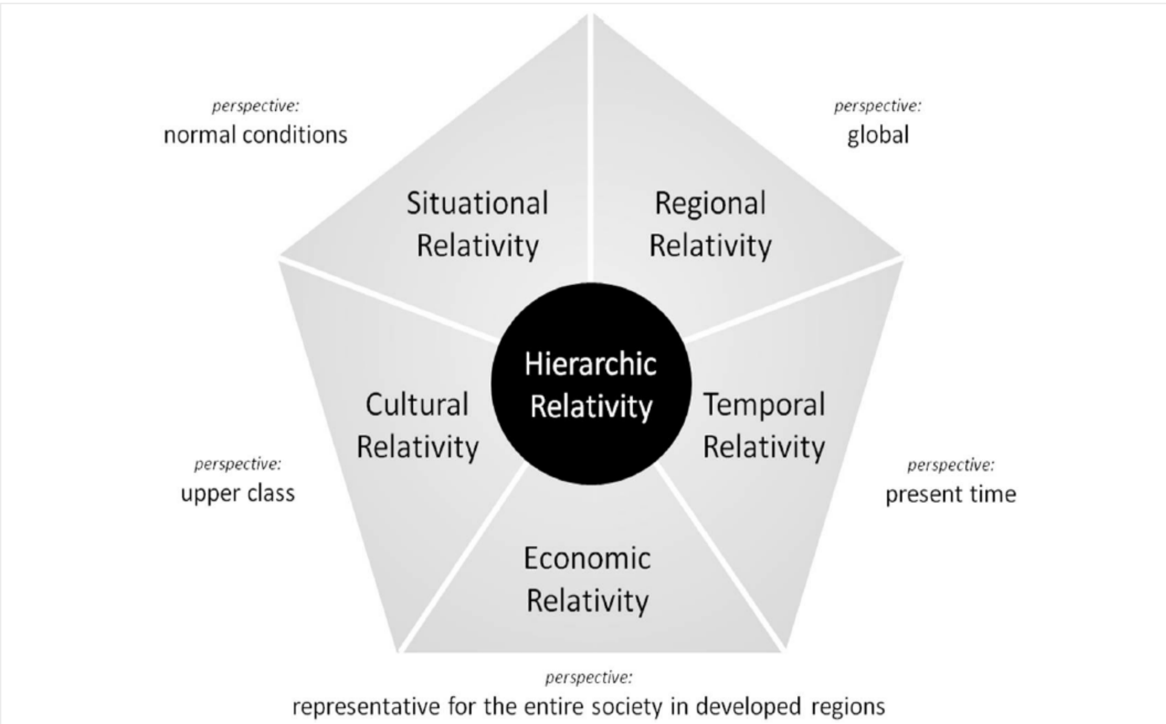
Meanwhile, for the situational context, the definition of luxury should not consider any temporary or punctual circumstance but has to be restricted to normal conditions.

Resulting from these considerations, the basic definition of luxury, we stated out previously, can be complemented as follows:

"Anything that is desirable and which exceeds necessity and ordinariness. As a general rule, this is defined from a global perspective, for the present and for normal conditions. While the exclusivity of resources is evaluated by the entire society, the desirability of resources and the appearance of luxury are determined by the upper class." (Heine, 2011, p.34)

Finally, considering the necessity-luxury continuum range we speculate, it is necessary to point out the fact that there is a hierarchical relativity between different luxuries, thus it is reasonable to hypothesize and make a distinction between different levels of luxury (e.g. Heine 2011).

Figure 2.3: ***Types of Relativity***



Source: Heine K. (2011).

2.2.2. Luxury Products and Luxury Brands

It is possible to vertical differentiate the luxury definition depending on the area of research considered. This means that we can distinguish into Philosophical-Sociological, Micro-Economic and a Managerial understanding of luxury. Following Heine (2011) analysis we can notice that the three concepts, all starting from the basic definition pointed out in the last paragraph, have different scope and, as a result, address larger or smaller cluster to be taken into account (see Figure 2.4 below).

Clearly, for our research purpose we focus on the managerial understanding that, as it is possible to infer from Figure 2.5, represents a sub-cluster of microeconomic understanding definition since from this point of view it is reasonable to address not to entire product categories (goods) but only to the best products of these one. In particular, when we talk about *best products* of a category we intend a product that have a certain level of differentiating characteristics identified by Heine (2011) in six major features including price, quality, aesthetics, rarity, extraordinariness and symbolism.

Hence, these six constitutive characteristics (with their related sub-categories, see Heine 2011) contribute to the definition of *luxury goods* that can be then summarized as:

"Products that have more than necessary and ordinary characteristics compared to other products of their category, which include their relatively high level of price, quality, aesthetics, rarity, extraordinariness and symbolic meaning" (Heine, 2011, p.41).

Therefore, in light of this, while we can notice that the term luxury relies on what we can call continuous characteristics ("more than necessary and ordinary"), the six major features identified become dimensions ranging from a minimum level that could identify the cluster of necessary or non-luxury products to a maximum level that corresponds to the highest form of luxury for that category of goods considered.

The theorization of the six constitutive characteristics that can potentially apply to all luxury products, at least to some degree, means that it is possible to recognise a full range of possible major features ratings that directly inscribe some products within the luxury segment.

Figure 2.4: ***Different Understandings of Luxury by Area of Research***

Source: Heine K. (2011).

Moreover, the existence of these six peculiarities justifies some practical implications that can be useful to consider especially from a managerial point of view. As we can imagine, the luxuriousness content of a product should grows when the level of at least one of the six dimension increase. This consideration automatically implies two types of consequence:

- Luxury companies could work on the 6 dimensions in order to adjust the luxury level of the product in a way that should be as much as possible near to the preferences of their consumer target groups.

- As already underlined in our premise to the definition of the luxury concept, the objective existing attributes of a product are not as important as consumers' subjective perceptions. Consequently, "luxuries companies compete for the best possible perception of the luxury

> product’s characteristics on the basis of their target group” (Catry 2003, p.17; Phau and Prendergast 2000, p.13) and this thing is possible thanks to adequate marketing and communication measures.

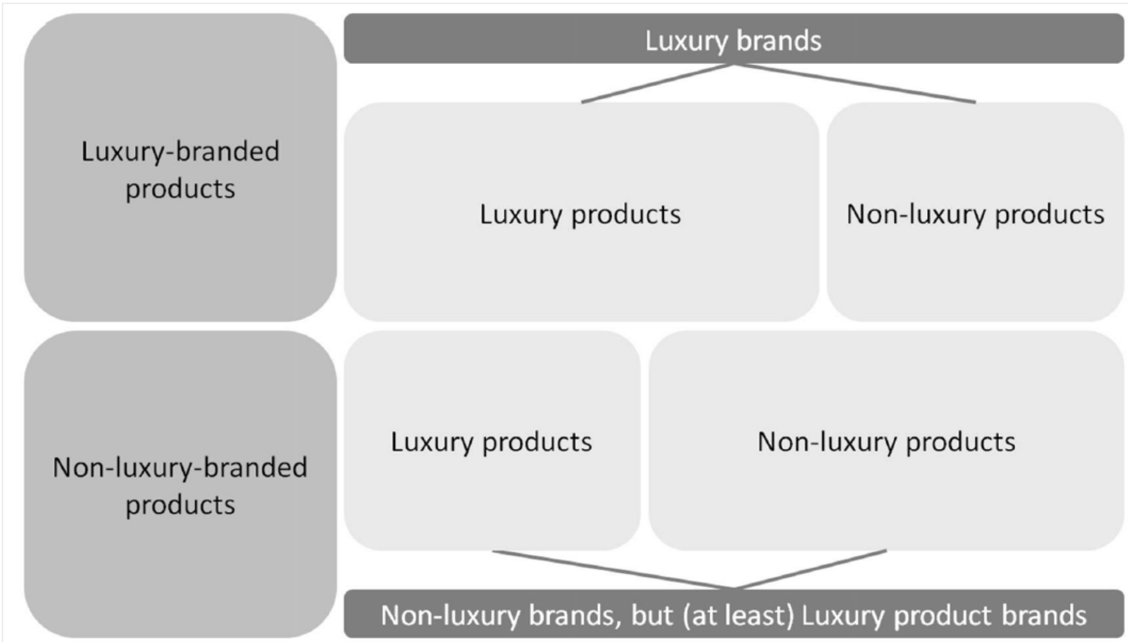
Thanks to the definition of luxury products we can introduce the related notion of Luxury Brands. Accordingly, luxury brands need to offer luxury products, in fact, managing a product portfolio that does not include luxury products would mean the impossibility to achieve a luxury brand image. However, there could be also the case in which the range of product offered by a luxury brand does not consist of only luxury products. Moreover, as third case, it is possible to observe also many non-luxury brands that are able to offer luxury products (i.e. private jets by Bombardier, private yachts by Blohm+Voss). The relationships explaining the link between luxury products and luxury brands are put in evidence in Figure 2.5.

The rationale at the basis of the reasoning is that the brand is highly associated with its core product or core offer (Kapferer, 2008) and, as a result, the degree of luxuriousness of a brand is directly referred to the core product category with which this brand is linked. Hence, the constitutive characteristics we identified for luxury products obviously form part of the identity of luxury brands.

Nevertheless, in order to better understand how these attributes of the products impact on the brand it is crucial to pinpoint the meaning of what we referred to as brand identity.

Following the statement of Heine (2011) “The brand identity comprises all brand associations that are intended by the company and it corresponds with the intra-company self-perception of a brand, which determines precisely how the brand should appear to the external target groups”.

Figure 2.5: ***The Relationship between Luxury Products and Brands***



Source: Heine K. (2011, p.48).

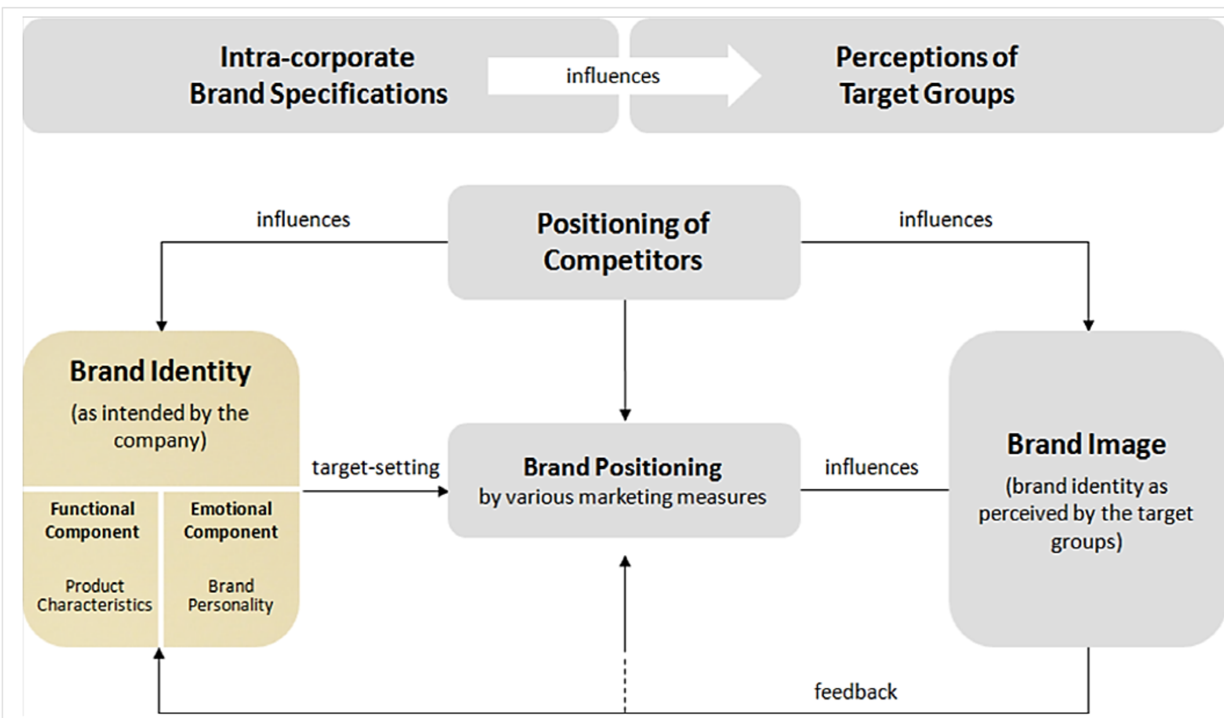
On the other hand we should also recognize the anti-pole of the brand identity: the brand image, thatis the public perception of the brand, resulting from the marketing and communication measures adopted by the company (see Figure 2.6).

Focusing on the brand identity side, we can split this concept into two main components: an emotional component and a physical-functional one. While the first component mainly corresponds with the concept of brand personality, defined by Aaker (1997) as *"the set of human characteristics associated with a brand"*, on the other side, the second component, that covers the associations between the brand's products and the products' attributes and benefits, is largely based on the constitutive characteristics previously identified. Consequently, every single luxury brand need to evoke at least a minimum level of each of the six constitutive attributes (Price, Quality, Aesthetics, Rarity, Extraordinariness, Symbolism). Thus, in line with Heine analysis

(2011, p.49) and the definition of luxury brands, a brand only qualifies as a luxury brand if it actually succeeds in evoking these associations in the minds of the consumers.

Finally, it is possible to state that: *"Luxury Brands are regarded as images in the minds of consumers that comprises associations about a high level of price, quality, aesthetics, rarity, extraordinariness and a high degree of non-functional and symbolic associations"* (Heine, 2011, p.46).

Figure 2.6: ***Brand Identity and Brand Image***



Source: Adapted from Esch (2010).

2.2.3. The relationship between Luxury and Status

As we defined in the previous paragraph, one of the constitutive attributes for a luxury product (and consequently also for luxury brand) is what we called *symbolism.* In line with Kapferer (2001) we can affirm that the symbolic meaning of a product or a brand, usually refers to the range of human values and lifestyle. As a result, the symbolism of a product is mainly linked to the concept of *Brand Identity* we mentioned above. Hence, between the major dimensions of the luxury brand personality we can actually include the *prestige.* In fact, according to Kapferer and Bastien *"the DNA of luxury is symbolic desire to belong to a superior class"* (Kapferer and Bastien, 2009, p.314). Therefore, all luxury brands are expected to possess and convey a high level of symbolism and a consequent relevant *prestige* aura. Then, looking at the literal meaning on the dictionary of *prestige,* we can find the following explanation:

"The respect and admiration that somebody/something has because of their social position, or what they have done". [2]

Moreover, following the findings of Dubois and Czellar (2002) prestige is defined as "a subjective evaluative judgement about the high social status of people or inanimate objects such as brands" (Dubois and Czellar, 2002, p.14). Combining the two previous notions with the starting point of Nelissen and Meijers analysis (2011) affirming, "Why are people so keen on wearing brand-labeled clothes and owning other luxury branded products to pay a premium for them? The answer appears to be: to gain social status" (Nelissen and Meijers, 2011, p.345) we can immediately notice that the common elements between the mentioned quotes is the concept of *status / social position / class.* Thus, according to the definition by Hyman (1942) the status can be conceived as a higher position compared to others on some dimension that is considered relevant by the society. From an economic point of view, this notion can be translated into all those expenditures delivering not necessarily functional benefits but gaining merit as signals of higher position in the society. (e.g. Bourdieu 1984).

