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**Sustainable luxury consumption. An investigation on
consumers' perception of sustainability during their
luxury purchasing pattern**

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Introduction

The purpose of this thesis is to investigate about Luxury and Sustainability, in particular to analyse what kind of points in common there are between these two apparently opposed concepts and to measure and provide a more detailed explanation about what luxury consumers really think about sustainability, in the moment in which they decide to buy a luxury product.

The paper is divided into three main chapters: the first one which is related to luxury consumption, a second one that covers the topic of sustainable luxury and a third and final chapter in which I have reported the results of a qualitative analysis conducted via face-to-face interviews both to consumers of luxury products and to managers of luxury shops and which aim is to provide a better understanding of the consumers' opinion and awareness about sustainability in the luxury industry.

In the past decades, luxury and sustainability were seen as two completely opposed concepts that didn't have anything in common and which were impossible to associate, however, in more recent years, because of the sound development of sustainable practices among commodities brands but also because of the greater concern of consumers for sustainable issues, the distance between these two elements started to reduce, demonstrating not only that there is the chance for luxury brands to actually become more sustainable but also that in the long-distance, they could become the main leaders of this new economic trend. Luxury brands have, in fact, an important role in shaping consumers' behaviour both in the case of the purchase of luxury products and in the case of the acquisition of non luxury goods. Thus, their involvement in sustainability is seen as one of the main drivers towards a more sustainable economy in which firms and consumers are extremely interested and devoted to sustainable causes.

In order to demonstrate that a connection between luxury and sustainability is possible to achieve, it is fundamental to first define the term luxury and to see which are its main characteristics. The only authors that managed to provide a sound

definition of the term were Dubois, Czellar & Laurent who in 2001, despite the fact that what makes a product luxurious is affected by social, cultural and geographical factors, found a series of features that were common and used all over the world when defining a luxury product. Today their definition is recognized and accepted in every corner of the globe with just some changes in terms of the importance that each aspect has in the consumer's mind, depending on their cultural background.

Once a clear definition of luxury is given, it is fundamental to understand the motivations that are behind the luxury consumption and furthermore how consumers can be classified depending on their luxury goods purchasing patterns.

As far as the reasons why consumers buy luxury products are concerned, it has been shown by Veblen that there are two main clusters of buyers that differ on the basis of what they want to achieve when they buy a luxurious item: the status consumers, so those individuals that buy and consume luxury products because of the social position they have in the society, and the conspicuous consumers, that are an emerging group of luxury customers that is becoming bigger and of greater importance in the luxury scenario and that tend to buy luxury products just in order to show off that they can achieve and belong to a certain group of people. This last group of consumers have divided luxury brands accordingly, reducing the distance between rich and modest people and creating a diversification between those brands that want to attract consumers that buy luxury products for their status, and those firms that instead positioned themselves in order to gain the attention of conspicuous consumers.

Those consumers that we have classified as conspicuous, are driven by a socially oriented mind, so they are mainly interested in the social aspects deriving from luxury consumption. However, there's another kind of luxury consumer that is instead driven by personal orientations and that is interested in luxury products because they embed personally affective, symbolic and utilitarian benefits that help him to better express his inner personality and that best provide him with hedonic pleasure.

Despite the fact that there are some main classifications of luxury brands and consumers that depend on people's perception of certain aspects of the outside world

and of the luxury industry, that can be recognized and used all over the globe, it's not possible to ignore the fact that when we talk about luxury consumption in the East-Asian world, the basis and the starting point of the whole analysis must be interpreted in a different way because of the actual and sound differences that there are between Western countries and Asian ones. What changes it's not their purchasing behaviour but the meaning and the reasons that are behind what they do and why they behave in a certain way. East Asian countries are characterized by a collectivist culture that indicates as the main and primal unit of the society the group; people are not seen as autonomous and independent but they are defined in relation with other individuals: they will be someone's father, someone's son and so on. In this kind of culture, Face is seen as one of the main drivers of consumption as people have the obligation to maintain and enhance it in order to keep the prestige of the family. Therefore, even if East-Asian people buy the same luxury products that are bought in individualistic cultures, their motivations are completely different; while in fact Western consumers usually buy them in order to express their personality, their inner status and their freedom, Eastern consumers would buy luxury goods in order to fulfil higher-order social needs, to maintain and enhance face and to show the others their respect.

Once analysed all the aspects that influence consumers' perception of luxury goods it might be useful to cluster them into different groups depending on the main elements that we are taking into account. It can be based on the consumers' demands curves, that cluster them into four types of consumers: the conspicuous and the status consumption that can be the results of three different effects that are the Veblen effect, the Snob effect and the Bandwagon effect; the hedonistic behavioural consumption, that takes as the main focus the emotional dimension of the purchasing pattern; the democratization of luxury goods, that defines the more availability of these goods also to people of different classes that every so often can afford to buy expensive and luxurious products and finally, the consequences of the consumers' mobility between choices of trading up and trading down among their purchases. They can be classified on the basis of the frame developed by Dubois, Czellar &

Laurent, that divided consumers into Distant, Elitists or Democratic, or they can be clustered on the basis of the Consumption Values that cluster consumers into four main categories: Materialists, Rational Functionalists, Extravagant Prestige seekers and Introvert Hedonists. Nevertheless, the main point is that a consumers' segmentation is needed in order to position the brand in a more strategic way and to be able to develop and shape the strategy in a consequential way so that the consumers would be able to absorb in a positive way any kind of change, also those related to sustainability.

Once an in depth analysis of luxury consumption is provided, it is then necessary to move a step forward and analyse the concept of sustainable luxury and its main implications. Sustainability is defined as a way to *“meet the needs of current generations without compromising the ability of future generations to meet theirs”* . This concept is becoming a fundamental part of our everyday life and it is now embodied in every aspect of the world, thus, it is not surprising to see it as a major topic also in the luxury world market. However, the topic of sustainability in the luxury industry has developed both advantages and disadvantages requiring some sound modifications in the luxury brands' world in order to make it work.

In recent years, luxury brands have tried to embody sustainable practices into their way of doing business, going also against the consumers' opinion. There are in fact two main problems that luxury brands have to face in the process of becoming sustainable: the first one, is the fact that luxury consumption is not seen as particularly harmful for the environment - it is in fact associated, to a kind of purchase behaviour that is done so rarely, that it can't lead to social and environmental problems; in addition, luxury goods are usually purchased in order to gain some hedonic pleasure, and sustainability it's a topic that is quite difficult to merge with the pursue of happiness and light-heartedness. Moreover, luxury consumers are extremely sceptical about the real intentions of luxury firms and they see their will to become more sustainable as a marketing strategy to gain more profits. These two elements, together with the development of fast fashion, are

increasing the difficulties that luxury brands have to face in order to become sustainable.

A luxury firm, in order to pursue that particular objective, have to follow three main pillars: environmental integrity, economic propensity and social equity. In order to achieve and pursue these three pillars, there are a series of actions that have to be taken in order to make the whole firm more aware and respectful of the sustainability issue. This changes can occur in two different and complementary ways: by a modification of the value chain, so making the manufacturing, the packaging and the operations of the firm more sustainable, or by creating and pursuing a CSR that will allow the firm to engage in sustainable activities.

As far as CSR is concerned, there are some problems that must be taken into account and fixed in order to avoid the negative effects that could transform the CSR into a negative asset of the firm rather than a positive one. If the brand concept is in contrast with the principles promoted by the CSR, the consumers will perceive a motivational conflict into the firm's message, that will be translated into a negative opinion about the firm and consequently, in negative performances. Thus, in order to avoid this conflict, that arises especially in the case in which the brand concept promotes values such as self-enhancement, which is in contrast to the CSR's value of self-transcendence, there are some measures that can be undertaken by the firm to mitigate it: it could promote a self-enhanced view of the firm via a message, promoted by an alternative vehicle, that instead stresses values such as openness and conservation in order to reduce the conflict; or it could pursue the adoption of a CSR by a sub brand, so that the conflict it is not seen as strong as if it is pursued by the main brand or moreover, it could adopt a strategy of self-expansion that helps to reduce the contraposition between the brand's concept and the CSR. Thus, no matter what kind of strategy the firm decides to engage in, the fundamental aspect that must be taken into account, is that the consumers need to be able to perceive a clear message and a real involvement of the firm in the field of sustainability.

To do so, it is becoming more and more common the use of multisensorial signals in order to obtain a perfect mix between the luxury concept and the sustainable one.

Multisensoriality signals differ from the classic ones because they tend to use more than one sense between sight, hearing, sense of smell, taste and touch, in order to transmit a specific message from the sender to the receiver. As their main advantage is the fact that they are able to transmit a certain communication that embeds more contradictory elements than a normal one and that structures in a way that will make sense for the receiver, they tend to be more complex, hidden and difficult to measure, but at the same time, they will lead to a sound and long-lasting transformations in the receiver's brain that will enable the firm to spread a certain specific message, such as the one of sustainable luxury goods. By the utilization of this tool, luxury brands are able to shape and direct consumers' opinion on particular issues and to transmit to them their increasing interest and effort towards sustainability, developing consumers' awareness and acceptance of the topic and therefore, making it easier for firms to engage in sustainable activities.

Sustainable products were at first defined as items which were produced in one or more of the subsequent ways: recycle, organic, vintage, vegan, artisan, locally made, custom and fair trade; then, because of the increased utilization of the term, its true meaning and characteristics have started to fade away, creating a sense of common ignorance around the topic that ended up with a lack of consumers' awareness about the real meaning of sustainability. This knowledge gap, together with demographic factors, such as income, have become one of the main reasons why consumers, even if they are particularly concerned about sustainability related issues, tend to not behave and purchase luxury products in a sustainable way. There is in fact an attitude-gap behaviour that stops consumers from behaving in a sustainable way, even if they are truly concerned and involved in the topic; moreover, because of their lack of knowledge, there was also the development of an aura of scepticism about sustainable luxury products that make it difficult for consumer to trust and believe those luxury brands that are becoming sustainable, and for luxury brands, to pursue their CSR objectives.

Because of the vulnerability of this particular topic, and because of its insufficient literature, as it is still a quite new field, we think it is necessary, as we pointed out before, to provide a better understanding of the main drivers of consumers' concern about sustainability, but also to make a more in depth analysis about consumers' opinion and behaviour during their luxury purchasing pattern.

We decide to develop a personal framework to test and investigate more in detail about the strength of the relation between luxury and sustainability, to see if consumers can really perceive it and how valuable it is for them in the moment in which they decide to buy a luxury product. In particular, we are going to better define, the relevance that consumers attribute to a topic such as sustainability in the moment in which they decide to buy a luxury product. We will compare the actual consumers' concern for sustainability issues in their everyday life, to the importance that they attribute to the topic when they are purchasing a luxury item. Moreover, we hope to measure the general level of information that consumers have about the topic and to see if their knowledge are driven by their personal interest or if they are the result of a brands' marketing strategy. We expect to understand, based on their definition of luxury and sustainability, if they believe that there can be a future in which this two terms will be able to coexist and finally, at the end of our discussion, and based on the results we are going to collect, we will outline a series of conditions that we believe should be respected from brands' managers and a certain amount of improvement that should be done in order to enhance luxury goods towards a more sustainable order and to increase the relevance that the sustainability topic has in consumers' minds when it comes to the actual purchasing process of luxury goods.

Our research is going to be structures on a sample of fifteen European consumers of luxury goods of an age between 22 years old and 57 years old who are going to be interviewed about the topic with a semi-structured methodology. Moreover, in order to make our results even more consistent and reliable, we are also going to report five unstructured or semi-structured interviews to luxury brand's managers who expressed their opinion about the main topic of our research: the consumers' perception of sustainability during their purchasing process of a luxury good.

Chapter 1

Luxury consumption

1. Luxury consumption and sustainable development

Coco Chanel defined luxury as “*a necessity that begins where necessity ends*”¹, this means that the concept of luxury has always been seen as an image that is strictly connected with psychological needs, self-esteem and prestige² and that has very little to deal with being sustainable and consciously aware.

Going backwards in time, we can notice that the values which were associated with luxury were already of hedonism, rarity, expense, affluence and inessentially, underlying how its consumption was strictly associated with social and moral transgression³. Many philosophers as well, gave their opinion about the topic; Plato defined a luxury-consuming society as “*unhealthy*” and “*fevered*”⁴, Hobbes states that violence and anarchy were the natural consequences of a life lived seeking luxury and finally, Webber condemned the Catholic church for being too luxurious underlying how the Protestant’s reaction against it was the first step in order to create a wealthy and more ethical society⁵.

On the other hand, sustainability was associated with altruism, self-control and measure⁶; all values that promotes ethical ways of living.

Thus, It is not surprising that these two concepts were considered so distant and impossible to merge; however, during this last decade, the literature, together with consumers, have started to get interested and to look for a connection between the

¹ Jyoti Doval, Etinder Pal Singh, Review of Management, Vol 3, No. 3/4, “*Green Buzz in Luxury Brands*”, December 2013, p.5

² Jyoti Doval, Etinder Pal Singh, ibidem, December 2013, p.5

³ Daisy Beckham, Benjamin G. Voyer, Advance in Consumer Research, Vol 42, “*Can Sustainability be Luxurious? A Mixed-Method Investigation of Implicit and Explicit Attitudes towards Sustainable Luxury Consumption*”, 2014, p.245

⁴ Daisy Beckham, Benjamin G. Voyer, ibidem, 2014, p. 245

⁵ Daisy Beckham, Benjamin G. Voyer, ibidem, 2014, p. 245

⁶ Daisy Beckham, Benjamin G. Voyer, ibidem, 2014, p. 245

two terms boosted also by the increasing concern of consumers on the sustainable development topic and on the awareness that even if the luxury market is not that big, compared to the commodity one, it is still one of the major influencer of the production and consumption patterns of both the luxury and non luxury-goods' consumers⁷.

What the literature is trying to seek is how luxury goods can maintain their core characteristics being at the same time socially responsible. Thus, our aim here is to investigate and analyse in which way consumers of luxury goods perceive and consequently value the corporate social responsibility of a luxury brand and how the latter can include these values in their mission and vision without damaging their status and profits.

2. Luxury perception

During the last two decades, the luxury brands market has tripled moving from 73 billion of euros in 1994 to 218 billion of euros in 2013⁸. This rapid growth was due to the increase in the number of millionaires around the globe, a sound confidence in the economy and an increase in the luxury consumption by the mass consumers; in particular, an important role was attributed to Europe and developing markets such as the BRIC.⁹

Studying this phenomenon and its development, the academic literature disclosed that, in order to study and represent luxury brands and their perception among consumers, three main interconnected perspectives must be used such as economic, psychological and marketing.¹⁰

⁷ Daisy Beckham, Benjamin G. Voyer, op. cit, 2014, p. 245

⁸ N. Hennings, K. Wiedmann, C. Klarmann & S. Behrens, *International Journal of Retail & Distribution Management*, Vol. 43 Iss 10/11, "The complexity of value in the luxury industry", 2015, p.922

⁹ BRIC is the acronym for Brazil, Russia, India and China. They are four very different countries in terms of political systems but all characterized by an outstanding increase in the GDP rate. Gianluca Paolucci, *La Stampa*, "Che cosa sono I BRICS?", 2012 (displayed on the 23/11/2015)

¹⁰ Virginie de Barnier, Irina Rodina, Pierre Valette-Florence, University Pierre Mendes-France of Grenoble, "Which luxury perceptions affect most consumer purchase behavior? A cross cultural exploratory study in France, The United Kingdom and Russia", Paris 2006, p.4

The economic perspective's main focus is the influence of pricing strategies on exclusivity of luxury goods. People tend to use price as a discriminant between luxury and non-luxury goods; more in depth, Groth and McDaniel developed a framework, based on this close relationship between price and exclusivity, to let marketing strategies of luxury goods achieve the desired brand exclusivity: the Exclusive Value Principle. According to this, the market price of a product is made by the sum of a Pure Utilitarian value, that derives from the product quality, the aesthetic design and the excellence of services, and an Exclusive Value Premium that depends on external factors such as advertisements and promotional campaigns that explain the motivations behind the luxury consumption¹¹.

The psychological one defines luxury on the basis of luxury consumption patterns dividing the reasons for it in two clusters: interpersonal or external factors, such as social recognition and status, and personal or internal factors as hedonism and pleasure seeking¹². According to the literature a vast majority of people buy luxury goods for self-pleasure.

Finally, the marketing perspective, that is based on the previous two perspectives, differentiates luxury brands from non-luxury ones on the basis of their symbolic meaning in terms of functionalism (product's trait that can solve a specific problem), experimentalism (product's features that evoke hedonic and sensory satisfaction) and symbolic interaction (product's traits that are related to status, and group affiliation)¹³.

All this literature's approaches pointed out how impossible it is to give a unique definition of luxury brands as it is something highly subjective that depends on historical, geographical and demographical factors that shape individual consumers' needs.

¹¹ J.C. Groth, W. McDaniel, Journal of Consumer Marketing, Vol 10, number 1, "The Exclusive Value Principle", 1993

¹² Virgine de Barnier, Irina Rodina, Pierre Valette-Florence, op.cit, Paris 2006, p.4

¹³ Virgine de Barnier, Irina Rodina, Pierre Valette-Florence, op.cit, Paris 2006, p.4

Despite that, Dubois, Czellar & Laurent, in 2001, managed to define the concept in a way that nowadays is recognized all over the world.¹⁴

2.1. The Dubois, Czellar & Laurent definition of luxury good

The three authors understood the abstractness of the luxury concept and its strong connection with personal and interpersonal motives that define the luxury meaning on the basis of the consumers' perception¹⁵. Their definition was based on a qualitative analysis on a sample of sixteen people of all gender, age and occupation who had bought at least a product that they considered as luxurious. The analysis was conducted via face-to-face narrative interviews and they lasted approximately half an hour each.

What they found out is that six are the main aspects that best describe the concept of luxury:

1. Excellent quality: the association between luxury and quality was in many cases so strong that these two terms were almost perceived as synonymous. In particular, to assess the quality of a certain product, consumers used two main indicators; the first one introduced the perceived singular nature of the components used in the production process; while the second indicator referred to the perceived experience of the manufacturers involved in the production and delivery process. The creation of such luxury goods is perceived to be so precise and exclusive that it's implicit to think that such a process leads to a product of flawless quality which will last forever.
2. Very high price: it can be considered in absolute value or in comparison with the price of non-luxury goods. The main function of the high price is to promote in the consumer's mind a direct link with excellent quality; a very high price is basically considered as the proof that the product is intrinsically of refined quality and consequently luxurious. Moreover, price is also

¹⁴ B. Dubois, G. Laurent, S. Czellar, Les Cahier de Recherche Groupe HEC, number 736, "*Comsumer rapport to luxury: analyzing complex and abimbivalent attitudes*", 2001

¹⁵ N. Stegemann, S. Denize, K. E. Miller, Proceedings of the The La Londe Conference in Marketing Communications and Consumer Behavior, "*Measuring consumers' attitude to luxury*", 2007

correlated to the psychological and physical effort that has to be sustained in order to acquire the product.¹⁶

3. Scarcity and uniqueness: it is closely linked with the concepts of excellent quality and very high price. As the main characteristics of a luxury product are the unique abilities necessary to produce and deliver it and restrictive price level, it is not surprising that consumers believe that luxury products cannot be mass-produced and mass-distributed and vice versa. Also the shop itself is included in the definition of scarcity thus, it is expected to provide rare and unique benefits.

According to some respondents scarcity is also about consumption: only few people deserve to have access to luxury, it is just for a small elite that fulfil some requirements; the so called "*happy few*".¹⁷

4. Aesthetics and Poly-sensuality: it has been pointed out that luxury is considered as a source of pleasure that involves all the five senses. When buying a luxury good the consumer should be able to have an hedonic experience by hearing, looking, touching, smelling and tasting (when necessary) a pleasant product and environment. It is for this reasons that both the product and the boutique in which the luxury good is sold should respect some aesthetic standards.
5. Ancestral heritage and personal history: according to consumers, a product, to be luxurious needs a long history of elaboration processes and traditions to respect, it has to tell a story or incorporate a legend. All this aura that is created around it boosts its scarcity dimension not only in the present but also during the years making an antique product even more valuable than a new one. Luxury goods has to be purchased and then cherished, developing over the years a unique relationship between the owner and the product itself¹⁸.

¹⁶ B. Dubois, G. Laurent, S. Czellar, Les Cahier de Recherche Groupe HEC, number 736, ibidem, 2001, p. 8-9-10

¹⁷ B. Dubois, G. Laurent, S. Czellar, Les Cahier de Recherche Groupe HEC, number 736, op.cit, 2001, p. 11-12

¹⁸ B. Dubois, G. Laurent, S. Czellar, Les Cahier de Recherche Groupe HEC, number 736, op.cit, 2001, p. 15

Another thing that the consumer must develop over time is the so called “*good taste*”; it is something highly subjective that can be acquired just over time and with continuous interactions with the products of that specific sector.

6. Superfluosness: luxury goods have always been opposed to necessity goods and this facet is the exact definition of this difference. A luxury product doesn't have to be necessary, it doesn't need to have some functional characteristics but instead, it should provide additional benefits of other nature.

Sometimes the superfluosness it's not an intrinsic feature of the object but it's embedded in the amount of it that it is purchased; a limited number of units could still be acceptable but, to be classified as luxury, the amount has to go beyond what is considered to be functional.

2.1 Further steps

In recent years, the Dubois, Laurent and Czellar approach was questioned to see if it still holds and a further step was taken: a qualitative research was conducted over a sample composed by French, Russian and English people to see if some differences on the features that are considered typical of a luxury product arise depending on people's cultural background (so Romantic, Slavonic and Anglo-Saxon)¹⁹. According to the research's results some facets were still relevant and common to the three countries taken into account: aesthetic, personal history, premium quality and expensiveness. On the other side, uniqueness and superfluosness were put aside especially in Russia. It has been pointed out that consumers search for benefits also when it comes to luxury goods but those benefits are different, they are associated with comfort, security and other features that can ease their lives. Because of economic reasons, buying something that has no utility is considered almost

¹⁹ Virginie de Barnier, Irina Rodina, Pierre Valette-Florence, op.cit, Paris 2006, p.6

impossible so luxury goods are not useless but instead, an investment that consumers are happy to make.

In addition to this, self-pleasure emerged, especially in the United Kingdom, as a new dimension by which luxury goods make consumers feel more comfortable and more interesting both spiritually and intellectually. The emergence of this new facet can be tightly linked to the psychological perspective we described before according to which a vast majority of people in now buying luxury goods for hedonic and personal pleasure.²⁰

Another investigation, still based on the Dubois, Laurent and Czellar framework, was carried on with the intent of underlying the attitude towards the concept of luxury; more in depth it has been shown that luxury is accompanied by both positive and negative messages that varies based on the social content²¹.

The initial scale developed during the first studies consisted of 34 items measured through the utilization of a five-point Likert scale. It pointed out that the majority of consumers displayed a positive or negative attitude towards luxury brands with almost no one expressing indifference. The main discriminant towards positive and negative attitude was mainly the frequency with which those people buy luxury products: affluent consumers express mainly a positive attitude towards luxury consumption, considering it as part of their own lives; on the other hand, those who were not affluent consumers tended to be more critical particularly stressing the fact that, in their opinion, people tend to buy luxury products just to emulate the lifestyle of the affluents and in the attempt to be original. Nevertheless, if we look at the bigger picture, the majority of the people expressed a positive attitude towards luxury consumption even if in some cases they admitted their lack of knowledge and familiarity with the topic²².

²⁰ Virgine de Barnier, Irina Rodina, Pierre Valette-Florence, *op.cit*, Paris 2006

²¹ N. Stegemann, S. Denize, K. E. Miller, *Proceedings of the The La Londe Conference in Marketing Communications and Consumer Behavior, op. cit, 2007*

²² N. Stegemann, S. Denize, K. E. Miller, *Proceedings of the The La Londe Conference in Marketing Communications and Consumer Behavior, op.cit, 2007*

2.2 Conspicuous consumption

Another aspect that is strictly connected with luxury perception is the so called conspicuous consumption; this is a term that was first invented by the Norwegian-American economist and sociologist Thorstein Veblen in 1899 in his book “The theory of the leisure class”, to cluster those people who buy expensive and unnecessary items in the attempt to display wealth and high income instead of buying what they really need to satisfy their primal necessities²³. He stated that, even if usually the consumption of luxury goods is limited to the upper class, as the working class has other things to think about and to spend their income on in order to survive, the truth is that the latter still consumes luxury goods in order to imitate the standards of life of the upper class. This emulation results in a society characterized by wasted time and money in the only attempt to obtain, through in fact, the conspicuous consumption, a higher status in the society²⁴.

In the past literature status and conspicuous consumption have been seen as two facets of the same medal defining a unique concept and aim; we can see this interconnection between the two from Goldsmith’s speech in which he stated that *«One important motivating force that influences a wide range of consumer behaviour is the desire to gain status or social prestige from the acquisition and consumption of goods(...) the more a consumer seeks status, the more he/she will engage in behaviours, such as the consumption of status symbols, that increase their status²⁵»*. Lately however, it has been argued that a difference exists and lies in the fact that status consumption underlines the nature of the possession itself, without the need of showing it to the others, whereas conspicuous consumption pays more attention to the external dimension, focusing on the display of products that may enhance consumers’ social status and perceived wealth. In more recent years, it has been pointed out how status and conspicuous consumption have different meanings even if

²³ T. Veblen, Introduction by Stuart Chase, The modern library, “*The theory of the leisure class: an economic study of institutions*”, New York, 1934

²⁴ T. Veblen, Introduction by Stuart Chase, The modern library, *op. cit*, New York, 1934

²⁵ A. O’Cass, Journal of Consumer Behaviour, Vol 4, 1, “*Exploring consumer status and conspicuous consumption*”, p.25

related to the dimension of consumers' behavioural pattern towards luxury products. More in detail, two definitions were given: they defined status consumption as *«the behavioural tendency to value status and acquire and consume products that provide status to the individual»*, while conspicuous consumption as *«the tendency for individuals to enhance their image, through overt consumption of possessions, which communicates status to others»*²⁶.

A differentiation between the two terms was also made in terms of luxury brands; in particular, status brands were defined as those that include high perceived quality, prestige and class and that can be purchased both for internal and external reasons so those goods that can be shown to the others or kept for themselves; conspicuous brands, instead, were addressed as those that are purchased exclusively for external reasons²⁷.

The main question that the literature tried to answer was basically, if the status and conspicuousness of a product could be seen as two features defining the prestige of the brand itself or if these two characteristics were intrinsically embedded in certain products and even if correlated they had to be considered two different and separated things.

The first assumption that was made to answer that dilemma, was the definition of a new customer's class constituted by consumers who are younger, more abundant and who dispose of a great quantity of money to spend a lot more than their predecessors. This distinction between different types of luxury consumers created a differentiation also in their shopping behaviours: while the "old" ones tended to consume luxury goods in the attempt to assert their status and belonging to an elite class, the new ones were more keen to consume the same products just with conspicuous

²⁶ A. O' Cass, *Journal of Consumer Behaviour*, Vol 4, 1, *ibidem*, p.25

²⁷ Y. Truong, G. Simmons, R. McColl & P. J. Kitchen, *Journal of strategic marketing*, Vol. 16, n. 3, "Status and Conspicuousness - are they related? Strategic marketing implications for luxury brands", July 2008, p.189

intentions²⁸, in fact, they derive comfort and delight just from the others' reaction to their displayed wealth and not from the intrinsic value of the products. It is not surprising though, how this new kind of consumer seeks for new luxury brands which are more affordable and more available to masses but that are still considered luxurious and useful for their conspicuous aims²⁹.

This starting point stressed how some brands were evolving towards a more materialistic and fashionable image, this in order to achieve those consumers who were basically looking for conspicuousness and recognition of their wealth. However, this new trend among luxury brands may create some problems to their image and, consequently, their profits; in fact, there is a concrete risk that while a brand can become more appealing to the new luxury segment of consumers, it can, at the same time, harm its perceived status, reducing its appeal to those "old" consumers who are still interested in status consumption.

A study about this issue was conducted in the car, fashion and watches industries, comparing the status and the conspicuousness of a certain amount of brands and some interesting examples have arisen. One notable case was the one of Audi; this luxury car brand shown a really high level in terms of status while a quite low one in terms of conspicuousness if compared to BMW. Another one was about Gucci that, in the watches sector was perceived as a low status brand, even if its perceived conspicuousness was pretty high; the reason for this mismatch was found in the fact that Gucci was a quite new brand in the watch-industry but it was very famous in the fashion one, so, for those consumers who were willing to show their wealth it could be the perfect choice to reach their purpose (not as much expensive as Rolex but still very famous in the fashion world)³⁰.

In the end, what the literature pointed out was that status and conspicuous brands do differ and it is inaccurate to think about these two terms as a single entity like the

²⁸ Y. Truong, G. Simmons, R. McColl & P. J. Kitchen, *Journal of strategic marketing*, Vol. 16, n. 3, *ibidem*, July 2008, p.189

²⁹ Y. Truong, G. Simmons, R. McColl & P. J. Kitchen, *Journal of strategic marketing*, Vol. 16, n. 3, *ibidem*, July 2008, p.191

³⁰ Y. Truong, G. Simmons, R. McColl & P. J. Kitchen, *Journal of strategic marketing*, Vol. 16, n. 3, *op.cit*, July 2008, p.198

past literature did. Despite how luxury brands were considered in the past, today, the increase in the number of new, more affordable luxury goods is bringing to masses valuable products fading the line that before used to divide riches and modest. In this new setting, status consumption is recognized as something even more hidden that derives by a combination of education, culture and knowledge which, all together, justify wealth which doesn't have to be displayed in public³¹.

