Luxury and Sustainability: A Paradox on the Road towards Convergence

Studying Consumer Perceptions on Sustainability in the Luxury Fashion Industry

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Master Thesis
June 19th 2015

ACKNOWLEDGEMENTS

ABSTRACT

The changing landscape of the luxury industry has raised acute interest among scholars. In this context especially the topic of corporate sustainability has high potential for debate. The growing interest in sustainability in the luxury sector has thus triggered the author to investigate how the consumer makes sense of sustainability in the luxury industry.

So far literature suggests one consumer perception to exist concerning the chosen issue, which can be referred to as 'the paradox'. This can be defined as consumers having a conflicting image of the two concepts, luxury and sustainability, perceiving them to be opposing. On the other hand, recent scholarly works that do not take the consumer perspective into account talk about a possible convergence of the concepts.

14 semi-structured in-depth interviews with luxury consumers were conducted in order to investigate their current viewpoint on the proposed issue. To be able to provide an in-depth understanding of the sense making process, the author specifically looked at three major aspects: 1) the existing knowledge about the paradox, 2) whether or not an attitude-behaviour gap exists and 3) the benefits of improved communication strategies.

This research does acknowledge consumer recognition of the paradox. However, the most important finding is a more nuanced way of seeing the relationship. A second consumer perspective is added to existing literature, namely a positive correlation between the two concepts, which makes the luxury industry a candidate for acting as a pioneer for sustainability. By adding the second consumer perspective this research acts as a bridge between the scholarly viewpoint and the consumer viewpoint and evidently predicts a possible future for the concept of sustainability in the luxury fashion industry. This future is mainly based on intensified communication, which helps the paradox to fade away in the consumers mind and closes the existing attitude-behaviour gap. In combination this can potentially lead to a change in the consumers mind set, which will finally lead towards a shift of societal norms.

Consequently, this research proposes that through intensified communication the existing paradox will find itself on a road towards convergence - a road towards sustainable luxury.

KEYWORDS: *attitude-behaviour gap, convergence, corporate sustainability, luxury, paradox*

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1. Introduction

"Sustainability has become a mantra for the 21st century" (Dyllick & Hockerts, 2002, p.130)

Corporate sustainability does not only hold the fundamental promise that together we can reach a "more equitable and wealthy world" that takes considerable notice of preserving the environment for the following generations, but it generally deals with our most elementary hopes and fears (Dyllick & Hockerts, 2002, p. 130). Thus, it is fast becoming a key concept in our society that could possibly be seen as a catalyst for change.

Businesses in particular have recently shown an increased interest into sustainability. This is underlined by the McKinsey global survey on sustainability (2014), which found, that business executives at all levels agree on the strategic worth of integrating sustainability practices into their business strategy. Core reasons for pursuing sustainability from a business perspective are: enhancing the corporate reputation, improving operational efficiency and lowering costs, as well as aligning sustainability with the company's business goals, mission and values (McKinsey, 2014). In general, CEOs are currently two times as likely as in 2012 to put sustainability as their top priority (McKinsey, 2014). To them, sustainability efforts are most likely to enhance value-creation for the brands' identity (McKinsey, 2014).

Furthermore, several studies documented the stakeholders' role in this advance of sustainability. Today, stakeholders expect more transparent and voluntary communication about organisational accountability and corporate behavioural issues (Gill, Dickinson, & Scharl, 2008). The act of communicating about sustainability, if coherent with stakeholder needs, can not only provide benefits for reputation and brand management, but it also ensures positive consumer opinions, increases stakeholder trust and support, employee satisfaction and brand image differentiation (Gill et al., 2008). Consequently, communicating about sustainability efforts will help to present a value added brand identity (Alessandri, 2001).

The increasing relevance of the sustainability issue for both the consumer and business itself led many industries to review and adjust their practices accordingly. Some leading industries are: automobiles & components, banks, energy, food, beverage &

tobacco and airlines (*DowJones*, 2014). Looking at these industries one can see that the luxury fashion sector is not present. This should be questioned since it is a growing industry that has revenues of €223 billion a year (Bain & Company, 2014). Hence, considering the growing interest into corporate sustainability and the absence of the luxury industry among its adopters emphasises the need to answer the following main overarching research question: *How do luxury consumers make sense of sustainability in the luxury fashion industry?*

1.1 Problem Statement and Purpose

Existing research recognises that the luxury industry cannot be found amongst the adopters of the sustainability issue. This results in the assumption that the industry is so far resting on its heritage reputation and positive public image, which can be seen as a halo effect (Coombs & Holladay, 2006). To be more specific, in the eye of the consumer sustainability has yet not been an issue related to luxury purchases, because it is not small-scale luxury production that threatens the planet but mass production (Kapferer, 2010). However, there is factual evidence that shows changes that have occurred in the luxury fashion industry. These changes are considered a major obstacle that calls for an immediate investigation of the topic.

The most important change, that is fundamental to this research, is the tendency towards mass luxury production. Ever since luxury fashion brands started to act like a fashionable mass retailer they have become the target of sustainability activists. There are several cases that evidently reveal the existence of this change. Firstly, Greenpeace recently convinced Burberry to agree to 'detox' until 2020. It took 14 days, 10,000 tweets and high street happenings in 6 countries to do so (Greenpeace, 2014). This can be considered one of the fastest encounters in the history of the Greenpeace Detox campaign. Since 2011 the campaign strives to challenge clothing brands to stop using chemicals in their manufacturing process to protect their customers, the local communities, the environment and consequently future generations (Greenpeace, 2014). The targeted clothing brands reach from fast fashion companies to luxury ones such as Burberry and Valentino.

Additionally the 'DK Bunny Butcher' case by PETA against DKNY about their usage of fur for their products in 2010 illustrates the existence of activism against the luxury

industry (Sider & Bigus, 2011). Again measures were drastic, since next to an informative homepage, PETA started a public attack on DKNY's Facebook page. Users changed their profile picture into bold letters and posted 16 individual comments on the DKNY Facebook page that completed the word 'DK Bunny Butcher' (Sider & Bigus, 2011). This public attack was the consequence for ignoring PETA's request to create a fashion line without fur for several years (Sider & Bigus, 2011).

Overall, these cases support the view that the change towards mass luxury initiated criticism towards the luxury fashion industry concerning flaws in their supply chain such as sourcing of raw materials, animal treatment, pollution and destruction of the environment as well as human working conditions (Kapferer & Michaut-Denizeau, 2013).

The described obstacle triggered the researchers interest into investigating how the consumer perceives the luxury industry and, now that it is becoming a relevant issue, its relationship with sustainability. Thus the specific objective of the research is to shed new light on existing consumer perceptions and future possibilities for a convergence of luxury and sustainability. Some consumers might connect the concepts luxury and sustainability for the first time, whereas others might have connected them before; either way, it is highly interesting to see how consumers conceptualise and negotiate the relationship and if they see a future for sustainability in the luxury industry.

1.2. Research Questions and Relevance

To be able to provide some in-depth findings for the overarching research question, with a focus on the consumer, three related research questions were asked. Each one focuses on a different aspect that helps to illuminate the relationship between the two concepts.

The first question is: *How do consumers perceive the paradox between luxury and sustainability?* This question is based on an extremely interesting paradox that has only been touched upon by a few scholars. As proposed by Kapferer (2010), next to its environmental impacts on the planet, luxury means irrationality, excess and inequality. This challenges the general understanding of practicing sustainability for a durable future, seeing that it is categorised by the conservation of natural resources and social equity. Posing this question helps to elaborate on existing knowledge about the paradox, while it

deepens the understanding of the consumer mind set when it comes to luxury and sustainability.

The second question that is discussed is: *How does the consumer's understanding of the relationship between luxury and sustainability translate into behaviour?* This question investigates whether an attitude-behaviour gap exists among consumers. Existing literature poses this to be a common issue when it comes to luxury purchases (Davies, Lee, & Ahonkai, 2011). Investigating the attitude-behaviour gap provides a form of reasoning for certain findings and it brings clarity towards whether the luxury industry should embrace sustainability.

The last research question is: *How can improved communication about sustainability practices benefit the luxury fashion industry?* Here most of the findings for the above stated questions come together to propose some practical implications for the luxury industry. This is done to not only provide new conceptual knowledge, but also to create practical value for businesses.

By splitting the research into these three research aspects it is able to extend the findings of current scholars. A singular focus on investigating the consumer perspective brings a strong contribution, seeing that it is their motivations and viewpoints that can help to clarify existing gaps and unresolved issues. By employing an in-depth interpretive approach the research findings have potential to be used by companies to better understand what luxury fashion consumers seek and how they should adapt their practices to consumer's preferences.

After introducing the concept of corporate sustainability and establishing the problem, purpose and relevance of this research, one can give a short summary of its structure. Overall the research involved 14 semi structured in-depth interviews to investigate the relationship between luxury and sustainability from a consumer perspective. The literature review provides the necessary background information to understand the current state of research. An explicit description of the methodologies follows that brings insights into the research procedure. The results section is divided by research questions to insure that all relevant findings can be mentioned and is followed by a discussion section that proposes a possible convergence of the two concepts. Finally, limitations and future research aspects are proposed.

2. Literature Review

This chapter presents existing literature to clarify current knowledge about the subject of sustainability in the luxury fashion industry. Primarily, the ideas behind the main concept of corporate sustainability are elucidated including the business case for sustainability. Furthermore this section highlights the existing knowledge about consumer perceptions concerning the topic. Finally, it introduces the newest trend 'sustainable luxury' including its implications for the luxury industry. A large part focuses on the consumer perspective, seeing that it is most important for this research. In general this literature review aims to provide a fundamental set of ideas that can guide ones understanding throughout reading this master thesis.

Although industry-based research on sustainability is growing, there is limited attention on the luxury sector. Here the adaption process of sustainability by businesses was a major focus. Additionally the area of the consumer's sensitivity towards sustainability was of importance. Core research so far has been on fast-moving consumer goods, such as products from the food industry or the cosmetics industry (Boulstridge & Carrigan, 2000; Carrigan & Attila, 2011; Gupta & Ogden, 2009; Newholm & Shaw, 2007).

More recently, scholars have begun to include the fashion industry in their research. They are particularly focusing on how young purchasers and fashionistas (somebody who closely follows fashion trends, is devoted to the industry and is potentially involved in it) are looking at environmental and ethical concerns while purchasing (Morgen & Birtwistle, 2009; Shaw, Hogg, Wilson, Shui, & Hassan, 2006). The main focus in the industry, however, has been on fast fashion and more affordable brands, seeing that lately they have gathered more media attention and scrutiny.