[2] Definiton from http://www.oxforddictionaries.com/definition/learner/prestige

Nevertheless, besides these brief explanations of status signaling, to fully analyze and completely understand the effective relationship occurring between luxury consumption and social status it is useful to go through three main theoretical arguments:

- Conspicuous Consumption (Veblen, 1899) and Costly Signaling Theory
- Consumption and Social Differentiation (Bourdieu, 1984);
- Consumers Taxonomy Based on Wealth and Need for Status (Han et al. , 2010)

Starting from an anthropological and historical context, we can affirm that the concept of *status* finds its origins on the Ancient societies where every person had a *"place"* in the social hierarchy and this *place* was attained usually through birth or by ordainment. However, with the advent of the Age of Enlightenment a reliable connection was made between merit and worldly success: well-paid jobs were secured primarily thanks to intelligence and ability so that the rich were no more only the wealthier but also and especially the better representatives of the society. They merited their success and, therefore, affluence increasingly started to become a marker of social status (e.g. Han et al., 2011).

In light of this trend, in his classic treatise *The Theory of the Leisure Class* (1899), economist and sociologist Thorstein Veblen argued *"The basis on which good repute in any highly organized industrial community ultimately rests is pecuniary strength; and the means of showing pecuniary strength, and so of gaining or retaining a good name, are leisure .and a conspicuous consumption of goods"* (Veblen, 1899, p.51). From his words we can deduce that what confers *status* is not simply the accumulation of wealth, rather the evidence of wealth made through a wasteful exhibition of social markers that demonstrate an ability or a possibility to consume above and beyond other groups: a behavior he defined as *"conspicuous consumption"*.

Thus, the notion of *conspicuous consumption* can be explained as the preference for more expensive over cheaper yet functionally equivalent goods (e.g. Nelissen and Meijers, 20011) or simply, the ability or possibility to spend above and beyond what is necessary (with a clear recall to the basic definition of luxury we identified at first). As a result, in his treatise, Veblen underlines this point giving the example of "leisure class" using silverware, hand-painted and high priced table linens at meals: members of the elite bought this type of goods not simply to convey the foods into their mouth but especially to display they could afford such exclusive things. Then, in line with Veblen's work, also contemporary research in marketing gives credit to his hypothesis recognizing the current validity of symbolic possessions (e.g. Belk, 1988) and the desire for status as a crucial force driving the consumption in the luxury market (e.g. Dreze and Nunez, 2009; Griskevicius et al. , 2007; Rucker and Galinski, 2008, 2009).

The fact that *status* is related to the possibility of displaying luxuries can be better investigated if linked to the Costly Signaling Theory notions (Miller, 2009, Saad, 2007). This body of theoretical work, examining communication between individuals, puts in light the fact that apparently wasteful behaviours may function as a reliable signal of desirable individual qualities (e.g. Nelissen and Meijers, 2011). In this way, the costs involved in producing a *signal* (in terms of energy, risk, time or money) guarantee its reliability and, consequently, the display of luxury (indirectly meaning a certain effort in terms of money but also in terms of time and energy) may surely serve as a costly signal and as status enhancer.

In some ways, the possibility to buy a product, that others cannot afford to own, make consumers feel superior. Substantially human beings construct their social statuses by forming demarcations: drawing lines and putting ideal barriers in order to distinguish from others. In Bourdieu's work (1984), in fact, the author explains the phenomenon of consumption as based on social differentiation. In particular, he focuses on the relationship between group identity or *lifestyles* and their peculiar strategies of consumption. Based on Bourdieu's evidence we can therefore affirm that upper class consumers, through the purchase of luxury, are often willing to create a distance between them and the practical world of simple necessities from which the detachment seems to be also culturally rooted. Quoting Bourdieu's words: *"a person who is certain of obtaining physical necessities, and has been brought up abstractions of capital and education becomes distant from those necessities, and has tastes dependent on respect and desire for abstractions"* (Bourdieau, 1984, p.150).

Hence, it results evident that the idea exposed by Bourdieu recalls in some way the marketing concept of self-expression and cultural background. As a result, individuals, exploiting the inter-dependence between possessions, construction of identity and adherence to certain social values, state a social differentiation and an identity affirmation through the purchase of symbolic products (e.g. Miller 1987). Finally, in light of what we considered as social background behind the concept of luxury consumption and social status, and considering the definition of luxury we gave, the *liaison* that especially occurs between the constitutive characteristics we identified in the previous paragraph and the concepts we have just introduced results crucial.

We already know from Heine (2011) that the characteristics of luxury products are not independent of each other: this means that if one dimension is at a high level, it also induces high levels of other dimensions. Using directly the example given by Heine we have that *"their relatively small production volumes (high rarity), their superior level of quality and the relatively high effort made for aesthetics, extraordinariness and a good story behind the product, inevitably lead to a relatively high price"* (Heine, 2011, p.42). Considering the theories analyzed since now, we can add that, in some ways, a relatively high level of price tend to be associated to distinctive status and tend to make feel the consumers of these type of products as one of the who can afford to buy that good: someone special or superior compared to other consumers (Garfein, 1989).

However, although price can concretely influence the symbolic value of a product, the only price itself does not directly determine the desirability or the prestige of a product or a brand. In fact, the crucial insight influencing the symbolic content of a product can be recognized in the associative or dissociative motive with respect to other social groups. This concept that is very similar and complementary to those explained by Veblen and Bourdieu's work results crucial in the way it allows to identify different types of motivations, different level of what we can call as need-for-status and consequently different type of luxury consumption.

Following the work of Han et al. (2010), in fact, it is possible to identify different classes of consumers *"describing their signaling motivations on the basis of their desire to associate with and/or dissociate their own and the other three groups"* (Han et al., 2010, p.17) (figure 2.7, below).

So, having a deeper look at the different clusters identified by Han et al. (2010) we will find the following segmentation:

A first group, Han et al. called the *"Patricians"*, which members are principally concerned in associating with other patricians rather than dissociating with other classes. Hence, they consume and use products or brands that are able to convey subtle signals that can only be interpreted by other patricians. As a result, their need for status is fundamentally justified by the will to be recognized by the members of their elite group. Thus, their need for status is reflected in the purchase of luxury goods that avoid brand prominence and obvious signals.

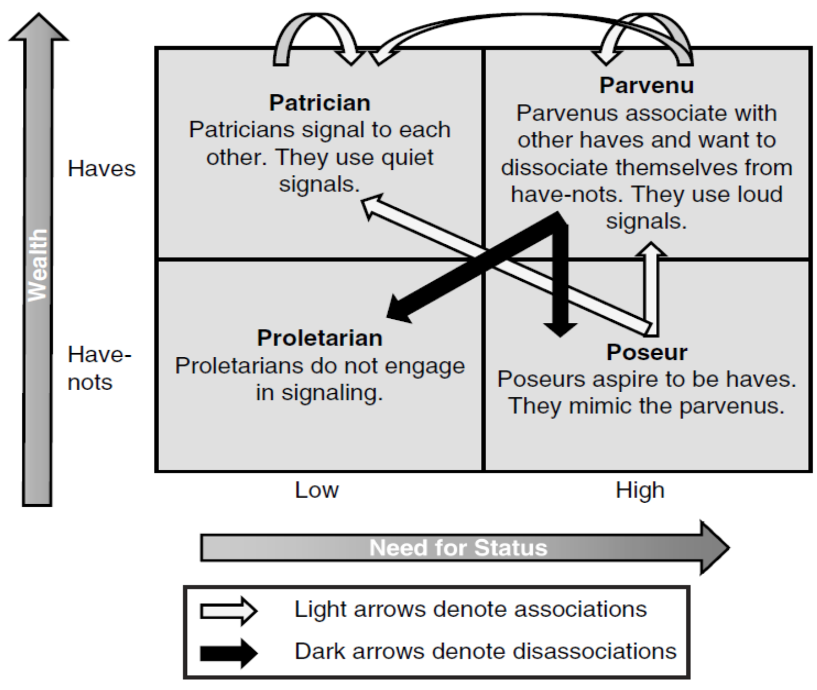
The second group, the "*Parvenus*" (from the Latin *perveniō,* meaning "arrive" or "reach") composed by members with significant wealth but not in possess of the connoisseurship that should be necessary to interpret the subtle symbols distinguishing the Patricians. For instance, they would not be able to recognize the subtle details of a Hermès bag or a Vacheron Constatin watch. For this reason, and because they are just craving for status, they are mainly concerned in separating themselves from the lower classes while recognizing themselves with other parvenus or try to associate themselves with *patricians*. Consequently, they will opt for a consumption of luxury that, conveying direct and obvious symbolic messages, could stress the distinction with lower status consumers.

At this point, it is important to state that, these first two categories we analyzed, share the financial means to acquire luxury goods. The following two clusters we are going to describe are both part of the macro group that Han et al. call the "have-nots" (following the research of Pew Center of Research) identifying that part of consumers whose financial means do not allow them to readily afford luxury products.

In spite of this last condition, the first of these two have-nots groups, called the "*Poseurs*", are keen to associate themselves with those they observe and recognize to have the financial means (Patricians and Parvenus). For this reason, this group is prone to buy counterfeit luxury goods as cheap substitutes of the originals or, they are ready to make extra-efforts and renounce to other necessary expenditures in order to follow their need for status motives.

Finally, the fourth group, called the "*Proletarians*", is composed by consumers that are not status conscious and not driven to consume for the sake of status thus they are not concerned about signaling through the purchase of luxury and status products. This means that they are not involved at all in the consumption of all that products that we first identified in the luxury part of the continuum range of goods.

Figure 2.7: ***Signal Preference and Taxonomy Based on Wealth and Need for Status***



Source: Han et al. (2010).

To sum up, from the above exposed conceptual background, the relationship occurring between luxury consumption and social status signaling can be summarized by three main theoretical factors:

- the display of luxury possessions as a costly signal and as status enhancer;
- the need of social differentiation and desire for status and crucial force driving the luxury consumption;

- social segmentation and different motives at the basis of the social need-for-status justifying different levels of constitutive characteristics and symbolic value.

2.2.4. Distinguishing Luxury, Fashion and Premium Strategy

Talking about Luxury Strategy it is firstly crucial to distinguish two particular theoretical cases (e.g. Heine, 2010) that could generate confusions and doubts. As a result it we need to consider in the range of our analysis (*luxury* products and brands) the following two luxury-like concepts (See Figure 2.8, below):

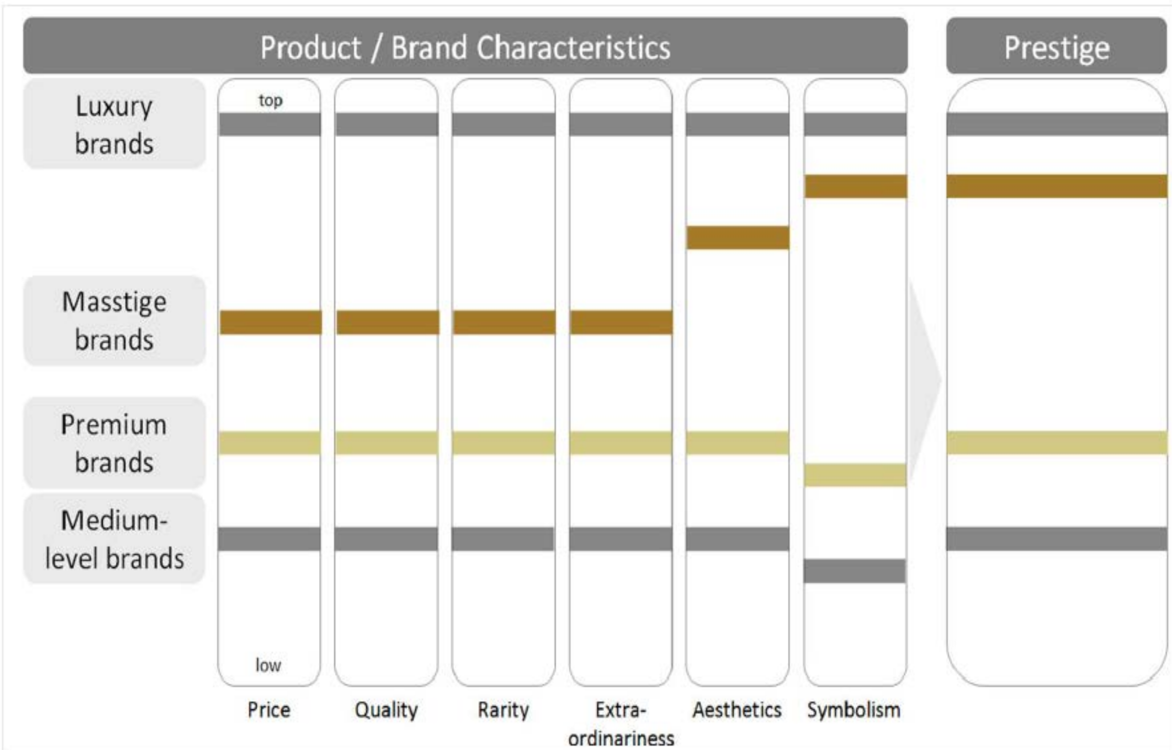
- *Premium Products and Brands*: distinguished from luxury brands because they put much more effort on the functional characteristics instead of the symbolic ones. Hence, they justify a high level of price stressing the technical features of the offer.

- *"Masstige" Products and Brands:* which aim is to offer prestige to the masses caring very much about shine and therefore especially about design. They differ from middle-range brands by their prestige and from the luxury brands mainly by their reasonable price and exclusivity.

Then, the recognition of these two borderline cases allow us to put in light the different strategical approach compared to what we stated for luxury brands and products.

In particular, *the premium products or brands* are characterized by what Bastien and Kapferer call a "Premium Strategy" that can be summarized with the definition "Pay more get more" (Bastien and Kapferer, 2013, p.24). Hence, the Quality/Price ratio is the motto and the basic element to manage. Moreover this strategy is by essence comparative since the final goal is to reach the best value of category leveraging the tangible and functional dimensions of the products (Quality and Aesthetics, intended as functional, above all). The typical example is given by Samsung strategy by Lexus, a brand competing with other luxury brands, chiefly focusing on the technical features of the product in order to over to fill the gap with the competitors as of the symbolic and heritage components of the offer.

Figure 2.8: ***Luxury Brands vs. Premium and "Masstige" Brands***



Source: Heine (2011).