2.3 Status and Conspicuous consumption towards Luxury consumption and Social Value

In the past, purchasing luxury goods was something reserved just to a small elite at the top of the pyramid but, with the shift from a communism to a capitalism political asset, an increase in the wealth of many people in third world economies and the consequent increase in the luxury goods market, the demand for luxury products has faced a rapid growth. This new tendency of buying luxury goods has been addressed as the “luxury consumption” and it's defined as the combination and consequence of status consumption and conspicuous consumption³².

What we want to outline here are the psychological motivations and behavioural consequences of the luxury consumption, starting from the positive relationship between the latter and materialism, status and conspicuous consumption to see how those behaviours influence and drive luxury consumption.

Materialism is a term that was originally used to suggest a world in which possessions and money were the main drivers of personal happiness and social progress; nowadays, the term is used in a broader way, defining a lifestyle that is projected towards material interests and where all that matters are material needs

³¹ Y. Truong, G. Simmons, R. McColl & P. J. Kitchen, *Journal of strategic marketing*, Vol. 16, n. 3, op. cit, July 2008, p.199

³² M. C. Lai, Y. F. Hsieh, Y. C. Chu, *National Taipei College Business*, n. 321, Sec. 1, “*The relationships among materialism, luxury consumption and social value*”, Taiwan p. 2

rather than spiritual ones. In particular, three dimensions were established to define the concept: happiness, centrality and success³³.

Happiness was described as reachable through the acquisition and possession of material goods, goods that were considered as the greater source of well-being and satisfaction (or dissatisfaction) in life. What really defines happiness in the context of materialism is that, despite the fact that many people are involved in the pursuit of happiness, those who are materialistic, want to reach this status through acquisitions rather than through other paths.

Centrality refers to the extent to which materialistic people place their belongings at the core of their lives. It is like if the acquisition of certain products drive the behaviour and moreover, the whole life of a person, defining its habits and providing him/her a daily plan and a meaning in life³⁴.

Finally, success is measured by materialistic people on the basis of how many possessions they have and on the quality of their belongings compared to the others. What really matter about their possessions is how much they've spent in order to purchase them rather than the satisfaction they've gained through the acquisition itself. The value they give to their goods depends not only on their ability to attribute them a certain status, but mainly, on their ability to display a certain image of themselves on the outside and cluster them in a group of people who are living the "perfect life"³⁵.

As far as luxury consumption is concerned, we have already said that it defined as the desire of people to display, through certain products, their status and wealth to the others in order to achieve a certain position in the society and it is composed by status consumption and conspicuous consumption³⁶.

Status consumption is the position achieved by an individual in the society based on the perception the others have about him/her. The rank reached by the individual is

³³ M. L. Richins, S. Dawson, *Journal of consumer research*, 19, "A consumer values orientation for materialism and its measurement: scale development and validation", 1992, p.304

³⁴ M. L. Richins, S. Dawson, *Journal of consumer research*, 19, *ibidem*, 1992, p.304

³⁵ M. L. Richins, S. Dawson, *Journal of consumer research*, 19, *ibidem*, 1992, p.304

³⁶ M. C. Lai, Y. F. Hsieh, Y. C. Chu, *National Taipei College Business*, n. 321, Sec. 1, *op.cit*, Taiwan p. 2

determined by the acquisition and possession of goods that are considered high in status. On the other hand, conspicuous consumption refers to the purchase of goods not for pleasing themselves but just to display their wealth and inflate their ego to the others.

The last element that must be defined is the social value; it is «*the perceived utility of an alternative resulting from its image and symbolism in association or dissociation with demographic, socioeconomic, and cultural-ethnic reference group*³⁷» but here we consider it as the consequential output of status and conspicuous consumption.

The research that outlined the relationship between materialism, status consumption, conspicuous consumption and social value was conducted on a sample of 120 people who were interviewed face-to-face or via internet questionnaires and who had bought at least one of the 38 luxury brands that were listed.

The results show that there's a positive relationship among all the elements here analysed. More precisely, the higher the materialist's level of a person, the higher the consumption of status and conspicuous products. Hence, a consumer's attitude towards materialism has a strong impact on the kind of products he/she looks for and his/her consumption behaviour.

Moreover, the study revealed also as status consumption has a positive impact on conspicuous consumption; which is basically what has been said before, as we assessed how these two terms are strongly interrelated.

In the end, both status and conspicuous consumption are positively connected with the social value. In particular, the latter is the outcome of luxury consumption which is, as we have stated before, the combination of status and conspicuous consumption. The main implication of this research that concludes that there's a positive relationship between all the terms analysed in this field, is that people can effectively raise their social value through luxury consumption³⁸.

³⁷ M. C. Lai, Y. F. Hsieh, Y. C. Chu, National Taipei College Business, n. 321, Sec. 1, op.cit, Taiwan p. 4

³⁸ M. C. Lai, Y. F. Hsieh, Y. C. Chu, National Taipei College Business, n. 321, Sec. 1, op.cit, Taiwan p. 11

2.4 Personal orientation as a luxury goods' purchase value

As we have anticipated before, a different point view about the reasons why people buy luxury products is emerging among the literature. While before it was believed that people bought luxury products just to “*impress the others*”, the change in the luxury markets outlined a new point of view based on the assumption that there exists two types of luxury-brand consumptions: the socially oriented one (so the typical one) and the personally oriented one.³⁹

The first ones to theorized personal orientation in luxury-brand consumptions were Wong and Ahuvia who stated that the personal orientation is more visible in consumers that have the following characteristics:

- They obtain a self-directed hedonic experience from the use of the product
- The product is the expression of a private meaning that they are pursuing
- They judge the item on the basis of individual standards⁴⁰.

Consumers with these peculiarities tend to buy products that embedded personally affective, symbolic and utilitarian benefits that help them to better express their inner personality, that best matches with their personal tastes and that best provide hedonic pleasure to them. All these features and benefits are clearly in contrast with the typical social-orientation of the luxury-brand consumptions.

In order to assess the dimension and the implications of personal orientation in the consumption of luxury products we have to first describe its antecedents that are: self-directed pleasure, self-gift giving, congruity with internal self and quality assurance.

Self-directed pleasure is defined as «*an essential element that individuals perceive in forming their own hedonic experience, which is spontaneous and intense, yet self-determined*»⁴¹; its facets are all self-related and deal with the sphere of emotions such

³⁹ Shu-pei Tsai, International journal of market research, Vol.47, Issue 4, “*Impact of personal orientation on luxury-brand purchase value*”, 2005, p.430

⁴⁰ Wong, Ahuvia, Psychology & Marketing, 15, 5, “*Personal taste and family face: luxury consumption in Confucian and Western societies.*”, 1998

⁴¹ Shu-pei Tsai, International journal of market research, Vol.47, Issue 4, *ibidem*, 2005, p.433

as happiness and bliss that are opposed to those features typical of other-directed pleasure.

People who have a strong personal orientation are more willing to find self-directed pleasure when buying luxury products as their purchasing process has nothing to deal with pleasing the others; they typically look for products that have an affective component for themselves and that can boost their individual gratification.

Self-gift giving is seen as a kind of self-communication which is pursued by some kind of self-gratification aimed just at satisfying their personal dreams and fantasies⁴². Self-gift giving was described as a kind of behaviour enacted in the so called Affective consumption: when a person uses a specific object in order to influence its personal affective mood going out from a negative one or entering into a positive one. W.E Roth, stated that there are four types of affective consumptions usually used to reach affective goals: relief, recovery, sensation and fulfilment⁴³; the formers are usually used in order to reduce a negative experience while the last two are strategies used to achieve a better or positive mood.

Congruity with internal self starts from the assumption that there are two different facets of the self, an external and so social one and an internal one that refers to the way that an individual perceives him/herself. People that have a strong personal orientation are more interested in finding a correspondence between what they buy and how they perceive themselves, so they will look for luxury products that best adapt to their inner self rather than their external and social one.

Finally, quality assurance is concerned with the quality of luxury products. This feature is usually taken for granted and the price is often used as a discriminant to categorize how prestigious and luxurious a product is. It has been seen that people that buy luxury goods for their personal orientation and not to “impress the others” underline the importance of quality over other characteristics of luxury goods;

⁴² Shu-pei Tsai, *International journal of market research*, Vol.47, Issue 4, ibidem, 2005, p 434

⁴³ W.E Rhoth, *Advanced in consumer research*, 28, “*Consuming to achieve affective goals: a framework for analysis with application*”, January 2001

they'll prefer a luxury product just if it represents a high-quality good, otherwise, if they can't perceive the difference, they'll buy a store-brand product⁴⁴.

Based on this framework, we can assess that the four antecedents we have just described, which have major consequences in the consumer's orientation towards luxury brand consumption for self related reasons, lead to a strong impact on the so called luxury-brand repurchase intention so the will of consumers to rebuy a certain product or a certain brand and that, if we look at it in a long term perspective it can lead to something even more important and difficult to obtain: fidelity. This finding is particularly important for brand marketing strategies as it explains why a consumer decides to rebuy a certain kind of product and so it is the first step to guarantee the success of a brand⁴⁵.

2.5 Cultural differences in the luxury consumption and the Face value concept

In the last decades, Asian countries are becoming more and more influent in the world scenario gaining an important role also in the luxury goods market. East Asians have been found to be extremely interested in luxury goods, spending great quantity of money for their purchases despite their low income level; we just need to think for example, that 50% of LVMH total turnover is given exports to Asia⁴⁶.

However, the purchasing pattern of East Asian consumers is influenced by different drivers if compared to the one of the American consumers⁴⁷; products assume different meaning and different social functions when purchased in East-Asian countries rather than Western societies.

In particular it has been seen that the main thing that influences East Asian luxury consumption is the so called *face* which is a main cultural value that's very relevant

⁴⁴ Shu-pei Tsai, International journal of market research, Vol.47, Issue 4, op.cit, 2005, p 435

⁴⁵ Shu-pei Tsai, International journal of market research, Vol.47, Issue 4, op.cit, 2005, p 438

⁴⁶ N. Y. Wong, A. C. Ahuvia, Psychology and Marketing, Vol.15, "Personal taste and family face: Luxury consumption in Confucian and Western societies", 1998, p.423

⁴⁷ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, "How face influence consumption: a comparative study of American and Chinese consumers", 2007, p.237

in driving the behaviour of people that belong to collectivist cultures⁴⁸. Face has been defined as «*the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact*⁴⁹»; more in details, we look at the concept of face comparing it with the concept of prestige, underlying how these two terms are extremely similar, but differ in their meanings, especially in countries like China where face arises important implications in the everyday life.

Face is not a culturally bound concept, every person, in every part of the world, has dealt with face related problems like maintaining or enhancing face, or losing or saving the face; what differs among countries and cultures it's how people shape its meaning, including or reducing its width.

To see how this concept differs based on the different cultural environment, it might be useful to analyse first the main differences between two cultures that are considered as opponents and that better outline the contraposition between individualistic cultures and collectivistic ones: United States of America and China.

As we have stated before, in an individualist culture like the United States, a single person is considered as the primal entity of a society with its own free will, emotions and personality. All the decision making process is done and incentivised in order to take individual decisions for which the single person is responsible. Thus, in this kind of society, the single person is considered as the main unit for social behavioural analysis, and prestige⁵⁰, in this context, face becomes individual self-face⁵¹. On the other hand, in a culture typically collectivist as China, the single individual is not the smallest single entity; Chinese people tend to see themselves in association to their relation with others; they're not just independent people but they

⁴⁸ There are two main types of cultures defined on the basis of their social structure: individualist cultures and collectivist ones. The main difference depends on the fundamental unit that is at the bottom of their society. If at the bottom there's the individual and his/her personal needs, then we are in an individualistic culture in which the self is more important than the collectivity. On the other hand, if the main building block is a group - an association of two or more people which share a common sense of identity and interact with each other in a way that is based on a set of common expectations about each other's' behavioural pattern - then we are in a collectivist culture in which all the social structure is directed toward a common wealth and purpose. Charles W. L. Hill, McGraw-Hill Irwin, *"International business: competing in the global marketplace"*, New York, 2011, p.92-93

⁴⁹ J. J. Li, C. Su, *International Journal of Market research*, Vol.49, Issue 2, ibidem, 2007, p.238

⁵⁰ Reputation or fame arising from success, achievement, status or other positive attributes

⁵¹ J. J. Li, C. Su, *International Journal of Market research*, Vol.49, Issue 2, op. cit, 2007, p.239

are interdependent; their identity is given by their connection with the other people so it will result in considering the self as someone's son, brother, husband etc... Thus, the concept of face is not self-related but stands for the prestige of someone together with his family, parents, friends and acquaintance. Face in China is related to a broader group and means social self-face⁵².

Another aspect that must be considered is the difference in these two countries between obligation and free will. In China, because of the pressure imposed by the so close social network, an individual is more responsive to his/her position in the society (above, below or equal to others); thus, the maintenance of the face assume a fundamental obligation in their lives; Chinese people tend to adapt their own behaviour to what the others think they should do in order to meet the external expectations and save their face even if it is in contrast with their internal wishes or integrity⁵³. According to them, individual freedom is not a basic principle but it is evaluated on the basis of costs and benefits for the group⁵⁴. On the opposite side, the American-individualistic culture is a lot more concerned about the person identity rather than the collective one, so that people are more concerned about respecting their own self-prestige rather than the social self-face. Individual freedom is considered as essential to live a life that is authentic and which perfectly describe their inner taste and personality.

What is important to outline in this context, is how face influences consumers' behaviour, so defining the term *face-consumption*.

In East-Asian societies, like China, where consumption is seen as a way to fulfil higher-order social needs, everything is done in order to achieve a social aim and everything is seen in a collective mind-set; for example, drinking is considered inappropriate if done alone, but if people do it to entertain and make guests feel welcomed then it is considered as something normal and appropriate. In a society like this, people pay more attention to their consumptions because they are one of the

⁵² J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.240

⁵³ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.240

⁵⁴ N. Y. Wong, A. C. Ahuvia, Psychology and Marketing, Vol.15, op.cit, 1998, p.427

main tool to display their face and to maintain and enhance it. Because of this tight connection between face and consumption, we define face consumption as *«the motivational process by which individuals try to enhance, maintain or save self-face, as well as show respect to others' face through the consumption of products»*⁵⁵.

Three are the main characteristics of face consumption:

- Obligation: as we stated before, East-Asian cultures need to maintain and save their face, in every way possible, because of the social meaning that the latter has. When the consumption of certain products is viable for the maintenance of the face, then people will have no choice than buy that certain product in order to achieve their main objective, save face among the others.
- Distinctiveness: the acquisition of products to maintain face is not casual, the good that is purchased must be more expensive than what they usually buy or at least of a famous brand that is difficult to get; in other words, it must be different, distinctive.
- Other orientation: in China, face is important also when it is the others' one. This means that people need to pay high attention when they buy a product or judge a service especially when it is consumed with other people, the goods consumed must enable the others to feel confident about their face, to not harm it or reduce it⁵⁶.

A term that was closely associated with face consumption was status consumption, these two terms have some point in common but they also differ in some aspects. They are both related to luxury products as face products are indeed luxury products which are as well status products as they are the main tool to confer and symbolize status to themselves and to the others. Moreover, the main aim of status seekers, and sometimes also face consumers is to show and boost their social status, sometimes also through conspicuous consumption⁵⁷.

⁵⁵ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.241

⁵⁶ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.242

⁵⁷ J. K. Eastman, B. Fredenberger, D. Campbell, S. Calvert, Journal of Marketing Theory and practice, 5, 1, "The relationship between status consumption and materialism: a cross-cultural comparison of Chinese, Mexican, and American students", 1997, pp.52-66

Despite this, there are some differences between the two terms. First of all, face consumption doesn't have to be necessarily done in order to be shown off; face consumption's main aim is to maintain face, and this can be achieved even without showing it. In addition, face consumption, unlike status consumption, is also other oriented as it can be used to show others some respect. Finally, and more important, while status consumers do want to purchase certain products, face consumption is more an obligation that people have to bear in order to maintain their face, they don't want to buy expensive goods, they have to⁵⁸.

Based on all the discussion done until here, we can distinguish three categories of face consumptions, depending on their particular features: conformity face consumption, distinctive face consumption and other oriented face consumption.

Conformity face consumption refers to the importance that a person gives to others' opinion in the moment in which he/she is purchasing a certain product or brand. As we can imagine, this social pressure is particularly strong in the collectivist cultures where, behaving properly and consuming certain products is essential in order to maintain self-face but also to help the group keep their face as well. Because of conformity, people of a same group tend to have the same preferences and purchasing patterns even if they consider those practices or items irrelevant and a waste of money. On the other hand, this phenomenon is less evident in individualist cultures such as the American one where, even if it exists, is not as strong as it is in China⁵⁹. In Western countries the main reason why people buy certain products is not to conform themselves to the others but for mere hedonistic reasons; they buy certain products because they like them and the feelings they receive from them; it is not a matter of symbolic value that has to be conform to the one of the other people of the group, but it's an hedonic personal value that has to correspond to his/her personal tastes. Moreover, in Western countries, conformity is considered as a negative trait that points out a lack of personality and the strong willingness to achieve social advantages through uniformity to others' opinion⁶⁰.

⁵⁸ J. J. Li, C. Su, *International Journal of Market research*, Vol.49, Issue 2, op. cit, 2007, p.243

⁵⁹ J. J. Li, C. Su, *International Journal of Market research*, Vol.49, Issue 2, op. cit, 2007, p.243-244-247

⁶⁰ N. Y. Wong, A. C. Ahuvia, *Psychology and Marketing*, Vol.15, op.cit, 1998, p.430

Distinctive face consumption narrows the width of conformity's definition. Distinctiveness is the main tool used but East-Asian people to differentiate themselves from people that belongs to another social class; this doesn't mean that people want to be unique, instead, it is used to cluster people who belong to a certain social class and, at the same time, to differentiate them from those who are of a different group. Therefore, products with high price and of famous brands are bought in order to mark the distance between different groups. This kind of face consumption, as the one mentioned before, is more obvious in collectivist cultures because of the strongest relevance that the hierarchy has in their societies; Chinese people tend to act in ways that are designed to maintain and enhance their face and at the same time theirs and the others' position. This kind of ostentation is considered quite irrational in countries like America where equality is considered as one of the main roots of the society; because of this, even if also western consumers engage in conspicuous consumption, its connection with the maintenance of the face is not as strong as for East-Asian countries⁶¹.

Finally, the other-oriented face consumption is defined as the consideration each one has of the others' face during his/her purchasing patterns⁶². This type of face consumption is based on the respect that each person has of the others' face; thus, Chinese people will put particular care in buying gifts or giving parties as they are considered ways to maintain and enhance public relationships. In the Japanese culture there exists a term to define this practise of buying local gifts to relatives and friends in order to include them in their past experiences: they are called *omiyage* and their aim is to give to the receiver the perception of the giver's wealth and strength of their relationship⁶³. Also during special occasions, all the goods purchased should be very expensive, much more than what they could usually afford because the gifts or the dinner itself embrace the face of the giver; on the other side, the receiver is expected to reciprocate them with a present/special dinner of at least the same value, to reciprocate not only the present but also the giver's face. Other-

⁶¹ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.245-248

⁶² J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.248

⁶³ N. Y. Wong, A. C. Ahuvia, Psychology and Marketing, Vol.15, op.cit, 1998, p.435

orientation face consumption, as all the kind of face consumption listed before is more relevant in the Chinese culture than in the American one as the main assumption, which is the importance of the face, is much stronger in those collectivists culture than in the individualist ones.

One main finding about face consumption that is notable enough to be mentioned here, is that the financial doesn't affect face consumption; thus, the economic factor is not a relevant variable to differentiate the consumer behaviours of the two cultural categories⁶⁴. Moreover, despite the fact that the East-Asian consumption of luxury goods can be seen as a mere materialist intent⁶⁵, based on the peculiarity of the purchasing pattern that we have highlighted until here, we can state that the Asian consumption of luxury goods must be considered and analysed in a different and separate way from the one of the Western cultures, in order to avoid miscomprehension due to difference in cultural factors⁶⁶.

3. Luxury consumers

Nowadays we are living an historical era defined as the Consumer Society in which personal and collective identity is defined through consumption. Going backwards in history, things have changed drastically; while before the identity of a single person was derived by his/her job, nowadays, the process throughout which people find their inner self and, at the same time, project the latter in the outside world is driven by the purchasing pattern and consumer behaviour each one puts into action. The only exception was the luxury consumption that, also during the past centuries, was the main tool of the aristocratic class to define and cluster themselves in a special and unique elite of very few people who were living the "perfect life"⁶⁷.

⁶⁴ J. J. Li, C. Su, International Journal of Market research, Vol.49, Issue 2, op. cit, 2007, p.249

⁶⁵ Materialism was described by Belk as the combination of three personal traits: possessiveness, non generosity and envy that are expressed at their best in situation in which a person's success is measured by the things he/she owns. R. W. Belk, Journal of Consumer Research, Vol.12, "Materialism: traits aspects of living in the material world", 1985, p.265-280

⁶⁶ N. Y. Wong, A. C. Ahuvia, Psychology and Marketing, Vol.15, op.cit, 1998, p.436

⁶⁷ G. Aiello, R. Donvito et. al., Ecole Supérieure de Commerce de Paris ESCP-EAP, "La percezione del concetto di lusso nei giovani. Un'analisi comparata a livello internazionale", Paris, January 2007, p.2

With the development of the consumer society however, is the consumption itself that, as we have stated before, defines the single person and more in detail, is the kind of consumption that is done that better categorize every single individual as a member of a defined group. However, what goes beyond the pasts beliefs is that the consumption of luxury goods is not addressed anymore to a small and defined group of people, but it's accessible to a broader group of consumers, different also between them, that, depending on all the consumer decisions that they take, manage to afford and buy luxury goods.

The luxury consumption of the modern era takes different forms and allows different behavioural patterns, as a result of the evolution of the society itself. In particular, four are the main types of luxury consumers' demand that have been studied and described. The conspicuous and the status consumption that can be clustered into three different effects: the Veblen effect, the Snob effect and the Bandwagon effect. The hedonistic behavioural consumption, that takes as the main focus the emotional dimension of the purchasing pattern, so the ability of luxury goods to give to the consumer particular feelings and emotions. The democratization of luxury goods, that defines the more availability of these goods also to people of different classes that every so often can afford to buy expensive and luxurious products and finally, the consequences of the consumers' mobility between choices of trading up and trading down among their purchases⁶⁸.

These four different types of luxury consumption lead to a categorization of consumers into different groups, depending on their kind of consumption in order to better define their luxury consumption purchasing pattern⁶⁹.

⁶⁸ Trading up is defined as a strategy through which the firm tries to increase the prestige and selling of a particular product that is already on the market with a lower price and quality through the creation of a new product of higher quality and price but with an almost identical name.

⁶⁹ G. Aiello, R. Donvito et. al., Ecole Supérieure de Commerce de Paris ESCP-EAP, op.cit, Paris, January 2007, p.3

3.1 *The Bandwagon, the Snob and the Veblen effects*

The Veblen, Snob and Bandwagon effects are the three groups into which the conspicuous and status consumption can be clustered. In particular, they arise because the aggregate demand curve for a certain group of goods is not always given by the simple sum of each individual demand curve of every single consumer but it might be derived by a principle which is defined as “non-additivity” and implies that in many industries a person is more keen to buy a product just because other people are buying the same thing⁷⁰. Furthermore, what this principle points out is the fact that many consumers are now more interested in buying, wearing and consuming products just to be like the others, to be part of a group that they believe as relevant. This is particularly true for the Bandwagon effect while it has a negative downturn for the Snob effect as we will see in this section.

In order to give an accurate analysis and definition of the three terms, some assumption must be made: it is assumed that both the income and expenditure patterns are repeated over time, with no extensions from one period to another, this implies that the demand curve is the same for each period and that there will be just one price for each period of time and that this price will be able to change just from one period to another⁷¹.

At this point it is possible to classify the demand of consumers for goods and services depending on their motivations; it can be functional or non-functional, functional when the demand is driven by the intrinsic qualities a commodity has and that the consumer wants to obtain, while it is defined as non functional when the inherent qualities of a certain good or service are not the main reasons of the consumers' demand. Three are the main type of non functional demands: the speculative demand which means that some people will collect a certain commodity just because they expect its price to rise, the irrational demand that is just a catchall category and includes all those purchased that are not planned in advance but are just the result of impetuous needs that urge to be immediately satisfied and then, the most

⁷⁰ H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, “*Bandwagon, Snob and Veblen effects in the Theory of Consumers' demand*”, May 1950, p. 183

⁷¹ H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, *ibidem*, May 1950, p. 188

common type of non functional demand, that is the one driven by the external effects on utility⁷². This last one is obtained because of the enhancement or decrease of the utility of the commodity itself because of the fact that others are buying and using the same commodity or because it has a higher price. It is possible to categorize this kind of demand into three effects which are basically the ones we are analysing in this section; the Bandwagon effect, the Snob effect and the Veblen effect.

The Bandwagon effect is defined as the increase in the demand of a good or service due to the fact that also other people are consuming the same good, so due to the “non-additivity” principle and it reflects the desire of consumers to buy a particular product in order to be part of a selected group they wish to belong to. This increase in the demand means that each individual consumers’ demand curve is a function of the market demand and that this last one will be, on the other side, influenced by each individual demand curve; more precisely, other things being equal, the elasticity of the demand curve will be higher if there exists a bandwagon effect than if the demand is just based on functional motives⁷³.

As we have said before, the bandwagon effect occurs in the luxury market when a person wants to buy a certain kind of product just because of its popularity among other people; in this context, the behaviour put into action by the others is particularly relevant as it increases the value of the luxury product itself because of its widespread among consumers. More in details, consumers monitor the purchasing pattern of other consumers and, once they have identified those products that are the most popular and necessary in other to “*be one of the boys*”⁷⁴, they buy them, reproducing, in the same way, the bandwagon effect they were influenced by.

We now want to look at the antecedents of the Bandwagon effect which are related to the self-concept and the consumer traits. The self-concept is a representation of the totality of a person’s thoughts and emotions that have himself as the main objective. Once an individual has a perceived self-image about him self-concept, he will try

⁷² H. Leibenstein, The quarterly Journal of Economics, Vol. 64, n. 2, ibidem, May 1950, p. 189

⁷³ H. Leibenstein, The quarterly Journal of Economics, Vol. 64, n. 2, op.cit, May 1950, p. 196

⁷⁴ M. N. Kastanakis, G. balabanis, Journal of Business Research, 65, “*Between the mass and the class: Antecedents of the “bandwagon” luxury consumption behaviour*”, 2012, p. 1401

everything to maintain, enhance or modify this image throughout the purchase and usage of certain specific relevant products; in particular, this is mostly true for consumers with an interdependent self-concept, as they care more about the social image the others have about themselves and about the social function of the luxury goods, while is less likely to occur for the consumers which have an independent self-concept of themselves as they mainly care about their inner self and they're not so concerned about the others' opinion⁷⁵.

The personality traits are some characteristics of each person that describe “*trans-situational consistencies in characteristics styles of responding to the environment*”⁷⁶; this traits are stable enough, through the life of a person, in order to be used to delineate inequalities among people; in addition, they are also used to reliably connect the person and a certain behaviour despite the influence of the external environment. However, general personality traits are not strong enough to describe specific consumption behaviour but are used mainly to explain just general tendencies, for this reason, Allport classified the traits based on the degree to which they influence the individual's behaviour⁷⁷. At the top level there are the cardinal traits which run the individual existence and tend to shape a broad range of behaviours; then there are the central traits that are sharply connected to the everyday life behaviour and finally, the secondary traits which operates just in specific situations and that are closely related to consumer behaviour. The antecedents of the bandwagon effect are the secondary traits and they are related to the self-concept; more in detail, the independent and interdependent self are cardinal traits which deal with the individual's need for social connections, at the same time, these two have a series of central and secondary traits that will be individualistically or collectivistically oriented⁷⁸. Following this way of thinking, the independent and interdependent self are connected with some secondary traits such as consumer

⁷⁵ M. N. Kastanakis, G. balabanis, Journal of Business Research, 65, op.cit, 2012, p. 1402

⁷⁶ M. N. Kastanakis, G. balabanis, Journal of Business Research, 65, op.cit, 2012, p. 1402

⁷⁷ G. W. Allport, New York: Holt, Rinheart and Winston, “*Pattern and growth in personality*”, 1961

⁷⁸ M. N. Kastanakis, G. balabanis, Journal of Business Research, 65, op.cit, 2012, p. 1402

susceptibility to personal influence, status consumption and consumer needs for uniqueness.

Consumer susceptibility for normative influence is defined as that need of recognizing and enhancing the self image through the acquisition and use of certain specific goods and brands and the willingness to fit with the expectations the others have about yourself and your purchasing decisions. This is particularly important in the industry of luxury goods where a product's visibility is enhanced through the consumption behaviour of the others; if consumers have a high susceptibility to normative influence, they will tend to buy certain products in order to conform and so to enhance their interdependent self-concept. Thus, their interdependent self-concept, which is a cardinal trait, is boosted by the relational bandwagon luxury consumption which aim is to conform to the others' expectations.

Status consumption is a type of consumption which aim is to gain status and to be included in a specific group of people through the acquisition of specific goods and brands; this purchasing pattern is defined as anxious and it is always concerned about the rank in the social system and about how to improve it in order to reach the top. Also in this case, the bandwagon luxury consumption behaviour is positively linked to status consumption, which is a secondary traits of the interdependent self and, because of this, it's highly interested in the consumption of those products that are considered as symbols of a specific position in the society. The right brand or product to buy is, obviously, pointed out by the purchasing pattern of the others⁷⁹.