Consequently, research on luxury consumer's ideas and intentions towards sustainability is at an early stage, resulting in a limited amount of literature. Although, in the past decade several changes and other influential developments have taken place in the luxury industry, which have produced certain new trends and a greater interest in the field. Considering these changes and the limited, yet growing amount of research, calls for an in-depth investigation of the different facets of sustainability in the luxury fashion industry.

2.1. Introduction to the Main Theoretical Concept: Corporate Sustainability (CS)

The concept that is central to this research is corporate sustainability (CS). At its core sustainability is defined as "a form of development that meets the needs of the present without compromising the ability for future generations to meet their own needs" (Brundtland Report, 1987, as cited in Montiel, 2008, p. 256). When adding a corporate angle, the concept is related to the role of business in society, with a focus on environmental concerns and their advance. In existing literature the concept of corporate sustainability is highly debated alongside corporate social responsibility (CSR), which can be defined as "the voluntary assumption by companies [to include] responsibilities beyond purely economic and legal responsibilities" (Piacentini, MacFadyen, & Eadie, 2000, as cited in Dahlsrud, 2006, p. 10). Scholars seem to have agreed that the concepts are related, rather than seeing them as mutually exclusive. Thus corporate sustainability is seen as a main component of corporate social responsibility in this research (Babiak & Trendafilova, 2011; Montiel, 2008). In fact, corporate sustainability is currently the most popular component of corporate social responsibility (Ellerup Nielson & Thomson, 2007).

To underline the interrelation between CSR and CS one can furthermore refer to Dahlsrud (2006) who provides five main dimensions of CSR. These are the environmental, social, economic, stakeholder and voluntariness dimensions (Dahlsrud, 2006). Considering these dimensions one can argue that most CSR definitions include the triple bottom line (people, planet, profit). Dahlsrud (2006) acknowledges this, since he sees CSR as always being based on social, environmental and economic concerns, including stakeholder relations whilst being conducted on a voluntary basis (Dahlsrud, 2006). According to Montiel (2008), the triple bottom line (PPP) is also becoming an accepted idea underlying the conceptualisation of corporate sustainability, which provides a grounded argument for the convergence of the two concepts CSR and CS. Actually, Montiel (2008) not only accepts it, but also sees it as the most important conceptualisation of CS that exists at the moment.

Bansal (2005) directly included the triple bottom line into her idea about how to become a sustainable business. She proposes that to become a sustainable corporation economic integrity, social equity, and environmental integrity are principles that need to be applied. More precisely, the three aspects mean the following: Economic integrity

entails that value is created by the products of the company; social equity is achieved through engaging in CSR; and environmental integrity means reducing companies' ecological footprints (Bansal, 2005). Thus, to achieve a sustainable status, companies have to work on themselves and their good intentions, which is considered a necessity in today's society.

At its core, CSR and CS both present arguments about the role of business in society, with CS focusing primarily on environmental concerns, and CSR presenting a more comprehensive view of the range of responsibilities a corporation has towards its stakeholders. I personally agree with the way of thinking that the two concepts are related, yet, this research takes a more environmentally focused angle while investigating the issue of sustainability in the luxury fashion industry. Using a corporate sustainability lens might thus lead to the exclusion of certain aspects belonging to the concept of CSR. However, based on their close interrelation I believe the CSR values to be subtly present in this research.

2.1.1. Business Case for Sustainability

To understand the business case for sustainability, one should primarily have a look at its theoretical features. With their latest work, Dyllick and Hockerts (2002) contributed to the conceptual development of corporate sustainability. On a theoretical level, the business case for corporate sustainability includes eco-efficiency and socio-efficiency (Dyllick & Hockerts, 2002). Eco-efficiency refers to the added economic value in relation to a firm's ecological impact, while socio-efficiency refers to the relation between added value and a firm's social impact (Dyllick & Hockerts, 2002). This means that the concepts are used to primarily increase economic sustainability, which is closely related to profit making (Dyllick & Hockerts, 2002). Hence, in the discussion of the business case for sustainability one controversial issue is its fundamental aim. On the one hand, businesses do believe in sustainability, but on the other hand they make it about increasing profits, which conflicts with actually being sustainable. As a solution, Dyllick and Hockerts (2002) propose to not only see the business case but also add a natural case and a societal case for corporate sustainability. While other authors agree, Young and Tilly (2006) extend Dyllick and Hockerts' work by incorporating an element of sustainable entrepreneurship. Including all elements of sustainable development (eco-efficiency, eco-effectiveness,

socio-efficiency, socio-effectiveness, ecological equity, sufficiency, economic equity, intergenerational equity, social responsibility, futurity, environmental stability, environmental sustainability) shifts the model away from pure eco-efficiency and profit making. Overall, the interest in developing a conceptual model for corporate sustainability by scholars amplifies its complexity, yet how does this affect actual business practitioners?

Actually, business practitioners understand the added value of including sustainability in their business strategy, and industry reports predict tangible benefits (Deloitte, 2015; McKinsey, 2011; McKinsey, 2014). The McKinsey survey from 2011 found that corporate sustainability is estimated to have a positive impact on the corporate reputation, cost cutting and pursuing opportunities in new markets (McKinsey, 2011). Managers have consistently mentioned using sustainability as a mean for reputation management as one of the top priorities, which consequently shows its importance (McKinsey, 2011; McKinsey, 2014). Furthermore, as pointed out by Deloitte (2015), companies that are known for their good sustainability practices are inclined to have a better corporate performance and have access to better financing rates.

A tendency that came up as early as 2011 was alignment. However, its importance has grown since it was found to be most prominent in the McKinsey study of 2014. To be precise, alignment means to align sustainability with the company's business goals, missions and values (McKinsey, 2014). It seems that businesses are trying to integrate sustainability in their triple bottom line, through the development of green products, reduction of energy use along with training and motivating employees (McKinsey, 2011). Thus, currently their goal goes further than solely improving their corporate reputation.

However, adopting CS has not only company related advantages, it also fuels stakeholder related benefits. These are: an increase in the positivity of consumer opinions, their trust and support, additional differentiating value on the market and an enhanced reputation and brand management (Gill, Dickinson, & Scharl, 2008).

Consequently, corporate sustainability seems to be highly attractive for both academia and practitioners, which highlights the relevance of investigating it within the field of the luxury fashion industry.

2.2. Luxury & Sustainability - Current Situation & Business Case

A development that drives the need for the investigation of sustainability in the luxury fashion industry is a change in the luxury business model, which has opened a window for critics to start their long-wanted investigations. Up until now, the luxury industry has managed to escape scrutiny when it comes to sustainability. This has changed ever since the trend of producing mass luxury happened. To better understand this issue, it is relevant to introduce the traditional pillars of the luxury business model. Firstly, products are handmade, which takes time and produces scarcity of availability (Kapferer & Michaut-Denizeau, 2013). Secondly, the supply chain is completely controlled by the business itself, the working conditions are family-like and their basic principles are craftsmanship and heritage (Corbellini & Saviolo, 2012). Although these assertions appear to contradict claims about poor working conditions, environmental damages and poor business practices, the transition from heritage luxury to mass luxury provides ground for debate (Kapferer & Michaut-Denizeau, 2013).

Mass luxury is described as democratisation of luxury (Kapferer, 2006) and 'masstige' luxuries (Silverstein & Fiske, 2003). Silverstein and Fiske (2003) coined the term masstige by combining 'mass' and 'prestige', to describe the phenomenon of mass luxury. Hence, the term refers to the downward brand extensions that are created for the masses. The change creates three different forms of luxury, namely inaccessible luxury, intermediate luxury and accessible luxury (De Barnier, Falcy, & Valette-Florence, 2012). Kastanakis and Balabanis (2011) emphasise accessible luxury and point out that because of stretching the boundaries of luxury to address a wider audience, luxury brands are now struggling with maintaining their prestige and exclusive image whilst balancing it with growing awareness and profit making margins (Kastanakis & Balabanis, 2011). In balancing the two aspects, luxury companies are confronted with such issues as production outsourcing, cheaper production costs and consequently cheaper prices for consumers. Business itself benefits from decreasing manufacturing costs whilst increasing retail prices (Kapferer & Michaut-Denizeau, 2013). Thus, the main reason for this change is increasing the luxury industries profit margins that are already enormously high. This shows that the luxury industry is, just like every other industry, profit-oriented to survive in the saturated market environment.

Furthermore, businesses not only face internal challenges, they have also become the target of sustainability activist groups and NGO's that push them towards being more socially and environmentally responsible (Kapferer & Michaut-Denizeau, 2013). This screening by NGOs has increased over the past years, with some especially focusing on production processes and others focusing on the distribution side of luxury products (Kapferer & Michaut-Denizeau, 2013). As a consequence, this calls for an active response from the luxury industry. Surprisingly, luxury groups such as Louis Vuitton Moet Hennessy (LVMH) and Pinault Group (PPR) have included corporate sustainability into their CSR efforts since 2001 (Kapferer, 2010). However, they have not adequately communicated about these efforts.

Thus the luxury industry needs to communicate its social and environmental stance more extensively (Kapferer, 2010; Kapferer & Michaut-Denizeau, 2013). De Beers (2009) states that luxury companies have started to focus more on communicating their sustainability efforts through a special section on their company homepages. Still, this is a very limited form of communication that raises the question, what else can be done to be more proactive about the sustainability issue?

Isenmann, Gomez, and Supke (2011) argue that one-way-communication for sustainability will not fit the expectations today's stakeholders have about companies' reporting. Standardised messages either online, such as company homepages (De Beers, 2009) or offline such as hard copies, add no value to the stakeholder who wants information tailored to his own preferences (Isenman et al., 2011). In that regard, there is need for stakeholder dialogue to progress in sustainability reporting (Isenmann et al., 2011). In general, moving towards a two-way-communication process in CS and CSR reporting will increase managers' chances to gain legitimacy, a positive reputation and long-lasting stakeholder relationships (Morsing & Schultz, 2006).

Including sustainability can furthermore benefit the luxury industry itself. Primarily, they can add value on top of high quality and extraordinary design, by including sustainable production to the list. According to Girón (2014), 2013's best products are those that have a clean history of traceability, meaning that they reach beyond their tangible beauty. This additional value can also be perceived as a form of differentiation. As pointed out by De Pierre Bruno and Barki (2015), an innovative approach towards sustainability can differentiate a luxury fashion brand from its close competitors. This is

particularly relevant seeing that more consumers actually worry about sustainability. However, luxury brands have to be careful not to copy existing initiatives since this can lead to triviality (De Pierre Bruno & Barki, 2015).