On the other hand, as long as the *Masstige Products or Brands* are concerned, Bastien and Kapferer identify a "Fashion Strategy" in which, as for the premium brands, the more abstract dimensions are not so crucial and the main purchase motivation is the desire of "fashionable" content, a very perishable value. The fact that the fashion items are usually not bought to last explain the low levels of quality, price and functional dimensions and quite total focus on the and aesthetic content of the product. It could be perceived as a sort of lower-end strategy that allows these brands to give their consumers the possibility to afford luxury-like products, usually purchased by *Poseurs* (See Section 2.2.3).

2.2.4.1. Focus on Luxury Strategy and its Marketing Levers

Then, moving on the Luxury Strategy we to underline that the difference between the two previous strategies is pivotal, even if at the eye of basic consumer it seems not to change much. The crucial element of discrepancy are the typology of levers that are stressed: all the intangible dimensions of the products and its symbolic values we discussed and identified in the previous paragraphs (see section 2.2.3). Hence, the mobilization of the intangibles is made through a unique and adapted use of the classical marketing levers. In our analysis we will go through the following four main aspects: the product policy, the price policy, the distribution and the communication (Figure 2.9).

Starting from the *product policy*, the main assumption to put in light is the complete detachment with respect to the customer wishes. But, Why luxury brands should not listened to their customers' preferences? The answer directly by Tom Ford, COO of Gucci during last years: "I look at research then throw it away and forget it for this is about yesterday. I must create dreams for tomorrow!" (Bastien and Kapferer, 2013, p.35) Interpretation of the words leaves no doubts: the consumer-oriented paradigm is not valid for luxury brands because the function of luxury brands is to create desirable dream, not to answer to problems and needs (e.g. Bastien and Kapferer 2013). As we already stated in our basic definition, luxury is fundamentally a "non-necessity made desirable", thus a luxury brands is selling "promotion emotion" not "prevention emotion" (e.g. Bastien and Kapferer, 2013). Because Luxury is desirable, partly on the basis of flawless quality attributes, but above all thanks to its symbolic and intangibles conveyed values (surprise, beauty, hedonism, elitism), relying on market studies could mean compromises leading to possible contradictions with an exclusive and prestigious brand identity.

Of course, the product policy impacts also on the quality dimension, its sub-dimensions and extraordinariness dimension. For this reason, besides a strong symbolic value it is important that the luxury brands maintains the status of expert in product craftsmanship thanks to high investments in innovation, creativity and membership in recognized luxury associations.

Furthermore the segment-specific product strategies also include the development of iconic products which epitomize the brand signature (Fionda and Moore, 2009). These iconic products (i.e. Chanel no.5 or the Hermès Kelly bag) are true masterpieces that rate at the very top all the major luxury dimensions and allow the brand to prove its uniqueness and its desirability. In fact a luxury brand should not aim at being popular (liked by everybody) but at setting the long lasting standards of taste for tomorrow (aesthetically and socially distinguished).

As far as *price* is concerned, the key concept to consider is the *non-accessibility*. Luxury brands, in fact, are supposed to implement a *superlative pricing strategy* for different reasons:

- "A reasonable price is a price that appeals to reason, and therefore to comparison" (Kapferer and Bastien, 2009, p.319) but luxury is not comparative: luxury need to stress its exclusivity and to evoke an aura of respect.
- A strategy leveraging on a superlative price makes a brand less accessible and enhance the rarity and extraordinariness dimensions.
- A superlative pricing strategy is justified by a high-end level of quality and contributes to preserve the symbolic values of prestige and status.

Not only, in addition to the superlative pricing strategy, luxury usually needs to put into practice a continuous raise of the price point. This particular policy is done year-by-year in order to exploit the conspicuous consumption phenomenon (see section 2.2.3, Veblen) and to ensure the durability and the dream of non-accessibility over the time.

One of the Luxury characteristic is to sell “dream of exception” and this exception should maintain the dimension of non-accessibility yet remaining at a close distance in order to be desirable and desired. This is possible also through a policy of continuous price point raise.

Focusing on the *distribution,* the paradox fundamentally addresses the natural contradiction between luxury and marketing: in fact “Luxury brands also strive to grow their business, but increasing sales volumes reduces rarity, therewith also the luxury image and as a consequence also the sales numbers, which means that the successes of luxury brands jeopardize their future successes” (Heine, 2011, p.67).

In light of this, we can say that luxury brands should opt for a distribution strategy that could increase the success of the products while maintaining at a high level the dimension of exclusivity. This is possible through two types of measures (e.g. Heine 2011):

- *Forward and backward integration* that allows the brand to exhaust the maximization of profits in spite of the limitations in pushing sales numbers;

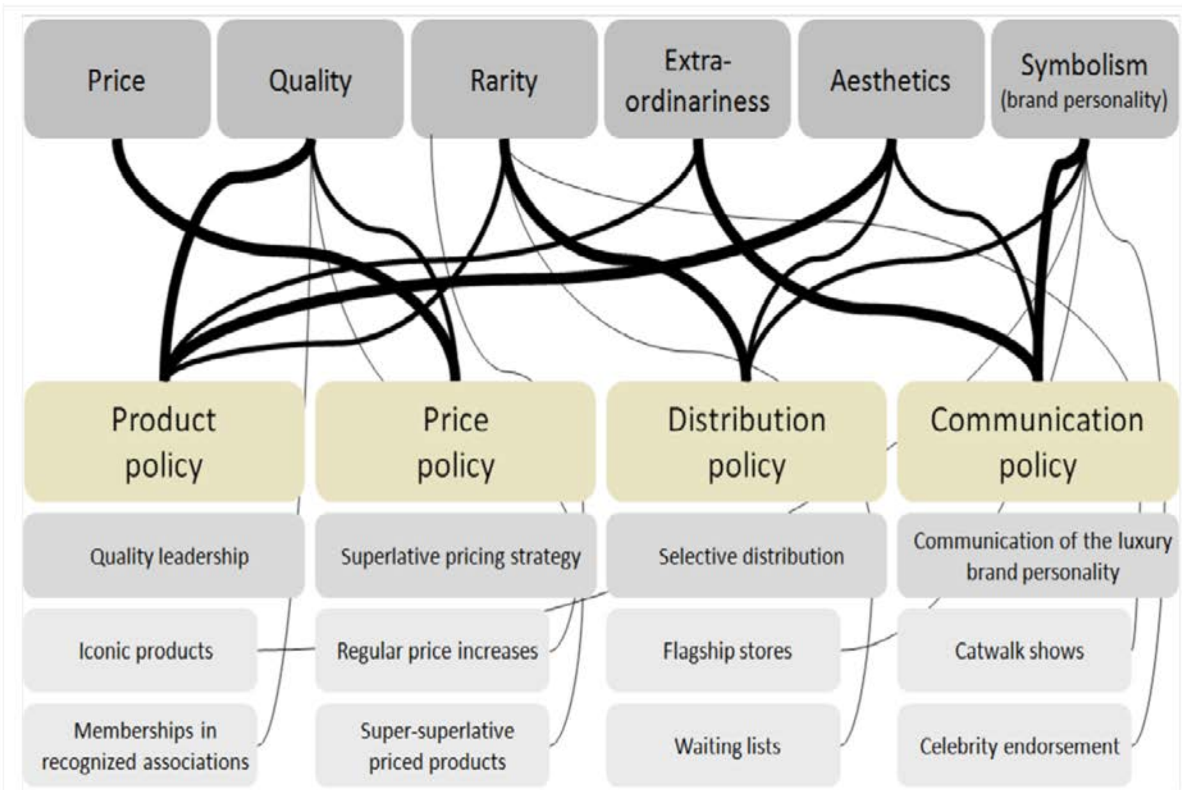
- Put in practice a *highly selective distribution* (with the adoption of limited and prestigious flagship or temporal barriers such as waiting lists) that allows a strict control of the accessibility and maintains the rarity dimension of the products.

Finally, regarding the *communication*, luxury substantially differentiate from the mass-market because of the particular approach to brand awareness. In fact, in contrast to mass-market brands, an uncontrolled increase of the brand awareness does not necessarily lead to growing, but rather to decreasing demand. In particular, we can say that a growing awareness risks attracting towards the brand "those bandwagon-consumers who consume a certain product because their role models do so"[3] (e.g. Heine, 2011). At the same time, this phenomenon will distract those consumers that, from a social point of view are most relevant, and whose major purchase motivation is the differentiation from the other lower social groups. In light of what we said regarding the need-for-status notion (see section 2.2.3, Han et al), we can interpret the original consumers as the *Patricians* and the *Parvenus* and the bandwagon consumer as the *Poseurs.* As a result, the brands of luxury will manage the communication with the purpose not to strive to increase the general awareness. They would rather try to protect the original customers from the people they like to differentiate themselves from, by focusing their communication precisely to their target group and by keeping the brand a sort of secret or inaccessible dream to others. For this reason, a policy characterized by direct marketing activities such as Catwalk and exclusive special events is particularly suitable for luxury brands. However, on the other hand, this type of brands should also be able to feed their prestigious image, always in line with a careful analysis of the targeted groups, through more typical marketing measure like the advertising on glamour magazines and celebrity endorsement. In particular, focusing on the punctual case of celebrities: this must not be used as selling agent for new customers to buy the product following an imitation model ("I want to buy that bag because that celebrity has it!") but they must exploited

[3] For "Bandwagon effect", we intend the extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity. From: Leibenstein H. (1950*) Bandwagon, Snob, and Veblen Effects in the Theory of Consumers' Demand,* The Quarterly Journal of Economics, Vol. 64, No2. (May, 1950), pp. 183-207.

as a testimonial for existing customers ("This famous person is also using my bag"). This thing will confirm the status of "extraordinary product for a usual customer, which is also an ordinary product of extraordinary people" (Bastien and Kapferer, 2013, p.32).

Figure 2.9: ***Influencing the Associations about Luxury Brand Characteristics by segment-specific Marketing-mix Strategies***



Source: Heine (2011).

2.3. Sustainable Luxury

In the previous two paragraphs, we first discuss about sustainability and its implications in business models. Specifically we focused on the basic principles of the concept and its evolution from CSR to Shared Value, underlining all the main factors driving a successful conversion of the business into in line with the sustainability paradigm. Then, we analyzed the concept of Luxury, starting from the basic definition and focusing on the particular status signaling variable and the anti-marketing levers in order to exploit the peculiarities of the category product.

With this paragraph we try to investigate if and how two apparently opposite concepts like Luxury and Sustainability can find a point of touch. Taking into consideration the theoretical principles so far exposed and introducing some inherent studies our purpose is to determine the factors and a model of business allowing a good combination between the notions.

2.3.1. Luxury towards Sustainability: a Possible Combination?

As we defined treating sustainability topic (see 2.1.3), shared value is about policies and practices that allows firms to improve their competitiveness while advancing the social, environmental and economic conditions in the society in which they operate. Sustainable development and the sustainability topic are one of the most relevant prerogatives of almost all the planet, and consequently, also of the major corporate groups. Thus, adopting and maintaining shared value approach, far from being a social corporate obligation, seems to be a fundamental key strategic pathway for successful business performances in the 21st century.

Then, sustainability is affecting various economic sectors where companies, in order to react and exploit the economic advantages deriving from shared value approach, are starting to interpret and manage in a new and different way the relations with the environment and a broader stakeholders range (Atkinson, Dietz and Neumayer, 2007). Specifically, luxury, more than others, is a market characterized by a relevant attention towards sustainable product variables and, consequently, by business models increasingly grounded on sustainable supply chains (Hoffmann and Manière, 2012). Accordingly, luxury companies are starting redefining their sourcing, manufacturing and distribution processes, gaining efficiency, fostering a new type of innovation and increasing their brand legitimacy.

In spite of this, the social histories of luxury and sustainability conceptually appear opposed, following the fact that the combination of this two elements could be ill-received by consumers. The main reason why of this opposition is that luxury concept recalls values and ideas in line with hedonism, expense, rarity, affluence and superfluity. Conversely, sustainability is inherent to values that are linked to altruism, restraint, respect and moderation (Beckham and Benjamin, 2014). Then, during the past years various researches put in light different consumer attitudes towards a *sustainable luxury*.

For instance, from an empirical point of view, Achabou and Dekhili (2013) underlined a significant negative correlation between the perception of luxury products and the presence of sustainable elements in it (recycled fibres). Similarly, Davies, Lee and Ahonkai (2012) findings put in light that consumers consider sustainability and ethics much less in their luxury consumption decision-making process than in their commodity consumption decisions. Moreover, Beckham and Benjamin (2014) also identify a complex and not converging consumers' association between luxury and sustainability consumption.

On the other hand, Steinhart et Al. (2013) conclude that an environmental claim can effect in a positive way for both utilitarian and luxury goods and, in the same way, Ducrot-Lochard and

Murat (2011) theorised a predictable evolution of luxury towards sustainability considering the fact that luxury customers are extending their high quality expectations to include environmental factors. Likewise, Kapferer (2010) argues that luxury already possesses inherent sustainable characteristics that could be enhanced by specific shared value and CSR-oriented strategic approaches.

This particular dichotomy between empirical and theoretical opinions about the concept of *sustainable luxury* can be investigated starting from the categorization of motivational values done by Schwartz (1992) stated in its circular theory of human values. In its work, in fact, Schwartz, identifies four broad types of motivational human drivers:

- *Self-enhancement*: recalling impulses towards power, achievement and hedonism, promoting the pursuit of the one's own interests;
- *Self-trascendence:* addressing universalism and benevolence, hence emphasizing concern for the others' welfare.
- *Conservation:* linked to the research of security, tradition and conformity, justifying the protection of the acquired *status quo;*
- *Openness:* grounded on the self-direction, stimulation and, in part, hedonism stimuli. It encourages the pursuit of new ideas and experiences.

We can immediately notice that some motivational values clash. In particular, the self-enhancement seems not possible that could coexists with self-transcendence. In technical terms, this incongruence can be described as follows: whereas CSR stresses-out the welfare of the community and the concern for the environment reflecting self-transcendence values, luxury is associate with values of conspicuousness, hedonism and success.

Notwithstanding that the two concepts are opposing, from a motivational point of view, Janssen et al. (2014) tried to highlight a point of touch. Indeed, the notion of luxury is usually associated with tradition (heritage), artisanship, respect for materials quality and timelessness. Starting from this consideration it is possible to hypothesize a coherent convergence between luxury and sustainability In fact, despite a primary conceptual distance, these viewpoints could be connected by the luxury's defining characteristic of *durability* (we previously called quality) and *rarity*.

Briefly, durability is at the hearth of both luxury and sustainability concepts and, in particular, luxury's sustainability impacts on environmental sustainability thanks to a guarantee of timelessness and long product life that contribute to the preservation of natural resources and the avoidance of consumerism's wastes. Then, rarity is one of the constituent characteristics of luxury, and it is linked to the use of rare materials and particular processes of craftsmanship. Consequently, rarity depends on the uniqueness of human and material resources, hence, partly from communities and environment. Thus, a careful management and preservation of these elements becomes a crucial bridge linking luxury to sustainability.