Finally there is the consumer's need for uniqueness which is defined as "*the trait of pursuing differentness relative to others through the acquisition, utilization and disposition of consumer goods for the purpose of developing and enhancing one's self-image and social image*"⁸⁰. It includes three different dimensions that are: the creative choice counter-conformity, in which the consumer is looking for differentiation but he is still buying products that he knows will be considered good choices; the unpopular choice counter-conformity, that consists in the purchase of

⁷⁹ M. N. Kastanakis, G. balabanis, Journal of Business Research, 65, op.cit, 2012, p. 1403

⁸⁰ K. T. Tian, W. O. Bearden, G. L. Hunter, Journal of consumer research, "*Consumers' need for uniqueness: scale development and validation*", 2001, p. 52

those products that are completely against the group norms and may be the cause of social disapproval and finally, the avoidance of similarity in which the consumer loses all the interest he has for a certain products and looks for a different one in order to re establish a differentiation if compared to the others⁸¹. Despite the previous two elements, this one is not positively related to the bandwagon luxury consumption behaviour while it is for other type of luxury consumption such as the Snob effect and the Veblen effect. These effects differ consistently from the Bandwagon effect, in fact, while the latter is mainly visible in the last sections of the luxury market and it is fuelled by the consumption of the others, the snob effect, instead, works exactly in the opposite way as it represents the decrease in the consumers' demand curve for a certain commodity due to the fact that also others are buying the same product. The Snob effect represents the consumers' will to differentiate themselves from the others, to be different⁸². Therefore, a consumer's need to be unique is a trait that will boost another kind of luxury consumption that is completely opposite to the one we have described since this moment, an upper-tier luxury consumption where the key aspect is the uniqueness of every product if compared to those bought by the others. Last, the Veblen effect represents the extent to which the consumers' demand for a certain good increases because of an increase in the price of the product; it is therefore a function of the price⁸³. Going more in details, it has been stated that, according to the Veblen effect, the utility that it is derived from a unit more of a certain product which is used for conspicuous consumption objectives, is not just a function of the characteristics of the product itself, but it depends also on its price, more specifically on its conspicuous price so the amount that other people believe it has been paid to purchase that certain item and which determines the conspicuous consumption utility⁸⁴. The higher the price is, the more a product affected by the Veblen effect will be purchased.

⁸¹ M. N. Kastanakis, G. balabanis, *Journal of Business Research*, 65, op.cit, 2012, p. 1403

⁸² H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, op.cit, May 1950, p. 189

⁸³ H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, op.cit, May 1950, p. 189

⁸⁴ H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, op.cit, May 1950, p. 203

Despite we have analysed the Bandwagon, the Snob and the Veblen effect separately, there 's the likely chance that these three effect might show themselves at the same time as a mixed combination of the three. In particular, if the Bandwagon effect is the strongest, the demand curve elasticity will be higher than if this external consumption effect will be missing; on the other hand, if the Snob effect is the main one, the elasticity is less than otherwise and finally, if the Veblen effect is the most significant one, the demand curve is less elastic and a small portion of it might also have a positive inclination, though, if there is no Veblen effect, the demand curve will have a negative inclination no matter the importance of the snob effect in the industry⁸⁵.

3.2 The Democratization of luxury

It is tradition to consider luxury consumers those individuals that are wealthy and rich. However, it has never been defined precisely the amount of earnings that give a person the ability to be classified as rich. To overcome this problem, the analysts of the Polish KPMG showed in 2010 that, based on consumers' income, it is possible to cluster consumers of luxury goods into two groups: the rich and affluent on one side and those who try to emulate and reach this group on the other side. Moreover, the group of the rich consumers can be divided as well into another subgroup called the HNWI that states for High Net Worth Individuals which are those who posses available finances to be invested for at least one million dollars. Despite this group is quite big and various, the majority of them are located in North America and Asia Pacific, classifying Europe just in the third position⁸⁶.

It is important to underline that, luxury consumers are not just the HNWI or the rich people more in general, but also those people who try to emulate the affluents; the number of this other group is destined to grow becoming the main entity of luxury

⁸⁵ H. Leibenstein, *The quarterly Journal of Economics*, Vol. 64, n. 2, op.cit, May 1950, p. 207

⁸⁶ KPMG, "*Raport: Rynek dobr luksusowych w Polsce*", 2010, Retrieved 29/12/2015 from <http://www.kpmg.com/PL/pl/IssuesAndInsights/ArticlesPublications/Documents/Rynek-dobr-luksusowych-w-Polsce.pdf>

consumers⁸⁷. It is because of the establishment and development of this new group that in recent years, many luxury brands have started a process called Democratization of luxury or new luxury which aim is to broaden the group of people to which luxury goods are sold, shifting from a luxury consumption addressed just to a small group of people who were the richest and wealthiest towards a massification of the audience.

Specifically, the democratization of luxury is the consequence of two main phenomena that are taking place in the luxury goods market. First, the fact that many firms are starting to participate in the stock exchange market in order to raise more capital and to face competition more effectively and efficiently; this leads to a strong pressure for having positive financial indicators to be shown to the investors, indicators that can be improved mainly by increasing the number of customers of the firm; second, as we have stated before, the development of a new type of consumer which is younger, with a lower income but which is still significant for buying luxury products and who is less loyal to the brand's name but still very attracted to luxury products⁸⁸. To sum up, the traditional luxury consumer group and the new luxury consumer group differ into six main features. The first one is the age, in fact while the traditional average age is between 50 years old and 69, the new group is much younger with an average age between 30 and 49 years old. The second feature is wealth and its basis; the traditional group is wealthier than the new one and the main origin of this wealth comes from inherited assets, that is something that the new group doesn't have. Then there is the sensitivity to price, that is low for the traditional group while it is relatively high for the new group; the expectations about the brand that are, as someone could imagine, more conservative and traditional for the old group while more interested in changes for the new luxury consumer group. Finally we have other two dimensions that are the loyalty towards the brand which is high for the traditional group and low for the new group and in the end the group size

⁸⁷ K. Palzyk, Academia, *"The democratization of luxury- a new form of luxury"*, 2016, p. 161

⁸⁸ K. Palzyk, Academia, *"The democratization of luxury- a new form of luxury"*, 2016, p. 163

that it is growing rapidly for the new one and which is very small for the traditional luxury consumer group⁸⁹.

It is because of all these reasons that since 2000, many luxury firms have started to develop more affordable luxury products -like Karl Lagerfeld collection for H&M- in order to exploit this new profitable opportunity that is given by the increase in the luxury expense from the middle class⁹⁰.

According to the literature, the main drivers of the democratization of luxury are many and they include different aspects of the world, such as the increase of the education in every corner of the world and the more accessibility to consumer credit that make every kind of purchase easier and faster. Moreover, there are some aspects of the middle-class that has been changed and that has made necessary the democratization of luxury. Luxury brands have always addressed a part of their products to this social class as there has always been a profitable and big market also for them, but recently things have changed and so the luxury brands offering; while in the past years the middle-class used to spend approximately 50% of their expenditure in luxury items, in recent years, they started to question why do they actually buy luxury products when there are so many valuable alternatives which are cheaper; furthermore, the change of the role of women in the society had a sound impact on the luxury brand's strategy decisions. Women are affirming themselves in the business world, earning more and more money that they can spend also on non essential products such as luxury ones. Despite this, while before they used to spend approximately 80% of their total expenditure on luxury goods, recently they have changed their purchasing patterns towards more affordable products forcing luxury brands to modify their strategy⁹¹.

All these aspects have contributed to the development of new democratized luxury products through partnership with global retailer or through the creation of sub-

⁸⁹ K. Plazyk, Academia, *"The democratization of luxury- a new form of luxury"*, 2016, p. 163

⁹⁰ L. Pernet, Undergraduate Marketing Major Northeastern University, *"Democratization of luxury fashion apparel to middle-class consumers: how do luxury brands differentiate?"*, 2012, p.1

⁹¹ Euromonitor international, *"Female Breadwinners: how the rise in working women is influencing spending patterns"*, 2011, Retrieved from www.euromonitor.com

brands. A partnership with a global retailer is a strategy through which the luxury brand and the retail brand cooperate in order to create a new line of products which incorporates the taste of both companies, the luxuriousness of the prestigious one but with the price and cheaper material typical of the retail brand. A sub-brand instead, is a kind of continuation of the main brand which is characterized by a cheaper price and by lower-quality materials than the main luxury line⁹².

From the process of democratization of luxury, three different groups of goods and services can be clustered: accessible super premium that are goods that are priced as they are the best products of their category but which are still affordable to every kind of wealthy consumer; the Old Luxury brand extension that are lower priced goods that reproduce those that are affordable just to rich people and finally, the Mass prestige products, also called *Masstige*⁹³, that are goods which are directed to the masses but which are produced by luxury brands, with the specific aim of being bought by the masses. This last category is the one that is purchased mainly not for their specific quality but just because of the brand name, which is directly associated to those premium goods that are by definition the real luxurious ones⁹⁴.

Many luxury firms has gained considerable earnings from these strategies. Moreover, the democratization of luxury offers more benefits than the pure increase in financial gains. First of all, it helps firms to modernize and boost their image making them more popular and well know also through the lower classes and then, creating a cheaper but still classy collection, it will address the needs of this new type of working women who will shortly gain leadership position and who will shortly gain a higher income that they might be willing to spend on brands they used to buy -in the form of sub-brands- also when they belong to the middle class but that now they can afford in their pure upper-class form.

⁹² L. Pernet, Undergraduate Marketing Major Northeastern University, op.cit, 2012, p. 2

⁹³ E. Corbellini, *Moda, lusso & lifestyle SDA Bocconi, "Next luxury. Trasversalità dei comportamenti e contaminazione dei mondi"*, 2014, p.3

⁹⁴ M. Silversten, J. Butman, N. Fiske, Penguin group, *"Trading up: why consumers want new luxury and how companies create them"*, New York, 2008

The democratization of luxury has completely changed the luxury industry scenario giving the chance also to those who can't be considered rich to try the luxury products. However, this tendency is somehow threatening luxury brands, damaging their image of exclusivity and luxury⁹⁵. Sub-brands, for example, have been declared as detrimental for luxury brands image; in a survey with a sample of 200 people it has been pointed out that brands that have a sub-brand suffer of a 38.8% of loss in their brand image if compared with those that don't have a sister-brand. The decrease in the brand image is even more critical if we look just at the current customer of the firm who rate the brand image 75.9% lower when there is a sub-brand associated with it. Thus, it is vital for luxury brands to find a sound balance between their offers in order to not lose profits and current clients⁹⁶. Partnerships within global retailer instead, don't seem to have a negative downturn on the brand's image, however, sometimes this kind of strategy can be misunderstood creating a negative effect on the reliability and on the intent of the brand. In order to protect themselves against the negative aspect of the massification of luxury goods, the latter need to rethink the concept of luxury keeping on one hand their exclusivity but at the same time creating a sound and effective strategy of democratization. Some strategies can be implemented to achieve this objective. First, luxury brands can redefine the concept of luxury maintaining their exclusive image and their main feature that is the sale of the dreams through their products; luxury brands don't sell a product but more precisely, they sell dreams that come true through the products, their history, the communication and the sale points, and this is the essential element that must be stressed also when there is a democratization in process⁹⁷. Then, they have to focus on the customer's experience in the purchasing process providing them a service that is with no doubt typical of a luxury product; the purchasing process is an experience that helps to create an aura of prestige, luxury and expensiveness among them and that can be completed with value added services such as delivery, tailoring or

⁹⁵ K. Palzyk, Academia, *"The democratization of luxury- a new form of luxury"*, 2016, p. 164

⁹⁶ L. Pernet, Undergraduate Marketing Major Northeastern University, op.cit, 2012, p. 3

⁹⁷ E. Corbellini, *Moda, lusso & lifestyle SDA Bocconi*, op.cit, 2014, p.4

concierge services⁹⁸. Nevertheless, the most effective strategy is perhaps to communicate to the consumers the real intent of the firm as it has been shown that consumers are more responsive if the firm is honest and they would also buy more products if they feel they can trust the brand and its way of doing business⁹⁹.

To conclude, luxury goods should always develop a business plan to protect their image and aura when they decide to enact a strategy of democratization, choosing one of the strategy listed here or a combination of them.

3.3 Distant, Elitists & Democratic

As it has been pointed out since here, many are the types of luxury consumption that can be seen in the marketplace and, as a consequence, many and various are also the kind of consumers that it is possible to categorize.

A contribution in that direction was given by the already famous Dubois, Czellar & Laurent in 2005 which developed a customer segmentation based on the consumer's demand which was a function of their attitude towards luxury products. The three researcher classified the potential luxury consumer into three main groups: the Distant, the Elitists and the Democratic. From the analysis of these group it has emerged that while some features about the concept of luxury are the same between them, others may differ significantly¹⁰⁰.

Before describing the three segment it is useful to recall the Dubois, Czellar & Laurent previous study in which they outlined the main facets common to all the luxury products. As they have stated, the main features are: excellent quality, high price, uniqueness, superfluousness, aesthetic and ancestral heritage. These characteristics are common to all luxury goods, what differs is the importance that every group of consumers give to each of them in order to define a luxury product.

⁹⁸ L. Pernet, Undergraduate Marketing Major Northeastern University, *op.cit*, 2012, p. 5

⁹⁹ L. Pernet, Undergraduate Marketing Major Northeastern University, *op.cit*, 2012, p. 5

¹⁰⁰ G. Aiello, R. Donvito et. al., Ecole Supérieure de Commerce de Paris ESCP-EAP, *op.cit*, Paris, January 2007, p.4

The first segment that has been defined is the one of the Elitists, they look at luxury products in a traditional way, following the idea that these kind of products are made just for a small particular group of people, the so called “happy few” to which they belong. This small group of people are legitimate to own luxury goods as they are the only one who can really afford them, both in terms of capital and in terms of culture; in fact, the Elitists believe that only those individual which dispose of a certain cultural level are worthy to buy and own a luxury product as they are the only one who can really appreciate them. A luxury product needs to be expensive, rare and able to differentiate who owns it from the rest of the world as it may otherwise lose its intrinsic value if it becomes accessible to the masses¹⁰¹.

Then there are Democratic, who look at the luxury consumption in a more modern way. According to them, there are more people than just the “happy few” who have the right to buy luxury products: the “happy many”. The democratic in fact, do believe that those who buy and consume luxury goods don’t need to have particular characteristics, such as a huge culture in that field, to appreciate them fully. Luxury goods, according to them, are not strictly connected to a high price or to a particular good taste; indeed they should be accessible to the all society with no kind of restriction or exclusivity¹⁰²; instead they should be produced in mass.

These first two segments share their positive belief about luxury goods but they differ in terms of accessibility of the masses to that particular industry. On the other hand, instead, there are the Distant, that feel as completely outsiders to the luxury world. They don’t like the luxury industry, instead they believe that it is something not necessary in order to have a well and happy life; moreover, they don’t even have any kind of pulse for those products that they consider just as negative. Thus, they think that, as luxury products are negative and useless for the society, they should be highly taxed in order to discourage their purchase. Distant don’t even have a good

¹⁰¹ H. A. Bilge, *Khazar Journal of Humanities and Social Sciences*, Vol. 18, n. 1, “Luxury consumption: literature review”, Turkey, 2015, p. 44

¹⁰² G. Aiello, R. Donvito et. al., *Ecole Supérieure de Commerce de Paris ESCP-EAP*, *op.cit*, Paris, January 2007, p.5

opinion about luxury consumers; they see them as snob, just interested in emulating the standard of life of those who are truly rich and not even of high culture¹⁰³.

Two are the main reasons why Distant are so against luxury goods: the first one is related to the fact that they have a negative opinion about the products themselves, they consider them useless, too highly priced and with no benefit for the person who buys them; the second and last reason is the fact that they are absolutely not comfortable with them and their world; they feel nervous about spending all that money for a single item that does not reproduce their inner self¹⁰⁴.

3.4 A Value-based segmentation

The next consumer segmentation that we propose here is based on what it is addressed as values; the term values is defined as a set of beliefs that direct and guide the selection process through which a person decides what kind of behaviour to maintain in a specific situation as well as in the everyday life; more in depth consumption values shape the behaviour that direct a person over the purchase of a certain product rather than another one. This theory is applicable also in the field of luxury goods and creates a segmentation of consumers based indeed on their values towards luxury.

First of all, it is useful to provide a conceptual framework in which it is explained which values and variables affect the more general and broad luxury value category. The luxury value is an aggregation of four different and opposed variables: social versus individual and functional versus financial aspects, that all together shape and define the consumer's perception over the value of a luxury product¹⁰⁵.

The financial dimension is concerned about the monetary elements of the product such as the price or the discount rate and it is a way of expressing the monetary value of the product in a certain currency. Moreover, it also represents, depending on the

¹⁰³ G. Aiello, R. Donvito et. al., Ecole Supérieure de Commerce de Paris ESCP-EAP, *op.cit*, Paris, January 2007, p.5

¹⁰⁴ H. A. Bilge, *Khazar Journal of Humanities and Social Sciences*, Vol. 18, n. 1, "Luxury consumption: literature review", Turkey, 2015, p. 44

¹⁰⁵ K. P. Wiedmann, N. Hennigs, A. Siebels, *Psychology & Marketing*, Vol. 26(7), "Value-based Segmentation of luxury consumption behavior", 2009, p. 627

individual's personal income, the sacrifice he/she has to bear in order to purchase that particular product.

The functional dimension instead is concerned with those features that are essential for the existence of that certain product; these are the usability, the quality and its uniqueness.

Follows the individual dimension which refers to the personal orientation of each customer toward the purchase and consumption of luxury goods; the topic it has to deal with are those of self-identity, hedonism and materialism.

Lastly, the social dimension that focuses on the perceived utility that each person obtains in the purchase of products that are recognized as valuable within their group of friends or acquaintances and deals with features such as prestige and conspicuousness¹⁰⁶.

These four dimensions, despite their differences, interact with each other in order to shape each individual luxury value perception; based on their interaction they are at the basis of the different value based segments of luxury consumers.

Through a series of questionnaires and interviews on a specific sample representing the population, based on the values that have been pointed out here and explained throughout the whole dissertation, it is possible to identify four different clusters of consumers.

The first cluster is the one of the so-called Materialists. They show a higher rate for the materialistic value, so they attach a high value to luxury goods as their belongings are crucial for them in order to have a certain kind of lifestyle and they also attribute a high rank to the usability value, so the capacity of a luxury product to perform in an excellent and outstanding way, if compared to the other goods, in order to satisfy the consumer's needs. On the other hand, the values of quality and prestige and self-identity were seen as the least important ones. They aspire to having a lot of luxury products as they think that their lives will improve in function of their belongings. Contrary, they don't feel the social dimension of luxury goods; for this

¹⁰⁶ K. P. Wiedmann, N. Hennigs, A. Siebels, *Psychology & Marketing*, Vol. 26(7), op.cit, 2009, p. 628

reason, they don't use their personal items as a tool to impress the other and to belong to a particular group of people¹⁰⁷.

The second cluster is composed by the Rational Functionalists, so those individuals who have the highest rate in the quality value, directly followed by the uniqueness and self-identity ones, as it is predictable from their name. Because of the high rate of these values, the Rational Functionalists are particularly interested in the quality standards of the products that has to be above the average and their main focus is to differentiate themselves from the mass; in fact, their aim is to satisfy their individual needs and not to make a good impression on the others. As far as the hedonic dimension is concerned, the score of this particular group was very low, as they are not particularly interested in the emotional dimension of the luxury products¹⁰⁸.

The Extravagant Prestige-Seekers is the third group and also the more numerous. Their main focus and interest in on the social aspects of luxury products, in fact they have the highest rate in the prestige and hedonic value, while the have the lowest in the uniqueness one. The Extravagant Prestige-Seeker confer a sound importance on the social values of the luxury brands; being socially recognized and being part of a specific group is vital for them, for this reason, they are strongly interested in the prestige of the product rather than in its quality; what really matter is the social recognition of their purchase whereas the quality attribute of the product are not essentials to them.

The last group is composed by those people who are defined as the Introvert Hedonists. This is the smallest group and particularly interested in the hedonic values of luxury products; in particular, they see luxury goods as a main source of pleasure for themselves, through their consumption it is possible to live a better life. However, they see luxury products as something exclusive that is not related and available for the masses; luxury products are just for a small elite. In addition, they don't feel the need to show their consumptions to the others; they love luxury goods but they like consuming them on their own, for this reason they are not enthusiastic about them¹⁰⁹.

¹⁰⁷ K. P. Wiedmann, N. Hennigs, A. Siebels, *Psychology & Marketing*, Vol. 26(7), op.cit, 2009, p. 640

¹⁰⁸ K. P. Wiedmann, N. Hennigs, A. Siebels, *Psychology & Marketing*, Vol. 26(7), op.cit, 2009, p. 643

¹⁰⁹ K. P. Wiedmann, N. Hennigs, A. Siebels, *Psychology & Marketing*, Vol. 26(7), op.cit, 2009, p. 644

The classification of luxury consumers based on their perception of luxury values is fundamental for managers and marketers in order to address in the right and with the right tools each segment in order to obtain the highest profit possible. As this group are extremely different between each other it is useful, when positioning a certain product or a whole brand, to select a specific cluster to which the product it addressed.

3.5 The exposure effect in the decision making process

It has been discovered, that the simple exposure to luxury goods is able to increase the inclination of a person to more self-related decision rather than others related decision, strengthening the personal interests over the others ones. This phenomenon is the psychological consequence of the mere exposure of an individual to luxury products¹¹⁰.

We are now going to explain how this psychological process works and which are its implications.

The starting point of this analysis has to be researched in the definition of luxury products; in fact, luxury goods are intrinsically connected to personal interests and to the concept of personal desire, they are usually purchased in order to increase personal pleasure and to feel gratified and not only to impress the others or be part of a group. For these reasons, it is not surprising that it happens that the pure exposure to them may activate some mental mechanism of representation that influence the decision making process and the cognition.

From a medical point of view, when a person is exposed to a luxury product, the medial prefrontal cortex is activated. This part of the brain is concerned about self-reflection and self-relevant processing, so what it is needed in order to demonstrate and give a scientific explanation to the phenomenon is a link between the concept of luxury and self-interest¹¹¹.

¹¹⁰ R. Y. J. Chua, X. Zou, Harvard Business School, *"The Devil wears Prada? Effects of Exposure to luxury goods on Cognition and Decision Making"*, 2009, p.2

¹¹¹ R. Y. J. Chua, X. Zou, Harvard Business School, op.cit, 2009, p.4

Two main experiments have been conducted: the first one shows that, when people enter in contact with luxury goods they are more likely to put into action business decisions that directly addressed to their personal interests. This first experiment was conducted creating two groups, one that was exposed to luxury goods and another one that wasn't. After the exposure, the individuals were questioned about business decision making scenarios in order to assess how much they were interested in their personal benefits, rather than the overall society benefits. As it was pointed out before, those who were exposed to luxury goods were more keen to put in action behaviours that were directed to their personal interest even if this meant harming the others¹¹². The second experiment instead went a step further, demonstrating that even if the exposure to luxury products increases the number of decisions that are undertaken in order to fulfil personal interests, this doesn't mean that they are also directed to harm the others. The first part of this experiment was the same as experiment 1 but then, to all the participants was given a series of apparently random letters and they were asked to write down the first words they could find and assemble with those letters; based on the number of pro-social words and non pro-social words found, the researcher could provide a sound measure of the will of the participants to harm or not the others in order to achieve their personal interests. The results showed that those individuals who were exposed to luxury goods didn't have a significant attitude towards harming the others as the number of pro-social words they found was not significantly lower than the one found by those people who weren't exposed to luxury goods. This outlined how luxury-primed individuals were not more keen to harm the others, but they were just more interested in achieving their interests¹¹³.

These studies suggested that, being even just exposed to luxury goods make a person more interested in his/her objectives and more self-sufficient in his/her decision making pattern that it would be if the individual wasn't so closely exposed to luxury goods and money more in general.

¹¹² R. Y. J. Chua, X. Zou, Harvard Business School, op.cit, 2009, p.5

¹¹³ R. Y. J. Chua, X. Zou, Harvard Business School, op.cit, 2009, p.7

Chapter 2

Sustainable Luxury

1. A sustainable development

Being sustainable is becoming a priority for both individuals and firms, they both have to face the fact that the resources of our planet are not unlimited and that it is our duty to use them in a conscious way in order to give to future generations the chance to live a life as good or better than ours.

This increasing awareness about the topic has brought many firms to start investing and producing in a more conscious way, including in their business plans also the topic of sustainability. When the financial objectives of the firm are combined with a special attention to environmental, social and governance issues, then we can talk about a new financial branch called the SRI - Sustainable and Responsible Investment¹¹⁴. Despite the fact that this discipline is commonly used in each country that wants to take care of the planet, a strict definition about sustainable investment and more precisely, about sustainability is basically impossible to give as it depends on factors such as time, culture and place.

In our discussion we are going to focus on a specific group of investors, the High Net Worth Individuals (HNWIs) which are the best sample to take into account because of their innovative soul. More than others, and because of their high income, this group of people have the chance to invest in new creative ways and on new technologies that can change and shape in a new way the world in which we are living. They can invest in new forms of sustainable energy, they can make charity actions and they can also just save and preserve capital for the generations to come. All these aspects are part of the broader category of sustainable investments as they are characterized by a long-term perspective with high risk and return.

¹¹⁴ Eurosif, *“High net worth individuals & sustainable investment”*, 2012, p. 7

Talking about numbers, in 2007 it was estimated by the Eurosif that the amount invested in SRI by the HNWI's was of about € 540 billion; in 2009 it was of € 729 billion and in 2011 it was equal to € 1,150 billion¹¹⁵. It is quite promising and surprising to see how sustainable investment is growing year by year and how the interest for sustainable development is increasing; it has been shown in fact, that 73% of the interviewed have increased their interest for sustainable matters in the last year, causing a consequential increase in the actual amount invested of 25%¹¹⁶.

As far as the sustainable investment are concerned, it is important to see to which kind of assets these investments are directed to. The majority of them is addressed to environmental matters such as climate change and renewable energies, while the social issues are still barely addressed even if, in recent years the social problems have been raising their popularity in the sustainable branch.

Let us now have a look at the reasons and barriers to sustainable investments as they will be a good predictor of the future path of this financial discipline.

The main reason why HNWI's want to invest in sustainable investments is to give a contribution to the sustainable development. Even if this might appear obvious, it is quite surprising to note that people are not investing in sustainability just because it is commonly addressed as something that it is right to do, they are investing in sustainability because they care about environmental, social and governance matters in order to give to future generations the chance to meet their own needs by avoiding to compromise their resources. Thus, sustainable investment is not seen as *«having to make a trade-off between societal and financial interest but rather pursuing the value proposition of both»*¹¹⁷. The motivation of contributing to the sustainable development, is immediately followed by the responsibility towards clients, that expect from the brands they are purchasing a certain kind of behaviour, which sometimes includes sustainability, the need for long-term returns and finally, a generation transfer of wealth.

¹¹⁵ Eurosif, op. cit, 2012, p. 9

¹¹⁶ Eurosif, op. cit, 2012, p. 9

¹¹⁷ Eurosif, op. cit, 2012, p. 19

Despite the increased interest in sustainable investment, there are still some barrier that make it difficult for firms and HNWI to pursue their objectives.

The first one, with a 28% of the interviewed who addressed this as the first problem, is the performance concern. Every firm, despite its interest of doing the right thing, has to deal with its responsibility of making profits and obtaining good performances and sometimes, sustainable investments are expensive and their returns are not the highest; in other terms, their opportunity cost is so high that sometimes it is more convenient to invest in others, safer, kind of investments. Another barrier is due to the lack of viable products or options, for example in terms of liquidity, that perfectly reflects the still new field in which they are investing. Other problems are: the extremely high riskiness, the lack of qualified experts and lastly the concern about green washing¹¹⁸.

Last thing that is important to outline and to keep in mind towards our future analysis is the group composition of the HNWI. The majority of this group is composed by women and entrepreneurs that mainly belong to the youngest generation. This happens because usually women are more concerned about showing their personal beliefs through their actions; thus, if they are concerned about sustainability they will not incur in a non sustainable purchase or activity. Moreover, the fact that younger people are more interested in sustainable matters is a good sign for the future; it means that the new generations have changed their mind-set, including sustainability between those aspects that are fundamental in every decision making process¹¹⁹.

2. Is there an association between luxury and sustainable development?

Nowadays, we are living in a historical moment which is defined as an “*ethics era*” in which a large number of firms is engaging in activities of corporate social responsibility (CSR) mainly because of the increasing pressure from the consumers who are always more concerned about sustainability.

¹¹⁸ Eurosif, op. cit, 2012, p. 20-21

¹¹⁹ Eurosif, op. cit, 2012, p. 17

However, this increasing attention by consumers for CSR is embedded in their purchasing behaviour just when some conditions are satisfied: when the consumer is supporting the intention of the firm to adopt a responsible approach; when the quality of the products is still as high as before and lastly, when the price doesn't change, consumers in fact, are not willing to pay a higher price for a product just because it is socially and environmentally responsible¹²⁰.

As it can be evicted from these characteristics and from the definitions of the two terms, it seems that the association between luxury products and sustainability is quite weak and consumers seem to agree; in fact, based on a recent survey on 1618 consumers, it has been stressed how the luxury industry is considered as the least in terms of sustainable commitment¹²¹. Luxury in fact, is mainly associated with terms such as pleasure, excess and superficiality, while sustainable development is more related with themes as altruism, moderation and ethics. Nevertheless, in recent years it has been stressed the fact that an association between these two terms may exists and it is possible to see its consequences in the increasing number of luxury brands which are developing and putting into action business plans that aim at transforming the brands in more socially responsible ones, without compromising their image.