Overall, NGOs' raising awareness for the topic could be considered as positive for luxury companies, considering that including sustainability in the business model brings several benefits. Even though the luxury sector has been resting on its image, they have started to include some aspects into their triple bottom line. Hence, managers have to realise that more communication is needed, with a specific focus on two-way-communication.

2.3. Customer Perspective on Sustainability & Luxury – A Paradox

Existing knowledge on customer decision-making processes often highlights subjectivity, as a major issue companies have to deal with (De Barnier, Falcy, & Valette-Florence, 2012). Thus one cannot necessarily generalise findings of academic scholars onto consumer perceptions, which raises the question: How do consumers perceive the relationship between luxury and sustainability?

Current literature depicts a single prominent consumer perspective. Research based on the consumer emphasises a paradox between sustainability and luxury. The few studies that have been conducted about the two concepts, found that consumers often perceive luxury and sustainability as opposing (De Pierre Bruno & Barki, 2015; Kapferer & Michaut-Denizeau, 2013). This provides a key challenge for the luxury industry, since consumers need to be persuaded about the convergence of the two concepts to use it as a unique selling point.

The paradox can be described as followed: Heritage luxury products are based on high quality, rare resources and the aim of using the product for a long time. Due to high pricing and scarcity of products luxury goods are only purchased by a few. This means that the industry remains small-scale and does not do much damage in terms of sustainability (Kapferer, 2010). The change in business model creates awareness of this perceived paradox, since it nowadays partly reverses the production techniques of the luxury industry. Next to the flaws in the supply chain, which include raw material preservation, level of pollution during production, animal treatment, packaging, recycling and working conditions (Kapferer & Michaut-Denizeau, 2013), luxury is furthermore

irrational, means excess and signals inequality (Kapferer, 2010). Inequality has been an issue for philosophers, who have seen luxury as morally reprehensible from the start, since it keeps people from engaging into more valuable endeavours for society (Godart & Seong, 2015). Sustainability, by contrast, tries to provide an equal future for everybody, based on the concern for the environment. This way luxury cannot been perceived as sustainable, if it is seen as an immoral excess that produces inequalities among society (Gardetti & Torres, 2015).

Even though the paradox is apparent to the consumer, the industry has yet escaped scrutiny. Davies, Lee, and Ahonkai (2012) indicated that consumers' propensity to consider ethics, including sustainability, decreases when it comes to luxury purchases. Reasons for escaping scrutiny and the assumed purchase behaviour can be the following: Primarily one can mention the halo effect. As stated by Coombs and Holladay (2006), it refers to the notion that a prior positive reputation of companies results in less reputational damage after a crisis. In the case of the luxury industry no severe crisis has happened yet, still their heritage can be seen as their reputational capital that is build up beforehand and that shields the industry from damage and reputation loss (Alsop, 2006; Caruana, 1997; Ulmer, 2001). The luxury fashion industry could escape scrutiny because it survives on certain assumptions held by consumers. The industry is known for its high quality, which lets consumers assume that it must pay attention to sustainability (Davies et al., 2012). This is particularly due to the fact that the luxury fashion industry promotes itself as non-mass- but respectful production within family-owned ateliers that cannot be unsustainable (Kapferer & Michaut-Denizeau, 2013). Further, consumers assume that because of high prices, the luxury sector must have taken care of sustainability and ethics.

Moreover, the consumer behaviour can be explained by the balance theory proposed by Osgood and Tannenbaum (1955). It states that to maintain cognitive balance, people who love luxury forgive ethical issues or at least minimise them. This implies that the more a luxury consumer likes the product, the less the controversy will be perceived. In the consumer's eye the few luxury purchases they make are not seen to have an impact on sustainable development in the first place (Gardetti & Torres, 2015). The balance theory is furthermore driven by subjective motivations behind luxury consumptions, because these make consumers more prone to balance out their bad feeling about a purchase. Scholars agree upon the fact that psychological factors play the

most important role in luxury fashion consumption, because of the self-fulfilling character of luxury purchases (Kastanakis & Balabanis, 2011; Troung & McColl, 2011). Seeking self-fulfilment in the purchase of a luxury good is closely related to conspicuous consumption; the idea that consumers purchase luxury products to show their wealth and status to others (Veblen, 1899). Owning a luxury product and showing it to acquaintances and strangers will enhance their self-esteem and provide self-fulfilment.

Last but not least, one can also understand the paradox in terms of the attitude-behaviour theory. It investigates the gap between expressing ones ethical concerns prior to a purchase compared to the actual purchase behaviour (Davies, Lee, & Ahonkai, 2011). As stated by Kapferer and Michaut-Denizeau (2013), consumers express a highly positive attitude towards ethical and environmentally conscious products, however they do not desire to actually purchase them. Joergens (2006) found that this is due to certain inconveniences consumers feel when purchasing environmental friendly fashion, while Mintel (2009) argues that consumers do not see its added value. Furthermore, Ochoa (2011) mentions that 45% of consumers see the more expensive price as an issue and 48% say that the unfashionable style of eco-friendly clothing is a non-purchase reason. Hence, a significant amount of people does not translate their perceived behaviour into actual behaviour. This results in the assumption that any type of consumer, even the ones who tend to be sustainable in their everyday purchases, will make an exception for luxury purchases.

In conclusion, until now a majority of consumers seems to perceive a paradox and there are several theories that can explain why. Still, this raises the question if consumers could adapt different viewpoints in the future, considering that currently many entities are trying to raise awareness for sustainability. Academia has already proposed a new trend, which is described in the following sub-section.

2.4. New Trends for Sustainability and Luxury

The most recent literature published by scholars strengthens the need to move away from the rather one-sided consumer perspective and shift towards considering a new trend: sustainable luxury. This trend is specifically tailored towards the supplier side and mainly relevant on a theoretical level, however it will need to be adopted by the consumer to become successful. According to Gardetti and Torres (2015), sustainable

luxury "is the concept of returning to the essence of luxury with its traditional focus on thoughtful purchasing and artisan manufacturing to the beauty of quality materials and to respect for social and environmental issues" (p.4). Thus the supply side is required to invest into gaining knowledge and understanding as well as discovering of solutions (Gardetti & Torres, 2015). Girón (2014) also proposes the trend of sustainable luxury and defines it as "the aim to ensure that development, manufacturing and sale of the products or services offered has a positive impact on the planet and on its people" (p. 8). Here the concept of traceability is highlighted, which refers to investigating one's own supply chain, including meetings with direct suppliers as well as suppliers of suppliers and communicating it to the consumer (Girón, 2014). According to her, clear traceability stands for sustainable premium and luxury.

Godart and Seong (2015) emphasise that the product emerging from the sustainable luxury trend is eco-sustainable fashion. Several scholars have defined eco-fashion as producing clothes that are designed as well as manufactured to increase benefits to society and its people, whilst minimizing destructive environmental impacts (Claudio, 2007; Joergens, 2006; Ochoa, 2011). This refers to the idea of using biodegradable or recycled materials for products on the one hand or using natural dyes within the production processes on the other hand, to reduce damage on the environment (Joergens, 2006). Additionally, eco-sustainable fashion is aligned with the 3Ps and the triple bottom line approach that was mentioned earlier as a fundamental part of the concept corporate sustainability (Godart & Seong, 2015).

Consequently, sustainable luxury is a trend that calls for the convergence of the concepts of luxury and sustainability. In the academic field the two concepts seem to be combinable and related. This view results from the fundamental similarities between the two concepts, since both signify extraordinary design, creativity, good quality material, rarity and beauty (Muratovski, 2015).

Furthermore, not only the similarities between the concepts call for a convergence, but particularly the luxury industry and its strong standing positive image are of importance. Scholars propose that the luxury fashion industry should be a catalyst for social change (Muratovski, 2015) or a potential harbinger (Godart & Seong, 2015) for sustainability in the industry, as well as the overarching fashion industry. Kapferer (2010) extends these statements by proposing that the luxury sector can become a leader in

sustainability issues. According to scholars, it is the image that increases the main potential for success. Luxury brands are admired by many people, which make them a reasonable influencer for change (Godart & Seong, 2015). Thus, by acknowledging the sectors reach and impact on luxury consumers, luxury companies could challenge the consumer's perception by shifting away from their singular focus on status and taste toward discernment and altruism (Kapferer, 2010). Promoting the trend of sustainable luxury could hence be seen as an answer to the unresolved issue. Not only would it include sustainability into the luxury industry, more precisely their triple bottom line, but it would also provide an opportunity for extensive communication about a new initiative. Whether this academic viewpoint is prominent across categories, hence whether it is perceived the same way by the consumer is however questionable and is investigated by this research.

Overall, the fact that academic literature pictures a rather one-sided consumer perspective on the relationship between luxury and sustainability calls for a deeper investigation of a more nuanced understanding of consumer perceptions in the field. Not only is the paradox investigated in more depths to be able to provide a complex understanding of its existence, but also the academic viewpoint of convergence is taken onto the next level. This way, one can assure that profound new knowledge is brought to existing patterns. This research will, in conclusion, make a statement about how the consumer today makes sense of the relationship between the concepts in today's society.

2.5. Illustration of Literature

Figure 2.1 is an illustration of the reviewed literature. It provides an overview of the different building blocks that are fundamental to this research, whilst putting an emphasis on the research goal that is to identify existing consumer perceptions and future possibilities for change.