Substantially, it is possible to state that:

"Rarity and durability join together luxury and sustainability, making them interconnected: luxury depends on sustainability and, at the same time, sustainability finds in luxury a potential ally... Sustainable business behaviours can act on existing brand identity, increasing its perceived quality and its exclusivity..." (Guercini and Ranfagni, 2013, p.80).

Then, sustainable luxury brand should draw on rarity and durability combining the attention to environmental conservation and human craftsmanship work with the quality and the timelessness nature, which is part of the luxury concept (Kapferer, 2012).

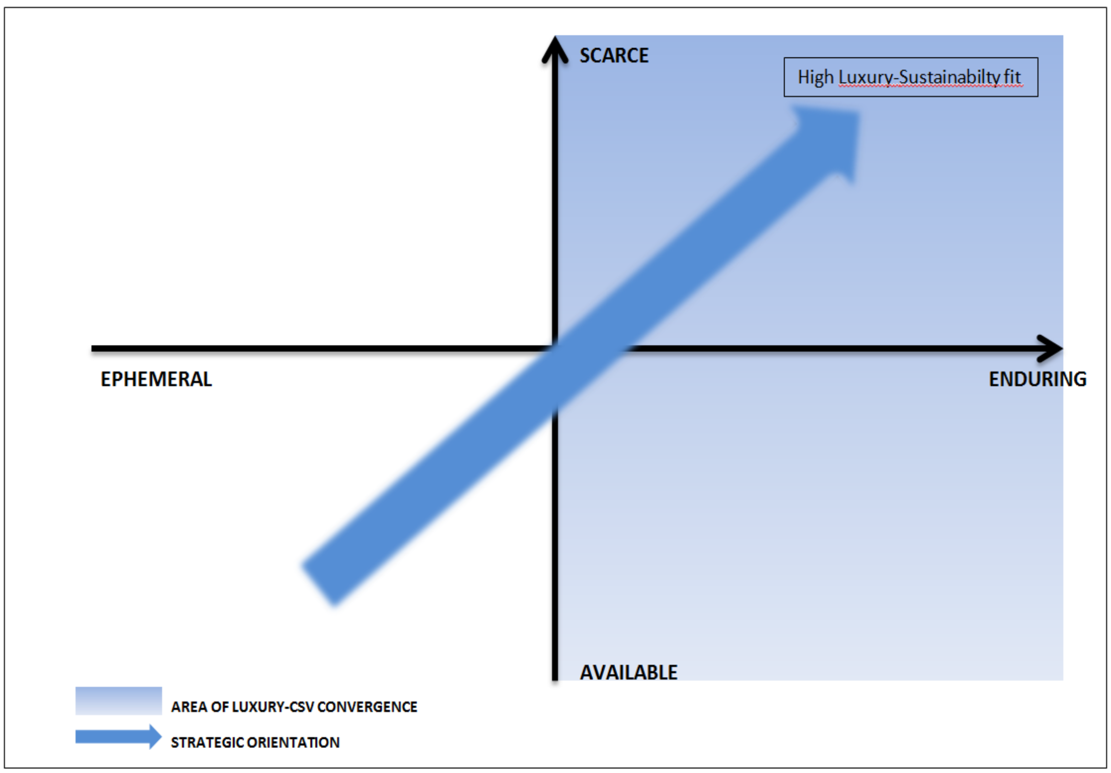
Janssen at al. (2014) give also an empirical evidence supporting this assumption. From their research in fact, we can infer that both rarity and durability of luxury products can influence consumers' perceptions of the fit between the notions off luxury and sustainability. When luxury products are depicted as scarce and enduring, an attribute of social responsibility, leads the consumer to a more positive attitude towards the product. While, if the product is perceived as scarce but ephemeral, the manufacturer or the seller of that product will have more difficulties to positively exploit a sustainable feature of the offering since the luxury-CSR/CSV fit is lowest for such items.

In a more practical way, enduring products that enjoy a high level of scarcity (i.e. diamond jewelry), have the opportunity to convey the idea of an alliance between luxury and sustainability. In contrast, if luxury products are more available and/or more ephemeral, they trigger lower perceptions of fit with sustainability characterization of the product (see Figure 2.10, below).

As a result, the point of touch between luxury and sustainability is possible and far more effective if luxury brands are able to put the accent on the scarcity of the products and, above all, on the durability of the offering.

Finally, we can conclude that sustainability can impacts on the symbolic dimension of a luxury brand and not only on the more economic and tangible one. As we already said, in fact, the most developed markets , at least in terms of luxury culture, are more and more expecting products that meet environmental-friendly norms and minimum ethical requirements. Hence, actions and decisions going beyond a normal and recognized standard of sustainability can be seen as crucial elements of symbolic competition between different luxury companies. The pursuit of excellence, typical of luxury companies, is expressed in all the actions taken and, increasingly, in all those social decisions that, coherently with the brand image and the luxury essence, could positive enhance the intangible characteristics of the product and the target customers' perceptions.

Figure 2.10: The Drivers of Luxury-Sustainability Convergence



2.3.2. Sustainable Luxury in Practice: the Excellence Model

"*Sustainability is not a constraint; it's a field of opportunities at every level. It creates value in multiple ways: efficiency, innovations in processes and product development".* [4]

The quote is directly from François Henry Pinault, president and CEO of Kering, one of the "big four" global holdings leaders in the market of luxury goods. The words of Pinault clearly put in light how luxury brands are trying to redefine their business model in response to increasingly conscientious consumer and environmental needs. However, as we can infer from the quote, the demand for sustainable luxury is not only a sheer obligation, but a sustainable and social orientation of the business that could represents an important opportunity for the luxury firms.

As we considered in the previous paragraph (see 2.1.3) , the emphasis of luxury's key attributes like timelessness, durability, heritage, authenticity and excellence concurring to a sustainable all-around or multidimensional value approach is becoming more and more tempting for the main luxury groups. Following the research of Hennings et al. (2013), this type of future-oriented luxury, addressing various dimensions of deeper value embodied in the core business of the companies and reflected in the sourcing, manufacturing and distribution of products, can be put into practice through the application of a sustainable excellence value-based model. The model by Hennings et al. (2013) starts from the assumption that a main driver of success for luxury brand management is the creation of superior customer value through a set of material and, especially, symbolic meaning associations. Consequently, the emotional attachment of a customer to the brand and the brand's ability to create functional, experiential and symbolic value results as fundamental elements for a luxury firm success. Considering the fact that

[4] Bumpus, J. (2014, October 30). *François-Henri Pinault: Implementing Sustainability*. Vogue.co.uk , 2014. http://www.vogue.co.uk/news/2014/10/30/francois-henri-pinault-kering-talk

consumer's perception about luxury value is driven by the core elements identified by Wiedmann et al. (2007, 2009) as financial, functional, individual an social dimension, a model of sustainability (see Figure 2.11, below) excellence fitting the concept of luxury could be obtained through a particular exploitation of these four factors as follows:

- *financial value*: for luxury brands consumers are willing to pay significant premiums in light of the constituent characteristics of extraordinariness, rarity, quality and symbolic values. Moreover, the price itself is a characteristics that enhance consumer perceptions about luxury. As a result the premium margin can be used to finance the new sustainable approach, more environmental-oriented and socially responsible. The financial extra value can be turned into more sustainable, qualitative and unique production processes that could improve the functional, experiential and also symbolic excellence.
- *Functional value*: is the more tangible aspect of luxury offering that is reflected by quality, extraordinariness and aesthetics sub-characteristics. In particular, excellent craftsmanship and authentic design build the basis for high quality materials. Then, a functional sustainability value is addressed through the use of selected raw materials and an entire supply chain based on typical and unique manufacturing.
- *Individual Value:* is related to the symbolic aspect of the product. Luxury brands, in fact are bought for personal reasons in order to transfer the symbolism of the products to their own identity. Nowadays luxury consumers are part of a global élite that is increasingly well informed and educated about social and environmental issue. This means that, gradually, more and more people could want to express their interest in this topic through

products that are able to recall the sustainability values while maintaining a high level of exclusivity and uniqueness.

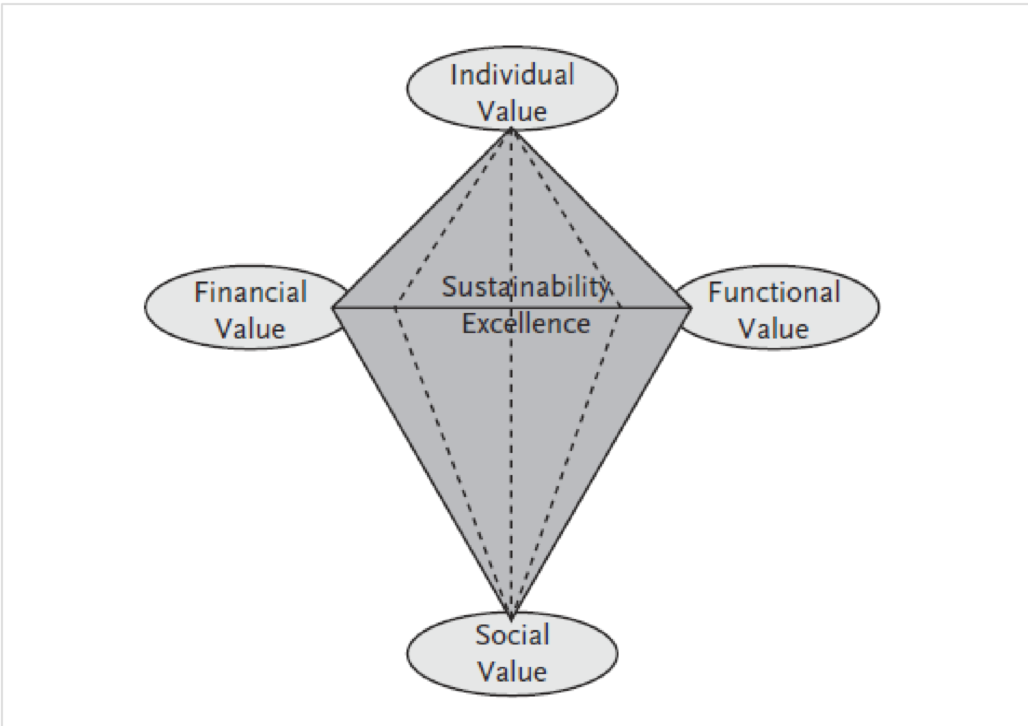
- *Social Values:* are tightly bounded with the perceived utility that individuals acquire thanks to products or services recognised by their social group. Hence, the prestige and the symbolic value embodied in the product is crucial considered the fact that beyond the effect that a purchase has on themselves, they consider also the effect on the World around them: they express and affirm their deepest values in the society throughout the particular purchases they make. Consequently, an increasing global awareness of social and environmental concerns could be an indication of the fact that prestige and status signaling could be transferred on concept like "real luxury goods" which are expected to be characterised by deeper social and environmental values.

  The diamond of excellence would be an adequate and practical response to the increasingly conscientious consumerism that luxury market and its players need to face. The sustainability excellence, in fact, has become a relevant market responsibility and product that are socially or environmentally damaging risk not to be considered "the best in class". The future perspective suggest the raise and reinforcement of a *true luxury value* that is possible through the adoption of a sustainable excellence approach.

For luxury brands, the question is no longer why or whether to create a sustainable production process, but rather how to transform their supply chain and address their stakeholders' growing concerns with environmental and social issues and thus protect their reputation.

Finally, another important point is the focus toward a CSV and not only a CSR approach. In fact, sustainable excellence is the result of deeper value creation that clearly separates the green from the green-washed.

Figure 2.11: The Sustainable Excellence Diamond



Source: Hennings et al. (2013).

2.4. Bodily Sensations and Behavioral Economics

In the first three paragraphs, we introduced the concepts of Sustainability and Luxury, putting in evidence the drivers featuring the two notions and the possible theoretical path allowing their combination into a Sustainable form of Luxury. Now, in order to complete the preparatory theoretical framework for the empirical part of our research, we will finally focus on some crucial behavioral and consumption choice aspects.

Consumers, in fact, are daily involved on purchasing actions. For researchers, it is clear that during these shopping moments, people are engaged in different physical activities and logical processes influenced, directly or indirectly, by ambient elements. The resulting effects of different stimuli in the broader retail environment are the focus of psychological and economic theories explaining the actual relationship between the final consumer purchase decision and the external situational factors surrounding and influencing the shoppers. Hence, in this third paragraph we will focus on the concept context effects with a specific in-depth analysis of bodily sensations and "sense of balance" reverberations on consumer's final choice. Specifically, our analysis will go through the basic behavioral economics theories explaining cognitive drivers of the decision-making process. Afterwards we will concentrate on framing effects and their cognitive interpretation explained by the psychological model of Inclusion/Exclusion. Finally, the focus of our investigation will move on the nexus between bodily sensations and purchasing behavior with a particular attention of consumers' equilibrium, putting in light the empirical evidence regarding the influence of balance in situations of multiple choices sets.

2.4.1. Heuristics and Context Effects

The behavioral economics theory shows that consumer choice is often influenced by the context and the eventual set of alternatives under consideration. In fact, the context effect is by definition:

"…any external factor, like the other choices on offer, that influence the choice" (Cartwright, 2014, p.39).

Context effects exist and can be classified as direct cause deriving from human heuristics. Thus, in order to better understand the reason and the mechanisms at the basis of different consumption choices it is necessary to start this analysis shedding light on the concept of *heuristic*.

The starting point of decision-making literature, in fact, is that even the most simple economics choices are in principle very complicated and a definition of precise schemes predicting how people will make their decisions is not always possible. Following the classical theory of utility maximization, we presume that consumer choice will be the one that provides the best utility value, with particular reference to the individual utility function. Hence, a first critical assumption of the classical theory is the impossibility to well identify the individual's utility function and the capability to evaluate the whole range of variables concerning the different possible choices (in marketing context each single attributes referred to each items). Moreover, a further implication of this model is the independence of preferences from the set of alternatives under consideration (e.g. Simonson and Tversky, 1992). However, the reality and the empirical experience shows a big limit of this model: neither an observer nor the decision-maker is always able to consider all the attributes of the alternatives set and, consequently, explicit in mathematical terms the best choice maximizing his personal utility function.

Then, in light of this incapability to follow a utilitarian and analytical decisional process, the potential consumer usually appeals to heuristics that can be defined as:

"…*any rule of thumb or simple rule of behavior by which a person solves a problem*" (Cartwright, 2014, p.32).

Specifically, in our case, the lack of knowledge of all the necessary elements to evaluate the best consumption choice, accordingly to the maximization value model, is actually solved through an unconscious and spontaneous application of simple and recurring mental schemes (the heuristics).

The use of heuristics in the decisional process is the main cause that leads to the phenomenon called *choice arbitrariness,* where arbitrariness does not necessarily means random. Choice arbitrariness, in fact, can be explained as the possibility that the choice could considerably differ depending on different external factors. Tversky and Shafir (1992) show a meaningful example of this phenomenon in one of psychological studies. In this study, the subjects were facing up with three different situations of conflicting, non-conflicting and unique choice sets[5] and the decision of individuals substantially changed in relation to the different scenario, violating the classical principle of regularity axiom of choice[6]. Therefore, in contrast with the classical theory of choice, the empirical results clearly suggests that an alternative could look more or less desirable depending on what it is compared to, putting in light the effective existence of *choice arbitrariness*.