Based on previous surveys and researches, the definition of luxury products can be closely associated to three principles that surprisingly can be related to sustainability as well. Assessing the fact that sustainability is defined as a way to “*meet the needs of the current generation without compromising the ability of the future generations to meet theirs*”¹²², those principles are: the fact that luxury products are timeless, so they don't follow the trends but instead they are durable and never old; they are unique, usually tailored and absolutely special as they are not made in big stocks to be always available for the masses but they are often one of a kind and finally, the fact that they have a soul and their objective is to touch the feelings of the owner through the meaning and the history that is embedded in them. As it is possible to

¹²⁰ M. A. Achabou, S. Dekhili, Journal of Business Research, 66, “*Luxury and sustainable development: is there a match?*”, 2013, p.1896

¹²¹ L. Pascaud, Added Value, “*Sustainability and Luxury*”, p.1

¹²² L. Pascaud, Added Value, “*Sustainability and Luxury*”, p.1

deduct from these characteristics, luxury brands may have something in common with sustainability and moreover, they can also be an appropriate vehicle to increase the awareness of consumers about the topic, transforming sustainable consumption into something cool, into a trend.

Sustainable luxury can also be seen by luxury brands as an opportunity. It can help them to differentiate themselves from premium brands stressing the difference between the two categories and underlying how luxury brands defend the unstable nature of things through their high prices, the defence of their heritage and historical craftsmanship and through their tight control over supply and distribution of their products in order to maintain exclusivity. Moreover, the increase interest for sustainability can also be a great opportunity to redefine the soul and the luxury products; a new generation of sustainable luxury products can be created, with particular attention to both quality, beauty and justice and responsibility. Luxury product's aim is tough to become sustainable but without losing their luxurious aura; as Stella McCartney said: "*a luxury clothing designer with a sustainable convictions*"¹²³.

This new association between the luxury world and sustainability is opening a new era for sustainable development in which being environmentally and socially conscious is not anymore something boring and completely without taste but instead, it is becoming something innovative and to which everyone should and would aim. Obviously, a big step must be done first by luxury brands, that have to find a way to embed these new concepts in their vision and in their messages in order to promote sustainability between individuals that will need to change their vision of the world and to be also willing to pay a higher price just because what they are buying is good for the planet.

One of the main tool through which luxury brands are adopting a sustainable approach is the usage of recycled materials for the creation of their products. However, some researches have underlined how consumers preferences about

¹²³ L. Pascaud, Added Value, "*Sustainability and Luxury*", p.2

recycled materials are not particularly encouraging; in fact, when it comes to product-specific matters, such as the one of luxury goods, consumers showed to be pretty much against the usage of recycled materials for the production of luxury goods¹²⁴. More in details, when luxury consumers have to choose a specific product their main focus is first of all on quality, followed by price and finally by brand reputation; the sustainability of the product is therefore not included in the main variables that drive the purchase and consumption of luxury goods. In fact, if we look at the results of some researches that have been conducted on a sample of 3700 individuals we can deduct some important conclusions. The first one, as we said before, is the fact that the sustainable commitment of the firm is still absent between the main factors that constitute the criteria for buying a luxury product; the selection instead, is based on the quality of the brand and on its reputation, this also means that the only condition under which consumers will buy a sustainable product is if its quality and attributes are at least equal to the one of non sustainable products. The second finding is that consumers do not see positively the utilization of recycled materials in the creation of luxury products; even if they see recycling as something positive and good for the planet, they don't want it to be associated with luxury goods maybe because they perceive recycled materials as a possible harm to the quality of luxury products. The only case in which recycled material are accepted is if they are included just in the packaging¹²⁵. A possible reason for this deny of recycled material can be found in the contrast between recycling and the products we are analysing; luxury goods are in fact associated with prestige and rarity while recycling doesn't seem to have anything to deal with them, moreover, because of their characteristics of rareness and scarcity, luxury consumers seem not to believe that the consumption of luxury products can actually damage the planet, wasting material and creating pollution is more something related with mass consumption as they promote a short life cycle of products and a greater consume of resources. Another important matter that has been outlined by the research is related to the real intentions of those luxury brands that decide to go green. Many consumers do

¹²⁴ M. A. Achabou, S. Dekhili, *Journal of Business Research*, 66, *op.cit*, 2013, p.1897

¹²⁵ M. A. Achabou, S. Dekhili, *Journal of Business Research*, 66, *op.cit*, 2013, p.1901

believe that the decision of luxury brands to adopt recycled materials is just a business strategy in order to increase their sales, in particular their credibility seems harmed by the fact that they are promoting sustainable materials in an industry in which greenwashing is more than just common¹²⁶.

These findings we have listed here outline a quite difficult scenario for luxury firms who decide to become more sustainable. In order to face this situation luxury brands should try to incorporate new sustainable practices but without promoting them too much in order to not obtain a negative downturn on sales or at least they should try to promote them in an appealing way mixing function and form in order to make it sound as glamorous and sexy as possible¹²⁷; in addition, they could cluster the use of recycled material just to the packaging but mainly, their real objective, is to try and change consumers' vision about sustainability educating them toward a more conspicuous kind of consumption.

2.1 The effect of fast fashion

The term "*fast fashion*" is used to define a kind of consumption based on low cost clothing collection that aims to recreate the latest trend using poor quality material in order to be sold at a cheaper and more affordable price¹²⁸. This new kind of fashion consumption is driven by the immediate and intense desire of young generations to buy and wear fashionable clothes despite their low budget and to change it, in order to be always updated about the latest trends, as much as possible. Unfortunately, this fashion trend is one of the most damaging and unsustainable one as it promotes waste and poor labour conditions transforming luxury products into goods of mass market consumption. The astonishing thing is that, those people who often engage in fast fashion consumption are usually very concerned about environmental issues but they don't seem to care when it comes to their purchasing behaviour.

¹²⁶ M. A. Achabou, S. Dekhili, *Journal of Business Research*, 66, *op.cit*, 2013, p.1902

¹²⁷ E. Neimtzow, "*2011 in Retrospect: what luxury brands teach us about sustainability*", 2001 Retrieved on www.csrwire.com

¹²⁸ A. Joy, J. F. Sherry Jr, A. Venkatesh, J. Wang, R. Chan, *Fashion Theory*, Vol. 16, Issue 3, "*Fast fashion, Sustainability, and the ethical appeal of Luxury brands*", 2012, p. 273

Having a closer look to this phenomena we can see how fast fashion companies have very low rating in terms of sustainability; the Interbrand ranking of the top fifty green global brands in 2014 report companies such as Zara and H&M as respectively 34th and 39th, which is not very surprising nor comforting¹²⁹. As all the firms which operates in the fast fashion word, they promote clothes and accessories which are specifically designed to become obsolete very fast and to get ruined quite easily in order to encourage consumers to buy their products more often.

The real point that must be stressed is the fact that consumers do care about sustainability but they don't think about it when they are purchasing fashion items. This can be partly explained by the fact that consumers, especially young ones, may fail in recognizing how catastrophically might the the consequences of their actions; while when they purchase food or other kind of items they are aware of the damages and risks associated with a non sustainable consumption, when it comes to fashion they appear to be ignorant about it. However, this problem is not just consumers' fault, it is in fact convenient for fast fashion retailers to just hide the sustainable issues in order to have an increase in the sales and a bigger marginal profit¹³⁰.

Another problem in terms of sustainable fashion, is the misconception of how a sustainable product will look like. Many consumers still have the idea that sustainable clothes will look shapeless, with dull colours and definitely not fashionable nor appealing. It is therefore brands responsibility, to change the consumers' perception of sustainable fashionable products showing them that a conscious item can also be fashionable and charming.

A step forward a more sustainable direction has been made by H&M which created a sustainability report in 2012. Since today, it has been recognized as the first and biggest fashion company to publish its suppliers' list; it is also the first brand to promote a global system aimed at collecting all the old clothes and to donate them; moreover, it's utilization of organic cotton has increased at 21.2% of their whole production. They made a big improvement also under social aspects, H&M in fact,

¹²⁹ Interbrand, "*Best global green brand*", 2014, Retrieved from www.rankingthebrands.com

¹³⁰ A. Joy, World Financial review, "*Fast fashion, Luxury brands, and Sustainability*", 2013 Retrieved from www.worldfinancialreview.com

supports higher wages in all their factories and equal right both for women and for men¹³¹. These, together with other initiatives, have contributed to make H&M a leader in the fashion industry when it comes to sustainable development and to show that also the fast fashion world can give its contribution to sustainability¹³².

All these initiatives are of course remarkable and they are definitely providing an improvement in the development of sustainable fashion but there are still fundamental matters that must be solved; a main one is at the basis of the definition of fast luxury and it is the great amount of clothes that are purchased every day and thrown away also in less than a year. In this scenario, fast fashion brands should rethink about their positioning in the fashion world and try to promote a different way of doing business. As we have seen, many consumers are really concerned about sustainability but very often they are not able to afford luxury goods which are supposed to be more durable and so able to reduce waste, therefore it might be a good idea for fast fashion companies to try and fill the gap reshaping them as “quality fashion companies” which offer products that are better than the mass ones, without becoming luxurious, and at the same time more conscious about the sustainability problem in return of a small increase in the prices. This kind of new fashion industry is called the “*slow fashion - clothing produced under safe labour conditions and from sustainable materials*”, in contraposition to fast fashion, and it may become “*what consumers want, to satisfy their ethical and aesthetic desires*”¹³³.

2.2 CSR in the Luxury market

Corporate social responsibility is defined as a kind of governance that goes beyond the typical respect for norms and that defines a broader objective than the mere maximization of profits. In a CSR perspective, the objectives of the firm become numerous and all of great importance; together with the maximization and creation of profits, there is also a close attention to environmental, social and humanitarian matters that have to be respected and taken into deep consideration in every action of

¹³¹ A. Joy, World Financial review, op.cit, 2013 Retrieved from www.worldfinancialreview.com

¹³² H&M, “*H&M sustainability*”, 2015, Retrieved on www.sustainability.hm.com

¹³³ A. Joy, World Financial review, op.cit, 2013 Retrieved from www.worldfinancialreview.com

the firm and that shape their way of acting. All these purposes are usually embedded in an ethical codes of autoregulation that the firm edits and approves itself but that are usually based on international standards¹³⁴.

Based on a global survey conducted by Mckinsey, it was pointed out that 76% of executives is convinced that CSR is essential to increase the long-term shareholder value and 55% also agree that CSR can improve the company's reputation and differentiate them from the competitors¹³⁵. A good campaign based on CSR can really have positive effects for the firm; it can increase the support for causes promoted by the firm, it can boost consumer's loyalty and expenditure and it can even reduce the negative thoughts related to the firm. However, CSR can often be a problem for the firm rather than an advantage, especially in the short term, in fact, depending on the meaning that consumers attribute to the brand, there can be a conflict between this and CSR that can create a decrease in the consumers' opinion and value about the brand. What marketers have to analyse, before developing a strategy based exclusively on CSR, is the brand concept, defined as a "*unique, abstract meaning*"¹³⁶ of the brand itself, and its accordance or dissonance with respect the the CSR principles. To do this they can use a frame that was developed by Schwartz in 1992 and which stated that there are ten main values that guide and shape the action of the people and that are a reflection of their desired end-states¹³⁷. This theory was based on a circular structure in which those values that were close to each other were considered as compatible whereas those who were in opposite positions were the main cause of motivational conflicts. In this way it was possible to outline four different groups of values: the *conservation* values, which are responsible for protecting the actual state of the world; the *openness* values, which

¹³⁴ Enciclopedia Treccani, Dizionario di economia e finanza, "*Corporate social responsibility (CSR)*", 2012

¹³⁵ C. J. Toreli, A.B. Monga, A. M. Kaikati, Network for Business Sustainability, "*Are Luxury and CSR compatible?*", 2012

¹³⁶ C. J. Toreli, A.B. Monga, A. M. Kaikati, Journal of Consumer Research, Vol. 38, "*Doing poorly by doing good: Corporate Social Responsibility and brand concept*", 2012, p.948

¹³⁷ S. H. Schwartz, Advances in Experimental Social Psychology, Vol. 25 ed. M.P. Zanna, CA: Academic Press, "*Universals in the Content and Structure of Values: Theoretical Advances and Empirical Tests in 20 Countries*", 1992

instead are projected towards uncertainty and the pursuit of emotional and intellectual ideas; the *self-enhancement* values, promoters of the dominion upon people and resources and finally, the *self-transcendence* values that are interested in the common wealth of the others to the detriment of the personal interest¹³⁸. Based on this conceptual frame it is possible to assert that a brand concept which is based on self-enhancement values will cause a motivation conflict if activated together with CSR that typically promotes values of self-transcendence, so opposite to each others. As a result, the luxury evaluation of the brand will decrease causing a negative outcome for the brand. This doesn't happen if the brand promotes values of openness or conservation as they are not in conflict with CSR¹³⁹.

The process by which a motivation conflict occurs is the following: proposing a message of CSR for a brand that promotes values of self-enhancement will create a dual outcome. On a side, the self-enhancement of the brand will boost the correspondent values of dominance while, on the other side, the CSR features will activate its typical self-transcendence values; this simultaneous and antithetical activation will generate a motivational conflict that will generate a sense of disfluency that will produce a negative brand evaluation by consumers. If the same happens to brands promoting openness or conservation, these negative result will not occur as they are not in antithesis with those values that are promoted by CSR; the problem here is just for brands that are self-enhancing and unfortunately, in the luxury industries they are the most. Because of these “neutrality” of values such as openness and conservation, there have been conducted some researches that outlines that it is possible to reduce the negative outcome of the motivational conflict, if a self-enhancement brand is presented through a message of openness and conservation; in this way the motivational conflict is weakened that the vehicle message¹⁴⁰.

¹³⁸ S. H. Schwartz, *Advances in Experimental Social Psychology*, Vol. 25 ed. M.P. Zanna, CA: Academic Press, op.cit, 1992

¹³⁹ C. J. Toreli, A.B. Monga, A. M. Kaikati, *Journal of Consumer Research*, Vol. 38, op.cit, 2012, p.949

¹⁴⁰ C. J. Toreli, A.B. Monga, A. M. Kaikati, *Journal of Consumer Research*, Vol. 38, op.cit, 2012, p.959

This analysis of the problem suggests that some actions has to be taken in order to still adopt a good CSR but without compromising the performance of the firm. First of all, it might be a good compromise to adopt different measures rather than CSR in order to differentiate the firm from its competitors; it can also be a good strategy to attribute the CSR activities to a sub-brand that will be less prone face motivational conflicts problems and finally, as we suggested before, to primarily activate consumers' attention with images of strong self-transcendence in order to weaken the negative outcome as much as possible¹⁴¹.

Many researches have been done in order to find a way to minimize the motivation conflict driven by CSR in the case of self-enhancement brand concepts; a big step in that direction was taken in a study that suggested that through self-expansion, it is possible to persuade consumers that self-enhancement values and self-transcendence ones can be simultaneously pursued.

Self-expansion is defined as a “*cognitive activity intended to grow and expand perspectives and identities*”¹⁴² and which is able to decrease the contraposition between the self and the others. Four were the studies that were conducted in order to obtain valuable conclusions. In study one it was introduced a method aimed at expanding the self-referencing, so a way to develop a connection with the aspects of the self. In particular, the participants of the experiment were asked to read an advertisement that was promoting a CSR activity of a well known luxury brand and in which words as *you* were stressed in order to create a link between self-transcendent aspect and self-enhancement ones. Subsequently, they were asked to write their opinion about the brand and about the advertisements they had just seen. As expected those who were manipulated by the self-expansion through the self-referencing mitigation, showed a greater amount of positive opinions, with respect to those who weren't exposed to the same stimuli, about both the brand and the

¹⁴¹ C. J. Toreli, A.B. Monga, A. M. Kaikati, Network for Business Sustainability, op.cit, 2012

¹⁴² C. J. Torelli, J. L. Stoner, Advance in Consumer Research, Vol.42, “*The complex role of brand meanings in shaping consumers' responses to brands*”, 2014, p. 196

commercial, thus reducing the negative effect of the contraposition between self-enhancement values and CSR¹⁴³.

This study was subsequently expanded introducing another perspective in which the pre-existing preferences of the consumer were modified by the so called *perspective taking*; this happens when a person incorporate the perspective of a stranger into its inner self, thus modifying his/her previous opinion. Also here the results were consistent and showed that people with a low pre-existing preference showed a more positive attitude toward the brand's CSR despite their self-enhancement. It is not possible to say the same for those individuals who showed also at the beginning a strong pre-existing preference for the brand, in this case because of their high loyalty towards the brand there was no negative effect due to CSR in any case¹⁴⁴.

CSR can really affect, especially in the short-term, in a negative way a company that decides to pursue and promote its new strategy. Nevertheless, there are actions that can be undertaken in order to reduce its dangerousness and at the same time create a more environmental and social perspective that will definitely provide an additional value to the firm.

2.3 *How to go green*

In recent years, sustainability has become one of the major concern all around the globe as it is embedded in every kind of human activity. Also the luxury world has felt the pressure to become more sustainable and consciously aware of its effect on the planet, for this reasons, and because of the great pressures of consumers, luxury brands have started a process of modernization toward a more sustainable strategy while keeping at the same time their intrinsic characteristics of excellence and great experience. Those brands that manage to complete these change are defined as *sustainable companies* and have the peculiarity of having a strong interconnection between financial, social and environmental performances with each of them

¹⁴³ J. K. Park, C. J. Torelli, A. S. Monga, D. R. Jhon, *Advanced in Consumer Research*, Vol. 42, "*Self-Expansion as a way of Overcoming the Harmful Effects of Luxury-CSR Incongruity*",2014

¹⁴⁴ J. K. Park, C. J. Torelli, A. S. Monga, D. R. Jhon, *Advanced in Consumer Research*, Vol. 42, *ibidem*,2014

strengthening the others. Their sustainable development is based on three pillars that are recognized as the basic concepts with which sustainability is defined and that must be respected in every part of the firm such as product implementation, policies and practices; they are: environmental integrity, economic prosperity and social equity¹⁴⁵.

To achieve this objectives, companies have to catch the attention of a new kind of consumer that is starting to look also at different and new kind of benefits when purchasing a luxury product, which is always demanding for a luxurious experience, but at the same time pretending that what he is buying it is morally correct and ethically produced¹⁴⁶. Consumers are now buying, not only a certain type product, but also a way to show their concern about sustainable matters and their philanthropy. It is for these reasons that companies are producing more and more green products.

Based on the definition of Mishra and Sharma, a product can be defined green if it has the following characteristics:

- originally grown as an organic product
- if they are biodegradable and recyclable
- if they are produced with natural and toxic free components
- if they are not harmful for the environment
- if they have not been tested on animals
- if their packaging is eco-friendly¹⁴⁷.

Green products are developed in order to make the difference on the market, promoting a new ecological lifestyle and aiming at reducing their impact on the planet. It is obvious that these peculiarities can't be created and embedded in a product that has the same price of a standard luxury product, so, when marketing a sustainable good, managers have to make it look so incredibly valuable that

¹⁴⁵ L. Carcano, *Journal of Corporate Citizenship*, Issue 52, "Strategic Management and Sustainability in Luxury Companies. The IWC Case", 2013

¹⁴⁶ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, "Green Buzz in Luxury Brands", 2012, p. 7

¹⁴⁷ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, ibidem, 2012, p. 8

consumers will be happy and willing to pay a higher price in order to make something ethically good.

Also companies, as consumers, are recognizing the importance of becoming more sustainable and, with the help of a new organization founded in 2010 and called the “Centre for Studies on Sustainable Luxury”, they are trying to transform themselves into more sustainable entities¹⁴⁸. From a business point of view, going green will enable firms to turn into innovators, to become more competitive on the market and in some cases also to cut costs and wastes and consequently to increase revenues. To achieve these objective, many are the green practices that have been implemented by luxury firms in order to become sustainable and they involve all the aspects of company. These practices can be developed through two levels: the value addition process so through the modification of their value chain, or the management system, so their corporate social responsibility, though keeping in mind that these processes need time in order to be developed and to become effective so, as for every other aspect of luxury firms, they must be implemented and structured on a long-term perspective¹⁴⁹.

As far as the value chain is concerned, manufacturing is one of the main field that can be adjusted in order to meet the sustainability objective. Between all the actions that have been undertaken the creation of organic clothing is the most popular one as we can see from the fact that many brands, such as Gucci, Louis Vuitton and Alexander McQueen are using this practice. Creating an organic product means that the materials that have been used in the production process were grown following the organic agricultural standards and avoiding instead the use of synthetic materials. Other popular practices are the use of natural dyes rather than artificial ones and the reduction, in some cases also elimination, of endangered resources.

Packaging as well is a part of the production process that is really suitable to be turned into sustainable. Packaging is a very important aspect when it comes to luxury

¹⁴⁸ M. A. Gardetti, A. L. Torres, Journal of Corporate Citizenship, “*Entrepreneurship, Innovation and Luxury. The Ainy Savoires des Peuple Case*”, 2013, p.59

¹⁴⁹ J. Doval, E. P. Singh, G. S. Batra, Review of Management, Vol. 3, n. ¾, op.cit, 2012, p. 9

brands and it has been seen that, even if sometimes luxury consumers don't like the idea of a merge between luxury products and sustainable practices, they still look favourably to the creation of a sustainable packaging. The main method through which sustainability is achieved in this field, is by the use of recycled paper and eco-friendly packaging. An example of a brand that is really making the difference in this field is Tiffany & Co. which is using packaging materials that are 100% certified by the Forest Stewardship Council (FSC) and 83% of them come from post-consumers recycled sources¹⁵⁰.

After packaging, there comes all the set of operations that are implemented to develop the product that can be modified in order to respect the sustainability standards. In order to do this, firms can follow the environmentally friendly policy by cutting all the waste mainly related to water and energy and greenhouse gas emissions. The most successful branch in the luxury industry world is definitely the hotel ones, that in 2001 received the platinum eco-rating from the International Leadership in Energy and Environmental Design organization for its high level of commitment¹⁵¹.

The last aspect, but probably the most important that a firm needs to change in order to become sustainable, is the corporate governance and in particular, the CSR of the firm. Many luxury brands have started to get involved with activities that will enable them to promote between their customers a more sustainable approach; Tiffany & Co developed a new web site all sustainable oriented in which it outlines all the activities it is involved in, Ferragamo launched a new collection with the promise that 5% of the profits would go to the Vanguard Acumen Fund and Shiseido has been recognised as the Eco-First Company by the Ministry of Environment in Japan¹⁵².

All these activities promoted by luxury goods are not operating on their own, they are basically a response to the increasing pressure of consumers who are demanding to their brands to take a step towards a new way of doing business, taking care of the environment and of all the social aspects that, if not respected, may harm the future

¹⁵⁰ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, op.cit, 2012, p. 10

¹⁵¹ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, op.cit, 2012, p. 11

¹⁵² J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, op.cit, 2012, p. 12

generations. These increasing attention of consumers towards sustainable luxury is creating an even stronger pressure in the luxury industry which is turning sustainable practices also in a competitive tool for the firms. What firms need to do in order to succeed is to attribute a symbolic meaning to everything they do, also to sustainability. Thus, the success of a luxury firm depends on:

- the ability of the firm to develop and put into action competitive corporate strategies
- the ability to transmit a sound symbolic meaning to both old and new customers and to stakeholder¹⁵³.

This new strategic tool that is the symbolic meaning of the company's actions can be developed and transmitted also through sustainability actions and decisions rather than just through their ordinary tools.

Despite the massive change that luxury brands have been pursuing, their performances are still below those of many other commodities brands. The reason behind this relative failure is hidden in the three main issues that any firm has to face when it decides to go green and that are somehow creating some problems to luxury firms that are still new in the field of sustainability; these are: what it takes, what it makes and what it wastes. What it takes is concerned about the kind of materials that are used in order to create a product and about the way those materials are obtained so through extracting, mining, hunting or cutting. What it makes is related to the finished products that are sold in the marketplace and that are derived from the environment through processes of transformation and conversion of raw materials and what it wastes, is the ecological cost in terms of rubbish, pollution and destruction of ecosystems that is endorsed by the firm as a consequence of the production process of a certain good or service¹⁵⁴. These three issues are generally not accounted by the firms that then don't have an honest idea of their environmental and social impact.

¹⁵³ L. Carcano, *Journal of Corporate Citizenship*, Issue 52, op.cit, 2013

¹⁵⁴ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, op.cit, 2012, p. 13

Because of these, luxury brands should change some aspects of their way of doing business, also on the accounting level, in order to include sustainability in every aspect of their strategy. Together with improving their internal processes and developing a culture based on innovation and new form of designs, firms should also manage to include sustainable management practices into the performance review system, unify sustainable practices with corporate values and brand's vision and involve consumers and stakeholders in the firm's effort to be more sustainable in a more effective and interactive way¹⁵⁵.

Even if luxury firms have still a lot to do in order to become excellences in the sustainable world, there are some brands that are taking a step further and that are transforming themselves into valuable examples of how luxury brands can go green. Based on their commitment and their use of sustainability as a way with which financial, social and environmental performances merge together in order to strengthen each other, it is possible to make a distinction into three different categories of luxury firms. The first group is called the Harvester and includes all those firms which are gaining a profit from the introduction of sustainability in their business practices. They usually have an internal strong support in terms of organization to sustainability and a CEO that is deeply involved in the cause; they usually have a sustainability report and a team which main duty is to develop and monitor the firm's sustainability.

Then there are the Embracer that tend to use sustainability as a mean of competitiveness in order to differentiate themselves for their competitors and finally, the Adopters, which tend to be new to the topic and so still quite careful towards sustainability; their main problem is that they are still not able to gain a real advantage from it¹⁵⁶.

Despite their level of involvement, luxury firms need to pursue a value creation model that will allow them to manage both short-term and long-term objectives in a financial but also sustainable perspective. This can be achieved taking under control

¹⁵⁵ J. Doval, E. P. Singh, G. S. Batra, *Review of Management*, Vol. 3, n. ¾, op.cit, 2012, p. 13

¹⁵⁶ L. Carcano, *Journal of Corporate Citizenship*, Issue 52, op.cit, 2013

two kind of variables: a spatial one and a temporal one. The temporal variable represents the firm's necessity to run today's business while, at the same time, thinking about future scenarios and opportunities and creating the appropriate technology to face them. The spatial variable instead, is concerned about the firm's need to keep safe its organizational skills, know-how and technologies while at the same time trying to absorb new skills and perspectives from the outside world¹⁵⁷. These two groups of variables need to be managed on the basis of the drivers that the company faces and that depend on the external content in which it is operating. It has been pointed out that the drivers of sustainability are essentially four: the growth of industrialization and its effect on themes such as materials' consumption, pollution and waste; in order to become sustainable firms, need to become more efficient in their utilization of resources trying to reduce waste and pollution. The second group of drivers is composed of aspects such as transparency, connectivity and the propagation of civil society; to become sustainable luxury brands need to conduct their activities in an open and informal way. The third group is associated with the creation of new technologies that will help to provide alternative solutions in order to create alternative forms of more sustainable energies, so firms need to help this process playing a major role in the creation of new sustainable forms of energy. Lastly, the fourth group of drivers is connected with the sound increase of the world's population; this increase is creating sustainability problems in terms of poverty and inequity especially in developing countries¹⁵⁸.

To become globally sustainable and to have a sustainable value creation firms need to manage all the four groups of drivers implementing ad hoc strategies that involve all the firm's aspects. Thus, reshaping the main objective of the business becomes vital in order to achieve a sustainable development and to gain a leadership position in a long-term perspective.

¹⁵⁷ M. A. Gardetti, A. L. Torres, *Journal of Corporate Citizenship*, op. cit, 2013, p.60

¹⁵⁸ M. A. Gardetti, A. L. Torres, *Journal of Corporate Citizenship*, op. cit, 2013, p.61

2.3.1 *Examples of “green” luxury brands*

Sustainable development has become the main issue that today’s society has to face and it requires a real and valuable commitment of all the sectors and industries the society is made of. A major actor in this dramatic change is becoming the luxury industry that, because of its intrinsic characteristics, such as rarity and durability, and because of its strong impact in shaping consumers’ attitudes and actions, it is required to become a role model in the pursuing of a sustainable development. At the beginning of the transformation process, luxury brands were strongly criticized because of their lack of commitment and because of their absolutely unsustainable practices, however, in more recent years, many luxury brands have demonstrated that luxury firms can actually go green and moreover, they can become real examples of sustainability¹⁵⁹. One major structural change that was made by the luxury sector towards a more sustainable business approach was the one pursued by the LVMH group which developed an Environmental Charter in order to make sustainable development strictly connected to all its activities. In particular, the charter defines LVMH’s major goals and strategies:

- reach and maintain a high level of environmental performance
- promote a collective commitment
- manage risks connected with the environment
- create and produce high quality goods while introducing sustainable practices and innovations
- spread their commitment also outside the group¹⁶⁰.

Also Tiffany&Co. demonstrates its sound interest towards environmental and social matters. The brand, as it’s main business is developed around gems, is particularly interested and concerned about a safe and responsible extraction of the latter; in fact, Tiffany’s diamonds are extracted just in those countries that agreed to the Kimberley Process Certification Scheme which obliges the adherent countries to tightly control the importation and exportation of raw diamonds. Moreover, in order to make the

¹⁵⁹ J. N. Kapferer, *The European Business Review*, “*All that Glitters is not Green: The challenge of sustainable luxury*”, 2010, p.40

¹⁶⁰ LVMH, “*Environment*”, Retrieved from www.lvmh.com (Visited in January 2016)

diamonds' origin even more certain, the brand has direct relations with mostly all the mines from which its diamonds are extracted¹⁶¹.

A luxury strategy directly addressed to real luxury consumers, so the rich people, and which aim is sustainability, is a perfect way to introduce and see what kind of impact some new way of behaviour and products may have on customers. Moreover, these actions will stimulate imitation in lower classes that will be pleased to act in the same way as soon as prices for those products go down thanks to improvement in the production process and the increase in the volume of sales¹⁶².