The illustration includes two tracks, one that pinpoints academic perceptions ('Luxury Fashion Industry') and essentially presents the business case for sustainability in the luxury fashion industry; it most importantly introduces sustainable luxury as a new trend. The second track pinpoints the existing consumer perception ('Luxury Consumer'), that is a paradox, which can be related to some psychological and behavioural theories such as the attitude-behaviour gap or balance theory. Overall, particularly the triad relation between the consumer perception (paradox), the academic perception (sustainable luxury) and the question mark (future scenario) is of importance, since it questions whether a convergence of the two perceptions is possible or whether sustainable luxury will stay a theoretical phenomenon.
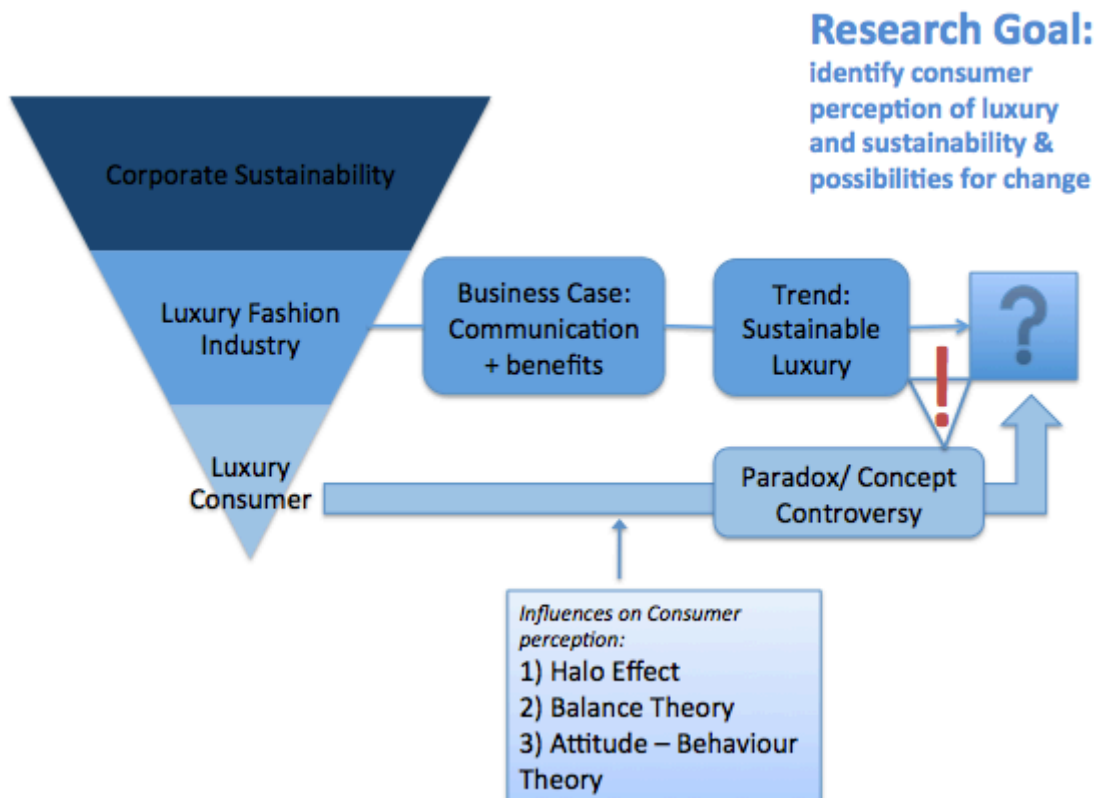

Figure 2.1- Luxury & Sustainability Framework

3. Method

This section provides a detailed outline of the empirical procedures that have been used to answer the proposed research question. It states and justifies the choice of method, the sampling techniques and method of analysis, while including facts about the operationalisation procedure.

Given the purpose of the study, qualitative methods were chosen to be most suitable, because they allow for an in-depth and detailed investigation of the chosen phenomenon (Patton, 2002). This is especially important for the topic sustainability in the luxury industry, considering that limited research has been conducted so far. Consequently, there is a lot to explore. This provides the study with an interpretive character, meaning that any reasoning is fully based on the specific results in relation to the understanding of the concepts sustainability and luxury by the participants.

3.1. Semi Structured In-Depth Interviews

It was decided that the best method to adopt for this research was to employ qualitative interviews. This method is particularly useful in studying consumer perceptions because through qualitative interviews one can ask questions about behaviours, opinions, feelings or knowledge (Patton, 2002). Ontologically speaking, it is "people's knowledge, views, understandings, interpretations, experiences, and interactions" that are seen as relevant to explore the meaning behind their behaviours and how they construct the research phenomenon (Mason, 2002, p. 63). Interviews, furthermore, provide great contextual meaning, since context and non-vocal features are also relevant for analysis (May, 2011).

The chosen type of interviews was semi-structured in-depth interviews. In a semi-structured interview the questions are specified beforehand, yet they are not completely pre-formulated (May, 2011). This is important because it enables the researcher to use probes that can help to identify more in-depth information based on a given answer (May, 2011). Thus using a semi-structured approach is an effective way to provide more freedom to the interviewer as well as the respondents (May, 2011).

An interview guide (Appendix A) was used that was closely related to the main concepts introduced in the literature review as well as being based on an informal content analysis of company homepages. It was really helpful to use this guide to

structure the short time of the interview beforehand, which resulted in getting a maximum outcome (Patton, 2002). The guide contained open-ended questions, while the order of asking the questions was from broad to specific, seeing that I first needed to establish rapport. The topic of sustainability can sometimes be highly sensitive, which is why care had to be taken in order not to be too direct.

All interviews were audio-recorded, to facilitate the transcription process. This way one could keep track of what exactly has been said, whether participants paused before answering or whether they corrected themselves. It helped to be a good listener, whilst enabling me to note down the most important aspects. Before starting the interview a consent form was signed by the participants stating that they were comfortable with the interview being recorded and it only being of use for my academic purposes.

3.1.1. Interviewee Sample- Purposive Sampling

The sample in this study contained 14 German participants living in wealthy parts of the two German states North Rhine Westphalia and Hessen. Anonymity had to be guaranteed to the participants of this research. This is why they are referred to as P1 through P14 in the results and any following sections. However, to provide some basic information and show the diversity among participants Appendix C provides a table including information about gender, age, education level, occupancy and place of residence. In general, participants were a mix of female (10) and male (4); to see whether or not one can depict differences in attitude and behaviour towards sustainability according to gender.

The sample was obtained through purposive sampling. Purposive sampling was chosen, because "it leads to greater depths of information from a smaller number of carefully selected cases" (Teddlie & Yu, 2007, p. 83). To be able to exclude sampling bias, a second method was added to purposive sampling, namely referrals. The initial five participants were requested to recommend at least one more potential interviewee. The method was successful since each of the five participants named between one or three other suitable candidates that were willing to participate. Thus, by using a mix of purposive sampling and referrals the target number of 14 participants was reached.

To elaborate on the selection criteria, it should be noted that previous studies have used several different criteria for selecting participants, including demographics

(age, gender, profession, location), psychographics (attitudes, values) or consumption patterns (purchasing motives, amount). Most prominently the income factor has been used. This factor is inconvenient for the luxury sector, since the income level is already above average. Thus, this research chose to not use a pre- determined set of criteria that could exclude other valuable respondents, considering that the chosen factors in isolation would not lead to the best results. As literature suggests, the luxury sector is a field of study that is highly subjective (De Barnier, Falcy, & Valette-Florence, 2012), which means that the diversity of people is of importance to create interesting and insightful results. Even though the sample is fully German, the desired diversity was gained by including participants that differed in gender, age, education level and current professions. It led towards investigating a sample with a range of attitudes and motives.

3.1.2. Size of Dataset

Before starting to collect data, I was advised that a higher number of interviews (about 15) would enable me to make grounded claims. As a result 14 interviews were conducted with an average length of 40 minutes. They resulted in approximately 114 pages of transcripts. It had been said that the optimal outcome of qualitative research is a point of saturation. Looking at the content of the conducted interviews, it can be said that rich and meaningful data have been collected, that have reached a point of saturation. Answers became repetitive, which led to the opportunity to form patterns and themes during the analysis.

3.1.3. Unit of Analysis

This study investigated individuals. To be more precise consumers of luxury goods, who were asked about their perception of sustainability in the luxury industry. Their answers and viewpoints were analysed by particularly looking at their interview transcripts. Hence, the unit of analysis was 114 pages of interview transcripts. In order to identify patterns, the researcher focused on the recurrence or emphasis of words and sentences across interviews and grouped them according to three main focus points: paradox, attitude-behaviour gap and communication.

3.2. Operationalisation

To be able to find meaningful answers to the overarching research question that deals with how consumers make sense of sustainability in the luxury fashion industry, three related questions were asked. These looked at three major aspects that could be related to sense making as a concept. As mentioned above, to understand the meaning of the researched issue, one had to ask for knowledge, views, understandings, interpretations, experiences and interactions (Mason, 2002). This has been translated into questions about participants' understanding/interpretations of the paradox, experiences that resulted in behaviour and communications that included interactions.

To be more precise, the main research aspects are the paradox, the attitude-behaviour gap and communication. All of them resulted from looking at existing theory. Thus, primarily the existing paradox between luxury and sustainability was investigated. The relationship is mainly described as opposing by consumers and hence referred to as paradoxical (De Pierre Bruno & Barki, 2015; Kapferer & Michaut-Denizeau, 2013). Investigating this paradox was hence seen as a way to show how consumers make sense of sustainability in the luxury fashion industry. Furthermore, the second aspect was whether or not an attitude-behaviour gap existed among participants. Existing literature claims that often when it comes to luxury purchases, the actual behaviour differs from before mentioned attitudes (Davies, Lee, & Ahonkai, 2011). Hence, researching it is necessary to be able to make claims about what the actual behaviour of luxury consumer's means and how their sense making translates into actual behaviour. Equally as important, the aspect of communication about sustainability efforts was considered. Luxury companies are known to have not yet communicated enough about their sustainability efforts even though it holds considerable benefits for their reputation and customer relations (Gill, Dickinson, & Scharl, 2008). Including communications helped to propose practical knowledge for the business environment at the end of this research paper.

3.2.1. Measurement Instrument: Interview Guide & Fact Sheet

An interview guide was used to assure a clear structure of the interview. It included six steps (excluding the consent form), all of which primarily concentrated on one major aspect of this research. Halfway through the interview a fact sheet (Appendix B) was provided to the participant. This factsheet was based on a preliminary content analysis that had been conducted for four luxury companies (Louis Vuitton, Burberry, Gucci & Stella McCartney). Based on this content analysis three scenarios were provided to the consumer, with one company focusing on one major aspect. Company one focused on fundamental aspects such as CO_2 reduction and preservation of raw materials, company two was based on sustainability as a marketing tool including collections with a good cause and sustainable collections and finally, company three was 'the queen of eco-fashion' including no usage of fur or leather and a sustainable store-concept. Each company overstated on a certain aspect to provide clear scenarios for the consumer.

Table 3.1 provides a visualised overview of the six chosen steps, including the reasons behind them and some example questions. This way the reader can see how the interview guide was built up to translate the concepts sustainability and luxury as well as the chosen aspects paradox, attitude-behaviour gap and communication into relevant questions.