[5] Following Cartwright E. (2014) definition: we say that a set of choices are conflicting if one choice is better on some aspects and a different choice better on some other aspect while, on a non-conflicting choices set, it is possible to identify a choice that is objectively better on all aspects.
[6] The regularity axiom of utility theory holds that a preference between options should be maintained when other options are made available.

Besides this experiment, other empirical observations stated out the choice arbitrariness as direct consequence of various psychological effects among the trade-off contrast and the extremeness with aversion effect (with comprise or polarization) (Simonson and Tversky, 1992) or the choose-reject discrepancy and anchoring effect (Shafir et al., 1993).

As a result, based on the literature background evidence, it is possible to state out one of the basic relationships on which modern behavioral economics is actually grounded: all the psychological dynamics, putting in light discrepancies with the rational theory of choice, are direct consequences of human heuristics which are, in turn, the cause of what we previously defined as *context effects.*

2.4.2. Framing Effects and the Inclusion/Exclusion Model

Within the range of various context effects, it is possible to identify a subset called framing effects. "*Framing effects are where essentially equivalent descriptions of the same item lead to different choices*" (Cartwright, 2014, p.40).

This is to say that this phenomenon take place when people chose differently depending on the way the question is asked or framed. Nevertheless, in order to better understand the drivers of this particular type of context effects it is necessary to introduce some basic principles of IEM (Inclusion/Exclusion Model) theorized by Schwarz and Bless (2007).

This model, in fact, describe the mental construal process adopted in evaluative judgments, accounting for how incidental contextual data can influence assessments of a target item (Bless et al., 2004). A first assumption of IEM is that concepts or sensations (thus declarative or experiential information) activated by the context set can affect the assessment of target objects during two stages (e.g. Meyers-Levy et al, 2010): at a preliminary phase, during which the item is encoded and initially interpreted, and at a crucial judgement phase, when the formal assessment about the target is developed and rendered. More specifically, individuals who are asked to form a judgment about some items first need to retrieve some cognitive representation of it and to determine some standard of comparison to evaluate the item. Both the representation of the target stimulus and the representation of the standard are, in part, context dependent. However, individuals do not retrieve all knowledge that may bear on the item, nor do they retrieve and use all knowledge that may potentially be relevant to construct its alternative. Rather, they simply rely on a subset of potentially relevant information that is most accessible at the time of judgment. Accordingly, the individual's temporary representation of the target item, as well as its standard of comparison, includes both information that is chronically accessible (context independent) as well as information that is only temporarily accessible related to contextual influences and cues (e.g. Schwarz and Bless, 1992). Then, the way the information that comes to mind influences the judgment, depends on how it is categorized: if the information is included in the temporary representation that individuals form of the target category we refer to an assimilation effects, if the information is not included we talk instead of contrast.

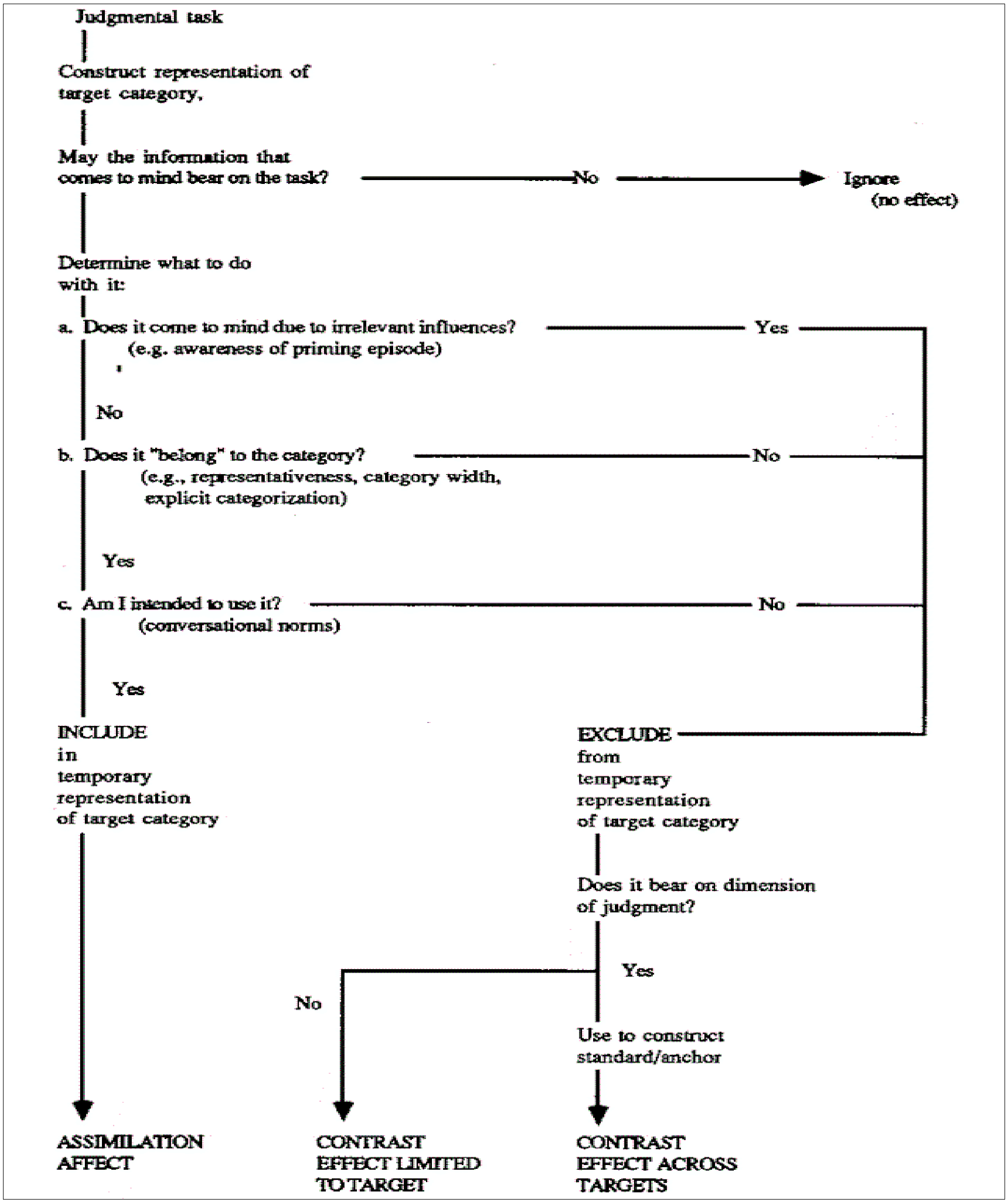
Accordingly, the terms *assimilation* and *contrast* describe the direction of contextual influences on evaluative judgment. Therefore, researchers speak of *assimilation* or *carry-over* effects whenever judgments are positively correlated with the valence of the context information, that is, when positive contextual information results in a more positive evaluation or negative contextual information results in a more negative evaluation. On the other hand, they refer to *contrast* or *backfire* effects whenever judgments are negatively correlated with the valence of the context information, that is, when positive contextual information results in a more negative evaluation or negative contextual information results in a more positive evaluation.

With particular focus to the latter concept, the IEM provides two different mechanisms for the emergence of a contrast effect. Besides the possible use of this information in the construction of a standard or scale anchor, there is also the possibility that the contextual information could be subtracted from the representation of the target if not bearing the dimension on judgement. (See Figure 2.11, below).

Secondly, while introducing the IEM we stated that context effects can be similarly activated by concepts or sensations (declarative or experiential information). Especially, focusing on sensations activation factors it is crucial for our research purpose to recall Kim and Meyers-Levy work (2008). The study precise that if an individual's mental representation of the target item is not so clearly defined (i.e. ambiguity on product features and lack of specific details), contextually activated influence factors are likely to operate at encoding as an interpretive frame that can guide the interpretation of the target item. As a result, at a subsequent judgement step, the poor definition of the target representation makes it too unclear and blurry to be meaningfully compared with any standards (Kim and Meyers-Levy, 2008). Hence, the comparison process that should precise the individual's initial impression of the target is unlikely to occur, causing the assimilation effect that emerged during encoding to remain intact on target assessments. Conversely, when individual's mental representation of the target is relatively clear, the target item's precise definition impedes the penetration of the contextual stimuli beyond the encoding phase, interfering and not allowing eventual assimilation effect of contextual stimuli.

This means that the clear definition of the target's mental representation allows if not encourages comparison of the target with a standard and, because the contextual stimuli (for instance one's bodily sensations) are apt to be readily accessible, they are likely to be used as the most accessible comparison standard. As noted while explaining the IEM, the ensuing comparison process generally highlights differences between the target and standard, and this fosters a contrast effect.

Figure 2.11: The Inclusion/Exclusion Model



Source: Schwartz and Bless (1992)

Hence, according to Kim and Meyers-Levy (2008), when the an individual's mental representation of the target object is not so clear, the assessment is more favorable if the implications of the contextual data (bodily sensation) are relatively negative rather than positive.

2.4.3. Context Effects deriving from Bodily Sensations

In the previous paragraphs, we introduced and discussed the concept of context effects concentrating the focus of our analysis on the subset of framing and Inclusion/Exclusion mental construal process. After this, we finally addressed Levy-Meyers research putting in light the role of mental representation's clarity in IEM.

Starting from this logic, suggesting that the clarity of a person's mental representation of a target object can moderate the direction of the framing effects, in a further study Meyers-Levy et al. (2010) tested the previous assumption using bodily sensation as activation factors of clarity and contextual data. Specifically, for the activation of clarity they manipulated the magnitude of the spatial distance from the target item, while they assume as contextual set situations of comfort or discomfort activated by a carpeted versus a hard tile floor on which the subjects stood during the target object examination. A two-way interaction of bodily sensations was evidenced: tactile aspects of the flooring on which a consumer stands during product examination (the different hardness of the tile and the carpeting) induced individual to experience a bodily sensation of either discomfort or comfort and the influence of this sensation on the viewer's product assessments varied as a function of the physical distance separating the consumer from the target object. Finally, the results of this research confirmed one of the initial axioms of Inclusion/Exclusion model by which not only declarative but also experiential information from the context set can affect the assessment of target objects.

This particular relationship occurring between bodily sensations and framing effects has been further examined by the study of Larson and Billeter (2013), specifically investigating on the physical *sense of equilibrium* in a choice context. Accordingly, the research suggests that “the physical experience of balance in the marketplace makes parity more accessible to consumers, which alters their perceptions of the parity offered in the choice set” (Larson and Billeter, 2013, p.535). Therefore, the research puts in evidence that because of the association between balance and parity, consumers who experience a sensation of physical balance or imbalance during a choice, are more likely to perceive equality in product options offered.

At the basis of Larson and Billeter work, we can recognize a conceptual background recalling the notion of conceptual metaphors, applying it to parity and context effect concepts.

Conceptual metaphor is grounded on Lakoff and Johnson study (1980) proposing that metaphors reflect deeply rooted associations within people's cognitive structures. In particular, conceptual metaphor paradigm suggests that “many abstract concepts are structured in the mind through metaphoric association with more concrete, and often physical, concepts”. A typical example can be done with the abstract concept of power that is understood through a metaphorical linkage with the concept of verticality, as in the case of more powerful people, generally perceived as being in a physically higher position (Giessner and Schubert 2007). In this way, metaphors provide a means to understand intangible target concepts like power, morality, and emotional attachment, thanks to an easier to recall and more tangible concepts (verticality, physical cleanliness, and spatial distance, respectively) (e.g. Schubert, 2005; Williams and Bargh, 2008; Zhong and Liljenquist, 2006).

Moreover, several studies goes more in depth into the implications of the metaphorical connection between the physical and the abstract concepts, looking at the effects of conceptual metaphors on judgement and, consequently, decision-making process. A good example can be provided using the concept of morality, metaphorically paired with physical cleanliness concept. Being exposed to clean scents should encourage moral behavior (Liljenquist, Zhong, and Galinsky 2010), this means that recalling immoral behavior reveal an increase in the desire for products that can physically cleanse (Zhong and Liljenquist, 2006). In sum, in order to reconcile this concept to our theoretical framework we can affirm that when, through a context set, a physical concept becomes active (physical cleanliness), the related physical concept (morality) also becomes accessible, allowing a possible change in behavior or judgment (increase in charitable giving). Moreover, the associations are often bidirectional. This means that the accessibility of an abstract concept (e.g., immorality) should also increases the accessibility of the related physical concept (i.e., cleanliness), with a possible affection of judgment process and final assessment of a target item (an increase in the desire to be physically clean).

In light of what we underlined, if we apply the conceptual metaphor model to the concept of *balance* it is possible to notice that any activity that activates the concept of *physical equilibrium* should also increase the accessibility of the concept of parity.

Physical balance, in fact, as many other physical sensation, can affect choice by increasing the accessibility of other, closely associated concepts. Lakoff and Johnson (1999) discuss several nonphysical, higher-order concepts that are associated with physical concepts and experiences (i.e. importance with physical size like in the affirmation “She had a big idea"). In their work, they refer to linguistic expressions to put in evidence the particular associations between the physical and the abstract. Similarly, it is possible to find several linguistic expressions that demonstrate a close relationship between the physical concept of balance and the abstract concept of equality: "Balancing an equation" and "balancing a check book" both express actions that equalize quantities (Larson and Billeter, 2013). Moreover, a fair-minded person is likely to "consider both sides of the story" to "balance the conflicting viewpoints". Several cultural and religious philosophies provide further evidence that balance is related to the abstract concept of parity. For centuries, in fact, the dominant paradigm in medicine attributed poor health to a lack of balance (or parity) in the four humors (Sudhoff 1926). While in law, the abstract concept justice is symbolized by a twin-pan balance, which equalizes crime with a requisite punishment

In light of this and consequently to the theory above presented, we can conclude that an increased accessibility of the concept of parity has the potential to alter consumer perceptions of the equality offered in a choice set. Then, combining this latter consideration with the context effects theory, should lead the subject towards the compromise context effect (e.g. Simonson, 1989). In the particular case of Larson and Billeter research, in fact, the subject decides for the compromise choice, the option providing “equal value” on the attributes.

CHAPTER 3: METHODOLOGY

In this chapter we introduce the empirical part of this dissertation. In order to clearly illustrate the motivations and the factors manipulated during the research, we will start with a brief summary of the most important and inherent concepts that we exposed in Chapter 2. Afterwards, we are going to state the initial research question that led us to the experiment and the consequent hypotheses we formulated in line with the conceptual framework. Finally, we will move into the more practical aspects of the study, discussing the structure and the modalities with which we developed the investigation tools to extrapolate the empirical evidence that we will show and discuss respectively in Chapter 4.