Numerous are the luxury brands that are now changing their way of operating in favour of a more sustainable one; an example is Kenzo that launches a peculiar initiative in Paris. The brand opened a new pop up store, in collaboration with Blue Marine Foundation, that is completely digital, through which customers are able to shop and look at its new collection but without harming the planet. The purpose of this new shop situated in Rue Debelleye is to sensitize customers about the environmental problems concerned with the oceans and the animals that belongs to them. The idea of this new store was basically to recreate digitally an enormous aquarium; once in the shop all the customers could access to the Kenzo's e-store and buy a product from the new capsule collection #nofishnothing that was created and designed exactly for this purpose. Every time a customer buys one of these products a fish will appear on the screen, populating the aquarium and symbolizing that a fish has been saved¹⁶³. Moreover, in order to recreate the reduction of the marine fauna, every so often the aquarium lose 30% of its fish and the only way to repopulated it is to buy an item of the capsule collection.

Also Gucci has launched many initiatives in order to sensitize its customers and to become more sustainable. However, the firm faced a problem that many luxury brands have encountered when they have decided to go green: the press. It is not

¹⁶¹ Tiffany & Co., "*Responsabilità sociale: diamanti*", Retrieved from www.tiffany.it (Visited in January 2016)

¹⁶² J. N. Kapferer, *The European Business Review*, op.cit, 2010, p.45

¹⁶³ P. Chimera, "*Kenzo a Parigi con un pop up store amico dell'ambiente*", 2014, Retrieved from www.fashionblog.it

unusual that, when a luxury brand decides to become more sustainable, its initiatives are often eclipsed by the press that starts to condemn them about their unsustainable practices such as animal testing and the use of chemicals. Unfortunately, this is a problem that cannot be avoided but, by developing a sound and effective plan of sustainability, it is possible to reduce the negative impact of the press.

As it was said before, Gucci was one of the first luxury brands to voluntarily include, in 2004, CSR certification in its entire production process. The certification, was concerned about ethical matters, the respect of human rights, equal opportunities and the health and safety of its employees¹⁶⁴.

The main concern of Gucci is the education, health and justice of women all around the globe, for this reason, in February 2013, the brand launches a campaign which aim was exactly the one of sensitize and raise money in order to help women of all over the world to live better lives. The campaign was developed together with some famous actress and singers such as Beyoncé, Salma Hayek, Halle Berry and Jennifer Lopez. The concert, held in honour of this campaign raised more than \$4 million providing the necessary funds to more than 87 non-profit organizations in order to combat against women's violence and promotes their emancipation.

The women's condition is not the only cause that Gucci is sustaining. Perhaps, the most important initiative of the brand in the development and the introduction on the market of the first series of bags that are 100% traceable, they are sold with a passport in them with all the details concerning the origin of each material that was used and the way in which it was assembled¹⁶⁵. This idea took more than two years to be structured and developed and it also involved an updating course to the Brazilian farmers in order to explain them how to do their job in a sustainable way, so without cutting completely the trees. All the bags are made with organic cotton and eco-friendly leather which, in order to be even more sustainable, is coloured with natural dyes. Also the packaging, as it is an important component of the final product, is made keeping sustainability in mind. When one of these bag is purchased,

¹⁶⁴ S. Doran, Luxury society: a division of digital luxury group, *"Gucci steps towards Sustainability"*, 2014

¹⁶⁵ S. Doran, Luxury society: a division of digital luxury group, op.cit, 2014

together with the passport, the customers will receive a brochure and a pre-addressed envelope so that they can send the packaging to a centre in which it is possible to recycle all the materials of which it is composed and from them, to develop a new different product¹⁶⁶.

An important aspect about sustainability in the luxury industry was pointed out by Christine Borgoltz, corporate communication and public relation director of the brand Cartier; she said *«In one way or another way, all luxury brands are giving to charities... but we don't like to talk about it because we feel it is normal»* and moreover *«giving back to the community is a necessity. It's not not so much a question of needing to donate to move forward with selling jewellery. It is a question of being part of society and life -it shouldn't be a justification. »* This philosophy points out how important is becoming for luxury brands to be part of something bigger, to help, thanks to their influence, those people that are more in need and also to protect those materials which are fundamental for them. Sustainability is not a choice anymore, but sometimes for luxury brands, it is difficult to promote and advertise their initiatives without being seen as another way to gain more profits.

A field in which luxury brands are seen positively even if correlated with sustainability and in which they are not addressed as exploiters of this new trend in order to increase their revenues, is the hotel's sector.

The hotel's industry has to advantage/disadvantage to have many options in terms of sustainability, in fact, because of their activity that embraces so many different aspects they can also make small changes in their practices in order to obtain a big change in term of sustainability. An example is the new Bulgari Hotel & Residences in London. The hotel was awarded as an "excellence", so with a score higher than 70% in the BREEAM¹⁶⁷ standards, so in the achievement of a sustainable design and

¹⁶⁶ S. Doran, *Luxury society: a division of digital luxury group*, op.cit, 2014

¹⁶⁷ The BREEAM is a world sustainable assessment method for groundworks and buildings. It operates in 72 countries with more than 2 million registered buildings. The aim of this methodology is to measure the sustainable value of the infrastructure through a series of categories that addresses the most important aspects of being sustainable; these are for example a low impact design, a significant decrease in the carbon emissions, a design that has to be durable and adaptable

eco-friendly performance in areas of particular interests such as the use of energy and water, the impact on local ecology and the reduction at its minimum of the emission of pollution¹⁶⁸. Between its sustainable practices, the Bulgari hotel managed to introduce the use of geothermal ground source heat pumps in order to reduce the carbon emissions; moreover, its roof is the first in London to be designed and implemented in an eco-friendly way also incorporating support boxes for birds and peregrine falcons. Finally, in order to make also transportation more eco-friendly, the Bulgari hotel introduced electric car charging points and more than 20 bikes for its guests¹⁶⁹.

Also in New York there have been many luxurious hotels that decided to be eco-friendlier and that were also recognized as promoter of a new way of doing business in the hotels sector. The New York Palace is one of these and its internet page states: *«This recent conversion to a new power model allows our sustainable hotel in New York to offset our overall electricity usage through the purchase of renewable energy certificates, an action that will specifically offset some 22 metric tons of carbon dioxide emissions. This is the equivalent of taking 4,142 passenger cars off the road, conserving 2,436,910 gallons of gasoline, energizing 1,844 American homes for one year, or saving 7,294 tons of waste from landfills¹⁷⁰»*. Moreover, the hotel also tries to be more conscious in the local community, actively supporting causes such as autism, cancer research, environment saving practices and providing help to homeless people. Another hotel, situated in New York which is remarkable in terms of sustainability is The Benjamin. The hotel has achieved the identification as a ECOTEL Five-globe hotel through the reduction of waste and the consequential increase in the energy efficiency by a precise procedural strategy that involves every aspect of the hotel. They are also partners of Clean the World which purposes is to

to climate changes and, last but not the least, the protection of biodiversity and of ecological values. For each category it is assigned a certain number of credits and, based on their total, a final rating that goes from Unclassified (less than 30%), until Outstanding (more than 85%).

¹⁶⁸ The BREEAM, Bulgari Hotels & Resorts, *“Excellence standard, small impact”*

¹⁶⁹ The BREEAM, Bulgari Hotels & Resorts, *“Green initiatives”*

¹⁷⁰ Lotte New York Palace, *“A luxurious green hotel in New York City. Sustainable practices every day”*, 2016

donate soap products that can be reused and educational material all over the globe¹⁷¹.

2.4 Secondhand and Vintage in the luxury goods' market

Second-hand and vintage purchases are becoming two major phenomena in the fashion market involving a segment of consumers that is increasing over and over. Despite that, these two practices of acquiring a luxury good have been poorly investigated as the researchers have preferred to focus their attention on other purchasing patterns. In fact, between all the different acquiring practices that consumers can engage in, these are considered as the least important; before there are the acquisition of luxury products via a traditional way, so buying a unique and real product, or the purchase of a cheaper luxury good by the acquisition of a product that comes from a sub-brand.

Despite the little research on the topic, second-hand and vintage purchases have shown to be extremely relevant in the luxury industry, especially when it comes to the relation between the latter and elements such as sustainability. Sustainability is, in fact, seen as one of the main characteristics of second-hand consumption as it involves recycling and an environmentally conscious behaviour of consumers¹⁷².

What it is interesting about this topic is the fact that, despite their lack of all those typical features that make a luxury product luxurious, such as high price, exclusivity and perfect quality, second-hand and vintage products are still considered as belonging to the luxury products category despite the fact that they are basically someone's belonging that is been sold in order to get rid of it. Therefore, there must be other elements embedded in these two new categories that enable consumers to perceive them as luxurious.

¹⁷¹ K. Latchford, Design & Trend, "Sustainability meets Luxury: 5 Eco-Friendly Hotels in New York City", 2013

¹⁷² L. L. M. Turunen, H. L. Leskinen, Journal of Product & Brand Management, 24/1, "Pre-loved luxury: identifying the meanings of second-hand luxury possessions", 2015, p.58

In order to understand the connection between luxury goods and second-hand and vintage products it is necessary to first understand the reasons and the meanings that consumers attached to the purchase of one of these products. There are two different perspectives: the perspective of *disposing of possessions* and the one of *acquiring used possessions*¹⁷³. These two perspectives are closely related and they sum up the cycle of any kind of product, a disposition may be acquired and so on developing a kind of circle in the consumption pattern. However, what it is important for our purpose, is the part of the acquisition of used products and all the processes and feelings that are related to it. It has been shown, that hunt and the discover of used products can be highly exciting and rewarding for consumers developing a high involvement in the activity. These involvement is not just driven by the will of finding a good product for a really cheap price but it is also the results of other factors that are embedded in the definition of second-hand and vintage products.

Even if these two terms look very similar and despite the fact that both are connected with the thrill of the hunt, second-hand and vintage products present some differences. Second-hand products can be defined as good that were previously owned and used and that have a financial value that is relatively lower if compared to a new one; the price in fact, is the main reason why consumers decide to look for a second-hand product together with frugality and in some cases also sustainability. On the other side, vintage products are yet previously owned, but they do not need to be also previously used, there might be products which have been used just once or maybe that have been displayed just on a catwalk. Moreover, they are representative of a specific era and of a specific style and their price is based on their age, rarity and conditions. It is defined vintage a product that has been produced in the period between the 1920s and the 1980s; everything that comes from an antecedent era is defined as antique while everything that has been produced in a subsequent period of time can't still be defined as vintage but it is just part of the modern era¹⁷⁴. The main

¹⁷³ L. L. M. Turunen, H. L. Leskinen, *Journal of Product & Brand Management*, 24/1, ibidem, 2015, p.59

¹⁷⁴ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12, "*Something old, something used. Determinants of women's purchase of vintage fashion vs second-hand fashion*", 2012, p.957

reason behind the purchase of a vintage luxury product is not financial but is more related to feelings such as nostalgia, rareness and the history behind the product¹⁷⁵.

What it's important here, is to investigate on the antecedents of the purchase of second-hand and vintage products, especially in the field of luxury goods, in order to better understand their meanings and value for consumers, in particular, there are six features that must be considered: nostalgia, fashion involvement, need for uniqueness, need for status, frugality and eco-consciousness. These six themes are not exclusive, in fact, there may be two or more antecedent that collectively drive the purchasing pattern of a customer towards a certain product, as it might be that the same product is purchased by different people for different reasons¹⁷⁶.

Nostalgia is one of the main motivations that drive a consumer to buy a vintage product and it is related to a sense of preference for the past while involving some kind of negative feelings towards the present era; these negative feeling are embedded in the preconception that everything was better in the past even if the consumer may have not experienced the past era he is nostalgic of, there are in fact two kind of nostalgia: the personal one and the historical one. While the personal one is related to feelings that come from memories that the consumer have lived and experienced, the historical one is instead related to an historical era that the person has not experienced, so it is just based on the perception the individual has about that particular time in history. In order to get closer to that specific moment in time, the consumer is willing to find and buy all those products that can help him to live again, or live for the first time, his/her nostalgic era. Thus, the reason why people decide to buy vintage items is to try and satisfy their nostalgic feelings with something authentic that holds a piece of that historical moment and that is strongly related to all those feelings that the consumer is trying to live again. It is precisely for these reasons that nostalgia is a strong antecedents of vintage purchases but not of second-hand purchase as they are not related to a specific era¹⁷⁷.

¹⁷⁵ L. L. M. Turunen, H. L. Leskinen, *Journal of Product & Brand Management*, 24/1, op.cit, 2015, p.59

¹⁷⁶ L. L. M. Turunen, H. L. Leskinen, *Journal of Product & Brand Management*, 24/1, op.cit, 2015, p.60

¹⁷⁷ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12,op.cit, 2012, p.959

Fashion involvement is defined as the degree to which people see fashion items as fundamental for themselves, in particular, the greater the importance of fashion in the life of the consumer, the greater the involvement of him with the product he is acquiring. It has been shown that, if the involvement is high, then there will be more chances that the person will buy luxury products more frequently and in greater quantities. Moreover, fashion involvement has been shown to be closely related to personality traits such as materialism, thus, as long as consumers see vintage products as fashionable and necessary to increase their appearance, fashion involvement should induce them to buy more and more vintage products. However, it should not induce consumers to buy second-hand products as they are considered not in fashion.

Then there is the need for uniqueness that is the necessity of consumers to buy something that is completely different from the others in order to develop and enhance their social and self-image¹⁷⁸. This need for uniqueness is developed and implemented through the acquisition of items that are rare and difficult to find in order to change an undesirable situation or improve an existing one. Likewise, the need for uniqueness is composed of three dimensions: the development of a personal style through the purchase of unique products that may outline his/her creativity and so will help the consumer to differentiate himself from the others; the engagement in unpopular choices that may both lead the consumer to social disapproval but if well implemented, they can increase the consumer's social and self-image and finally, the avoidance of similarity that it's a way through which consumers try to re-establish their identity by purchasing different and unique products. All those aspects have been addressed as the main drivers of vintage products' purchase; also this time second-hand seems not to be affected by this trait¹⁷⁹.

Also need for status is extremely relevant and it is defined as the tendency to purchase products that, because of their prestige and value, are recognized as

¹⁷⁸ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12, op.cit, 2012, p.960

¹⁷⁹ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12, op.cit, 2012, p.961

essential to belong to a certain group. Because of the importance that is given to the item itself and so also to the brand and the place where it is shopped, the need for status tends to influence negatively the purchase of second-hand products and also to not stimulate the acquisition of vintage products as they are not extremely recognizable and they don't provide the consumers with the appearance and belonging to a certain group that he is trying to achieve.

One aspect that is considered as the main antecedent of second-hand purchase is the one of frugality. It is defined as a way of living of consumers that are against the acquisition of too expensive items and that prefer to make a more conscious use of their economic resources. For this reason, it seems that frugality incentives second-hand purchase, when the items are actually cheaper than new ones, while it doesn't encourage the acquisition of vintage products, as it has been shown that very often, vintage products can be even more expensive than new ones¹⁸⁰.

Finally, the real feature that it is relevant here in the context of our discussion, is the eco-consciousness. This antecedent is common both to vintage and second-hand products but it is not addressed by consumers as the first thing they think about during their shopping process. In fact, many people shown to not be aware of the fact that buying second-hand or vintage products is somehow a way of recycling and reducing waste and consequently a way of being sustainable. As it is a new and trendy way of recycling, many firms are encouraging their customers to bring back they used clothes or accessories in order to gain two different kind of advantages: the first one is the fact that will receive, as a compensation, a new item for half price, while the second one is the fact that they will help the firm to be more sustainable and the latter will create new vintage products by adjusting and washing their old fashioned products. This practice was highly promoted by the brand Levi Strauss which used also to label its old jeans with the initials of the old owner¹⁸¹.

¹⁸⁰ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12, op.cit, 2012, p.962

¹⁸¹ M. C. Cervellon, L. Carey, T. Harms, *International journal of Retail & Distribution Management*, Vol. 40, n. 12, op.cit, 2012, p.963

The most important point of this analysis is the fact that both for second-hand and vintage products, the sustainability of these kind of purchases is not tightly embedded in the consumers' mind when they decide to purchase one of these items, nevertheless, it is important to stress the fact that, despite their lack of intentions, consumer are still enacting in a sustainable way while still purchasing luxury products and therefore, a stronger awareness of the topic might somehow incentivize individuals to buy more vintage and second-hand products in the attempt to merge two apparently opposed visions: being fashionable and at the same time being sustainable.

2.5 The Multi Sensoriality of Sustainable Luxury

When luxury brands engage in sustainable activities it is necessary and fundamental to transmit their intentions to their customers in an effective way and moreover, in a way that will not create confusion in the consumers' mind.

In order to obtain this objective, all the strategic marketing activities must be conducted and organized in an uncommon way in order to balance the luxury features of the brand and its sustainability; for this reason, it may be useful to rely on multi-sensorial, complex and also opposed signals.

Signals are a kind of tool that it is used in order to create a connection between the information that the brand wants to send and the receivers; by shaping these signals, by modifying their form and content, the brand can generate a desired response in the consumers, shaping also their purchasing behaviours.

The multi-sensoriality can be achieved through the creation of signals that embed more than one sense between smell, sight, sound, taste and touch. Typically, those signals are shaped in a way that the receiver obtain a multi-sensorial message even if the original one that was primarily sent by the sender was uni-sensorial. They are more complicated than traditional ones and they usually try to achieve some kind of

congruity. However, sometimes this congruity is not necessary and instead contrasts and conflicts are more auspicious in order to obtain a more particular effect¹⁸².

This practice has always been used in marketing and communication strategies, but when it comes to luxury and sustainability there are some differences that must be taken into consideration, as the message that the brand wants to send is more complex. A traditional signal is created in order to highlight a clear, unambiguous and evident message which aim is to generate a specific outcome in the quickest and most effective way as possible; instead, a signal aiming at sending a sustainability message is constructed in a more ambiguous, complex and hidden way as it needs to develop, inside the consumers' mind, a sounder and long lasting transformation¹⁸³. This objective can be achieved using multi-sensorial signals that can be shaped in the best way as possible in order to achieve the desired outcome; for example, it has been shown that senders, often choose one or two main senses to deliver their message to the receiver in order to help them to understand both the luxury message and the sustainable one; moreover, it has been shown that, the use of a combination of senses can also stimulate the receiver to subconsciously activate all the other senses in order to make the message more effective and durable.

Despite the brands' use of multi-sensorial messages for luxury and sustainability, there can be occasions in which they can create some complications that in the traditional world of signalling theory might not be present. The first problem that may arise is the unexpected creation of an unknown outcome when the signal arrives to the receiver, in some cases in fact, the signal might also develop a new and wider type of conflict between the brand and its messages. It can also happen that the intent of CSR goes beyond what the signal's purpose actually was, creating a sort of expectation about the firm's future activities. The last undesired outcome that may arise is essentially about the intrinsic difference of this type of signal if compared to

¹⁸² O. Ivanova, K. Poldner, O. Branzei, *Journal of Corporate Citizenship*, "Touch and Feel. Signals that make the difference.", 2013

¹⁸³ O. Ivanova, K. Poldner, O. Branzei, *Journal of Corporate Citizenship*, ibidem, 2013

the traditional ones; a traditional signal is measurable and comparable while these new type of multi-sensorial signals about CSR are completely the opposite: they are based on the ability of the firm to coordinate different and opposite features, on their involvement in sustainable initiatives and therefore are hard to measure and to compare across the sender and the receiver¹⁸⁴.

Multi-sensoriality is a quite difficult tool to manage but it can be extremely effective; it has been shown that through the involvement of more than one sense, the signal is received in a stronger and longer-lasting way as it shapes consumers' emotions and thus, drives their consumption patterns. These emotions will remain embedded in the receivers' minds and therefore, they will have a stronger impact than a traditional signal in creating or reshaping positive thoughts, feelings and actions towards the brand.

The complexity of the topic seems to be reasonable if seen together with its purpose; combine in a message two elements such as luxury and sustainability is a hard task and thus it needs a complex tool as the multi-sensoriality signals. They are able to shape and create a balance between the two, sending a clear value proposition to the receiver and avoiding as much as possible misunderstanding, providing to the consumer a greater and better understanding of the world around them¹⁸⁵.

3. Consumers' awareness of Sustainability

In 1972 sustainability was defined by the United Nations as a concept that includes three issues: the connection between economic, social and environmental development; the interdependence of individuals and the environment in which they live and the necessity of a worldwide vision and principles. Over the years, this concept has become of common use losing a bit of the original sense and becoming a broader concept that now is difficult to define. Because of its diffusion, sustainability has been embodied in every aspect of people's lives, including the fashion industry, developing a new kind of sector called sustainable fashion. In particular, sustainable fashion has been defined as those kind of clothes that integrate

¹⁸⁴ O. Ivanova, K. Poldner, O. Branzei, *Journal of Corporate Citizenship*, op.cit, 2013

¹⁸⁵ O. Ivanova, K. Poldner, O. Branzei, *Journal of Corporate Citizenship*, op.cit, 2013

the following criteria: recycle, organic, vintage, vegan, artisan, locally made, custom and fair trade certified¹⁸⁶. Recycled clothes are those made with reused materials that comes from old clothes; they are called organic clothes, if their materials are grown naturally without any kind of pesticide; they are defined as vintage if they belong to past eras and they've been brought back into fashion. Sustainable clothes can also be defined as vegan if they are produced with material that are not leather or any animal materials and artisan if they embed people's craftsmanship. Moreover, if a product is locally produced, so if it is not carried from one place to another, it can yet be defined as sustainable and finally, if a product is custom, so if it respects and incentivize slow fashion, and if it is fairly traded, so whether it respects human rights, then it can be classified as a sustainable fashion item.

Interestingly, despite the fact that consumers seem to be really interested and involved in sustainability matters, when it comes to their purchasing practices, especially in the fashion industry, their behaviour doesn't show their concerns. This contradiction between consumers' attitude and their behaviour was defined as the *attitude-behaviour gap* and it seems to be the result of a series of factors that deserve to be analysed.

The main reason why this gap exists is because of the knowledge gap. Whenever consumers are making any kind of decision, they need to have a reasonable amount of information in order to be careful and conscious about their choices and in order to choose the right alternative. Thus, when individuals engage in non-sustainable decisions it may be just because of their lack of knowledge about the topic or just because they are being ingenuous about the importance of their actions in terms of sustainable effects. A way to reduce this knowledge gap is just to provide consumers with more information and details in order to let them make more conscious choices¹⁸⁷.

From previous studies, it has been shown that not all the elements that defines sustainable fashion are equally know and equally associated with sustainability; in

¹⁸⁶ D. Shen, J. Richards, F. Liu, Marketing Management Journal, "Consumers' awareness of sustainable fashion", 2013, p. 135

¹⁸⁷ D. Shen, J. Richards, F. Liu, Marketing Management Journal, op.cit, 2013, p. 143

fact, consumers perceive Recycle and Vintage together and they are seen as the main features that defines sustainability, then it follows in order, Fair trade and Locally made, Organic and Vegan and finally Artisan and Custom. This finding give to the managers of luxury products the ability to reshape their marketing strategies in order to be more efficient and effective using more often words connected to the concepts of Vintage and Recycled rather than adjectives related to Artisan and Custom. Moreover, it has been shown that the majority of consumers are primarily attracted to buy a certain luxury product because of the brand name, therefore, this might be used as an instrument in order to let them make even more sustainable decisions; their will to buy from a certain brand can also increase if the firm make them aware of their CSRs¹⁸⁸.

Another way by which it is possible to increase the consumers' awareness about the importance of ethical and sustainable matters is if something tragic happens. Recent tragic events, obviously related to social or environmental practices, seem to induce customers to pay more attention on the consequences of their actions and thus they will be more interested in all the production practices that there are behind the development of a specific luxury product.

Lastly, also demographic factors have been shown to be an indicator of consumer awareness of sustainable fashion. The main factors that create a differences in consumers' awareness are age, personal income and ethnicity; more in detail, age is negatively correlated with sustainability, in particular with elements such as organic one, while the income is positively correlated with it; finally white people seem to put more attention on practices such as recycling than non white people¹⁸⁹.

This analysis shows how important it is to educate consumers towards sustainability and moreover, how essential is for luxury brands to make their messages clearer in order to fulfil the knowledge gap and to provide to current and potential customers all the necessary information in order to make conscious decisions.

¹⁸⁸ D. Shen, J. Richards, F. Liu, *Marketing Management Journal*, op.cit, 2013, p. 137

¹⁸⁹ D. Shen, J. Richards, F. Liu, *Marketing Management Journal*, op.cit, 2013, p. 145

3.2 *How Luxury consumers perceive CSR*

Recently luxury brands have been exposed to many critics because of their apparent lack of involvement in sustainability and ethical issues; because of these reasons and aware of the importance that sustainability is gaining in every aspect of consumers' day to day life, luxury brands have started to emphasize their effort and results in terms of sustainable and ethical commitment.

Going deeply into the problem, it is possible to notice how since 2000, luxury firms have developed specific strategic bodies inside their structure in order to face the sustainability problem in the most effective and efficient way. However, their way of dealing with it is different than what commodities firms do and the reason is embodied in the fact that also the structure of luxury firms is completely different; in fact, the main element of a luxury brand is the *maison*, so the creator, the artist, who has to be completely independent and autonomous in order to express freely his creativity and who will have just few interactions with the other areas of the organization. Furthermore, luxury brands tend to not make huge marketing campaigns to communicate information about themselves as all their brand is based on exclusivity and prestige so elements that can't be accomplished with commercials. Finally, they do believe that the best way to deal with the attacks that they suffer, because of practices such as greenwashing, is to not say anything in order to avoid making things worse¹⁹⁰.

Despite the fact that consumers are becoming more aware and concerned about the consequences of their purchases on the environment, but also on an ethical perspective, this doesn't seem to affect their consumption of luxury products; luxury purchases are in fact considered so rare and expensive that they are not associated with something dangerous for the planet. Consumers tend to buy luxury products in such an irregular way that their impact on sustainability matters doesn't seem to be so relevant; in addition, luxury products are used as a tool to provide the consumer with an exceptional experience that will help him to get some relief from the everyday life, therefore, it is not surprising to notice that consumers are not interested

¹⁹⁰ J. N. Kapferer, A. M. Denizeau, *Journal of Brand Management*, Vol. 21, n. 1, "Is Luxury compatible with sustainability? Luxury consumers' viewpoint", 2013, p.3

in sustainability problems when they are acquiring such products, they just want to escape from reality and feel good.

Unfortunately, in recent years, things have changed, moving consumers' attention towards sustainability also when they are purchasing a luxury product. This shift of consumers' attention has been driven by the increase number of critics that activists have been moving to luxury brands due also to their growth in terms of volumes and sales in the past years despite the global economic crises.

It then becomes necessary to investigate about the consumers' opinion about luxury products and sustainability and to see how contradictory is for them the association between these two terms and more in depth, to investigate which are the main causes of this scepticism.

The first factor is related to socio-demographic elements. While there is no evidence that there exists a correlation between gender, age and environmental issues, it has been shown that income has a strong correlation with sustainability matters. Luxury consumers with a lower income are more likely to buy lower-end luxury goods thus, perceiving a greater contradiction between luxury products and sustainability.

Another aspect is the consumers' sensitivity to sustainability. Consumers that are highly interested in issues related to sustainability do not believe that a luxury product, as it is so expensive, can at the same time embody aspects such as sustainability and ethical practices. Therefore, they tend to feel a strong contradiction between the two and appear to be very sceptical about the ability of a luxury product to fulfil any particular desires, more specifically those concerning the fulfilment of ecological needs. Instead they find this hypothesis laughable and would be much more likely to reduce their overall consumption in order to obtain a sustainable benefit as opposed to purchasing a 'sustainable' luxury good.

Another factor that affects consumers' scepticism about a positive connection between luxury products and sustainability is their general sustainable behaviour. It has been argued that consumers' interest about sustainability cannot be always translated into an actual sustainable behaviour, the majority of the people in fact, tend to think about ecological and environmental practices and issues though without translating them into actions. However, those consumers that actually do behave in a

sustainable way tend to be extremely informed and consider themselves as opinion leader; because of their high degree of information, these consumers will be more likely to reveal all those issues related to luxury products that show how they are not behaving in a sustainable way. Therefore, they will perceive a greater contradiction between luxury and sustainability¹⁹¹.

Also consumers' degree of attachment to luxury products is essential, in fact, people who love luxury products will be less bothered about ethical and environmental issues and they will be more likely to forgive the brands just because of their particular attachment to them.

Fundamental in this field is the consumers' perception of what the luxury brands are promoting, if they feel as if the brand is trying to persuade them with something that is real and fundamental to them, so if they believe that the firm is really committed to the sustainability cause and if it shows them what a strong connection there is between real luxury products and sustainability, then they will be more prone to believe to the brand and so, they will be less likely to feel a contradiction between the products and sustainability. On the other hand, if the brand is perceived as a conspicuous brand which is not really interested about elements such as durability and rarity but which is more focused on the logo and on the visibility of the brand itself, then the consumers will believe that there's a higher contradiction between the luxury brand and its sustainability cause¹⁹².

Lastly, if consumers believe that the luxury product is trying to persuade people that can't afford to buy luxury goods to purchase one of them, then increasing the social inequality and promoting a social unrest, then the contradiction between luxury products and sustainability will be higher and consumers will be more sceptical about the brand's intention in terms of being environmentally and socially friendly.