Step	Reason (Why?)	Example
Introduction/ Ice breaker	- To establish rapport - Capture a fundamental understanding of two fundamental concepts: Luxury and Sustainability	*What are your first thoughts on luxury/sustainability? ; What are reasons for purchasing a luxury fashion good/sustainable good? ; How would you describe the characteristics of a luxury fashion consumer?*
Primary thoughts on the relationship between luxury and sustainability (Relationship of concepts- Paradox?)	- To gather information about the participants initial thoughts and knowledge on the topic - Get an unbiased idea about the existence/nonexistence of the paradox	*How do you see the relationship, if any, between luxury fashion and sustainability? ; Do you think the luxury fashion industry should be sensible to sustainability? Why; why not? ; What do you consider as ‚sustainable' in the luxury fashion industry?*
Attitude- Behaviour Gap	- To see whether or not an attitude-behaviour gap is apparent in participants answers	*Have you ever purchased a product from a sustainable company based on its sustainable features? (Behaviour); What are your reasons for/ against purchasing a more sustainable luxury good? (Attitude) ; Do you intend to purchase from sustainable luxury fashion companies in the future? (Attitude)*
Fact Sheet	- To increase existing knowledge and fuel an additional discussion	
Additional thoughts on sustainability in the luxury industry (Communications)	- Ability to find a change in perceptions after providing participants with additional knowledge - Ability to	*What do you think about the practices that you have just read about? ; Can you tell me which are the most important ones to you with regard to your general stand towards sustainability? ;*

	specifically talk about the issue of lacking communication → consequently, ask participants about ideas for practical solutions	*After reading this fact sheet, would you like to revise any of your initial thoughts about sustainability in the luxury industry? ; Do you think luxury fashion companies should communicate more about their efforts?*
The Paradox	- Again investigate the relationship in light of what has been discussed - Provide the participant with the opposing viewpoint to test solid standing of their answer	*What do you think about the relationship between sustainability and luxury fashion? →* *Are these opposing concepts? Are they mutually exclusive? Can they co-exist?*

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Table 3.1- Interview Guide

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3.3. Data Collection

The data collection was carried out within a period of three weeks from the 12th until the 30th of April 2015. The five purposively chosen participants were contacted beforehand via telephone enabling me to immediately begin with the interviewing process. All referrals were also contacted by telephone, after already being informed about my study by my primary interview partners. All interviews were conducted by the researcher, either in a personal setting (12 out of 14) or via Skype (2 out of 14). In general, the data collection process went smoothly and no problems were encountered. The semi-structured interview guide left me with a certain freedom that proved consistently useful. Hence, every interview included several probing questions that might not have come up in another or discussed an issue in more depths compared to another. However, the most relevant questions were posed in every interview to be able to generalise findings at a later stage. Interviews were conducted in the German language, seeing that both the researcher and the participants were native speakers. It helped to get highly nuanced answers. The main findings were translated into English and can be found attached to the

transcripts. The transcription process immediately followed the interview and was hence finished as soon as the last interview was conducted.

3.4. Data and Data Analysis

Finally, interview transcripts were analysed by using thematic analysis. Thematic analysis includes identifying themes by carefully reading and re-reading the transcripts (Rice & Ezzy, 1999). As a result, themes emerge that are considered as important for understanding a certain phenomenon (Daly, Kellehear, & Gliksman, 1997). In this research the phenomenon that needed to be understood was the paradox between the concepts sustainability and luxury and the general understanding of sustainability within the luxury context from a consumer perspective. Additionally the focus was on the attitude-behaviour gap and communications. Hence overall this research is concerned with behaviours, attitudes and sense making of the concepts, which according to Aronson (1994) are areas that highly suit thematic analysis.

Since a limited amount of research has been done in the field, it was not possible to conduct the analysis deductively through a template of existing theory. Consequently a data-driven inductive approach was used (Boyatzis, 1998). Primarily, I carefully read the text to recognise important aspects that could be encoded into initial codes (Boyatzis, 1998). In doing so, I went over the interview transcripts about five times. From these initial codes I built themes that could be seen as overarching categories for the initial codes. This implies that a theme is a "pattern in the information that at minimum describes and organises the possible observations and at maximum interprets aspects of the phenomenon" (Boyatzis, 1998, p. 161). Seeing that the transcripts included many subjective descriptions, a theme was formed if I could find 1) recurrence of meaning, 2) repetition of key words, phrases or sentences and 3) forcefulness of emphasizing certain words (Owen, 1984, p. 275), among initial codes.

Figure 3.1 is a visual example of the coding process. It shows the different stages that were used to conceptualise the underlying ideas of the paradox. To elaborate, for the first theme 'different fundamental thought' words and sentences of participants that showed opposition were coded as fitting. For example, since many participants repetitively mentioned words related to profit (e.g. profit oriented, profit margin) as contrary to sustainable production I categorised it as opposing and included 'profit vs.

sustainable production' as an initial code that explains the fundamental difference. This initial coding procedure was done for all three themes that can be seen in Figure 3.1 and for all other themes and concepts that are relevant for this research.

INITIAL CODES

Profit, non-essentiality, non-efficiency vs. sustainable production

Human vanity, society vs. image

Haptic, style, people do not care, 'must-have', desire, visualization

No for marketing, no for advertising, people do not care, different image

THEMES

Different fundamental thought from sustainability

No considerable purchasing factor

'Eco' Image can not be imposed onto Luxury Industry

CONCEPT

Paradox
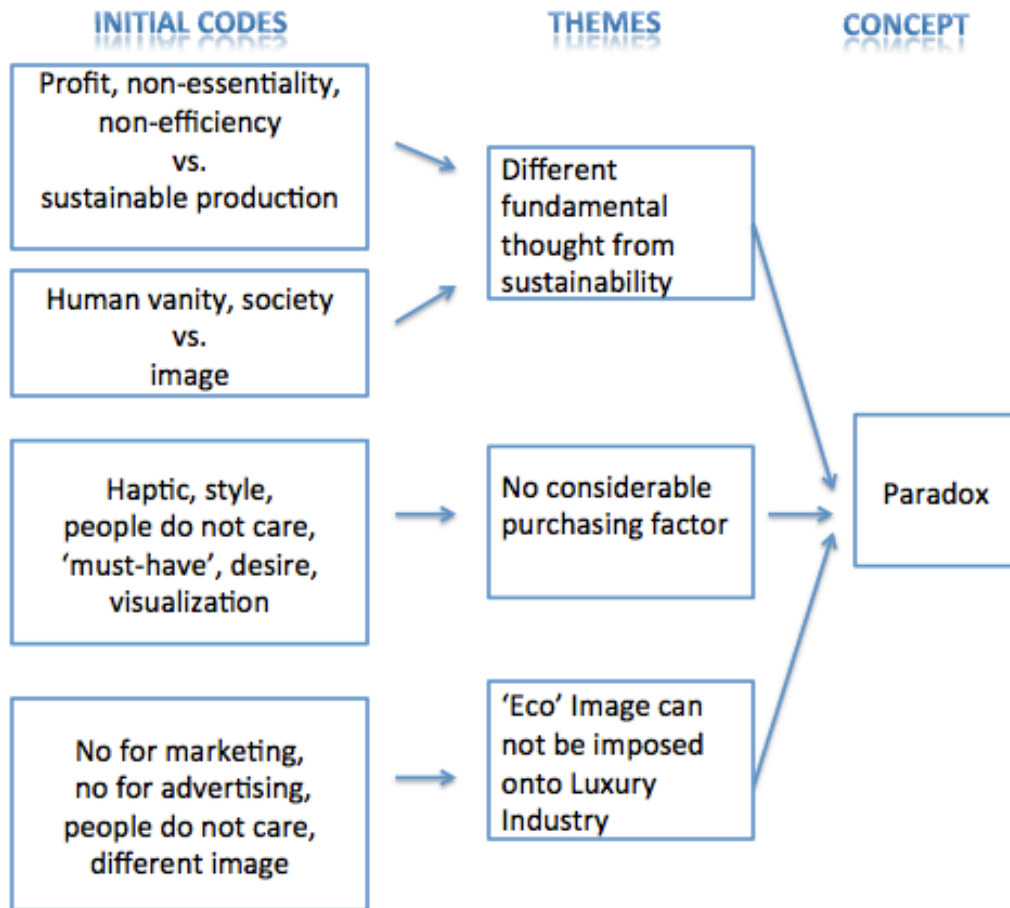
Figure 3.1- Example Coding Procedure

4. Results

This section presents the findings of the 14 in-depth interviews and is structured according to the research questions, resulting in three main topics: whether a paradox exists in the eye of the consumer, whether an attitude-behaviour gap was prominent in the consumer's answers and how including sustainability in their communication strategy could benefit the luxury fashion industry. In sum, findings show that there exists little knowledge yet many consumer assumptions are held about sustainability in the luxury fashion industry, highlighting the need for communicative improvements.

4.1. Introduction to the Understanding of Luxury and Sustainability

To start off, there are different ways of understanding the concepts luxury and sustainability, since both are highly subjective. To evaluate how a consumer understands the relationship between the concepts, it is important to investigate how the consumer makes sense of the concepts per se, if there is a consensus or if there are several different ways of understanding it.

From the interviews it became clear that being able to purchase luxury is seen as a positive notion in the participant's eyes. One participant states, "luxury means something special" (P3, *pp.20*). Another prominent view on luxury was that "it is a non-essential but beautiful addition to life" (P2, *pp.12*). Other participants used terms such as expensive, noble, extravagant, unique, desirable and hard to attain. In contrast participant five sees it as an "ambivalent issue with a rather negative touch" (P5, *pp.36*). Overall, the examined answers show that each participant sees two major types of luxury consumers, those who show off by wearing luxury and are hence perceived as superficial, and those who use a subliminal way of showing their wealth, who purchase luxury goods to treat themselves. All 14 respondents see themselves as the latter type, since the first one was portrayed negatively, making voluntary identification impossible. Thus, the high subjectivity of self-perception is certainly an issue that has to be taken into consideration in this research. Despite its non-charming connotation, 7 out of 14 participants honestly mentioned that luxury purchases are made for improving one's own image, to enhance one's appearance and to belong to a certain type of class, which essentially fits better with the first type of consumer. Despite it, respondents emphasised to mainly buy luxury to treat themselves,

because of its high quality and the intriguing 'must-have' factor. This shows that by reflecting upon the positive and negative aspects of luxury the sample of participants is sharing a rather coherent image of luxury, its attributes and its consumers, which genuinely influences them in their later argumentation.