3.1 Illustrating the rationale of the research

As we have already explained, this part of the dissertation is devoted to the elucidation of the research drivers and characteristics. Hence, it is firstly important to recall the theoretical concepts observed in Chapter 2 and then proceed with a clear description of the hypotheses taking into account and the methodologies used to empirically explore their effectiveness.

3.1.1. Recap of theoretical framework

In the previous chapter we analyzed the variables that constitute the manipulation factors of the experimental study. Specifically, we browsed the meanings and the theoretical framework behind the concepts of sustainability, luxury, sustainable luxury and bodily sensations.

Accordingly, for the sustainability concept, after an introductive and explanatory part on the general pillars and objectives on which the general notion is grounded, we examined how the academic literature explains the adoption of sustainability into business practices and corporate strategies. The, we went more into depth taking into account the concept of shared value and its potentialities in terms of business efficiency and performance.

We proceeded with the analysis of the luxury concept and its taxonomy. After a first part in which we seek to give a univocal and most complete as possible definition of the concept, we focused on the theoretical explanation of links between status and luxury. Specifically, in this part we exposed three theories justifying this association: the conspicuous consumption theory by Veblen (1899); the model of consumption and social differentiation by Bourdieu (1984); and the taxonomy based on wealth and need-for-status by Han et al. (2010). Then, in light of what we underlined so far, we investigated the literature basis and the existent empirical evidence about the combination between the concepts of luxury and sustainability. Our framework put in light the potential existence of specific crucial variables permitting a successful merge of the two notions: quality, limitlessness and scarcity attributes of the product. Moreover, in the final part of this paragraph we provided the example of a business model for luxury firms wanting to exploit and surf sustainability (the excellence diamond model, Hennings et al., 2013).

Finally, in the last paragraph of the chapter we took into consideration the behavioral economics' factors influencing consumer choice. Firstly, we start with the introduction of the basic principles of heuristics, context effects and choice arbitrariness. In particular, we underlined how the classical theory of rational choice is not able to explain most of consumption choices and decision-making processes. Then, in order to go more into depth about topic, we exposed the Inclusion/Exclusion model, representing the mental construal process at the basis of framing effects and consumer choice. In the end, we focused on the specific case of bodily sensations as influence factor on decision-making and on the possible effects of physical balance on consumer purchase intentions explained through the introduction of the conceptual metaphor model and the empirical evidence by Larson and Billeter (2013).

3.1.2. Hypothesis formulation

In light of the above theoretical framework we can expect that:

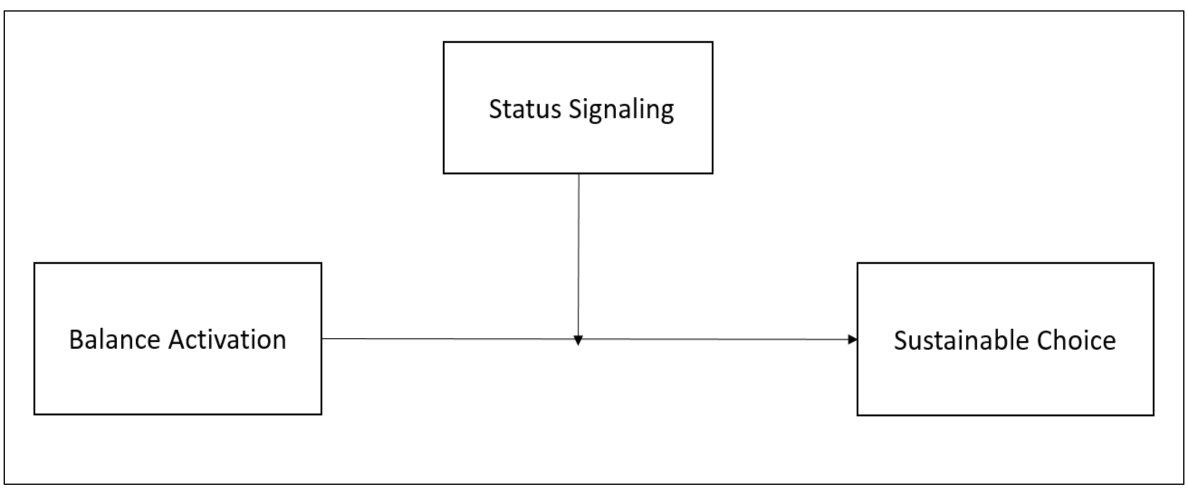
H1a: "*The activation of balance sensations will lead the consumer towards the sustainable choice, if the product is a non-status signaling product*".

Consequently, we also suppose that:

H1b: "*The activation of balance sensations is not significant for the consumer in the choice of the sustainable version, if the considered product is status signaling*".

Then, we conjecture the following research model (Figure 3.1):

Figure 3.1: Research Model



In particular, we expect that the activation of the sense of balance will allow an implicit and unconscious recall to parity concept for consumer. Thus, in line with the indications of IEM, this framing effect would influence the consumer through a contrast effect. The balance stimulus and the implicit recall to parity, in fact, seems not to belong to the "wine" mental category, so, it is excluded from the temporary representation of target category but included in the dimension of judgment in the construction of a standard or an anchor (See Figure 2.11 for a recapitulative the schema of IEM).

As a result, the judgement towards the standard bottle of wine would be affected by a negative assessment due to a standard of comparison characterized by the added and more equitable value of sustainability and, consequently, the consumer choice should tend towards the sustainable solution. However, we suppose this process not to be valid if the considered product is status signaling since the recalled concept of parity does not bear on dimension of judgement. Thus, the parity recall is essentially not considered or, subtracted from the data-base they used in forming the judgement.

3.1.3 Design and Stimuli

To test the theoretical framework and the consequent formulated hypothesis we used a 2 (Equilibrium of the object: Balanced vs. Imbalanced) x 2 (Luxury: Status Signaling vs. Non Status Signaling) factorial between-subjects experimental design. As a result, we developed four different stimuli representing the combination of each of the two factors. The respondents were randomly assigned to only one of the four conditions: the product either was status (i.e. Champagne bottle) or non-status signaling (i.e. red wine bottle) and visually presented in balanced position (i.e. in perfect equilibrium, standing in the middle of a table) or imbalanced (i.e. in precarious equilibrium, on the edge of the table).

Thus, each of the four stimuli featured a product picture and a brief description highlighting the product status signaling attribute and, always taking into account the image of the product, the respondents were asked to answer several questions measuring their physical and personal perceptions of the represented bottle. Afterwards, we investigated the inclination towards a potential sustainable version of the previewed bottle. Finally, at the end of the survey, we added specific questions in order to get respondents' main socio-demographic data (gender, old, current job, level of instruction, actual mood).

Hence, the status and equilibrium variables were manipulated during the first part of the questionnaire through the image, the brief description and the questions about physical and personal perceptions, while the sustainable choice were directly investigated through a direct trade-off choice question and the explanation of the related motivations and involvement.

3.1.3 Measures and Samples

The measures for the different constructs derived from previous literature experiments and, where not applicable, they were adapted in order to best fit the purpose of the research. The full text of the questionnaire can be consulted in the Appendix section.

We started with a first manipulation of the constructs of equilibrium and status signaling through the use of items on seven-point Likert scales. For the balance effect the scale was ranging from 1 = "Imbalanced Position" to 7 = "Balanced Position" while for the perception of status signaling was ranging from 1 = "Ordinary" to 7 = "Exclusive". Moreover, in order to investigate the influence of the image on the perceived comfort of respondents with respect to the image, we evaluated the presence of six different comfort-related sensations, always using a seven-point Likert scale varying from 1 = "none" to 7 = "most".

Then, for the dependent variable (sustainable purchase) we proceed with a direct trade-off alternative choice set. Respondents were asked to choose between a more expensive but sustainable version and a less expensive standard version of the product. In addition, we included measures for the sharing and sponsoring motivation towards the sustainable version, always using a seven-point Likert scale (1 = “not inclined”, 7 = “very inclined”) and a nine price-points scale (varying from a 0,00 Euro to a maximum of 4,00 Euros donation). Finally, we evaluate the confidence of the respondents towards the product category and influence of the packaging (varying from 1 = “none” to 7 = “most”).

Respondents were partly recruited among students and partly among the general population through posts run on Facebook groups and, on other social networks (Twitter and LinkedIn), through private message of invitation, targeting people not specifically involved in luxury or sustainable consumption. We decided not to target a specific cluster of respondents in order to avoid possible external influences positively or negatively affecting the equilibrium stimuli and the consequent trade-off choice. All respondents were invited to complete our online survey, and those who agreed were assigned randomly to one of the four experimental conditions.

One hundred twenty-eight Italian men and women, aged between 19 and 63 years, completed the online survey and from this starting sample we excluded twenty subjects that, responding the attention-check question, proved an unreliable level of focus on the survey. From a demographical point of view, we finally got a sample of one hundred and eight respondents composed by: 64 female and 44 male subjects of which, 49% students, 36% workers, 10% working students and a remaining 5% unemployed. Moreover, 56% of total respondents declared to be single, 28% in a relationship and the remaining 16% married. In addition, the level of instruction of respondents appeared generally high, with 98% of respondents holding at least the high school diploma (and specifically, 32% of subjects holding a Bachelor’s degree, 23% a master degree and 7% a post-doctorate title of study. Finally, considering the mood of the respondents, 81% declared their mood from neutral to extremely positive, while the remaining

19% declared to be in a slightly negative emotive situation. (See Appendix B - Demographic Data Tables)

CHAPTER 4: RESULTS DISCUSSION

4.1. Illustrating the results

In this chapter we will show the empirical evidence of our research. Specifically, we will start with a brief and objective introduction of the statistical results obtained. Then, we will discuss the mathematical evidence explaining their effective meanings, the theoretical contributions and the relative connotations in business. Thus, in this part of the study, we will especially focus on a clear explanation of the findings, underlining how the results could be taken into consideration by present and future academic literature and by managers, in the elicitation of corporate strategies. In the end, we will put in light the limitations inherent to our research modalities and the potential fields to be further explored by future integrative or complementary studies.

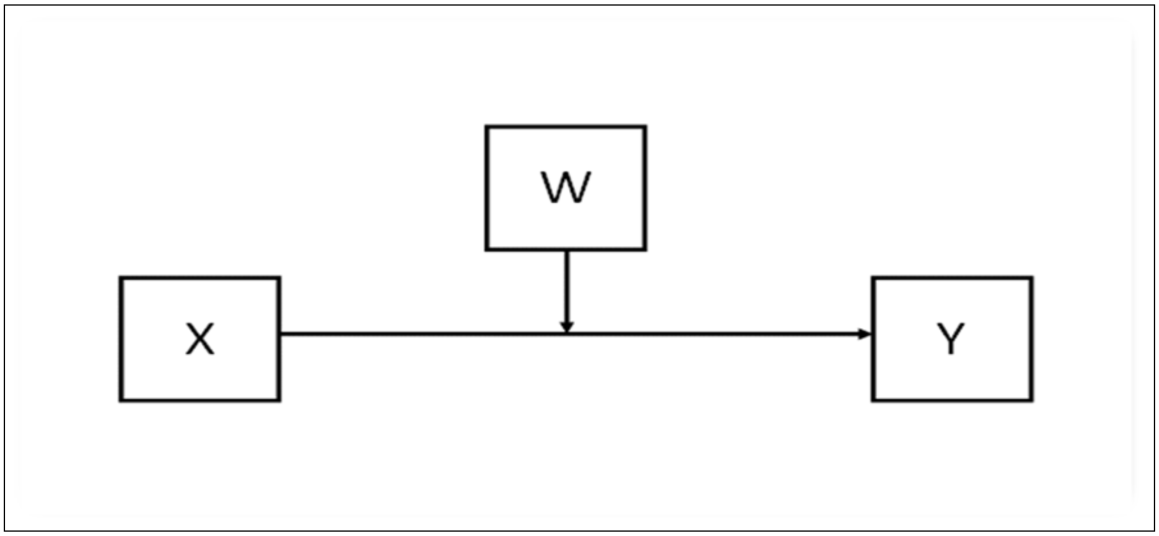
4.1.1. Results

To test H1a and H1b, we employed the PROCESS SPSS macro developed by Hayes (2013), using a moderation model (Model 1) where the activation of balance was the independent variable (X), status signaling of the product was the moderator (W), and intention to buy the sustainable alternative of the product was the dependent variable (Y), (see Figure 4.1, below and Figure 3.1, above).

The results we got showed that the main effect of status signaling ($b = .31$; $t = 1.66$, $p = .09$) and the main effect of balance activation ($b = .08$; $t = 0.44$, $p = .06$) were marginally significant. More importantly, the effect of the activation of balance x status signaling interaction on intention to buy the sustainable product was significant ($b = .54$; $t = 2.88$, $p < .05$).

Hence, in order to examine this interaction more closely, we looked at the conditional effects of balance activation on the dependent variable in correspondence with the two typologies of product (status signaling and non-status signaling) (see Figure 4.1.).

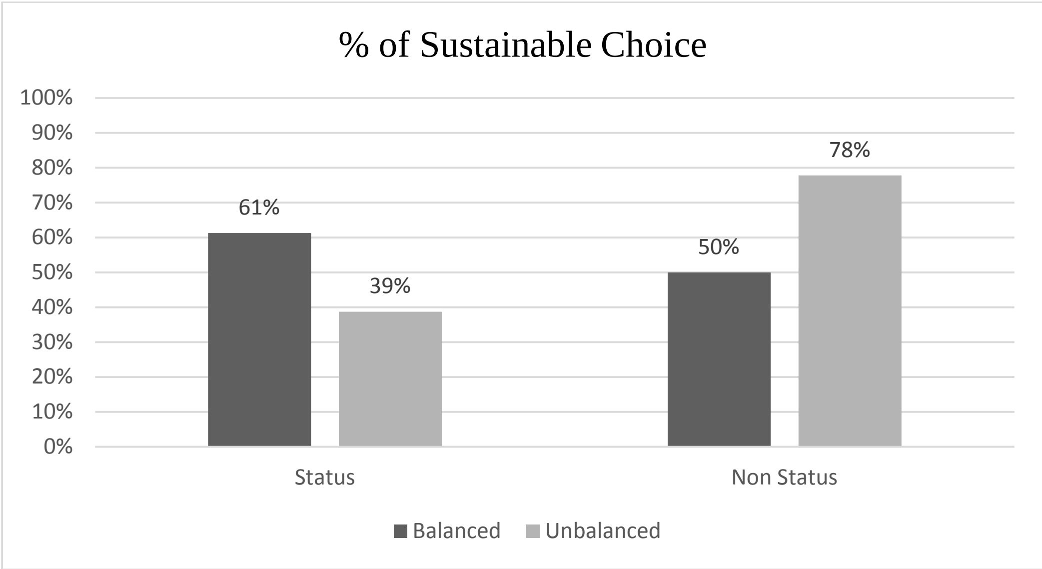
Figure 4.1: Moderation Model – Conceptual Diagram



Source: Hayes (2013)

With a product not characterised by a status signaling attribute, respondents' intention to buy the sustainable version resulted sensibly higher if the sense of equilibrium was activate through the imbalance bottle ($b = .63$; $t = 2.31$, $p = .02$), consistently with H1a. Meanwhile, in the presence of a product featured by a status-signaling attribute, respondents' intention to buy the sustainable version appeared not significant in terms of the sense of balance activation (LLCI = -.97, ULCI = .05), consistently with our H1b.