This analysis shows the importance of consumers' opinion about the real intention of luxury brands when they decide to become sustainable. It is important for firms to keep in mind which are the factors that make consumers sceptical about the topic and

¹⁹¹ J. N. Kapferer, A. M. Denizeau, *Journal of Brand Management*, Vol. 21, n. 1, op.cit, 2013, p.7

¹⁹² J. N. Kapferer, A. M. Denizeau, *Journal of Brand Management*, Vol. 21, n. 1, op.cit, 2013, p.7

from them, to develop a communication strategy that will points out the brands' real intentions and its real values in order to be perceived as authentic and respectful of the sustainability issues. Moreover, brands need to keep in mind that sustainability is not just about being environmentally conscious, but it's also about the values and messages that the brands promote in the society; therefore, enhancing the brand's sustainability while at the same time promoting a social unrest is definitely not advisable, Firms instead should have an internal global perspective that will enable them to be 100% sustainable, in their entirety.

3.3 Cultural differences in the perception of sustainable luxury

The world is now living one of the biggest economic crises ever that is affecting every kind of industry including also the luxury and fashion one. In this environment, people are going back and are starting to refocus on what is really important for them in order to have a long and healthy life. In order to achieve this objective, consumers are paying more attention to green practices and social issues developing a greater interest and taking it into deeper consideration also when purchasing luxury products¹⁹³. In some cases, sustainability is even considered as something complementary to luxury goods - when it is embodied in products that pursue rareness, craftsmanship and durability - and it is considered as something that, at this very moment in time, should be pursued by every firm and that shouldn't be anymore an exception. However, even if all this is generally true, there are some differences that arise on how consumers perceive the dichotomy between luxury products and sustainability that depends on cultural factors; researches have in fact suggested that, despite the common values of luxury that are shared across countries, yet sustainability tend to be culturally bound¹⁹⁴.

¹⁹³ M. C. Cervellon, S. Ricard, L. Carey, Paper presented at 9th International marketing Trends Conference, "*Green is fashion? An exploratory study of national differences in consumers concern for eco-fashion*", Italy, 2010

¹⁹⁴ M. C. Cervellon, L. Shammas, Journal of Corporate Citizenship, 52, "*The Value of Sustainable Luxury in Mature Markets*", 2013, p.91

There are cultures that are eco-centred, while others are ego-centred but also there are some cultures that respect socio-cultural values and this of course, change the way in which they perceive and live the sustainability issue.

In order to advocate this problem, it was conducted an exploratory study among people from Italy, France, UK and Canada to better understand which are the main drivers and differences among consumers' perception of the sustainable problem. The values that were outlined through this research were initially divided into three clusters: eco-centred, ego-centred and socio-cultural values and then, these three were divided again into sub-values. What differs among countries is the importance and centrality that each value owns in consumers' mind and therefore, the relevance of it in driving consumers' purchasing behaviour.

Between the socio-cultural values there are Conspicuousness, Belonging and National identity.

Conspicuousness is a value that has been communicated by consumers of all the four countries through sustainable luxury, however, the way in which it was expressed was extremely different. For Canadian consumers, what make a sustainable luxury product conspicuous is the actual luxury component because, as they said "*sustainable luxury is luxury*"¹⁹⁵. For the European consumers instead, what makes the product conspicuous, so be on a trend, is the fact that it is environmentally friendly, so the sustainability aspect.

The second socio-cultural value is the one of Belonging. French, Italian and British people view this value as extremely strong and it is defined as the affinity with a group that has good knowledges about what luxury is; they believe that in many cases it is impossible for a luxury product to become sustainable as it will lose its authenticity. On the other hand, the Canadian perceive belonging as being part of a particular social class that can afford to buy luxury products but also sustainable products; the affinity between the two is given by the fact that both are expensive and so reserved for people with a certain status and certain possibilities.

¹⁹⁵ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.94

Finally, there is the National identity value. For English, French and Italian people this value is associated with the heritage and the history that is embedded in the product; for them, buying a luxury product, and even more, buying a sustainable luxury product, is a way of preserving the history and the heritage of the brand itself and therefore, also of their cultures. For Canadian citizens, National identity is always associated with the concept of heritage, yet it is seen as collective and related to the nature rather than the history of the country. Despite this difference, also for them, the purchase of sustainable luxury products is a way to preserve it¹⁹⁶.

The next cluster of values is the one called ego-centred value and it is composed by Guilt-free pleasure, Health and Youthfulness, Durability and Hedonism.

Very often the purchase of sustainable luxury products has been used in order to compensate for a variety of behaviours that were pursued by consumer and that were not environmentally and socially friendly. Thus, a sustainable luxury product provides a Guilt-free pleasure to the buyer, helping him to actually enjoy his purchase. This feeling of guilt, which is the driver of this kind of consumption, was measured as stronger in the French and Italian cultures, in which buying a luxury product is almost considered as something to be ashamed of, something that will make the consumer feel uncomfortable, while it was not perceived in such a strong way by British and Canadian people that states to buy luxury product because they deserve it as a reward for their hard work.

A value that was recognised and underlined by each culture was the ability of sustainable luxury products to be extremely good for consumers' health and youthfulness. Sustainable luxury goods are perceived to be safer for the organism, to be less harmful and to be a mean to preserve the youth and beauty¹⁹⁷.

The Hedonic value associated with luxury products is perceived by all the four countries as something ambivalent. While being sustainable and luxurious is seen as an asset when it comes to the service associated with a certain product - like for example a luxury restaurant that has its own vegetable garden - it is seen instead as a

¹⁹⁶ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.95

¹⁹⁷ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.96

liability when sustainability is embodied in the product itself; in this case, the connection between hedonic properties and sustainability is seen as barely possible and extremely implausible.

Lastly, durability is a value that is strongly associated with sustainable luxury goods, in fact, consumers outlines how relevant is the connection between luxury and sustainability when it comes to the long-term use of the product; the longer a product will last over time, the more sustainable it will be. This concept is tightly embedded in vintage products which are perceived as sustainable and extremely fashionable and luxurious at the same time¹⁹⁸.

The last group of values is the eco-centred one and is composed of just two sub-values: the Not doing harm value and the Doing good one.

When we say that Not-doing harm we are basically talking about the protection of the environment and of the biodiversity, two themes that are extremely relevant and at the centre of their concern in the Anglo Saxon cultures. For them, to actively do something to protect the environment and to be sustainable is essential and therefore, they will prefer and reward those brands that are actively involved in sustainability. Moreover, they tend to associate sustainable luxury and sustainability in general, to the technological progress thus, stressing and incentivizing the research for environmental matters.

Also Doing good values are related with sustainability issues. Giving back to communities with philanthropic actions is seen as something connected with sustainable luxury as well. More in detail, for French and Italian consumers, philanthropy is seen as the only possible way that luxury brands have to be somehow sustainable; they do not believe that a luxury brand can become 100% sustainable modifying all the production process and the corporate strategy just to be socially and environmentally friendly. Instead they think that a good and reasonable way for

¹⁹⁸ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.97

luxury companies to contribute is by investing in projects that will help the environment and the society¹⁹⁹.

The usefulness of this study is based on the fact that it provides a clear framework on which values drive the consumers' attitude towards a connection between luxury and sustainability and moreover, it also gives a picture of the differences that there exists between different culture. In particular, the results show how values of sustainable luxury includes also elements which focus on the consumers' individual and social reasons such as socio-cultural values and ego-centered values. These values are of primary and central importance for cultures from the south of Europe, while social and collective drivers are more important and fundamental for Anglo-Saxon cultures and probably also for Scandinavian countries²⁰⁰. Thus, when developing a sustainable corporate strategy, luxury firms need to pay attention to the external context in which they are operating in order to underline those factors and values that are more relevant for the culture they are operating in and at the same time, reducing those that are not well seen from consumers.

¹⁹⁹ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.98

²⁰⁰ M. C. Cervellon, L. Shammass, *Journal of Corporate Citizenship*, 52, op.cit, 2013, p.98

Chapter 3

An investigation on the importance of sustainability in the luxury good market according to consumers

1. Purpose

The luxury industry represents just a small sector of the whole economy but it is considered fundamental because of its ability of attracting interests and shaping consumers' opinion and behaviours. In addition, it was the only sector that kept growing also during the economic crises that started in 2008 increasing its total value and attracting more and more investments from all over the world. On the other hand, sustainability, both in terms of environmental issues and social ones, is becoming one of the central elements of concern of the whole society causing the modification and improvement of many sectors in order to provide more sustainable alternatives, in terms of goods and services, to consumers and to create a more conscious world in which both consumers and firms are aware and respectful of the environmental resources that we are using and of the dignity of people that are working for them.

These two worlds have always been considered as impossible to merge as they were seen as promoting two completely different lifestyles: luxury was seen as encouraging elements such as pleasure and excess while sustainability has always been more related to topics such as altruism and ethics. Nevertheless, in more recent years, people and marketers have started to believe that it might exist a connection between the two also because of the increasing numbers of firms that are starting to include green practices in their production processes and because of the great concern that consumers are demonstrating towards the topic. Looking more in depth at the real characteristics of luxury, it is possible to see how the main element of luxury products, such as durability, uniqueness and timeliness are definitely in line with the principles of sustainability.

Thus, after an in depth analysis of all the past researches and literature about the topic in which is stated that there can be a positive relation between luxury goods and sustainability, we are now going to investigate more in detail about the strength of this relation to see if consumers can really perceive it and how valuable it is for them in the moment in which they decide to buy a luxury product. In particular, what we want to better define, is the importance that consumers attribute to a topic such as sustainability in the moment in which they decide to buy a luxury product.

Thanks to our research, we would like to provide a better understanding of the real perception that both managers and consumers have about the importance and the relevance of the topic when it comes to luxury products; we would like also to compare the actual consumers' concern for sustainability issues in their everyday life, to the importance that they attribute to the topic when they are purchasing a luxury item. Moreover, we hope to measure the general level of information that consumers have about the topic and to see if their knowledge are driven by their personal interest or if they are the result of a brands' marketing strategy. We would like to understand, based on their definition of luxury and sustainability, if they believe that there can be a future in which this two terms will be able to coexist. Finally, at the end of our discussion, and based on the results we have collected we are going to outline a series of conditions that we believe should be respected from brands' managers and a certain amount of improvement that should be done in order to enhance luxury goods towards a more sustainable order and to increase the relevance that the sustainability topic has in consumers' minds when it comes to the actual purchasing process of luxury goods.

2. Methodology

In order to collect datas in the most reliable way as possible we have decided to enact a certain kind methodology for our research. The decision about which option undertaking was not casual but it was conditioned by some factors that were considered relevant for us. First of all, it is important to stress the fact that there are two types of research that can be conducted in a socio-economic field to collect and

analyse data that will produce consistent results: a qualitative research or a quantitative one.

A quantitative research is usually conducted in order to quantify a problem by the acquisition of numerical data or numbers that can then be transformed into statistics that are meaningful according to the purpose of the research. This kind of analysis is usually used in situations in which the sample is pretty big and therefore it becomes necessary to summarize the opinions available and the behaviours that can be displayed in order to achieve a meaningful set of results for the research's objective. The quantitative analysis is definitely the most structured method that can be used, especially if compared to a qualitative analysis, as it is conducted via surveys, that can be online or on papers and in which usually there is not a strong link between the sample and the researcher.

On the other hand, there is the qualitative analysis that is usually used in situations in which it is not important to describe something over a big sample and to obtain numerical data that have then to be statistically studied, but instead, what is relevant, is to obtain an in depth analysis of a single aspect or matter by the acquisition of as many information as possible taking into consideration also elements such as the non verbal communication and emotions of the person who is interviewed. More precisely, there are four ways to conduct a qualitative research:

- interviews
- participant observation
- observation from the distance
- focus groups²⁰¹.

We are not going to explain all the different tools of a qualitative research as what interests us in this field is just to give a brief explanation of the tool we have decided to use, so the interview.

Therefore, the interview, that is probably the most famous and common tool used in case of qualitative analysis is a kind of conversation between the interviewer, who drives the conversation and stresses those topics that are relevant for the research,

²⁰¹ Family health international, "*Qualitative Research Methods: A Data Collector's Field Guide*", Techsociety.com, Retrieved 31 January 2016

and the interviewee that has the right to answer in the way he believes it is the most suitable one to the questions that the interviewer addressed to him and that are related to a certain specific topic. This particular kind of conversation doesn't need to have a specific set of rules or a predetermined path, as for the quantitative analysis, that have to followed in order to obtain some consistent results, in fact, the interview is structured as long conversations between two people in which the interviewer tries to obtain information as specific as possible over the research's topic. The main objective of this procedure is to understand the perspective of the person who is interviewed in order to interpret in his/her same way the outside world and the motivations behind his/her actions²⁰².

There are three different type of interviews that depends on the objective of the research and on the actual number of people of which the sample is made of: if the sample is quite big and the length of the interviews is relatively short then a structured interviewed is auspicable. The structured interview includes a specific number of questions that are made to each person who is interviewed in the same identical way and in the same order; it is the most rigid one and it lacks flexibility and adaptability to any particular unpredictable situation; for this reasons it is considered a kind of hybrid and intermediate tool between the qualitative and quantitative analysis. Instead, if the the sample is of a reasonable size but not too big (ten or more interviewees) and the interviews are quite long in terms of the number of questions and the possible length of the answers, then it is better to use a semi structured one. The semi structured interview is composed by a series of topics or questions that must be analysed during the interview but, the way in which the interview is conducted is not fixed, in fact, it can vary depending on the answers and on the situation and the interviewer has the freedom to develop some topics of particular interest that come out during the interview, or to change the order of the questions if the interview is moving in a certain direction and to adapt it depending on the path that the conversation is taking. The researcher can basically adjust the interview as he wants and in the way he thinks is better for the purpose with the only

²⁰² E. Amato, Progetto "campo virtuale" dell'Univerità degli studi di Napoli Federico II, *"L'approccio qualitativo. L'intervista qualitativa"*, 2008

constraint that he must touch all the main topics or questions that were outlined and considered as fundamental at the beginning of the research. Finally, if the sample is really small, so less than ten people, it is better to use a completely non structured interview. This last type of interview gives the freedom to the interviewer to structure and manage the conversation as he wants; there are no pre established topics or questions that in fact, can vary from one individual to another without any kind of constraints, the only element which is fixed is the topic of the research that of course it is defined and outlined before and that has to be the starting point of the whole interview. In this way and because of the generality of the topic, each interview becomes unique and it is able to provide unusual and different results that can give a different perspective about the topic that it is questioned²⁰³.

In order to develop our purposes in the most efficient and effective way as possible, we decided to conduct a semi structured qualitative interview on a sample of 15 people. The interviews were conducted face-to-face and they all last approximately 15 minutes in which each person was able to freely express his/her opinion about the topics that were introduced by the interviewer. The interview was composed by 9 open questions related to the topic of sustainability and its connection with the luxury world; in particular, the attention was driven towards the relation between the two terms in the exact moment in which a consumer decides to purchase a luxury item. The people who were exposed to the interview were chosen because of their interest in luxury products, interest that was demonstrated by the purchase of at least one luxury item in the last 12 months. The sample was created in a way to make it as representative as possible: it was composed, in percentages, by 60% of female individuals and 40% of male both of an age included between 22 years old and 57 years old with a mean of 28 years old. They were students or graduated people currently working in their specific field and they were all European citizens, in particular: 48% was from Italy, 28% from Great Britain and the remaining 24% from other countries such as Finland, Belgium, Greece and Ukraine. This sample was

²⁰³ E. Amato, Progetto "campo virtuale" dell'Università degli studi di Napoli Federico II, op.cit, 2008

chosen because it was seen as the most representative one in order to recreate the typical population of European luxury consumers, with an age that was also able to give us the possibility, if necessary, to investigate about the differences that can arise, in terms of sustainable luxury consumption and the perception of sustainability in the luxury industry, between the two ranges of age (above or below 40 years old). Because we wanted to compare the consumer's opinion with the luxury brands' one, we also interviewed 5 managers of luxury retail shops situated in the centre of Rome in order to have comparable data from which it was possible to see if the perception of the topic was the same or if it differs depending on the point of view of the interviewees. Their interviews were mainly non structured and they were left free to discuss the topic as much as they wanted and to provide as many information as they could; just some questions were brought to their attention because of their importance and relevance for the research. The managers that we managed to talk to were of the following luxury brands: Gucci, LVMH, Céline, Stella McCartney and Fendi. Some of these brands are famous for their involvement in sustainability issues while other are still completely unprepared about the topic; nevertheless, it was interesting to see their point of view as representative of the luxury fashion world.

3. Results

In this section we are going to report both the consumers' interviews and the managers' ones underlying for each questions which were the main intentions and the reasons why we addressed those topics. We are then going to outline, more in detail, the answers that we have received to each question stressing both the elements in common but moreover the ones that seem as completely in contraposition. Finally, based on the results and opinions obtained, we are going to try and find an explanation for those dissimilarities and in the end, suggest some solutions in order to better integrate, from our point of view, the luxury industry with sustainability issues.

3.1 *The consumers' perspective*

As the focal point of our analysis is the consumers' opinion about the topic of sustainability in the field of luxury products, we are going to start with the analysis of the consumers' interviews. But before, it is important to stress the fact that each interview was preceded by a brief explanation of the case and a recommendation about the fact that, as there is no right answer, it was essential to give just their honest opinion about the issue.

The first question was: *Describe which are, in your opinion, the conditions that will encourage you, during the purchasing process, to buy and prefer a sustainable luxury product rather than a non sustainable one.* This question was addressed to the consumers in order to see if they believe that, to prefer a sustainable luxury product rather than a normal luxury one, there have to be some particular elements, both as characteristics of the item itself or more in general, of the purchasing experience that have to be modified or enhanced by luxury brands in order to put them in the condition of preferring a sustainable product. Three were the conditions that were mainly stressed as fundamental in order to prefer a sustainable luxury product rather than a non sustainable one: the personal taste, the information provided during the purchasing experience and the personal benefits that can be obtained. People in fact, stressed the fact that the main reason why they buy luxury products is because they embody something that they like, that meet their personal taste, therefore, they would not be willing to give up on this point just in order to buy a sustainable product, also because, as they pointed out, they are already paying a really high price so their personal taste has to be absolutely met: *"..I'd choose, no matter what, the one I like the most also because luxury goods are expensive so first of all it has to fulfil my personal taste, despite the fact that it is sustainable or not, then if in terms of taste there are two items that I like in the same way, I'll look also at the sustainability problem.."*. Another condition that was pointed out during the interviews was the one related to the information about the product that are provided at the moment of the purchase of the specific item; people seem to be quite sceptical about the real sustainability of the firms so they need more evidences that will help them to verify

the actual involvement of the brand in sustainability issues: “..I’d look at their introduction both in the shop or on the web page about the product and i expect them to incorporate the theme of sustainability also within the shop; the sellers have to be able to answer questions about the product, its production process and the raw materials and they way they put into action sustainability or if they for example take back their used products in order to regenerate them or if they give them to charity. I’ll need **VISIBLE EVIDENCE** that sustainability is within their core values...”. Finally, the last condition that was outlined as fundamental was the fact that the purchase of a sustainable luxury product has to provide the consumer with some benefits, the advantages have not only to be for the maintenance and protection of the planet but also for the person who is buying the product: “..I’d like to know not only the production process of the item and the origin of the raw materials but also what kind of benefit I receive as a compensation of the fact that I am buying a sustainable product..”. Interestingly, even if the majority of the interviewees agreed on which are the main conditions in order to prefer a sustainable luxury product, two of the people who were interviewed showed a different point of view, they stressed the fact that they would definitely buy the sustainable item, even if it doesn’t respect completely their personal taste or if the quality is minor than the normal one: “..considering how the society is evolving nowadays people are always more pushed to buy sustainable products especially when it comes to clothing, also because it is always more common to see famous people such as fashion blogger or models that advertise eco friendly clothes such as faux furs, therefore, being eco friendly is not seen anymore as something weird and you now also have the chance to buy something sustainable and cool at the same time. I’d definitely choose to buy the sustainable product just because of my personal ideology about the topic. Even if I recognize that sometimes normal luxury products are more beautiful I would feel uncomfortable in wearing a product that comes from an animal; sometimes I struggle because real leather products tend to be more beautiful but then I think about it and I can’t buy it. I wouldn’t buy a real fur even if it was more beautiful...”.

The second question was: *Describe using 3 adjectives both the concept of luxury good and sustainable product.* This question was asked in order to verify two main things. First, if their definition of luxury was in line with the one outlined by Dubois, Czellar & Laurent and then, to see if, putting those two terms close to each other, they could autonomously think about some adjectives that managed to create a kind of connection between luxury and sustainability. The results shows that all the interviewees defined the concept of luxury with some of the adjectives provided by the research of Dubois, Czellar & Laurent but almost nobody pointed out some adjectives for sustainability that were somehow close to the one given to define luxury. Just one person finds a connection between the two, he/she talked about quality, uniqueness and poly-sensuality to define the concept of luxury and then when we asked about the concept of sustainability he/she answered: “*..because the concept of eco sustainability is entering more and more into the world of luxury and fashion it is now common to find fashion luxury products that are also sustainable so i believe that the only difference between luxury and sustainable products is that one produced taking care of the planet and social issues while the other one is not..apart from this there’s no difference..*”. Another interesting result was given by the fact that the majority of the people associated the concept of sustainability with the one of eco-friendly products without considering the social aspects of sustainability; just two people included in their definition of sustainable products elements that could be associated with social practices such as : “*..social sustainability so the fact that the product is produced without exploiting children, in good working conditions and with the guarantee of a minimum wage..*”.

The following question was: *Do you think there can be a relation between luxury and sustainability? Motivate your answer.* Once the people gave their definition of luxury goods and sustainable products it was asked them, in a more specific way, if it is possible to find a relation between the two terms in order to see if, when directed in that direction, and thinking about the matter more in details, people were able to find a connection between luxury goods and sustainability. The majority of the people answered that a connection is definitely possible especially because it is

already possible so see some luxury brands adapting and modifying their production practices in order to pay more attention to sustainability: *“..if we think about uniqueness and elegance then there can be a relation between the two concepts. Everything can be sustainable, it depends what elements are sustainable...”*; the relation between the two was also associated to the reusability of the clothes because of their good quality *“...if you think about luxury goods and and if you pay a lot for them then there’s sustainability in that anyway cause some people keep them but also there’s a market to sell them as retro clothing so there’s sustainability in there. They have got quality that can last for years...”*. A particular luxury sector that was pointed out by three people as the one who is making the biggest effort to become sustainable was the luxury car market. It is seen as the one who is more concerned about the topic but also the one that can provide the customer with more details and measures of the environmental improvements he/she is contributing to just using a eco-friendly car.

Despite the fact that the majority of people saw a relation between luxury goods and sustainability, there were four people, between the one who were interviewed, that believe that it is almost impossible to create a positive connection between these two worlds. Some of them stressed the fact that a connection is possible just in case of charity actions, so just if sustainability is addressed through things that don’t involved the production process; others instead, don’t believe in a relation between the two because: *“...as far as I can see also in terms of offer, very often if you choose a sustainable product it is always quite ugly, it might be of good quality but never as beautiful as normal products and in the luxury world this is not possible. Those who looks at sustainability can’t also pursue beauty...”*. Another person stressed the fact that a convergence is possible but just doubling the price and of course for a luxury product that is already very expensive this will translate if no one buying the sustainable product. Lastly, an interviewee said that even if there are some brands that are working in that direction: *“...there’s a problem at the basis that can be overcome and it’s related to the materials: a bag made with real leather is difficult that can be valued as much as one made of faux leather; it becomes a matter of credibility in front of the customers also in relation to the price. It is difficult to find*

a person that would be willing to pay an eco-friendly bag as much as one made with real leather even if it is more sustainable...”.

The fourth question was: *Based on which characteristics do you choose to buy a luxury product? How important it is the fact that the product it is also sustainable?* With this question we wanted to investigate which are the main element that a luxury product needs to have in order to be preferred to a mass-production one; we wanted to see if those elements were all the same despite the cultural differences and despite the fact that our sample included people of different ages. Lastly, it was interesting to point out how important it was sustainability in their purchasing experience. Mainly all the people who were interviewed answered in the same way: luxury consumers look first of all for quality, followed by durability, design, elegance, pleasure and the brand’s name that can confer them a certain status. However, while the majority of people addressed the brand’s name as something that has to be visible: *“...at this stage of my life I want to make a statement with the things I buy and why I buy them, not in terms that I want to show off but certain luxury brands and products have connotation of success and gives you a sort of element of sophistication and maturity...”*, only one person pointed out the fact that the brand’s name doesn’t have to be extremely visible: *“... I’ll look for a famous brand name but it doesn’t have to be too visible otherwise I don’t like it. It has to be recognized only by few people who really has the knowledge of the luxury industry otherwise it becomes vulgar...”*. Moreover, it is important to notice that just one person said that sustainability is an important element that he/she keeps in mind when purchasing a luxury product; all the others respondents admitted that they don’t look and they don’t even ask about sustainability in the moment in which they buy a luxury product; they would be happy to buy a luxury sustainable product but they would not ask for it or at least it is not one of the main element that they look for during their purchasing experience.

The following question was: *Would you be able to tell me some luxury brands’ name that operates in a sustainable way? why do you think they do it and do you know how they do it?* The aim of this question was to point out how involved consumers are in

the luxury industry, if they gather information about the brands that they like and if they follow the latest trends. Moreover, we wanted to see if they actually have a good perception about the number of luxury brands that are operating in a sustainable way or if they just made a statement both in a positive or negative way about the connection between luxury and sustainability. It came out that almost everyone was able to mention at least one brand who is operating in a sustainable way. Some of the respondents answered just saying one or two brands' name, while others gave us also more detailed explanation underlying their rate of information and stressing the fact that it is something that they care about so they usually gather more information than the one you usually get. Many were the brands that were mentioned, but some of them were addressed as the most important ones: “...Gucci launched a new collection of sunglasses which side pieces are made of bamboo, that is an eco-friendly material, then there's Tiffany that is particularly aware of the mining related problems and it has created a new foundation to better control these issues and operate in a more sustainable way and finally of course Stella McCartney...”. As we said before also the luxury car market is particularly known for its commitment to sustainability, in fact, brands such as Tesla, Lexus and BMW were mentioned at least by three of our respondents as being particularly concerned and innovative in the field of sustainability.

Even if in general terms, all the participants to the interview showed to be sufficiently informed about the luxury brands' commitment towards sustainability four people, two of the group with an age lower than 40 years old, and two with their age over 40 years old, admitted that they don't know any luxury brand that is involved in sustainability. In particular, they couldn't think about any particular brand because, as they said, they are not sponsored enough; in fact, they claimed that they would be willing to buy sustainable luxury products but that the brand's don't advertise enough their commitment.

Furthermore, it was then asked to all the participants about which were, in their opinion, the main reasons why luxury brands were now starting to get involved in sustainability issues and the answers were quite interesting. The majority pointed out the fact that luxury brands are becoming more concerned about sustainability just in

order to gain a higher profit and attract more consumers showing them and pretending that they care: “... *they do it for profits. Sustainability is becoming a trend, if you don't do sustainability you are seen as a bad company; the world is so focused on it that people now just see it as a thing that companies should do but I really don't think they do it because they want to save the world, i think they just want to catch up and be competitive...*”. Moreover, the respondents also assessed that: “...*Luxury brands are becoming sustainable because now it is trendy, it is seen as something cool and nowadays, it is also the main driver of consumption...*”. The only brand that was outlined as really involved in sustainability matters without any kind of second aim was Stella McCartney; respondents said: “...*about Stella McCartney I really do believe that she's doing it because she cares about sustainability and for a matter of principle and credibility, but also to show respect to her family as her mother is a convinced ecologist so I genuinely believe that she is sustainable because she really cares...*”.

At this point of the interview we asked consumers: *What do you think luxury brands should do in order to incentivize you to buy sustainable luxury products?* We wanted to see if, after an in depth analysis of the luxury market and of the issue of sustainability, consumers had some suggestions in order to simplify and satisfy their will of buying sustainable luxury products or moreover, to sensitize also those consumers that don't care about the topic to become more aware and concerned. The majority of the respondents pointed out that the main thing that luxury brands should do is to provide more information about the brand's CSR and the way and the purposes that make them willing to include sustainability matters in their way of doing business: “...*It is true that luxury brands usually are not very advertised but they should use social media channels such as Facebook and Instagram to show to the consumers how they make their products also making comparisons between their normal and their sustainable products saying something like “before we didn't do it but now we have changed and so also the benefits for both you and the planet”. Moreover, they could use VIP to help them showing their new sustainable products...*”. As we said before this could be a way to sensitize also those people that

don't really care about the topic: "...I am not really interested in the topic but if those brands that I love would start doing campaigns associated to sustainable matters and would start using eco-friendly materials I would be more inclined to think about sustainability and to modify my behaviour in that direction...". The second most stressed thing that luxury brands should do to incentivize consumers to buy sustainable products is to maintain their personal style also in the production of sustainable items. Three people out of fifteen said in fact that: "...luxury brands should try to mix sustainability with their core characteristics. Usually a sustainable product is seen as something ugly but functional as it is good for the environment; instead, luxury firms should try to merge these two aspects creating products that are still in line with the main features of the brand but that are also sustainable...". Other two options were outlined during the interviews: one related to R&D and the rise of the options available and another one related to price. Two people out of fifteen stressed the fact that luxury firms have the power to shape consumers' purchasing behaviour, it is therefore their duty to invest in research and development and create new eco-friendly materials that could be used to produce their products maintaining at the same time their outstanding quality and providing to the consumers more sustainable options: "...Luxury brands are those who shape the whole fashion world therefore they should start investing their money in the sustainability sector and come up with new materials and production processes that are sustainable but also pleasant to see and touch in order to provide to the consumers more options to choose from..". Interestingly, just one person outlined an alternative option in order to make sustainable luxury products more attractive; he/she said that the most reasonable strategy should be the one of reducing the price of sustainable products while at the same time, in order to still gain the same amount of profits, increase the price of those luxury products that are not sustainable, so to put a kind of non official taxation for those consumer that still want to buy non sustainable luxury goods: "...I think a good way to incentivize me in first place, but also other people, to buy sustainable luxury goods may be to sell them at a lower price if compared to those luxury products that are not sustainable. If I could choose between a sustainable luxury product and a non sustainable luxury one and if the

price of the price of the sustainable one was also smaller than the other, what would be the point in buying the non sustainable one? In this was luxury brands would encourage me to buy a sustainable product also because I will get an immediate return from the fact that I am doing something good for the planet. In this scenario I would definitely choose to buy the sustainable luxury product...”.