Furthermore, the most prominent interpretation of the participant's stance towards sustainability is that it is not an ideology that they live for, but they do consider it in their daily life actions and some purchase decisions. This implies that the issue of sustainability has no prominent but more a subordinate role in the consumers mind. As mentioned by one participant "sustainability is a topic, yet I have to admit that to me its weakly rooted in comparison to other things- it is something you sometimes think about but instead of 100%, I think about it 20% of the time at most" (P10, *pp.81*)*.* The finding can furthermore be underlined by the participant's reasons for buying sustainable products, since these are rather self-centred. Participants mentioned their health and lifestyle as being improved by buying local and sustainable products, rather than mentioning the positive aspects that their behaviour has on the environment. Hence, again a rather coherent understanding could be found among the 14 participants about their view on sustainability and its effect on their daily lives.

In general, this section reveals that luxury is a lifestyle the chosen participants have adopted for themselves. To them it is not a way to show off, but a way to treat themselves, which sets them apart from other types of luxury consumers and makes them a highly interesting group to research. Sustainability, on the other hand, seems to be at an early stage of adoption among this type of consumer. At this point an interesting notion can already be mentioned, namely that even though their separate views of luxury and sustainability are coherent to a large extent, their perception about the paradox differs substantially.

4.2. How do Consumers perceive the Paradox between the Concepts Luxury and Sustainability? (RQ1)

4.2.1. The Paradox

Existing research proposed that a paradox between the concept luxury and the concept sustainability is evident (De Pierre Bruno & Barki, 2015; Kapferer & Michaut-Denizeau, 2013). To elaborate on the existing theory, this research asked its respondents to describe and explain the relationship between the two concepts. 9 out of 14 respondents do perceive the relationship between the concepts as a paradox, meaning that the concepts are indeed contrary or opposing to each other. Here three major themes emerged that show how the paradox manifests in the consumers' mind. These are: 'different fundamental grounds', 'no considerable purchasing factor' and 'difficulty of imposing 'eco-image' onto the luxury industry'.

4 out of 14 respondents mentioned that the two concepts have different fundamental grounds. This theme is based on several scenarios that have been used by participants to explain the fundamental difference. Two respondents argued that luxury fashion companies produce to increase their profit exponentially, whilst sustainable production would include taking care of the environment and cutting back on profit to do so, making the two incompatible.

> So according to my understanding luxury goods are produced by someone to make a lot of money whilst putting in very little effort, to receive high profit from it, and sustainability has a very different fundamental idea, here someone wants to produce something to nurse the environment, something that is durable, where nobody will be exploited, yes; and this has nothing to do with luxury (P3, *pp.25*).

This sentiment was echoed by another participant: "I believe that when it comes to luxury goods the aspect of sustainability has very little impact on its production, seeing that the aims of luxury companies in the end seem to rather be commercial" (P10, *pp.83*). Thus, it appears that the idea of capitalism and the idea of sustainability cannot be combined in the consumers mind.

Moreover, luxury is seen as something that is non-essential for human life, which indicates that if you want to be sustainable you should refrain from it. "Luxury is a completely dispensable product in comparison to basic foods and basic clothing, yeah compared to basic supplies" (P10, *pp.82*), thus it goes against the fundamental idea of sustainability from this respondents viewpoint. Another statement links non-essentiality with production processes to explain the difference between the concepts. Respondent six puts it the following way:

> Luxury as such is rather unnecessary, which means that theoretically speaking I should not burden the environment with it; I personally consume the luxury goods and because of that a large amount of people have a disadvantage due to environmental pollution, or even poor working conditions in huge factories to produce my luxury good; then it doesn't fit together, then I should rather refrain from luxury if I consider myself to live sustainable (P6, *pp.48*).

In essence this suggests that by purchasing an unnecessary good, one is causing unnecessary production that negatively affects the environment. It simultaneously means that if the luxury goods were not to be purchased, their production would not unnecessarily harm the environment. More specifically, participant seven sees the non-efficient use of resources as opposing to sustainability, since for a luxury good only the best resources are used that are taken from only the best conditions without caring about the environment. Hence, he explicitly draws upon the problem of using limited resources as part of production procedures to describe the paradox.

Finally, human vanity and society provide the cornerstones for a fundamental difference and do not allow the two concepts to co-exist. To elaborate, an example given by participant 10 notably emphasises their influence. Participant 10 describes: "Imagine you are invited to an upper class event and you own a dress that is so well produced it could last 400 years, you would still not wear it a second time, because everybody has already seen it on you" (P10, *pp.86*). Wearing the dress a second time would represent failure and bad success, which is a common societal norm according to participant 10. Consequently, norms in society do not allow for sustainable behaviour, because "the eco image is rather negatively afflicted in today's society" (P10, *pp.83*). The upper class

society is seen as rather demanding these days, living in excess and making irrational purchasing decisions, thus a sustainable way of thinking does not fit.

A second prominent theme could be found among the respondent's answers to describe the paradox. 5 out of 14 respondents do not see sustainability as a considerable purchasing factor in their decision making process of buying luxury goods. Owing to the fact that consumers of luxury goods do not care about sustainability when purchasing, they see the concepts as mutually exclusive. Thus, here the concepts are not necessarily opposing, but respondents see no connection. As one respondent states, "I honestly have to admit that sustainability plays a highly inferior role - sustainability in the luxury sector - I actually did not spend a single thought on it so far" (P9, *pp.72*). A significant number of participants reported this issue and in doing so they often referred to 'the typical luxury consumer'. This type of consumer, who in their eyes is consuming luxury products to seek recognition within certain societal circles, is seen to be notably indifferent about the issue of sustainability. Overall, the majority of respondents agreed that luxury purchases are based on desire, the 'must-have' thought, the visualisation, the haptic and the style of the product (P4; P9; P7; P13; P14). Thus, consumers buy the feeling, the lifestyle and the brand, which makes them blind to sustainability whilst purchasing.

The last theme that emerged is that the 'eco-image' cannot be imposed onto the luxury industry. This theme is based on the impression that eco-fashion is not trendy, not stylish and in general something luxury consumers will not identify with. As participant 13 puts it:

> I believe luxury companies could do more when it comes to sustainability, but there is always the question do I want be recognised as an 'Öko' [Eco] then? That's not trendy and that's why I am asking the question how can you impose this onto a luxury label, because it's just not trendy (P13, *pp.102*).

Participant four elaborates on and deepens the matter by mentioning that she is not sure whether sustainability is an effective marketing or advertising tool. She believes that the luxury consumer is not the right target group for it. This is not only due to the fact that they do not care about sustainability, but it goes further, namely consumers being discouraged to buy the product, seeing that they do not want to be perceived as

someone with an 'eco-image'. Hence, the essence of the last theme is that the psychological subjective aspect of how consumers understand luxury and sustainability plays a crucial role for the matter, seeing that communication has created a diverging image.

From the interviews, it becomes clear that the paradox exists in the perceptions of a large number of participants. These findings help to deepen the understanding of the paradox and show that it has to be perceived on two different levels. Firstly, there is a functional level considering production, profit making and society as reasons for fundamental differences amongst the concepts, and secondly there is a personal level that includes both, theme two and three, seeing that purchase decisions and image problems are often related to the subjective perception of consumers.

Still, 9 out of 14 participants mentioned certain assumptions that can be interpreted as conditions for a change towards a more positive relationship. Some believe that luxury products could be more sustainable because of their durability and quality, for others the high price indicates a certain level of sustainable production. Again others either assume that luxury producers cannot risk producing using child labour and bad environmental conditions or believe that working conditions are high and products are fully made in Europe. These assumptions being mentioned by all nine respondents question the solid standing of the paradox. One can either refer to it as indecisiveness or a possible shift in the consumer mind set based on giving the topic a deeper thought.

4.2.2. Luxury and Sustainability- Intrinsic Relationship & Pioneering Role

On the contrary, in 5 out of 14 interviews the relationship between the concepts was described as a positive correlation. Again, three themes were developed, namely 'nature of concepts', 'product characteristics' and 'consumer mind set'. The theme nature of concepts includes the perception that the two concepts are inseparable, if not intrinsic by nature. Participant eight highlights this by stating:

I honestly have to admit that I am safe to assume that luxury goods have a certain self-image that includes sustainability 100%, that means that these brands take sustainability seriously and I would be highly surprised, and it has never

happened before, if I would publicly hear about a scandal in production processes of a well known luxury brand (P8, *pp.63*).

For him, there is a certain package that is purchased when buying a luxury good that definitely includes sustainability. The thought that this could not be the case has never even crossed his mind.

Furthermore, a positive relationship is seen because the consumer perceives luxury goods to be high quality, well manufactured and durable. These product characteristics are closely interlinked in the consumers mind. All five participants believe in a certain standard of production. As one participant explains, "I believe that the production has a certain standard and that especially because of the brand relevance luxury companies have organised and built an optimised supply chain, that has the least impact on the environment" (P8, *pp.64*). Participant five elaborates,

[…] if you for example look at where the leather comes from and how it is produced, how the animals were treated and how they were killed, then you can do so many things for responsible production, and probably they have already done a lot, so no the concepts are not opposing or controversial (P5, *pp.41*).

Incidentally, luxury and sustainability are seen as complementary because consumers perceive that high production standards exist and because they see a large extent of opportunities to improve further. Additionally, the high price of luxury goods was named to be a reason for the existence of sustainable production. Participants argue that if a product is as expensive, parts of the profit have to be used to improve the production processes (P1; P5; P8). Furthermore, higher production standards lead to the creation of higher quality products. Participant two argues, "if a company develops and produces a luxury good carefully and sustainably, it can lead towards improved quality and this means that I can use the product longer than any cheap counterpart" (P2, *pp.14*). Vice versa, high quality is seen as a signifier of good production processes. The two characteristics, high production standards and high quality, finally lead towards a durable product as argued by the majority of respondents (P2; P5; P12). Thus, connecting all three characteristics evidently creates sustainability, seeing that durability is seen as an

equivalent to sustainability in case of luxury goods. Essentially, one can argue that the product is the tangible evidence for the convergence of the concepts.