Figure 4.1: Conditional Effects of Equilibrium Activation on the Dependent Variable with Two Typologies of Product



Source: Survey Dataset.

4.1.2. Research Findings

The statistical processing of the questionnaire responses substantially put in light three main facts confirming the hypothesis we speculate above.

Firstly: the single effects of status signaling and sense of balance variables resulted only marginally significant for the respondents' final choice. Secondly: in spite of the first evidence, the interaction between these two constructs, on the intention to buy the sustainable alternative, returned significant evidence. More in detail, in line with our H1a speculation, a significant conditional effects of balance activation on the sustainable choice, in correspondence with a non-status product essentially proved that the activation of balance sensations, can actually push the consumer choice towards the sustainable version of the product, only if the product is a non-status signaling product. Thirdly, in line with our H1b supposition, the interaction occurring between the status signaling variable and the activation of the sense of balance is not statistically significant in terms of correlation when considering a status signaling product.

To sum up, the empirical evidence suggest that in the presence of a non-status signaling product it is possible to lever on the activation of equilibrium in order to push the consumer towards a sustainable product while, on the other hand, when the considered product is featured by a status signaling attribute, this is not possible or, at least, not so effective.

A satisficing explanation of this empirical statement can be derived partly through the application of behavioral economics principles and partly through the recall of the luxury and sustainability theoretical framework. As we supposed, following the logic of Inclusion/Exclusion Model and conceptual metaphors, the activation of the sense of balance effectively allows an implicit and unconscious recall of parity concept on consumer mind. Hence, the consequent framing effect caused by this stimulus is actually able to influence the consumer through a contrast effect since it implicitly recall to an abstract concept that, in fact, cannot belong to the "wine category". Therefore, the input is substantially excluded from the temporary representation of target category while included in the dimension of judgment in the construction of a standard or an anchor. In this way, the judgement of the potential consumer towards the standard bottle of wine is affected by a negative assessment due to a standard of comparison characterized by the added and more equitable value of sustainability. Consequently, the judgement about the standard version is negatively affected and the consumer choice will tend towards the sustainable solution.

On the other hand, this mental process cannot be considered true in the case of a status signaling product. The recalled parity concept, in fact, is not considered on the dimension of judgement as not in line with the “Champagne Category”. As a consequence, the concept is directly omitted or eventually used as subtraction factor in the process of judgement resulting in a neutrality of the balance activation variables on the respondent choice. In the case of a status signaling product the problem is the difficult fit between the luxurious conceptual of champagne category and the eventual concept of sustainable parity, recalled by the equilibrium. Thus, the neutral framing effect of equilibrium on luxury products is essentially explained by the difficult combination and a significant negative correlation between the perception of luxury products and the presence of sustainable elements in it (Achabou and Dekhili, 2013). However, this complex and not converging consumers’ association between luxury and sustainability consumption (Beckham and Benjamin, 2014) could be overcome through the exploitation of durability and rarity attributes of luxury products. As a result, according to Jensen et al. (2014) and Guercini, Ranfagni (2013) we can suppose that the neutrality of equilibrium in the particular case status signaling product is mainly affected by the high ephemerality of the product chosen. The bottle of wine (Champagne), in fact, can hardly be considered a durable good of which timelessness and long product life can contribute to the preservation of natural resources and the avoidance of wastes. Briefly, the ephemerality of the Champagne bottle cannot enhance the combination between the sustainable attribute and the symbolic luxurious status signaled product.

4.1.3. Theoretical contributions

In light of this findings we can state that our work contribute for two different branches of the academic literature: the branch of behavioral economics investigating the influence of context effects on consumer choice and the researches on sustainable luxury topic.

Starting from the contributions to behavioral economics, we already discussed in the theoretical framework about the more general works explaining the general functioning of choice arbitrariness, decision-making, judgement formation processes, conceptual metaphors (respectively, Tversky and Shafir, 1992; Simonson and Tversky, 1992; Shafir et al., 1993; Schwartz and Bless, 2007; Landau et al, 2010) and in particular we dwelled on the particular reverberations of this general models on consumer choice. Specifically, to the best of our knowledge, the most recent and relevant works investigating bodily sensations framing effects are the ones by Levy Meyers et al. (2010) and Larson et al. (2013). As we have seen, the first focuses on the tactile sensations induced by flooring and the moderating role of product viewing distance, offering the strongest evidence available to date about the effectiveness of bodily sensations in the process of judgement as comparison standards able to foster contrast effects. On the other hand, the works of Levy-Meyers (2010) put in evidence the role of equilibrium in increasing a potential consumer's compromise choice. Then, considering these two studies as a principle basis, our findings mainly contributes to the discussion of whether and how bodily sensations can successfully be exploited as a key-tool influencing the choice of a subject. Our research essentially enriches the previous behavioral economics literature by showing how the effect of a particular bodily sensation (equilibrium) can affect what we call the compromise choice of the consumer (sustainable choice) depending on the typology of product considered (luxury recalling or not).

Secondly, by focusing on sustainability, luxury and status signaling, our study contribute to the particular and evolving branch of sustainable luxury. Accordingly, in the theoretical framework we specially concentrate on Janssen et al. (2014) study that in their moderation model results presents the particular attributes of durability and rarity as potential point of touch for a successful fit between the concept of luxury and the sustainability one. As a result, our work, confirming Janssen et al. (2014) empirical evidence, adds further precious information about factors that can positively or negatively influence the fit between luxury and sustainability. Hence, the present research extends prior literature that, to date, has investigated the mechanisms underlying the conditioning elements and the strategical business models of luxury sustainability implementation.

Finally, as far as sustainable luxury is concerned, we can affirm that this study contributes to the discussion of whether the concept of responsible luxury can be considered a contradiction in terms by showing that the acceptance of a sustainable luxury product appears not to strictly depend on the equilibrium framing effect recalled by the type of exposition of the advertised product.

4.1.4. Managerial implications

During the last years, the effort produced in the academic research and the consequently increasing refinement and knowing of the behavioral economics topic consistently affected the approach of marketing managers and corporate communication strategies. The possibility to exploit unconscious bias and lever on mental processes interpretations, allowed firms to engage with the consumer exploiting new and reconceived trade marketing and advertising measures with a greater influence potential and a better capability of targeting.

At the same time, during the last decades, we witnessed the raising affirmation of sustainability trend increasingly affecting consumers' choice and attitudinal approach towards products and services. Accordingly, also the luxury sector is conditioned by this cultural change, partly, because of the luxury democratization phenomenon often imposing to luxury brands a "lower" target of consumer more involved in sustainable day-to-day lifestyles and far from the concepts of wasting, partly because of the increasing attention that also the typical clients of luxurious goods are putting into social and environmental sustainability. These two elements are leading corporates, and especially luxury firms, to invest on the reconceiving of their supply chains and different communication models in order to convey credible and business effective CSR messages.

In light of these trends, our research can be useful for all those managers that want to exploit framing effects in order to influence the intention of the consumer towards the purchase of a sustainable product. Based on the present study, in fact, we know that, when the sense of balance is activated the consumer is more inclined to opt for a sustainable choice. Accordingly, managers and marketing efforts should also be generally oriented on POP materials, visual advertising, and communication campaigns that could stress the equilibrium and consequently activate perceptions of parity on consumers' mind. In this way, we are suggesting to managers the possibility to enhance the perceived value of a sustainable version, not only influencing the prior consumers knowledge concerning the product (with the use of efficient informational descriptions and convincing sensitize campaigns) but also conditioning the unconscious mental processes of consumer judgements (through the activation of balance, recalling the abstract concept of parity). As a result, the activation of balance can be seen by professionals as a good complementary tool capable to strengthen the persuasive power of their marketing messages.

On the other hand, considering that this influence effect of balance on sustainable purchase intentions does not seem to be significant for luxury products, the considerations above can be used by managers of the luxury segment as a further confirmation about the complex combination and the difficulties to trigger a perception of fit between luxury and sustainability concepts. Hence, our research can be interpreted as a clear suggestions for luxury firms to focus their sustainability efforts on the durability and rarity dimensions of their product offer. As a result, as it is also underlined by Janssen et al. (2013), in terms of communication strategies, luxury brands should emphasize the enduring and scarce character of their offering, especially if they aim to include sustainability into their business model.

4.1.5. Limitations of the Survey and Future Researches

Although this study provides some relevant empirical evidence we have to acknowledge some limitations that can be considered useful avenues for further future research on the topics we discussed.

First, in terms of stimuli creation, for our questionnaire we used fictitious brands in order to limit some possible *a priori* knowledge effects on consumers' judgement process. Further research, should investigate the size of the framing effect in case of branded products. In this way, it could be possible to measure the real influence of the activation of equilibrium and how its reverberations on consumption intentions can be mitigate or enhanced by the possible prior knowledge of the brand.

Secondly, always considering the stimuli design, for our experiment we actually decided to activate the sense of balance without a direct physical experience but only throughout the use of images and brief description recalling the concept of disequilibrium. This type mental activation could be a limit if we suppose that a physical and concrete imbalance could influence in a deeper and stronger way the sense of comfort and the consequent recalls to the metaphor of parity. Hence, further research could investigate how a practical and physical activation of the sense of balance can differently impact on the final decisions of subjects. In particular, this further investigation could allow managers and marketing departments to develop new and specific physical in-store product experiences with the particular aim to stress the sustainability attribute of the offering.

Third, this experimental study uses typical ephemeral products as stimuli, both in the case of non-status and status signaling conditions. This element can be seen a limitation in consideration of the fact that, in line with the evidence by Janssen et al. (2013), the fit between luxury and sustainability can be triggered by a different product ephemerality. This means that the non-significant results in correspondence with the status signaling product, could considerably differ, and probably positively moderate the effect of balance activation on sustainable choices. As a consequence, further research should take into account the possibility to repeat the experimental part of this study using durable products, in order to determine the different impacts of equilibrium on the consumers' final choices.

Fourth, as far as the statistical samples is concerned, we can identify a research limit in the composition of our samples. The fact that only 46% of the respondents are actually workers, and considering that the average age of the sample is 27.2 years, we can conclude that the familiarity of the subjects with luxury products could not be so high and, consequently, not aligned to the typical client of luxurious goods. This element is also confirmed by an average of 1.95 out of 7 points, on the Likert scale, at the answer "How often do you drink Champagne?". All these elements mean that the perceptions and the considerations about the status signaling conditions could be much more significant if the selected sample of subjects completing the survey for the status signaling product were luxury clients. In light of this, further researches could investigate how the activation of equilibrium could impact on the purchasing intention of a typical client of luxurious goods.

Finally, other complementary researches could improve the significance and the contextualization of our results focusing their investigations on the explanation of the impact of other bodily sensation on purchasing intentions of potential consumer.

Results and findings provided in this section are part of a broader research *(The Effect of Sense of Balance on Green Consumption: An Investigation of the Role of Comfort and Type of Product)* developed by Cesare Amatulli (LUISS, Italy), Matteo De Angelis (LUISS, Italy) and Alessandro M. Peluso (University of Salento, Italy).

CHAPTER 5: CONCLUSIONS

We introduced this dissertation making reference to the shopping activity as a typical example of active and dynamic circumstance characterized by a myriad of external surrounding factors bombarding the potential consumer. Hence, we focused our research on the role of bodily sensation as factors of influence on consumer consumption choice and, in particular, we organized our study starting from the specific research questions: how can the activation of balance influence people's assessments of sustainable products they observe in-store or in an advertising message? And how can these effects be eventually moderated by the type of product considered?

Therefore, in order to clarify these points we first exposed a theoretical framework based on the three main constructs composing the crucial variables of our research model: sustainability, responsible luxury, context effects from bodily sensations. Then, throughout a survey, we manipulate the role of balance activation and status signaling attribute of the product in order to find an empirical evidence of the influence effect on consumers' sustainable choice.

The ensuing experimental observations allowed us to theorized a statistical moderation model on which the activation of balance is significantly correlated with the sustainable choice of the consumer, if the product considered is not featured by a status signaling attribute. Additionally, our statistical model confirmed us our sub-hypothesis by which the influence effect of balance activation on sustainable purchase intentions does not seem to be significant for luxury products.

The dissertation empirically showed the influence of the ubiquitous physical phenomenon of balance on abstract consumer's cognition. Hence, we propose that a proper activation of this basic and sometimes not-considered physiological sense can affect the consumers' cognition, through the accessibility of the related concept of parity, leading them to choose the more equal option of the set, in our case, the sustainable version of a product. But this does not happen when considering a status signaling product.

Thus, the results of our study essentially confirmed the expectations we had with regard to the potentialities of balance activation in terms of sustainable purchase influence. Nevertheless, the empirical evidence, also highlighted how much difficult can be finding a nexus between the concept of luxury and the concept of sustainability too. The influence of the balance stimuli on consumers' purchase considerations becomes consequently meaningless and not enough significant.

In conclusion, from a practical point of view, in a market reality where the raising affirmation of sustainability trend is increasingly affecting consumers' choice and attitudinal approach towards products and services, the evidence of our study becomes an important message for all the professionals that are interested in implementing retailing and advertising strategies wiling to enhance the sustainable attributes of a product. Meanwhile, from a more academic point of view, the study further explored a particular side of context effects and bodily sensations theory that can pave the way to future researches about the specific and particular reverberations of the physical balance activation on subjects' choice behavior in correspondence with different contextual situation and decision sets.

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Appendix A – Questionnaire

The survey was created and submitted to subject in Italian language.

Here below you can find the Italian version of the 4 different conditions randomly submitted to respondents and the Italian version of the general demographic part (same for all the subjects).

Random Part – One of the 4 conditions randomly assigned

Incipit : Grazie per la sua partecipazione! Lo scopo del questionario è esaminare la percezione di alcuni prodotti da parte del consumatore. Per favore, legga attentamente le istruzioni sullo schermo Ricordi che non ci sono risposte giuste o sbagliate: siamo semplicemente interessati alle sue opinioni. Non appena è pronto, clicchi per continuare

<u>Condition #1 – Status Product/Unbalanced</u>

Introduction: Qui in basso vede una bottiglia di Champagne di lusso, esclusivo e molto costoso. Guardi attentamente l'immagine e risponda alle domande che seguono.