At this point of the interview we asked a series of questions which main objective was to provide us with more detailed answers about specific topics. These subjects were of particular interest because they were particularly controversial in the past literature and thus, it was stimulating to test our sample about these topics. The first one that we questioned to our interviewees on was the one related to vintage products and second hand ones and the question was: *Do you buy vintage products? In your opinion, which is their main strength? Do you think that there's a difference between vintage products ad second hand products?* The vintage products market is developing at a really fast rate in the last years creating a huge and profitable industry, moreover, depending on the definition that we give of vintage products it can also be a good way to be more conscious about sustainable matters. Here we wanted to investigate about how many people are actually involved in the vintage market and why they buy those kind of items. Finally, we wanted to obtain a more specific definition of the term to see if consumers defined it properly or if they confused it with second hand products. Nine people out of fifteen confirmed that they buy vintage products quite often as they particularly like them; more in detail, they outlined a series of point of strength that make them prefer a vintage product rather than a brand new one: *“..I buy vintage products because they are more durable; I usually buy bags and very often they almost look brand new as if the quality of the materials was better than the one it used today, of course I can't believe that this is just the result of the way people preserved them. Moreover, I also buy them because of the style and design that they embody an that nowadays are impossible to find...”*; *“...They are more rare and unique also in terms of quality and wearability and in a globalized world as the one we are living in this is something difficult to find. In addition, they respect the fashion of a certain era like for example*

the parka, if you buy a vintage one it means that it was one of the first to be produced with the original shape and materials, not like the one they produce now...". This answers were pretty much in line with the definition of vintage products; however, what was really interesting were the answers that were given when we asked to the people who were interviewed about which is the main difference, if it exists, between second hand products and vintage ones. Just three people defined the two terms as identical: "...I think there is no difference but they make you believe that there is. In the end it is just a matter of how they sell you the idea because vintage sounds cooler and more in trend even if in the end they are exactly the same thing...". Instead, the majority of the respondents confirmed the fact that a difference may exist. What was completely unexpected is the fact that between this majority, just one person gave us the proper definition of vintage and second hand saying that: "...Vintage can also be new but look and feel vintage in the style that remind the one of the 20s until the 80s while second hand it is just previously owned and used...". All the others, despite the fact that they recognized a difference between the two terms gave us another kind of explanation. Some of them made it a matter of being branded: "...Vintage products are usually second hand products as they have been used by someone else but they are luxury products, they are of famous luxury brands, of historical brands and even if they have been used they are still in excellent conditions.."; others made it a matter of style: "...vintage products are never old, they are always in fashion even if they are of 50 years ago while second hand products are just products which have been used.." and finally, others made a differentiation between vintage and New vintage: "...vintage is about products that have been produced by luxury brands 20-30 years ago and that have been previously used, then there's the new vintage or the vintage style that it is something different: it is a product that it is produced nowadays with new techniques and also new materials but that recalls the style of 20-30 years ago..".

We then wanted to investigate about the usage of recycled materials in the production of luxury goods: *What is your opinion about the utilization of recycled materials for the production of luxury products?* the aim of our question was to

investigate about a topic that is particularly delicate in the luxury world. Many firms such as Hermes, are using recycled materials in their production process in order to achieve a higher rate of sustainability. Unfortunately, not all the consumers have a positive view about this practice; in fact, as it has been shown from the past literature, many luxury consumers believe that the utilization of recycled materials would reduce the quality of the luxury products and therefore the price would not be justified anymore. In our research we wanted to ask about the topic also to our sample.

Despite what the past research said about the topic, in our sample just one person said that he/she wouldn't buy a luxury product that it is made with recycled materials: *"..As I have said before that one of the main feature that a luxury good needs to have in order to satisfy me is the quality of the materials, and because recycled material would never be as good, in terms of quality, as brand new ones, then no, I won't buy a luxury product made with recycled materials because I believe that it will diminish the quality and the value of the product.."* All the others said that they would be happy with it: *"..I agree with their utilization in every field and even more in luxury goods. I am sure that luxury brands because of their history of perfect quality would be able to use recycled materials and find a perfect balance between recycling and quality..."* However, five of the respondents specified that they would be happy to buy those products just if the quality would be the same as the one they are used to: *"...So long as it still meet the features and characteristics I would demand; I would not drop in quality or in terms of my specification so that I can buy a sustainable product but if they are the same quality and everything and still meet my standards then I buy it..."* . Other conditions that were pointed out by two of our respondents and that were considered as essential in order to buy luxury products made with recycled materials were: the kind of recycled materials that were used in the production process: *"..I wouldn't have any problem but it also depends on what kind of materials; for example I bought the Stella McCartney's eco-friendly leather bag because I like it and I don't care about the fact that it is made with recycled materials because you can't tell it. Also things made of plastic are cool but if you tell me that they have used materials such as the black bags for the rubbish then I*

don't think I would buy it..." and the price: "...I would buy it but I would expect to pay a lower price as the materials are not as good as usual..."

Finally, the last question that we asked was not related to luxury products but it was a more general question to understand their general attitude towards the topic and to see if there was a correspondence between what they usually do in their everyday life and the behaviour they put into action when they buy luxury products. We wanted in fact to see if in more general terms, the people we interviewed were really concerned about sustainability related topics or if they didn't care at all. The question was: *How important is it for you to be sustainable? How do you behave in order to pursue your idea?* When we asked these question all the respondents apart from one said that they care about sustainability and they try to do small thing in order to help the planet. The majority of them behave in a sustainable way by doing the separate collection of rubbish; some of them do thing such as reusing papers that were already printed or written, avoiding throwing things on the floor and try to reduce at the minimum the use of water. Thus, they all do something to be more sustainable but not as much as we expected. Nevertheless, three people pointed out their real and sound interest for the topic; a person affirmed to pay really attention especially when it comes to food but absolutely not when clothes are involved: *"...apart from doing all the things that everyone does I am really concerned about sustainability when it comes to food: I always prefer to buy products that are zero Km and that have been grown in a biological way. However, when it comes to clothes I am not really interested and I think that this is due to the fact that usually sustainable products are ugly and they really don't deserve my attention.."*; other two respondents stressed their real involvement in the cause: *"..I also joined the association Greenpeace so I really try to do as much as I can, I always try to do more than just recycling.."*; *"..It is a topic that I really care about so I try to do as much as I can: I always switch off the lights, I make sure I keep the windows closed when the heating is on and whenever I can i use public transport or I go on foot rather than taking the car.."*

3.2 The managers' perspective

In order to make our research more complete and reliable we decided to interview also some managers of luxury shops in Rome in order to have also their impression about the topic and more in detail, to see what they think about the luxury consumers' perception of sustainability in the moment of their purchasing process.

Their opinion and point of view was fundamental for us as it gave us the possibility to indirectly include in our study a broader sample of consumers that we wouldn't be able to achieve just through our tools; it is clear that retail shops managers have a broader and privileged perception of the typical luxury consumers as they are in direct contact with them every day and because they are used to help them to satisfy their needs. Therefore, their impression about the topic it is extremely relevant and it can help us to explain all those results that we didn't expect to find.

We managed to interview five managers of some famous luxury brands: Gucci, LVMH, Fendi, Stella McCartney and Céline. Based on their openness and availability we structured the qualitative interview in a semi-structured or unstructured way but always trying to touch those topics that were fundamental for our research.

Depending on the brands we obtained different results. We have noticed that there are three groups of luxury goods based on their attitude towards sustainability: a group that is composed by those luxury brands that basically don't care about the topic of sustainability and that don't have in their future plans a value proposition that aims at modifying the brand to make it more sustainable; an intermediate group that it is moving towards a more sustainable direction, so those luxury brands that weren't born as sustainable but that recognized the importance of the topic and the relevance that it is assuming in recent years and thus, decided to make a step in that direction and lastly, those luxury brands that were born as sustainable, which soul was already shaped in order to be socially and environmentally friendly and that therefore don't need to make a change.

Of course, as for the case of consumers, our purpose is not the one of assessing who is doing the right thing, instead, our main and only objective is to investigate about

the topic taking as a focal point the consumers' perception and not the luxury brands' practices.

As it was previously said, the questions we wanted to present to the managers were all related to the consumers' purchasing behaviour and to their interest in sustainable luxury products; in particular, we wanted to know:

- how important it is for a typical luxury consumer the sustainability of the product and if they usually ask questions about it in the moment in which they are purchasing a luxury good
- Which characteristics does a luxury product need to have in order to satisfy the consumer's requirements
- What would direct luxury consumer towards a more sustainable product rather than a normal luxury one
- If there is a specific consumers' segment that is particularly interested in issues related to sustainability
- How important it is, for luxury brands, the promotion and advertising of their sustainability practices and if it can be an advantage or a disadvantage
- If they think that there can be a future in which all luxury brands will become sustainable and how can it be achieved

Fendi was the first one we interviewed and it is one of those brands that don't really care about being sustainable and which consumers are not interested as well. They explained us that: *"...Fendi started as a fur coats shop, it's soul and main characteristic is the use of furs everywhere, we have it on bags, coats, also bracelets so of course for us being sustainable it is not an option. Our clients shop here because they are interested in fashion and fashion can't be sustainable; it is not cool to wear and eco-friendly coat. Moreover, our real and loyal consumers know how we operate and which materials we use during the production process and for them it is fine, they don't look for sustainability. There are sometimes some customers that ask for sustainable products but they are mainly tourists that don't know the brand really well, of course in that case we explain them how we make our products and in case we propose those few sustainable items that we have..."* They also made a statement

it terms of what consumers are really looking for when they purchase their products and if there will be a common future for luxury and sustainability: “..*Our consumers are interested first of all in quality both in terms of manufacturing and raw materials, then they also care about the service that they receive as that it is one of the main aspect that makes a luxury brand really luxurious.. As far as I can see I don't think there will be a future for sustainable luxury goods because, as I said before, real fashion is not sustainable, and even if this will happen I don't think that Fendi will change...*”.

Between the brands we managed to talk to there's one that had a peculiar position as it is including in its production practices some changes in order to be sustainable but its consumers are still not really interested in the sustainable cause; this brand is Céline. Céline's manager affirmed that: “..*Those consumers that usually enter in our shop are always looking for a real 100% quality product so if the bag it is entirely made of calf's leather they are not really bothered; there are some consumers that as soon as they enter they affirm that they want to buy an eco-friendly bag and in that case we show them our options but otherwise they don't argue about the materials that we use, also because, the typical consumer of luxury goods is looking for a high quality product so his main focus is not on sustainability..*” She also assessed that usually consumers don't ask any kind of question about it and they don't advertise at all sustainability also because the percentage of consumers that care and ask about the topic is just around 1% also because who usually buy their products is already aware of their production practices. However, even if the consumers don't seem to be particularly interested about the issue, Céline as a brand tries to pursue some small changes in order to be more sustainable, especially under the social aspect, without compromising the quality of the products and without changing the raw materials that consumers demand for: “..*All the animals are bred in the best possible way, they are free to graze and they don't live in small fences also because the better they grow the better will be the raw material and thus the final product; moreover, even if we use exotic leathers we absolutely don't buy or produce items with leathers that come from animals that belong to endangered species. Also in terms of working conditions,*

we don't use toxic materials and we make sure that all our employees work in safe and protected environment where all the possible dangerous substances are aspirated away so that they won't damage people's health...". We then finally ask if they think there could be a future for sustainable luxury products and, even if they believe that there might be a connection, also in order to satisfy all the types of consumers, they are quite sceptical about how to make it possible: *"..The focal point of luxury firms is another one so I believe that if you develop from the beginning a luxury brand that is based on sustainability then maybe you can achieve that kind of objective otherwise I think it will be too difficult to manage and it will definitely be a really long process..".*

The second group of luxury brands is made of all those firms that were not born as sustainable luxury brands but which recognise the importance and relevance of the topic and that are moving towards a more sustainable way of doing business. This is the biggest group of firms and also the widest in terms of sustainable practices as not all the brands are moving towards sustainability in the same way and consequently, not all their clients are perceiving the topic with the same strength. Gucci and LVMH are part of this varied group and are a good example of different practices and show a variety of consumers with all different perceptions of the importance of the theme.

Talking to the manager of the Louis Vuitton store situated in the centre of Rome, we acknowledged that they have started to follow and use an ethical code that is embodied in all their practices both in terms of strategy that in terms of employees' behaviour. The aim of this code is to reduce the waste as much as possible and to create a firm that whatever it is involved in, it is always respecting sustainable practices in order to be more and more conscious about the effect of their actions on the planet. What it is interesting is that this ethical code, as it is something that engage the internal practices of the firm, it is not advertised or sponsored on the outside and therefore, to their consumers; this might be a consequence of the fact that: *"..our consumers don't ask any question about sustainability, they just care and are particularly concerned about the quality of the materials and about their manufacturing..".* Furthermore, LVMH is part of the Washington convention that

ratified a document by which all the signatory firms are involved in using exotic products but without encouraging practices such as poaching; thus, it is their duty and interest to make sure that all those material come from safe and certified sources. If we add all this to the fact that their products are still not sustainable, it is not surprising to consider this brand as quite controversial; a possible explanation was given to us by the manager when we asked her about the future of sustainable luxury goods: *“...I really do believe that a future for sustainable luxury goods exist but it is not something easy to achieve. I think that the main problem is that luxury consumers are still not ready and aware enough of the problem to accept luxury products that follow different standards; I think that consumers should be first educated about the topic to make them more responsible during their purchasing process, at that point maybe we will be able to produce and sell sustainable luxury goods...”*.

A completely different point of view was given by Gucci. Even if this firm wasn't created as a sustainable one, since the start of the new millennium it begins to pay more attention about the issue and it modified completely its internal practices and production processes in order to become more sustainable and in order to satisfy the new requests of its consumers. Gucci's manager stated that: *“...sustainability is a core value both for our firm and for our customers. Every person that walks into our shop demonstrate a sound interest towards the topic also by asking questions about the production process and the raw materials that are involved in the manufacturing of our products. Of course from our point of view we try to promote sustainability and inform the clients as much as possible explaining them that those elements that they consider fundamental, such as quality and craftsmanship, are still embedded in our products even if they are sustainable...”*. He also pointed out that there's not a specific segment of consumers that is particularly involved in sustainability but it is something that it is kept in mind by each consumer equally. Going deeper with our interview we also acknowledged that they are obtaining many certifications that demonstrate their sustainability both in terms of environment that in terms of social responsibility and that these certification as used also in order to advertise their commitment. Finally, Gucci definitely believe that there exists a future for sustainable luxury products and that is not too far from where we are now.

The last brand's manager to which we had the pleasure to talk to was the one of Stella McCartney. As we have said before, this brand is included in that category that is characterized by luxury brands which were born as sustainable and that therefore, didn't need to change or modify anything in order to meet the new consumers' demand. We expect to find out that the luxury consumers of this firm perceive sustainability as something fundamental not only in their everyday life but also in the moment in which they decide to purchase a luxury product.

Talking to the manager, we found that our expectations were quite in line with the reality: *"...We have to say that not all of our clients are aware of our philosophy and of the ethical values that we pursue, however, those clients that really know our brand usually come here to shop just because of it, then of course we also have clients that come for the most fashionable aspect. However, we are always happy to explain them our value proposition and to answer their question about the topic that to be fair are quite a lot..."*. She also said that the percentage of clients that ask questions about sustainability is about 60% of the total and that it is in their will to promote their message and value proposition as they strongly believe in it. All this, has to be pondered with the fact that, despite their clear message about sustainability: *"...not all their clients buy their products just because they are sustainable. Some of them are more concerned about the fashion side of the product and to be fair, some of the people that enter in our shop, in the end, decide not to buy our products exactly because it is made with eco-friendly materials that are not like real leather for example; fortunately, this is really a significant percentage but it still exists..."*.

We have said before that Stella McCartney was born as a sustainable luxury brand so it didn't need to advertise its change of direction to its consumers; in fact it is Stella herself that promotes not only the brand but a complete sustainable kind of lifestyle: *"...Stella is vegan and she is quite famous between those who are interested in this kind of philosophy, also because of her family, for example we know that Paul McCartney supported the cause making video to sensitize the people about it, also the mum launched a food product line for vegan and vegetarian people so it is something that is really embodied in their beliefs and lifestyle and this also helps*

consumers to perceive it as real and not made just to increase profits. As far as the consumers segment that are more interested about sustainability, the manager just stressed the fact that: “...*In the United States and UK it is more common and normal to talk about it while here in Italy we are still not really aware of the problem, we are still very devoted to our origins and even if this is not a bad thing I think that there’s still a lot of work to do to make consumers more aware of their responsibilities towards the planet...*”. Finally we asked her if there could be a future in which luxury goods and sustainability will be embodied in a single products and the answer couldn’t be anything else than positive: “...*It is possible but it’s not that easy especially for luxury brands because we still have that mentality for which a luxury product to be qualitatively good has to be made of real leather etc. while the real difference it is instead given by the manufacturing of the product; if you want you can find a good leather bag also in a market, what makes it different, what makes it luxurious is the care and attention that we put in the production process so there can be sustainable luxury products that have the same identical quality of normal luxury products because the attention and the R&D that there are behind them are identical..*”.

4. Findings and Discussion

Luxury and sustainability have always been seen as two completely different worlds that were impossible to merge or to cooperate towards a new different equilibrium. Despite the general scepticism about this relation, in more recent years, researchers and luxury brands have demonstrated that an actual connection between the two concepts is possible and even if with some difficulties, it is something that can be achieved.

The main driver of this change of interest for sustainability, especially in the luxury goods market, was a direct consequence of increasing concern that consumers demonstrated for the topic and their increasing awareness of the importance that their purchasing behaviour could have on the environment. Because of its centrality in the global scenario, sustainability has become a topic that is extremely addressed and underlined in every aspect of the world but moreover, in the luxury goods sector, as

this one it is considered as the main driver of the consumers' behaviour both in their luxury goods purchasing pattern but also during their normal purchasing behaviour. It is for this reason that, as previous researches and the past literature did, we tried to analyse more in detail, by building our own research, the consumers' perception of the topic of sustainability in the moment in which they purchase luxury products.

As we have outlined before, our research was based on a sample of 15 luxury consumers, so people who have bought a luxury item in the last 12 months, 60% of which was composed by women while the remaining 40% by men, of an age between 22 and 57 years old and all with an European nationality and which were mainly students or graduated people already working in their field of specialization. They were questioned about the topic of the sustainable luxury consumption by the use of a qualitative analysis conducted with semi-structured interviews in which they were free to express their opinion about the issue. In order to make the research more reliable and consistent and to have a cross checked analysis we also interviewed five managers of different luxury brands that have one of their main shops in the centre of Rome. Depending on their availability and propensity to answer to our questions we conducted a semi-structured interview or in some cases, an unstructured interview which focal points were not only their brands and their relationship with sustainability, but more precisely, the consumers' perception of the sustainability related issues from a luxury goods consumers' point of view. The managers' contribution was fundamental for us as they are more inside the luxury world and are more used to deal with consumers of different cultures and with different needs so they were able to provide us with a broader and more detailed point of view that we could then use to double check our findings.

During our research, our main purpose was to provide the reader with a clearer and more detailed explanation about the topic we are talking about underlying also all those elements that were in contrast with the past literature and then try to find an explanation for them. The first thing that we wanted to investigate was the actual importance that consumers attribute to the sustainability issue when they are in the

process of purchasing a luxury item. The past literature pointed out the fact that, even if consumers are concerned in their everyday life about being sustainable and respectful of the environment, when it comes to luxury goods they don't feel this pressure anymore as, in their opinion, the purchase of one single luxury item would not be able to change the world's situation. Based on our interviews this came out to be partly true. Starting from the fact that our sample turned out to be mainly composed by all people that try to do as much as they can in order to live a more sustainable life, and assessing also the fact that they demonstrated a sound interest for luxury products, it came out that the majority of them don't think about sustainability in the moment in which they are purchasing a luxury product but, if they are informed about alternative options that are still luxurious but at the same time also sustainable, they demonstrated a sound will to purchase those items rather than a normal luxury one. The only clause, was the fact that the quality has to be exactly the same as the one of normal luxury products as they were not inclined to give up on quality in a situation in which they are already paying a really high price to obtain it.

Our result pointed out a really interesting aspect of the problem: people are not aware about the sustainability of the products and moreover, they are not fully conscious about the impact that their purchasing decisions can have on the environment. A possible explanation to this issue can be researched in the fact that luxury purchases are seen as so sporadic if compared to our everyday consumptions, that they are just seen as something occasional and therefore they seem as they don't have a sound impact on the environment. Moreover, as one of the managers that we interviewed pointed out, and as we outlined through our interviews to the consumers, when a person goes to buy a luxury product he/she is looking for something fashionable, for something that will make him/her feel satisfied and happy with itself and this, is a feeling and a perception that it is usually quite difficult to merge with issues related to sustainability. However, we also found out that there exist a possible solution, so a situation in which a consumer would be able to achieve his/her objectives while at the same time doing something good for the planet; this solution was pointed out both by consumers and managers of brands that are already moving toward a more

sustainable behaviour: the consumers stressed the fact they they would like to receive more information about the product and its production process, also via new kind of promotional channels such as social network, in order to make more sustainable choices but also in order to have a better understanding of the consequences of their actions not only on the environment but also for themselves; they would like to know which are the benefits that they can obtain whether they decide to purchase a sustainable luxury item rather than a normal one. On the other side, the brand's manager explained us that the main thing that should be done in order to develop more sustainable luxury products, is to let consumers understand that what makes a luxury products really luxurious, is not the usage of some particular material, such as leather, but all the researches and craftsmanship that there are behind it and that makes it unique, durable and qualitative superior to normal products.

Based on the fact that consumers expressed their necessity to have more information in order to make conscious decisions during their purchasing activities, we decided first to measure which was the general starting point, in terms of knowledges, that consumers really have about the topic of sustainability in the luxury world and then, we questioned the managers about what their brands are doing in order to make this information more available to the consumers. From the results of our research it was possible to see that, even if the majority of the interviewees was aware of the existence of some luxury brands that were becoming more sustainable, their general level of information was pretty low; those who demonstrated a more consistent amount of knowledge admitted that it was the result of their personal research, also because luxury brands don't really advertise their new practices, unless you are not already in the shop ready to buy a product or if you are spontaneously consulting their web page. Moreover, an interesting aspect was the fact that the most informed consumers turned out to be all of an age below 40 years old, outlining both the importance of social network for the commercialization of new sustainable practices but also the difficulty that more mature people can have in gathering the information that they need. On the other side, the managers of those luxury brands we managed to talk to, revealed us different scenarios: the majority of them stressed the fact that

the promotion of sustainable luxury items it is mainly done inside the retail shop in the exact moment in which a customer is in the process of buying one of their products and that the main thing that they do on the outside, to give to all the consumers the possibility to gather some more information before going physically to the shop, is to obtain certifications or join conventions and agreements related to the topic of sustainability. Just one of the managers that we interviewed pointed out how the designer itself promotes, mainly through social networks, the sustainability of the brand and more in general a sustainable lifestyle. This difference can be the result of the fact that the majority of the luxury brands are moving towards a more sustainable way of doing business even if at the beginning they weren't aware and interested to the issue, thus, they still need to understand to which extent it is convenient for them to advertise it, while the only one that it is doing a sound promotion of this idea was the only brand that, since the beginning, was seen as a sustainable luxury brand, even when nobody was caring. Despite this difference, this last brand showed us that it is actually possible to do something in order to increase the awareness of the consumers and that in the end, this awareness is also profitable for the brand itself. Thus, we believe that providing more information to consumers about the sustainability of the products and their production processes, also in unconventional ways, could be a good starting point to inform and at the same time educate the consumers towards a more sustainable way of purchasing products, also because as one of our respondents said: “*..I am not really into sustainability but if the brand that I like and that I admire would start to make campaigns related to the issue of sustainability I would probably start to pay more attention to the cause and I would also be more inclined to think about sustainability during my luxury purchasing experience..*”.

Finally, based on the definitions that were given by the people about what it means to be a luxury good and sustainable product, we decided to question them, but also the managers, about their opinion on what the future will look like, more in detail, if they could see a future in which there will be sustainable luxury products and in which consumers would be totally conscious and aware of their responsibility towards the

rest of the world, in the moment in which they decide to purchase a luxury good. As we said, the starting point of this analysis was the definition of luxury products and sustainable goods. We came out with three main elements that are important enough to be mentioned here: the first one, is the fact that everybody gave a definition of luxury products in line with the one outlined in 2001 by Dubois, Czellar & Laurent, stressing also the fact that all the consumers have a clear idea in their mind about what luxury truly means. As far as the definition of sustainability was concerned, we noticed that almost nobody thinks about sustainability also in terms of being socially conscious; all their thoughts were in fact directed to the environmental aspects of the issue without taking into consideration a broader definition of the term. This matter has, as a direct consequence, the fact that all the charitable initiatives pursued by luxury brands are not absorbed in the consumers' mind as sustainable related, thus actually reducing, in their scenario, the quantity and availability of sustainable options in the industry. Moreover, almost everyone defined the two terms with features and adjectives that were completely different from one another, more in detail, almost nobody defined luxury and sustainability with the same adjectives, therefore indicating a conceptual difficulty in associating the two terms. On the contrary, if we asked them about the chance of a more sustainable order in the luxury industry, so if they could actually see a future for sustainable luxury products, they all seemed pretty sure about the possibility that there could be a future. These results, that seem quite controversial, are instead quite revealing: they pointed out the fact that consumers genuinely believe that these two terms could converge in a near future but they still lack a proper knowledge about the issue, lack that is visible in the moment in which we asked them to freely associate some adjectives to the two terms. We asked to the brands' manager the same question to have also their point of view about the topic. They were all feeling hopeful about the future, believing that a connection between luxury goods and sustainability does exist; however, they stressed the fact that this process it is still very long and it requires a sound change of the consumers' mentality which are still associating luxury and fashion with good quality materials that unfortunately can't be also sustainable. Thus, it is in their opinion to think that there should be a process of education of the clients before they

would be ready to really understand the sustainable luxury market. Unfortunately, these consumers they are talking about, are asking exactly the same thing to those luxury brands, they are demanding them to provide all the information that they need in order to be more prepared about the topic and therefore, to make more sustainable choices.

Our analysis, which aim was to give a better understanding about the consumer's perception of sustainability in the purchasing of luxury goods, pointed out many interesting aspects that I think should be considered for future researches and that could provide a good starting point to improve the actual situation of the luxury industry:

- luxury consumers are extremely aware of the true meaning of luxury but it is not possible to say the same thing about sustainability
- In order to buy a sustainable luxury product they expect it to have the same level of quality of a normal luxury one
- they would like to receive more information about the sustainability of the products both before and during their purchasing process
- luxury brands, at the same time, believe that luxury consumers should be educated towards the true meaning of sustainability in the luxury sector
- consumers showed a greater concern for sustainability in their everyday life rather than during their luxury purchasing process.

Conclusion

Luxury and Sustainability have always been seen as two completely opposite worlds that didn't have anything in common and that were impossible to merge.

Luxury has always been associated with elements such as pleasure, excess and superfluosness, while sustainability was seen as related to topics such as altruism and ethics. Thus, it is not surprising to see how, at the beginning, these two elements were seen as completely in contraposition with one another. However, in more recent years, sustainability has started to become a major part of our society, becoming a relevant and fundamental topic in every kind of industry and increasing the awareness and interest that both consumers and, consequently, firms have for the matter. As a consequence of its increasing importance, sustainability have started to be a very discussed topic also in the luxury world, which was addressed not only, as one of the least concerned about the topic, but also, as one of the major promoters of an unsustainable life. Luxury brands were in fact seen as promoters of a life of excess, oriented to the consumption of all those things that were considered as useless and able to stress and underline the disparity between people.

Despite these sound criticisms, the luxury world has been showing, to the rest of the world, not only, its real commitment to the cause - always developing new and alternative ways to become more sustainable - but also, its real interest in becoming one of the major leaders to this societal change towards a more sustainable equilibrium in which people and firms begin to take into account environmental and social factors at least as much as profitability. The luxury brands have in fact the power and ability to shape consumers' opinion and behaviour about many relevant topics, such as the one of sustainability, transforming consumers into more conscious individuals that will behave in a more sustainable way, not only when they are purchasing luxury goods, but in every kind of situation.

Because of the relevance of this topic, and because of its quite new development, I decided to review and collect all the previous literature about both luxury

consumption, in order to understand how luxury consumers do behave and which are the main drivers of their behaviour and, about sustainable luxury, in order to have a sound starting point from which to begin; then, I developed my own framework in order to address the problem personally and from a closer point of view.

The main purpose of my research, was to provide a more detailed explanation about sustainable luxury consumption, while at the same time underlying those elements that were in contrast with the past literature and then trying to find an explanation for them. The starting point was to gain a better understanding of the real perception that both managers and consumers have about the importance and the relevance of sustainability when it comes to luxury products, then I compared the actual consumers' concern for sustainability issues in their everyday life, to the importance that they attribute to the topic when they are purchasing a luxury item. Following, the general level of information that consumers have about sustainability was measured and it was investigated if their knowledge are driven by their personal interest or if they are the result of a brands' marketing strategy. Then I tried to understand, if they could see a future in which this two terms, luxury and sustainability, would be able to coexist and finally, at the end of the discussion, and based on the results of my analysis, I outlined a series of conditions that in my opinion, should be respected from brands' managers and a certain amount of improvements that should be done in order to enhance luxury goods towards a more sustainable order and to increase the relevance that the sustainability topic has in consumers' minds when it comes to the actual purchasing process of luxury goods.