The final theme is the consumer mind set. It relates to the subjective negotiation of the relationship. Primarily, participants stated that the image they have of the luxury industry unites the two concepts, seeing that a majority has a very positive image of luxury and their own luxury lifestyle (P9; P12). However, above all, this theme is extremely interesting, because it builds upon a perceived shift that is happening in the consumers mind. If a relation can be created to the assumptions voiced by those who perceive a paradox, this theme can be seen as a central reason predicting a possibility for convergence. To explain the shift one can quote participant one, who argues:

> When thinking about it like this, this is not a paradox, its possible that it was one in the past that luxury goods had this connotation, but I believe today it is the opposite, companies can only win by clearly positioning themselves as sustainable" (P1*, pp.10*).

Perceiving a shift is predominantly based on the fact that people become more aware and sustainably conscious today. There is an acute exposure to the fact that to keep our environment the way it is, we all need to do something about it. This in turn opens the door for the sustainability issue to settle in the luxury consumers mind. In relation to this theme, the role of communication was highlighted as essential by participant one. The power of improved communication is described in a later part of this thesis, however, it has to be kept in mind throughout the whole piece.

In sum, it is important to acknowledge that the assumptions that were stated by those who perceive the paradox are now stated as factual arguments for a positive correlation between the concepts. In other words, seeing a positive relationship between luxury and sustainability shows a possibility for convergence. The concrete implications of this finding are elaborated on in the discussion section of this master thesis.

In relation to finding that the solid standing of the paradox is questionable and that several consumers perceive a positive relationship, a substantial new notion was formed during the interviewing process. It predicts that the luxury industry could become a pioneer in the field of sustainability. All respondents either mentioned the idea

themselves or agreed with it when being asked. Thinking about the luxury sector as a pioneer is based on the fact that the consumer does not know a lot about sustainable practices implemented by luxury companies, neither good nor bad ones. Thus, when giving it a deeper thought, participants came up with several reasons why the luxury industry could become a pioneer. Some of these ideas relate to the industry itself, whereas others are based on the luxury consumer and its characteristics.

The primary industry-based reason was its high profit margin. As participant four states, "yes, for sure, because luxury companies have more means, their profit margins are way higher, thus it would be so much easier for a luxury companies to engage compared to fast-fashion brands" (P4, *pp.34*). Based on this view, participants additionally proposed that the luxury industry should use parts of their margins to give back to the environment (P4; P5; P7).

Other participants stated that luxury companies should be seen as an ambassador. This is due to their immense influence in the fashion industry, but more so because of their relationship with the consumer, which consists of an emotional bond rather than just a convenience relationship (P5; P6; P11). Hence, by engaging in sustainability and creating awareness for their actions amongst their customers, they can create interest and shift the consumer's focus towards them (P9). Participant 14 identifies this as a potential unique selling point since the market is highly saturated and it is hard to create a difference; "thus if I play the sustainability card and I am able to prove it based on my value-chain, then this could make me special" (P14*, pp.113*).

However, not only the industry is powerful, the consumer itself is also perceived to be a legitimate influencer, owing to its economic status (P6; P10; P11). The purchasing power enjoyed by luxury consumers provides an opportunity to assume a "different form of responsibility for the rest of the society and environment, and therefore the luxury segment should consist of a group of people, supplier as well as consumer that should throw themselves into being more focused on sustainability" (P6*, pp.49*). As a consequence, the consumer should be more informed about sustainability issues, to be able to spread the word and influence the masses.

To conclude, the reasons for becoming a pioneer reveal an interesting tendency towards a possible convergence of the two concepts. There seems to be a certain understanding that in practice the two concepts can and definitely should converge or at

least co-exist. What this exactly means for the industry and how it relates to existing theory is profoundly examined in the discussion part.

4.3. How does the Consumer's Understanding of Luxury and Sustainability translate into Behaviour? (RQ2)

One can state that the luxury consumer's perception of the relationship between luxury and sustainability is based on several assumptions and beliefs instead of actual knowledge. These assumptions resonate from the positive image of luxury and the subordinate position of sustainability in society. 13 out of 14 participants admitting to having no actual knowledge about sustainability practices in the luxury fashion industry reinforces the above given statement. If they did mention examples, they referred to fashion companies from the fast fashion segment. Possible reasons are the lack of communication by luxury companies and other media outlets, the fact that luxury companies do not include sustainability in advertising content and consequently the consumer's inability to include it into their purchase decisions.

In this regard, the investigation of an existing attitude-behaviour gap showed the following: From the interviews, it became clear that the two existing groups concerning the relationship (paradox, positive correlation) also significantly differ in their attitude compared to their behaviour. If participants described the relationship as paradoxical, they were more prone to act opposing to their behaviour whereas those who described the relationship as positive and combinable behaved according to their attitude.

Several reasons exist to explain that an attitude-behaviour gap occurs more often among those consumers who see the relationship as paradoxical. These reasons are often similar to why consumers see a paradox in the first place.

Results show that participants who do not perceive sustainability as a purchasing factor when it comes to luxury act opposing to their general attitude. Even if sustainability is no personal ideology, they still mentioned it to be important in some purchase decisions. However not including sustainability in luxury purchase decisions, based on an indifference towards it, creates an attitude-behaviour gap. Luxury consumers do not care enough about sustainability to allow it to influence their usual subjective purchase intentions such as style, beauty and taste (P4; P7; P9; P14).

A related factor is the product's style and 'must have' factor. The participant's general attitude towards sustainability could have been positive, yet desirable products influence the consumer to overlook its importance and make exceptions. To provide a clear example, participant six states, "I don't know any specific sustainable practices and I haven't bought luxury products according to sustainable practices, but I would not want humans or animals to be exploited for my luxury good, which is why I really like the idea of fake fur" (P6, *pp.48*). Yet she bought a Monclear jacket with a real fur collar, because of its style, beauty and its 'must-have' character. Consequently, this example illustrates the power of subjective reasoning during purchase decisions. Additionally, if the product would lose its unique style because of sustainable production was perceived as a no-go (e.g. P3; P4).

Lastly, the lack of knowledge is a factor that creates an attitude-behaviour gap. It again closely relates to not perceiving sustainability to be a purchasing factor. Participant 9 argues:

"Well sustainability has not been in my focus so far, but I could possibly see it as a reason to start thinking about it, because like I said it does matter to me, the only question is if it would really lead to me buying such a sustainable good- to be honest I don't know if" (P9, *pp.74*).

In making this comment participant nine argues that the lack of knowledge is problematic in the first place, yet even if she had more knowledge she is not sure whether she would see it as a purchasing factor. Both reasons depict an attitude-behaviour gap, seeing that she states that in general sustainability matters to her.

Furthermore, another relevant finding in this regard relates to trust. "If I would trust more, I would for sure be quicker to act on the sustainability issue and pay more for it" (P14, *pp.114*). The statement shows that a general positive attitude exists, yet there is a trust issue. This trust issue that has been mentioned by a majority of participants, has several different dimensions. Namely, there is no trust in sustainability in general, no trust in luxury fashion companies and their sustainable practices and even no trust in today's media. Having no trust can be related to the fact that some participants think that luxury companies solely use sustainability as a marketing factor to enhance their image

and reputation (P3; P5; P10; P13; P14). It also includes that some participants are not sure whether they can trust that the product is as sustainable as stated. Again, a connection can be drawn to improved communications as a necessity to act on the proposed trust issue.

To sum up, the mentioned facts depict that when thinking of the concepts as opposites, exceptions will be made when it comes to luxury purchases. The attitude-behaviour gap mainly falls back on sustainability not being a purchase factor, lack of knowledge, lack of affection towards sustainability and the proposed trust issue, which are reasons closely linked to a lack of communication.

On the contrary, if the concepts were seen to be compatible, participants seemed more stable in their argumentation and hence did not show diverging behaviours. If participants were loyal to sustainability whilst perceiving a positive relationship, they additionally would be intrigued to buy a sustainable luxury good and pay more for it. As participant five states, "I would really like it if luxury companies would commit more to sustainability, then I would definitely pay more and would be intrigued to buy at this company in comparison to others" (P5, *pp.39*). The fact that participants who see a positive correlation see the relationship as intrinsic and perceive the luxury good to be produced sustainably erases any doubts. If they were not loyal to sustainability whilst perceiving the relationship to be positive, they would not commit to it in any way. Either way, their coherent perception leads towards coherent behaviour. In other words, because they perceive the relationship to be positive they do not have to balance out their conscience.

Overall, findings show that different perceptions on the relationship have a considerable amount of influence on the consumer behaviour. Still, one has to recognise that the lack of knowledge that is due to an absence of communication and information from the supplier side also plays an interesting role. In general, this section creates an agenda for communicating about sustainability in the luxury industry. How this agenda is perceived and whether improved communications might even be able to close the existing attitude-behaviour gap that exists is examined in the discussion section. Before doing so, the following section sets a focus on the specific benefits of communicating about sustainability in the luxury fashion industry.

4.4. How can Improved Communication about Sustainability Practices benefit the Luxury Fashion Industry? (RQ3)

This research has proven that there is need for more conversation and debate about the topic of sustainability. As one participant states, "to me it seems that the issue of sustainability has faded into the background because of our current high living standards, and I believe that it should become a more recognised issue again" (P7, *pp.59*). Hence, luxury fashion companies need to communicate more about their sustainability efforts. This finding correlates with the fact that there is no knowledge circulation, which emphasises that an increased information flow would help to raise awareness amongst the public. Participant five mentions that either the companies themselves should start communication about the specific actions they are taking, or the public media outlets should start to investigate the issue and provide an objective form of reporting. Either way, all participants agreed that increased communication is beneficial for the luxury industry.

This should be seen as an incentive for the luxury industry to start looking into their supply chain and communicate about it (P7). Participant 13 strongly emphasises the importance of communication: "Of course, they could even reach two goals at once, since on the one hand they can show real engagement and on the other they will look highly positive in public" (P13, *pp.106*). As a consequence, representatives of both viewpoints stated that, if known, additional knowledge could positively influence their purchase decisions. "They should communicate more about their actions because knowing those will for sure be an argument for a purchase" (P6, *pp.48*). This shows that a change in the consumers mind set towards more compatibility among the concepts is clearly possible and that due to intensified communications the paradox could fade away. As respondent one clearly states "it all comes down to communication, which has to be intensified to correct the paradox in the minds where it still exists" (P1*, pp.10*).