Su una scala da 1 a 7, come secondo lei è esposto lo Champagne?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In disequilibrio:1 In equilibrio:7	❍	❍	❍	❍	❍	❍	❍

Come vede la bottiglia di Champagne?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In posizione sbilanciata:1 In posizione bilanciata: 7	❍	❍	❍	❍	❍	❍	❍

Quanto questo Champagne è secondo lei un prodotto di lusso (cioè esclusivo, che dona all'acquirente un certo status sociale) oppure ordinario (di massa, di largo consumo)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Ordinario: 1 Esclusivo: 7	❍	❍	❍	❍	❍	❍	❍

Guardi sempre la bottiglia di Champagne ed indichi quanto in questo momento si sente...

	Per niente 1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	Moltissimo 7 (7)
In uno stato di comfort	❍	❍	❍	❍	❍	❍	❍
A suo agio	❍	❍	❍	❍	❍	❍	❍
Rilassato/a	❍	❍	❍	❍	❍	❍	❍
Appagato/a	❍	❍	❍	❍	❍	❍	❍
Fisicamente agile	❍	❍	❍	❍	❍	❍	❍
Riposato/a	❍	❍	❍	❍	❍	❍	❍

Questa bottiglia di Champagne di lusso la può trovare in commercio in due diverse versioni:

- Una versione “standard”: Dalla tessitura molto raffinata, che si contraddistingue per la sua forte personalità e il suo gusto leggermente fruttato. Il prezzo di questa versione è in linea con quello degli altri champagne presenti sul mercato.
- Una versione “sostenibile”: con caratteristiche qualitative simili alla versione standard ma prodotta in maniera del tutto rispettosa dell'ambiente. Il prezzo di questa versione è maggiorato del 20% rispetto alla versione standard del prodotto e alle altre versioni presenti sul mercato.

Quale delle due versioni di questo Champagne di lusso acquisterebbe?

❍ Quella sostenibile ma più costosa
❍ Quella standard ma meno costosa

Spieghi le ragioni della sua scelta:

Quanto sarebbe propenso/a a parlare positivamente con altre persone della versione sostenibile di questo Champagne (cioè di quella prodotta in maniera del tutto rispettosa dell'ambiente)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Donation Quanto donerebbe ora alla International Federation of Organic Agriculture Movements (IFOAM) per fare in modo che anche la versione standard dello Champagne venga prodotta con in maniera del tutto rispettosa dell'ambiente?

❍ 0 Euro
❍ 0,50 Euro
❍ 1 Euro
❍ 1,5 Euro
❍ 2 Euro
❍ 2,5 Euro
❍ 3 Euro
❍ 3,5 Euro
❍ 4 Euro

Indichi ora per favore quanto in genere consuma Champagne:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Indichi ora per favore quanto le piace il packaging dello Champagne nell'immagine che ha visto:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo: 7	❍	❍	❍	❍	❍	❍	❍

Condition #2 – Status Product/Balanced

Introduction: Qui in basso vede una bottiglia di Champagne di lusso, esclusivo e molto costoso. Guardi attentamente l'immagine e risponda alle domande che seguono.

Su una scala da 1 a 7, come secondo lei è esposto lo Champagne?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In disequilibrio:1 In equilibrio:7	❍	❍	❍	❍	❍	❍	❍

Come vede la bottiglia di Champagne?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In posizione sbilanciata:1 In posizione bilanciata: 7	❍	❍	❍	❍	❍	❍	❍

Quanto questo Champagne è secondo lei un prodotto di lusso (cioè esclusivo, che dona all'acquirente un certo status sociale) oppure ordinario (di massa, di largo consumo)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Ordinario: 1 Esclusivo: 7	❍	❍	❍	❍	❍	❍	❍

Guardi sempre la bottiglia di Champagne ed indichi quanto in questo momento si sente...

	Per niente 1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	Moltissimo 7 (7)
In uno stato di comfort	❍	❍	❍	❍	❍	❍	❍
A suo agio	❍	❍	❍	❍	❍	❍	❍
Rilassato/a	❍	❍	❍	❍	❍	❍	❍
Appagato/a	❍	❍	❍	❍	❍	❍	❍
Fisicamente agile	❍	❍	❍	❍	❍	❍	❍
Riposato/a	❍	❍	❍	❍	❍	❍	❍

Questa bottiglia di Champagne di lusso la può trovare in commercio in due diverse versioni:

- Una versione “standard”: Dalla tessitura molto raffinata, che si contraddistingue per la sua forte personalità e il suo gusto leggermente fruttato. Il prezzo di questa versione è in linea con quello degli altri champagne presenti sul mercato.
- Una versione “sostenibile”: con caratteristiche qualitative simili alla versione standard ma prodotta in maniera del tutto rispettosa dell'ambiente. Il prezzo di questa versione è

maggiorato del 20% rispetto alla versione standard del prodotto e alle altre versioni presenti sul mercato.

Quale delle due versioni di questo Champagne di lusso acquisterebbe?

- ❍ Quella sostenibile ma più costosa
- ❍ Quella standard ma meno costosa

Spieghi le ragioni della sua scelta:

Quanto sarebbe propenso/a a parlare positivamente con altre persone della versione sostenibile di questo Champagne (cioè di quella prodotta in maniera del tutto rispettosa dell'ambiente)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Donation Quanto donerebbe ora alla International Federation of Organic Agriculture Movements (IFOAM) per fare in modo che anche la versione standard dello Champagne venga prodotta con in maniera del tutto rispettosa dell'ambiente?

- ❍ 0 Euro
- ❍ 0,50 Euro
- ❍ 1 Euro
- ❍ 1,5 Euro
- ❍ 2 Euro
- ❍ 2,5 Euro
- ❍ 3 Euro
- ❍ 3,5 Euro
- ❍ 4 Euro

Indichi ora per favore quanto in genere consuma Champagne:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Indichi ora per favore quanto le piace il packaging dello Champagne nell'immagine che ha visto:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo: 7	❍	❍	❍	❍	❍	❍	❍

<u>Condition #3 – Non Status Product/Unbalanced</u>

Introduction: Qui in basso vede una bottiglia di vino ordinario, di largo consumo e molto economico. Guardi attentamente l'immagine e risponda alle domande che seguono.

Su una scala da 1 a 7, come secondo lei è esposto il vino?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In disequilibrio:1 In equilibrio:7	❍	❍	❍	❍	❍	❍	❍

Come vede la bottiglia di vino?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In posizione sbilanciata:1 In posizione bilanciata: 7	❍	❍	❍	❍	❍	❍	❍

Quanto questo vino è secondo lei un prodotto di lusso (cioè esclusivo, che dona all'acquirente un certo status sociale) oppure ordinario (di massa, di largo consumo)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Ordinario: 1 Esclusivo: 7	❍	❍	❍	❍	❍	❍	❍

Guardi sempre la bottiglia di vino ed indichi quanto in questo momento si sente...

	Per niente 1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	Moltissimo 7 (7)
In uno stato di comfort	❍	❍	❍	❍	❍	❍	❍
A suo agio	❍	❍	❍	❍	❍	❍	❍
Rilassato/a	❍	❍	❍	❍	❍	❍	❍
Appagato/a	❍	❍	❍	❍	❍	❍	❍
Fisicamente agile	❍	❍	❍	❍	❍	❍	❍
Riposato/a	❍	❍	❍	❍	❍	❍	❍

Questa bottiglia di vino molto ordinario la può trovare in commercio in due diverse versioni:

- Una versione “standard”: Dalla tessitura classica, che si caratterizza per il suo gusto leggermente fruttato. Il prezzo di questa versione è in linea con quello degli altri vini presenti sul mercato.
- Una versione “sostenibile”: con caratteristiche qualitative simili alla versione standard ma prodotta in maniera del tutto rispettosa dell'ambiente. Il prezzo di questa versione è

maggiorato del 20% rispetto alla versione standard del prodotto e alle altre versioni presenti sul mercato.

Quale delle due versioni di questo vino acquisterebbe?

- ❍ Quella sostenibile ma più costosa
- ❍ Quella standard ma meno costosa

Spieghi le ragioni della sua scelta:

Quanto sarebbe propenso/a a parlare positivamente con altre persone della versione sostenibile di questo vino (cioè di quella prodotta in maniera del tutto rispettosa dell'ambiente)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Donation Quanto donerebbe ora alla International Federation of Organic Agriculture Movements (IFOAM) per fare in modo che anche la versione standard del vino rosso in questione venga prodotta con in maniera del tutto rispettosa dell'ambiente?

- ❍ 0 Euro
- ❍ 0,50 Euro
- ❍ 1 Euro
- ❍ 1,5 Euro
- ❍ 2 Euro
- ❍ 2,5 Euro
- ❍ 3 Euro
- ❍ 3,5 Euro
- ❍ 4 Euro

Indichi ora per favore quanto in genere consuma vino:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Indichi ora per favore quanto le piace il packaging del vino nell'immagine che ha visto:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo: 7	❍	❍	❍	❍	❍	❍	❍

Condition #4 – Non Status Product/Balanced

Introduction: Qui in basso vede una bottiglia di vino ordinario, di largo consumo e molto economico. Guardi attentamente l’immagine e risponda alle domande che seguono.

Su una scala da 1 a 7, come secondo lei è esposto il vino?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In disequilibrio:1 In equilibrio:7	❍	❍	❍	❍	❍	❍	❍

Come vede la bottiglia di vino?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
In posizione sbilanciata:1 In posizione bilanciata: 7	❍	❍	❍	❍	❍	❍	❍

Quanto questo vino è secondo lei un prodotto di lusso (cioè esclusivo, che dona all'acquirente un certo status sociale) oppure ordinario (di massa, di largo consumo)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Ordinario: 1 Esclusivo: 7	❍	❍	❍	❍	❍	❍	❍

Guardi sempre la bottiglia di vino ed indichi quanto in questo momento si sente...

	Per niente 1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	Moltissimo 7 (7)
In uno stato di comfort	❍	❍	❍	❍	❍	❍	❍
A suo agio	❍	❍	❍	❍	❍	❍	❍
Rilassato/a	❍	❍	❍	❍	❍	❍	❍
Appagato/a	❍	❍	❍	❍	❍	❍	❍
Fisicamente agile	❍	❍	❍	❍	❍	❍	❍
Riposato/a	❍	❍	❍	❍	❍	❍	❍

Questa bottiglia di vino molto ordinario la può trovare in commercio in due diverse versioni:

- Una versione “standard”: Dalla tessitura classica, che si caratterizza per il suo gusto leggermente fruttato. Il prezzo di questa versione è in linea con quello degli altri vini presenti sul mercato.
- Una versione “sostenibile”: con caratteristiche qualitative simili alla versione standard ma prodotta in maniera del tutto rispettosa dell'ambiente. Il prezzo di questa versione è

maggiorato del 20% rispetto alla versione standard del prodotto e alle altre versioni presenti sul mercato.

Quale delle due versioni di questo vino acquisterebbe?

- Quella sostenibile ma più costosa
- Quella standard ma meno costosa

Spieghi le ragioni della sua scelta:

Quanto sarebbe propenso/a a parlare positivamente con altre persone della versione sostenibile di questo vino (cioè di quella prodotta in maniera del tutto rispettosa dell'ambiente)?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Donation Quanto donerebbe ora alla International Federation of Organic Agriculture Movements (IFOAM) per fare in modo che anche la versione standard del vino rosso in questione venga prodotta con in maniera del tutto rispettosa dell'ambiente?

- 0 Euro
- 0,50 Euro
- 1 Euro
- 1,5 Euro
- 2 Euro
- 2,5 Euro
- 3 Euro
- 3,5 Euro
- 4 Euro

Indichi ora per favore quanto in genere consuma vino:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo 7	❍	❍	❍	❍	❍	❍	❍

Indichi ora per favore quanto le piace il packaging del vino nell'immagine che ha visto:

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)	6 (6)	7 (7)
Per niente: 1 Moltissimo: 7	❍	❍	❍	❍	❍	❍	❍

General Part – Same for all the Conditions

Attention Check: La domanda in questa pagina serve a testare soltanto se sta realmente leggendo le istruzioni fornite in questo questionario. Coloro che non leggeranno le istruzioni verranno qualificati come non partecipanti. Affinché le sue risposte non siano escluse dal questionario, per favore non selezioni nessuna delle seguenti risposte nella domanda sottostante. **Clicchi soltanto il pulsante continua (>>) alla fine della pagina, senza selezionare nessuna risposta**. Quali tra le seguenti è il miglior modo per guardare un film?

- ❑ TV
- ❑ Blue-ray disco
- ❑ DVD
- ❑ Netflix or simili servizi streaming
- ❑ Network television

Ora per favore risponda a qualche ultima domanda socio-demografica.

Come descriverebbe il suo stato d'animo in questo momento?

- ❍ Molto negativo (1)
- ❍ (2)
- ❍ (3)
- ❍ Neutro (4)
- ❍ (5)
- ❍ (6)
- ❍ Molto positivo (7)

Sesso La preghiamo di selezionare il suo genere:

- ❍ Uomo
- ❍ Donna

In che anno è nato/a? (indichi l'anno in cifre)

Stato Stato civile:

- ❍ Single
- ❍ Sposato/a
- ❍ Divorziato/a
- ❍ Separato/a
- ❍ Impegnato/a

Qual è la sua attuale situazione professionale?

- ❑ Disoccupato/a
- ❑ Lavoratore (dipendente o autonomo)
- ❑ Studente
- ❑ Pensionato/a
- ❑ Casalinga

Studio Qual è il suo titolo scolastico? Per favore ne selezioni uno, il più alto.

- ❍ Elementare
- ❍ Medie inferiori
- ❍ Diploma
- ❍ Formazione post-diploma (ad esempio, formazione professionale o formazione tecnica)
- ❍ Laurea triennale
- ❍ Laurea Magistrale
- ❍ Master o dottorato

Il questionario è terminato, la ringraziamo molto per avervi partecipato.

Appendix B - Demographic Data Tables

Gender

Men	*44*	*41%*
Women	*64*	*59%*
TOTAL	***108***	***100%***

Relationship Status

Single	*61*	*56.5%*
Married	*16*	*14.8%*
Divorced	*0*	*0.0%*
Separate	*1*	*0.9%*
In a relationship	*30*	*27.8%*
TOTAL	***108***	***100%***

Professional Status

Unemployed	*5*	*4.6%*
Worker	*39*	*36.1%*
Student	*53*	*49.1%*
Working Student	*11*	*10.2%*
Retired	*0*	*0.0%*
Housewife	*0*	*0.0%*
TOTAL	***108***	***100%***

Level of Education

Elementary School Certification	*0*	*0%*
Junior High School Certification	*2*	*1.9%*
High School Diploma	*34*	*31.5%*
Post-High School Professional Certification	*5*	*4.6%*
Bachelor's Degree	*35*	*32.4%*
Master's Degree	*25*	*23.1%*
Post-Doctorate	*7*	*6.5%*
TOTAL	***108***	***100%***

Mood

Very Negative	*1*	*0.9%*
Negative	*3*	*2.8%*
Partly Negative	*16*	*14.8%*
Neutral	*46*	*42.6%*
Partly Positive	*26*	*24.1%*
Positive	*11*	*10.2%*
Very Positive	*5*	*4.6%*
TOTAL	***108***	***100%***

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