The research was conducted on a sample of 15 luxury consumers, 60% of which were women while the remaining 40% men, of an age between 22 and 57 years old and all with an European nationality. They were questioned about the topic of the sustainable luxury consumption by the use of a qualitative analysis conducted with semi-structured interviews in which they were free to express their opinion about the issue. Moreover, in order to make the research more reliable, I also interviewed five managers of different luxury brands; depending on their availability I used a semi-structured interview and an unstructured one which focal point was the consumers'

perception of the sustainability related issues from a luxury goods consumers' point of view. The managers' opinion was fundamental as they provide a broader and more detailed point of view about the topic that I couldn't get on my own.

The analysis pointed out many interesting aspects about consumers' perception of sustainability during their luxury purchasing process. In particular, it showed that luxury consumers are extremely aware of the true meaning of luxury but, on the other hand, they are not so much aware also about the real meaning of sustainability. Moreover, the consumers stressed the necessity for sustainable luxury products, in order to be purchased or at least considered as an option during their purchasing process, to have at least the same level of quality of a normal luxury item; in fact, as they are already paying a pretty high price, in order to buy that specific product, they are not inclined to give up on such a relevant feature like the quality. Another condition that was addressed as fundamental, was the consumers' need to receive more information about the real sustainability of the products, both before and during their purchasing process, so that they would be able to make more conscious decisions also when they are in the process of purchasing a luxury good. Unfortunately, on the other hand, luxury brands, strongly believe that luxury consumers should be more educated towards the true meaning of sustainability in the luxury sector, in order to really be able to perceive its true advantages and its inner quality, but they don't think that this is a thing that should be done by themselves. Lastly, luxury consumers showed a greater concern for sustainability in their everyday life rather than during their luxury purchasing process and therefore a least perceived connection between luxury consumption and sustainability related issues, showing indeed, their lack of information.

All these elements that were outlined by my research can be considered both as a confirmation of the previous literature but also as a good starting point for future researches that could provide, in my opinion, a good framework to improve and modify the actual situation of the luxury industry in order to make it even more

sustainable and to make consumers more aware about the issue in the moment in which they are purchasing a luxury product.

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Resume

Coco Chanel defined luxury as “*a necessity that begins where necessity ends*”, this means that the concept of luxury has always been seen as an image that is strictly connected with psychological needs, self-esteem and prestige and that has very little to deal with being sustainable and consciously aware.

Going backwards in time, it is in fact possible to notice how the values which were associated with luxury were already of hedonism, rarity, expense, affluence and inessentially, underlying how its consumption was strictly associated with social and moral transgression. On the other side, sustainability was instead associated with elements such as altruism, self-control and measure; all values that promotes an ethical way of living. Thus, it is not surprising that these two concepts were considered so distant and impossible to merge. However, during this last decade, the literature, together with consumers, have started to get interested about the topic and to look for a connection between the two worlds.

The starting point of this path was the research of a unique definition of the term luxury, even if it was known that the concept is highly subjective and that depends on historical, geographical and demographical factors. Despite that, in 2001, Dubois, Czellar & Laurent managed to conceptualize the idea of luxury in a way that nowadays is recognized all over the world. In particular, what they found out is that six are the main aspects that best describe the concept of luxury and they are: Excellent quality, Very high price, Scarcity and uniqueness, Aesthetics and Poly-sensuality, Ancestral heritage and personal history and Superfluosness.

Once a definition of luxury was provided, another aspect that was investigated, in order to give a better analysis of how luxury consumption works, was the so called conspicuous consumption. The term was first invented by the Norwegian-American economist and sociologist Thorstein Veblen in 1899, to cluster those people who buy expensive and unnecessary items in the attempt to display wealth and high income instead of buying what they really need to satisfy their primal necessities. He stated that, even if usually the consumption of luxury goods is limited to the upper class, the truth is that also the working class consumes luxury goods in order to imitate the standards of life of the upper one. This emulation results in a society characterized by wasted time and money in the only attempt to obtain, through in fact, the conspicuous consumption, a higher status in the society.

This kind of consumption, was mainly defined as a term in contraposition with the so called status consumption, even if at first look they seem very similar. Truthfully, the difference exists and lies in the fact that status consumption underlines the nature of the possession itself, without the need of showing it to the others, whereas conspicuous consumption pays more attention to the external dimension, focusing on the display of products that may enhance consumers' social status and perceived wealth.

This differentiation, created also an alike segmentation in the luxury brands' market, dividing it into status brands and conspicuous brands. This differentiation promoted the creation of an increase number of new and more affordable luxury goods, that resulted in a more availability for the masses of valuable products that faded the line that before used to divide rich and modest people.

As a consequence of this change in the luxury scenario, it emerged between consumers, a different kind of purchasing pattern that stands on different principles; while before, it was in fact believed that people bought luxury products just to "*impress the others*", the change in the luxury market outlined a new point of view based on the assumption that there exists two types of luxury-brand consumptions: the socially oriented one (so the typical one) and the personally oriented one.

The first ones to theorized personal orientation in the luxury-brand consumption were Wong and Ahuvia who stated that the personal orientation is more visible in consumers that have the following characteristics: they obtain a self-directed hedonic experience from the use of the product; the product is the expression of a private meaning that they are pursuing and lastly, they judge the item on the basis of individual standards. Consumers with these peculiarities tend to buy products that embed personally affective, symbolic and utilitarian benefits that help them to better express their inner personality, that best matches with their personal tastes and that best provide hedonic pleasure to them, so products that promotes features and benefits that are clearly in contrast with the one typical of the social-orientation luxury-brand consumptions.

Another transformation appeared in the luxury scenario during the last decades and it's related to the fact that Asian countries have started to become more and more influent in the world scenario, gaining an important role also in the luxury goods market. East Asians have been found to be extremely interested in luxury goods, spending great quantity of money for their purchases despite their low income level. However, their purchasing

pattern is influenced by different drivers, if compared to the one of the Western consumers, and the products they buy tend to assume different meanings and different social functions. In particular, it has been seen that the main thing that influences East Asian luxury consumption is the so called Face, which is a main cultural value that's very relevant in driving the behaviour of people that belong to collectivist cultures. Face has been defined as "*the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact*". Even if Face is not a culturally bound concept, the way it influences consumers' behaviour, strongly differs between East-Asian cultures and Western ones.

In East-Asian societies, like China, where consumption is seen as a way to fulfil higher-order social needs, everything is done in order to achieve a social aim and everything is seen in a collective mind-set. In a society like this, people pay more attention to their consumptions because they are one of the main tools to display their face and to maintain and enhance it, while in Western cultures, luxury consumption is mainly done in order to display the inner personally or pursue personal needs that don't have to be related to someone else's opinion. Therefore, when studying luxury consumption, it is necessary to first cluster the consumers into different groups, depending on important variables, such as culture, in order to obtain unbiased results but also to position a certain brand or product in the right way.

Unfortunately, the types of luxury consumption that can be seen in the marketplace are many and various and, as a consequence, many and different are also the groups of consumers that it is possible to categorize.

One categorization that is frequently used is one based on the luxury consumers' demands and it outlined four different kind of consumption: the conspicuous and the status consumptions that are the result of three different effects - the Veblen effect, the Snob effect and the Bandwagon effect; the hedonistic behavioural consumption, that takes as the main focus the emotional dimension of the purchasing pattern, so the ability of luxury goods to give to consumers particular feelings and emotions; the democratization of luxury goods, that defines the more availability of these goods also to people of different classes that every so often can afford to buy expensive and luxurious products and finally, the consequences of the consumers' mobility between choices of trading up and trading down among their purchases.

Another classification that is often used, is the one provided by the already famous Dubois, Czellar & Laurent that, in 2005, developed a consumers' segmentation based on their previous definition of luxury and that classified the potential luxury consumer into three main groups: the Distant, the Elitists and the Democratic. The Elitists look at luxury products in a traditional way, following the idea that these kind of products are made just for a small particular group of people called the "happy few". The Democratic instead, look at the luxury consumption in a more modern way; they believe that there are more people than just the "happy few" who have the right to buy luxury products, the "happy many", and that they don't need to have particular characteristics, such as a huge culture in that field, to appreciate them fully. While these first two segments share their positive belief about luxury goods, on the other side, the Distant feel themselves as completely outside the luxury world. They don't like the luxury industry and they believe that it is something not necessary in order to have a well and happy life.

The last kind of consumers' segmentation is based on values. The term value is defined as a set of beliefs that direct and guide the selection process through which a person decides what kind of behaviour to maintain in a specific situation as well as in the everyday life; this holds also in the field of luxury goods and creates a segmentation of consumers based indeed on their values towards luxury.

The first cluster is the one of the Materialists that aspire at having a lot of luxury products in order to improve their lives but that don't use them as a tool to impress the others or to belong to a particular group of people. The second cluster is composed by the Rational Functionalists; they are particularly interested in the quality standards of the products that have to be above the average and, their main focus, is to differentiate themselves from the masses. The Extravagant Prestige-Seekers is the third group and also the most numerous; their main focus and interest is on the social aspects of luxury products, such as prestige, in fact, they confer a sound importance to the social values of the luxury brands because being socially recognized and being part of a specific group is vital for them. Finally, the last group is composed by those people who are defined as the Introvert Hedonists; they see luxury goods as a main source of pleasure for themselves and they believe that through their consumption it is possible to live a better life; however, they see luxury products as something exclusive that is not related and available for the masses. In addition, they don't

feel the need to show their consumptions to the others, they love luxury goods but they like consuming them on their own, for this reason they are not enthusiastic about them.

Once a deep analysis about luxury consumption was made, it became necessary to see how it was possible to create a connection between the concept of luxury and sustainability. As it was said before, being sustainable is becoming a priority for both individuals and firms, they both have to face the fact that the resources of our planet are not unlimited and that it is our duty to use them in a conscious way in order to “*meet the needs of the current generation without compromising the ability of the future generations to meet theirs*”. This increasing awareness about the topic has brought many firms to start investing and producing in a more conscious way, including in their business plans also the topic of sustainability. This resulted in a large number of firms engaging in activities of corporate social responsibility (CSR) mainly because of the increasing pressure from the consumers who were always more concerned about topic. Corporate social responsibility is defined as a kind of governance that goes beyond the typical respect for norms and that defines a broader objective than the mere maximization of profits. In a CSR perspective, the objectives of the firm become numerous and all of great importance: together with the maximization and creation of profits, there is also a close attention to environmental, social and humanitarian matters that have to be respected and taken into deep consideration in every action of the firm and that shape their way of acting.

Engaging in CSR can be an advantage for luxury brands, as it can help them to differentiate themselves from fast-fashion brands that are instead providing a kind of consumption based on low cost clothing collection that aims to recreate the latest trend using poor quality material in order to be sold at a cheaper and more affordable price but that are also promoting waste and poor labour conditions, transforming luxury products into goods of mass market consumption. Nevertheless, CSR can also become a problem for the firm, especially in the short term; in fact, depending on the meaning that consumers attribute to the brand, there can be a conflict between this and CSR that can create a decrease in the consumers’ opinion about the brand. Thus, it is fundamental, in order to achieve a positive outcome from the engagement in CSR, to analyse the firm’s brand concept, defined as a “*unique, abstract meaning*” of the brand itself, and its accordance or dissonance with its CSR principles. To do this, it is possible to use a frame developed by Schwartz in 1992. It is based on a circular structure in which, those values that are close to

each other, are considered as compatible, whereas those who are in opposite positions, are addressed as the main cause of motivational conflicts. From this framework it is possible to outline four different groups of values: the *conservation* values, the *openness* values, the *self-enhancement* values, and finally, the *self-transcendence*. Schwartz proved that, a brand concept which is based on self-enhancement values will cause a motivation conflict if activated together with CSR, that typically promotes values of self-transcendence; as a result, the luxury evaluation of the brand will decrease causing a negative outcome for the brand; instead, this doesn't happen if the brand promotes values of openness or conservation as they are not in conflict with CSR. Luckily, in order to avoid this motivational conflict, it was outlined a series of strategies that could be pursued to reduce it. One of these, was to present a self-enhancement value through a message of openness and conservation; in this way the motivational conflict is weakened thank to the vehicle message. Another way, was to use a mechanism of self-expansion, that is defined as a "*cognitive activity intended to grow and expand perspectives and identities*" and which is able to decrease the contraposition between the self and the others.

In order to help luxury brands to become more sustainable, a new organization, called the "Centre for Studies on Sustainable Luxury", was founded in 2010. Its aim was, and still is, to provide a guide to all those luxury firms that are trying to modify themselves in order to become more aware and conscious about the sustainable issue. Going green will in fact enable the firms to turn into innovators, to become more competitive on the market and in some cases, also to cut costs and wastes and consequently to increase revenues. To achieve these objective, many are the green practices that have been implemented and they involve all the aspects of company. These practices can be developed in two ways: through the modification of the value chain, thus changing the manufacturing, packaging and the operational processes in order to respect the sustainability standards and become more environmentally friendly, or by engaging in CSR, so to participate in those activities that will enable the firm to promote between its customers a more sustainable approach. However, the main thing that must be done in order to succeed in this process, is to transmit the sound and real intentions of the firm, and its commitment for the cause, both to old and new customers and to stakeholder.

In order to obtain this objective, all the strategic marketing activities must be conducted and organized in an uncommon way in order to balance the luxury features of the brand and its sustainability; for this reason, it may be useful to rely on multi-sensorial signals.

The signals are a kind of tool that it is used in order to create a connection between the information that the brand wants to send and the receivers and to generate a specific response in the consumers, shaping also their purchasing behaviours. However, while a traditional signal is created in order to highlight a clear, unambiguous and evident message, a signal aiming at sending a sustainability message is constructed in a more ambiguous, complex and hidden way as it needs to develop, inside the consumers' mind, a sounder and long lasting transformation, that will shape consumers' emotions and enable them to remain embedded in the receivers' minds, providing a stronger impact than a traditional one and reshaping positive thoughts, feelings and actions towards the brand. Even if the topic seems complex, it seems reasonable to use such a tool if it is seen together with its purpose; combining in a message two elements such as luxury and sustainability is a hard task and thus it needs a complex tool such as the multi-sensoriality signals.

Another issue that sustainable luxury brands are facing, is the fact that over the years, the idea of sustainability has lost a bit of its original sense and it became a broader concept that now is difficult to define. This has brought consumers to behave in an unsustainable way even if they strongly believe and support the sustainable cause. This contradiction between consumers' attitude and their behaviour was defined as the *attitude-behaviour gap* and it seems to be the result of a series of factors that deserve to be analysed. The main reason why this gap exists is because of the knowledge gap, so the fact that consumers don't have the necessary amount of information that they need in order to be careful and conscious about their choices. Another reason, is the fact that luxury purchases are considered so rare and expensive that they are not associated with something dangerous for the planet; consumers tend in fact to buy luxury products in such an irregular way that their impact on sustainability matters doesn't seem to be so relevant. In addition, luxury products are used as a tool to provide the consumers with exceptional experiences that will help them to get some relief from the everyday life, therefore, it is not surprising to notice that consumers are not interested in sustainability problems when they are acquiring such products; they just want to escape from the reality and feel good. Fortunately, due to the increasing

number of critics that activists have been moving to luxury brands in recent years, things have changed, stressing consumers' attention towards sustainability also when they are purchasing a luxury product.

In this context of uncertainty, it becomes fundamental for luxury brands to let consumers perceive that what they are promoting is real and crucial and that the firm is really committed to the sustainability cause. If luxury brands manage to do this, then consumers will be more prone to believe to the brand and so, they will be less likely to feel a contradiction between the products and sustainability. Instead, if the brand is perceived as a conspicuous one which is not really interested about elements such as durability and rarity, typical of sustainable luxury products, but which is more focused on the logo and on the visibility of the brand itself, then the consumers will believe that there's a higher contradiction between the firm and its sustainability cause. This contradiction can be increased by a series of factors that are personally related to consumers: the first cause of a perceived greater contradiction between luxury products and sustainability is a lower income; another aspect, is the consumers' sensitivity to sustainability, in fact, those who are highly interested in issues related to sustainability do not believe that a luxury product can, at the same time, embody aspects such as sustainability and ethical practices; also the attitude-behaviour gap is a factor of perceived contradiction, as those consumers who actually engage in sustainable purchase, tend to be extremely informed and consider themselves as opinion leaders and so they will be more likely to reveal all those issues related to luxury products that show how they are not behaving in a sustainable way; finally, consumers' degree of attachment to luxury products is another aspect that influence the perceived contradiction, in fact, people who love luxury products will be less bothered about ethical and environmental issues and they will be more likely to forgive the brands just because of their particular attachment to them.

Even if all this is generally true, there are some differences that arise on how consumers perceive the dichotomy between luxury products and sustainability that depends on cultural factors. Researches have in fact suggested that, while the common values of luxury are shared across countries, sustainability instead, tend to be culturally bound. In particular, what differs among countries, is the importance and centrality that each value, related to luxury and sustainability, owns in consumers' mind and therefore, the relevance of it in driving consumers' purchasing behaviour. Thus, when developing a sustainable corporate

strategy, luxury firms need to pay attention to the external context in which they are operating in order to underline those factors and values that are more relevant for the culture they are operating in and at the same time, reducing those that are not well seen from consumers.

The luxury industry represents just a small sector of the whole economy but it is considered fundamental because of its ability of attracting interests and shaping consumers' opinions and behaviours. In addition, it was the only sector that kept growing also during the economic crises that started in 2008, increasing its total value and attracting more and more investments from all over the world. On the other hand, sustainability, both in terms of environmental issues and social ones, is becoming one of the central elements of concern of the whole society, causing the modification and improvement of many sectors in order to provide more sustainable alternatives to consumers, in terms of goods and services, and to create a more conscious world in which both consumers and firms are aware and respectful of the environmental resources that we are using and of the dignity of people that are working for them.

These two worlds have always been considered as impossible to merge as they were seen as promoting two completely different lifestyles. Nevertheless, in more recent years, people and marketers have started to believe that it might exist a connection between the two, also because of the increasing numbers of firms that are starting to include green practices in their production processes and because of the great concern that consumers are demonstrating towards the topic.

Thus, after an in depth analysis of all the past researches and literature about the topic, in which is stated that there can be a positive relation between luxury goods and sustainability, I decided to investigate more in detail about the strength of this relation to see if consumers can really perceive it and how valuable it is for them in the moment in which they decide to buy a luxury product. In particular, what I tried to better define, is the importance that consumers attribute to a topic such as sustainability in the moment in which they decide to buy a luxury product.

Thanks to the research, I wanted to provide a better understanding of the real perception that both managers and consumers have about the importance and the relevance of the topic of sustainability when it comes to luxury products; I also tried to compare the actual consumers' concern for sustainability issues in their everyday life, to the importance that

they attribute to the topic when they are purchasing a luxury item. Moreover, I measured the general level of information that consumers have about the topic and investigated if their knowledges are driven by their personal interest or if they are the result of a brands' marketing strategy. Based on their definition of luxury and sustainability, I questioned them if they believe that there could be a future in which this two terms will be able to coexist. Finally, at the end of the discussion, and based on the collected results, it was outlined a series of conditions that I believe should be respected from brands' managers and a certain amount of improvements that should be done in order to enhance luxury goods towards a more sustainable order and to increase the relevance that the sustainability topic has in consumers' minds when it comes to the actual purchasing process of luxury goods.

In order to develop the purposes in the most efficient and effective way as possible, I decided to conduct a semi structured qualitative interview on a sample of 15 people. The interviews were conducted face-to-face and they all last approximately 15 minutes in which each person was able to freely express his/her opinion about the topics that were previously introduced by the interviewer. The interview was composed by 9 open questions related to the topic of sustainability and its connection with the luxury world; in particular, the attention was driven towards the relation between the two terms in the exact moment in which a consumer decides to purchase a luxury item. The people who were exposed to the interview were chosen because of their interest in luxury products; interest that was demonstrated by the purchase of at least one luxury item in the last 12 months. The sample was created in a way to make it as representative as possible: it was composed, in percentages, by 60% of female individuals and 40% of male, both of an age included between 22 years old and 57 years old with a mean of 28 years old. They were students or graduated people currently working in their specific field and they were all European citizens, in particular: 48% was from Italy, 28% from Great Britain and the remaining 24% from other countries such as Finland, Belgium, Greece and Ukraine. This sample was chosen because it was seen as the most representative one in order to recreate the typical population of European luxury consumers, with an age that was also able to give me the possibility, if necessary, to investigate about the differences that could arise, in terms of sustainable luxury consumption and the perception of sustainability in the luxury industry, between the two ranges of age (above or below 40 years old).

Because the aim was to compare the consumer's opinion about the topic to the luxury brands' one, I also interviewed 5 managers of luxury retail shops situated in the centre of Rome in order to have comparable data from which it was possible to see if the perception of the topic was the same or if it differs depending on the point of view of the interviewees. Depending on their availability and propensity to answer to the questions, it was conducted a semi-structured interview or in some cases, an unstructured one which focal points were not only their brands and their relationship with sustainability, but more precisely, the consumers' perception of the sustainability related issues from a luxury goods consumers' point of view. The managers that I managed to talk to were of the following luxury brands: Gucci, LVMH, Céline, Stella McCartney and Fendi. Some of these brands are famous for their involvement in sustainability issues while other are still completely unprepared about the topic; nevertheless, it was interesting to see their point of view as representative of the luxury fashion world. The managers' contribution was fundamental, as they are more inside the luxury world and are more used to deal with consumers of different cultures and with different needs, so they were able to provide me a broader and more detailed point of view that it could then be used to double check the findings.

During the research, the main purpose was to provide the reader with a clearer and more detailed explanation about the topic that was discussed until here, underlying also all those elements that were in contrast with the past literature and then try to find an explanation for them. The first thing that it was investigated, was the actual importance that consumers attribute to the sustainability issue when they are in the process of purchasing a luxury item. The past literature pointed out the fact that, even if consumers are concerned in their everyday life about being sustainable and respectful of the environment, when it comes to luxury goods they don't feel this pressure anymore as, in their opinion, the purchase of one single luxury item would not be able to change the world's situation. Based on the interviews this came out to be partly true. Starting from the fact that the sample I used, turned out to be mainly composed by all people that try to do as much as they can in order to live a more sustainable life, and assessing also the fact that they demonstrated a sound interest for luxury products, it came out that the majority of them don't think about sustainability in the moment in which they are purchasing a luxury product but, if they are informed about alternative options that are still luxurious but at the same time also sustainable, they demonstrated a sound will to purchase those items rather than a normal

luxury one. The only clause they stressed, was the fact that the quality of the products has to be exactly the same as the one of normal luxury goods as they are not inclined to give up on quality in a situation in which they are already paying a really high price to obtain it.

The results pointed out another really interesting aspect of the problem: people are not aware about the sustainability of the products and moreover, they are not fully conscious about the impact that their purchasing decisions can have on the environment. A possible explanation to this issue can be researched in the fact that luxury purchases are seen as so sporadic, if compared to the everyday consumptions, that they are just seen as something occasional and therefore they seem as they don't have a sound impact on the environment. Moreover, as one of the managers that was interviewed pointed out, and as it was outlined through the interviews to the consumers, when a person goes to buy a luxury product he/she is looking for something fashionable, for something that will make him/her feel satisfied and happy with itself and this, is a feeling and a perception that it is usually quite difficult to merge with issues related to sustainability. However, it was also found out that there exists a possible solution, so a situation in which a consumer would be able to achieve his/her objectives while at the same time doing something good for the planet; this solution was pointed out both by consumers and managers of brands that are already moving toward a more sustainable behaviour: the consumers stressed the fact that they would like to receive more information about the product and its production process, also via new kind of promotional channels such as social network, in order to make more sustainable choices but also in order to have a better understanding of the consequences of their actions, not only on the environment, but also for themselves; thus, they would like to know which are the benefits that they can obtain whether they decide to purchase a sustainable luxury item rather than a normal one. On the other side, the brand's manager explained us that the main thing that should be done in order to develop and promote more sustainable luxury products, is to let consumers understand that what makes a luxury products really luxurious, is not the usage of some particular material, such as leather, but all the researches and craftsmanship that there are behind it and that makes it unique, durable and qualitative superior to normal mass product.

Based on the fact that consumers expressed their necessity to have more information in order to make conscious decisions during their purchasing activities, I decided first to measure which was the general starting point, in terms of knowledges, that consumers

really have about the topic of sustainability in the luxury world and then, to question the managers about what their brands are doing in order to make this information more available to the consumers. From the results of the research it was possible to see that, even if the majority of the interviewees was aware of the existence of some luxury brands that were becoming more sustainable, their general level of information was pretty low; those who demonstrated a more consistent amount of knowledge admitted that it was only the result of their personal research, also because luxury brands don't really advertise their new practices, unless you are not already in the shop ready to buy a product or if you are spontaneously consulting their web pages. Moreover, an interesting aspect was the fact that the most informed consumers turned out to be all of an age below 40 years old, outlining both the importance of social network for the commercialization of new sustainable practices but also the difficulty that more mature people can have in gathering the information that they need. On the other side, the managers of those luxury brands I managed to talk to, revealed a different scenario: the majority of them stressed the fact that the promotion of sustainable luxury items is mainly done inside the retail shop in the exact moment in which a customer is in the process of buying one of their products and that the main thing that they do on the outside, to give to all the consumers the possibility to gather some more information before going physically to the shop, is to obtain certifications or join conventions and agreements related to the topic of sustainability. Just one of the managers that was interviewed pointed out how the designer itself promotes, mainly through social networks, the sustainability of the brand and more in general, a sustainable lifestyle. This difference can be the result of the fact that the majority of the luxury brands are moving towards a more sustainable way of doing business even if at the beginning they weren't aware and interested to the issue, thus, they still need to understand to which extent it is convenient for them to advertise it, while the only one that it is doing a sound promotion of this idea was the only brand that, since the beginning, was seen as a sustainable luxury brand, even when nobody was caring. Despite this difference, this last brand showed that it is actually possible to do something in order to increase the awareness of the consumers and that in the end, this awareness is also profitable for the brand itself. Thus, I believe that providing more information to consumers about the sustainability of the products and their production processes, also in unconventional ways, could be a good starting point to inform and at the same time educate the consumers towards a more

sustainable way of purchasing products, also because as one of our respondents said: “..I am not really into sustainability but if the brand that I like and that I admire would start making campaigns related to the issue of sustainability I would probably start to pay more attention to the cause and I would also be more inclined to think about sustainability during my luxury purchasing experience..”.

Finally, based on the definitions that were given by the people about what it means to be a luxury good and to be sustainable product, I decided to question them, but also the managers, about their opinion on what the future will look like, more in detail, if they could see a future in which there will be sustainable luxury products and in which consumers would be totally conscious and aware of their responsibility towards the rest of the world, in the moment in which they decide to purchase a luxury good. As I said, the starting point of this analysis was the definition of luxury products and sustainable goods and three main elements came out from the research and they demonstrated to be important enough to be mentioned here: the first one, is the fact that everybody gave a definition of luxury products in line with the one outlined in 2001 by Dubois, Czellar & Laurent, stressing also the fact that all the consumers have a very clear idea in their mind about what luxury truly means. As far as the definition of sustainability is concerned, I noticed that almost nobody thinks about sustainability also in terms of being socially conscious; all their thoughts were in fact directed to the environmental aspects of the issue without taking into consideration a broader definition of the term. This matter has, as a direct consequence, the fact that all the charitable initiatives pursued by luxury brands are not absorbed in the consumers' mind as sustainable related, thus actually reducing, in their scenario, the quantity and availability of sustainable options in the luxury industry. Moreover, almost everyone defined the two terms with features and adjectives that were completely different from one another, more in detail, almost nobody defined luxury and sustainability with the same adjectives, therefore indicating a conceptual difficulty in associating the two terms. On the contrary, if they were asked about the chance of a more sustainable order in the luxury industry, so if they could actually see a future for sustainable luxury products, they all seemed pretty sure about the possibility that it might happen.

These results, that seem quite controversial, are instead quite revealing: they pointed out the fact that consumers genuinely believe that these two terms could converge in a near

future but they still lack a proper knowledge about the issue, lack that is visible in the moment in which it was asked them to freely associate some adjectives to the two terms.

I asked to the brands' manager the same question in order to have also their point of view about the topic. They were all feeling hopeful about the future, believing that a connection between luxury goods and sustainability does exist; however, they stressed the fact that this process is still very long and it requires a sound change of the consumers' mentality which are still associating luxury and fashion with good quality materials that unfortunately, in their opinion, can't be also sustainable. Thus, it is in their opinion to think that there should be a process of education of the clients before they would be ready to really understand the sustainable luxury market. Unfortunately, these consumers they are talking about, are asking exactly the same thing to those luxury brands; they are demanding them to provide all the information that they need in order to be more prepared about the topic and therefore, to make more sustainable choices.

The analysis that was conducted, which aim was to give a better understanding about the consumer's perception of sustainability in the purchasing of luxury goods, pointed out many interesting aspects that I think should be considered for future researches and that could provide a good starting point to improve the actual situation of the luxury industry:

- luxury consumers are extremely aware of the true meaning of luxury but it is not possible to say the same thing about sustainability
- In order to buy a sustainable luxury product, the consumers expect it to have the same level of quality of a normal luxury one
- they would like to receive more information about the sustainability of the products both before and during their purchasing process
- luxury brands' managers, at the same time, believe that luxury consumers should be educated towards the true meaning of sustainability in the luxury sector, but the research showed how they should be the one in charge of doing it
- consumers showed a greater concern for sustainability in their everyday life rather than during their luxury purchasing process.