Moreover, intensified communication in the field not only helps the paradox fade away in the consumer's mind, but has several other benefits. As mentioned by 9 out of 14 participants, sustainability produces tangible benefits such as an enhanced brand image and creating a favourable consumer perception. "By proving that they are a responsible company that doesn't exploit workers and humans" (P1*, pp.6*), luxury fashion companies can enhance their brand image. This furthermore includes being transparent about their

ecological footprint (P4), to gain trust and be able to prove to future generations that they did everything to keep the planet the way it was. Doing so, will in turn create favourable consumer perceptions concerning the brand. Incidentally, communicating about sincere actions that do not seem like hollow marketing incentives will definitely benefit the companies.

Luxury companies can furthermore strengthen their brand by improving the product properties, whilst including these improvements into their advertising strategy. Participants mention that if sustainability is included into the production of an item, value is added. This is due to the fact that consumers assume products to have a higher quality if they are produced sustainably (e.g. P2). On top of that, participants partially agree that if a luxury company would use the sustainability of their products as a mean of advertising, they would be able to create a unique selling point for their products. Hence, it can be seen as a point of differentiation in today's highly saturated market. This is based on the idea that by showing how sustainability increases the value of each property of their product, they can manage to trigger positive consumer perceptions, which in turn will strengthen the brand. The assumption leans on the fact that luxury consumers value high quality. If sustainability can enhance this quality, consumers not only buy higher quality but they additionally purchase a good feeling. On the contrary, other participants stay true to their paradox vision, since they question whether it would be a good mean for advertising. Not only do they believe that consumers would show little concern, but would go even further and say that because the societal images of the two concepts clash, using sustainability as an advertising message would decrease the products chances for sale (P9; P10).

Having just argued that improved communication definitely benefits the luxury industry, one should additionally turn ones attention to another viewpoint, that is: the danger of intensified communication by third party sources (P5; P12). It is negative publicity by other media that was said to have a strong impact on their purchase decision by a significant number of participants. As participant 12 points out, "if I would hear about scandals in the luxury industry, I would not buy their products anymore, I can easily switch to another brand" (P12*, pp.96*). Participant seven reinforces its relevance by stating, "negative publicity would have a greater influence on me than positive publicity when it comes to purchasing decisions, since it would be an absolute non-purchase

factor" (P7, *pp.54-55*). Thus, luxury companies should not underestimate the strength of negative communication. However, it is no option to keep silent, seeing that according to participant seven this can create greater suspicion about potential flaws in the supply chain. He states, "the demanded transparency is positive for the company, seeing that if necessary changes can be implemented to afterwards openly communicate about it and consequently silence means that these companies do not act according to high standards" (P7, *pp.58*). As a consequence, the communicative path chosen by a company has to be carefully estimated beforehand.

Knowing that the communication has to be intensified is a finding that already calls for change, however, to deepen the understanding about which sustainability actions are perceived to be most influential, the consumers were asked about their preferences and ideas. Despite the fact that working conditions for employees might not always be considered a sustainability issue, all participants mentioned it as one of their main concerns. This can be closely linked with the finding that participants would want luxury companies to be more transparent and provide insights into their ways of production and working conditions. As participant 14 states, "all their current actions are not yet meaningful enough, for me the most important thing would be to make sure and visualise that the production processes and working conditions are up to European standard in any production country" (P14, *pp.114*). As a consequence, one could be sceptical about whether or not the production processes are always as sustainable as presumed. Participant one hence believes it is a good idea to "openly admit to where they produce and if this will show that they do produce in Asia, then they have to drop that supplier" (P1, *pp.9*). Thus, participants put an emphasis on the most fundamental sustainability actions to be implemented and communicated about.

Out of the previously communicated sustainability actions, participants chose Co2 reduction, production waste reduction, preservation of raw materials and employee trainings to be most suitable for the luxury industry, underlining their favourable stance towards implementing down-to earth practices. The reason for choosing those practices was nicely stated by participant seven, who argues: "these practices are very clear statements towards a more sustainable future, especially because these practices are concrete and solid, something the companies can actually succeed with after implementation" (P7, *pp.57*). Furthermore participant four adds, "these are practices that

are not excessively bold, and can hence not be used to solely enhance ones image" (P4, *pp.33*). This means that these practices are grounded measures, which will have an actual positive impact on the environment, compared to superficial marketing actions. Their sobriety and effectiveness consequently makes the efforts most convincing and important to consumers. A majority of participants, who chose these practices, highly opposed luxury companies that created sustainable collections or collections with a good cause. Their disagreement is based on the fact that these marketing measures are too apparent or an "advertising bubble" (P7, *pp.57*) with no solid foundation for change. 4 out of 14 participants however liked the idea behind a collection with a good cause, because it provides them with a good feeling while purchasing a good that non-essentially pleases their subjective self.

To conclude, it has been clarified that communication about sustainability can have a highly positive influence on the image of the luxury industry, despite certain challenges and pitfalls. The discussion elaborates on what it means for theory and practice, whilst some pragmatic recommendations are made in the conclusion.

Overall, results reinforce the existence of the paradox that is described by academia. Yet, most importantly, considering that all 14 participants can picture and value a convergence in the future, the findings demonstrate that the strong standing of the paradox is actually questionable. Furthermore, results show that the different viewpoints inferentially lead towards different sorts of behaviour. Consumers that perceive a paradox often act opposing their attitude, whereas consumers who see a compatible relationship are coherent in their actions. A last major finding is that improved communication is perceived to be the key solution in this field. Not only will it help the existing paradox to fade away in the consumers mind, but it will also substantially change the image of the luxury fashion industry towards including sustainability as a key factor. The meaning of these findings for the luxury industry and society at large is discussed in the following section.

5. Discussion

This research looks at how luxury consumers make sense of sustainability in the luxury fashion industry to point out possibilities for change and describe a future scenario of convergence. This is done by looking at the perceived paradox, the existing attitude-behaviour gap and the need for communication.

Significant evidence was found on the temporary existence of the paradox between luxury and sustainability in the consumer's mind. However, it is competing against the idea that both concepts are already compatible if not even intrinsic by nature. Hence, two strong and highly opposing viewpoints have become evident when trying to describe and understand the relationship between the concepts from a consumer perspective. Thus, sustainable luxury, a concept mentioned by Girón (2014), has potential to become reality. This section discusses the findings in relation to existing theory and their actual implications for the industry.

5.1. An Upcoming Road towards Convergence (Conceptual Implications)

5.1.1. Negotiating the Paradox

Current literature solely states one distinct consumer perspective, namely the paradox. According to De Pierre Bruno and Barki (2015) as well as Kapferer and Michaut-Denizeau (2013), consumers of luxury goods perceive sustainability and luxury as opposing. The findings of this research partially support this since 9 out of 14 participants describe the relationship as a paradox. This shows that the paradox exists in the mind of today's luxury consumer. In current literature the paradox has only been discussed to a limited extent. It seems that the current findings resemble a description of the problem rather than an in-depth understanding. Hence, this research extends existing literature by providing a more nuanced understanding of the existence of the paradox, rather than solely stating customers' recognition of it.

As proposed by Kapferer and Michaut-Denizeau (2013), the change in business model raised awareness for the sustainability issue. This reasoning has not been found to exist among the consumer perceptions revolving around the paradox. They did not have enough knowledge on actual happenings in the industry due to a lack of communication. Therefore consumers seem to construct the paradox even without actual knowledge in

the field, which results in the assumption that it has deeper roots than superficial flaws in the production chain. Hence the construction of the paradox appears to be based on communicative and psychological reasons. How society communicates about the issue results in how consumers negotiate it, whilst subjective psychological reasoning also has to be considered as influential. Kastanakis and Balabanis (2011) as well as Troung and McColl (2011) underline this by stating that psychological factors play an important role during a luxury purchase. Participants reinforced this statement, since they mentioned the need for self-expression and self-image enhancement as reasons for their luxury purchases. Thus, self-expression in relation to societal and image related issues builds a foundation for the deeper roots of the paradox.

Therefore, reasons mentioned by existing literature that are flaws in the supply chain as well as irrationality, excess and inequality (Kapferer & Michaut-Denizeau, 2013), should instead be seen as a description of the paradox. Of course correlations exist, participants mentioned the non-essentiality of the product as a reason for viewing it as opposing, which is related to irrationality and excess that has been mentioned by Kapferer (2010), yet the main message one can draw from the results significantly differs.

Consequently, the findings of this research show three prominent themes that can be used to prove the existence of the paradox. These are: 1) different fundamental thoughts, 2) no considerable purchasing factor and 3) 'eco-image' that conflicts with the luxury image. Based on these three themes, one can see that the paradox does not mainly rest on product related issues, but more on the image of the luxury industry, subjective assumptions and societal norms. This promotes the thought that to effectively make a difference towards a more sustainable mind set, it is society that has to change. Whether the luxury industry can help to fuel that change as a catalyst or pioneer by introducing the concept sustainable luxury and extensively communicating about it is discussed in the following paragraph.

5.1.2. Towards Sustainable Luxury

Gardetti and Torres (2015) proposed the concept of sustainable luxury. It "is the concept of returning to the essence of luxury with its traditional focus on thoughtful purchasing and artisan manufacturing to the beauty of quality materials and to the respect for social and environmental issues" (Gardetti & Torres, 2015, p. 4). Sustainable luxury can take the

idea of corporate sustainability to a practical level, seeing that it is combined with the luxury industry, its production processes and its products.

However, is sustainable luxury a concept that will succeed? To take a step back, one has to mention a finding of this research that implies a possible acceptance of sustainable luxury in the future. The finding that counts as major addition to existing literature resulting from this research is: a second viewpoint among consumers, namely a positive correlation between the two concepts. 5 out of 14 consumers directly perceived the relationship as positive, based on product characteristics and a 'new' consumer mind set. Consequently, this finding shows a certain tendency towards the convergence of the two concepts in the future. One possible explanation is the given assumptions that are held about the luxury industry by the consumer (Davies, Lee, & Ahonkai, 2012; Kapferer & Michaut-Denizeau, 2013). These could, in combination with the proposed halo effect (Coombs & Holladay, 2006), influence the consumer to perceive the concepts as similar and intrinsically related. The assumptions proposed by literature were mentioned as reasons for the positive relation by the consumer, which underlines the strengths of a good image as well as the advantage of not being known for suffering crises on a common basis. However, a shift in the consumers mind set towards sustainable luxury would have to be more fundamental than just being based on assumptions and a halo effect.

This is where another finding has to be considered that implies a real future for sustainability in the luxury fashion industry. All participants agreed that the luxury fashion industry could be a pioneer for sustainability in the fashion industry. This adds towards a notion that has been proposed by academic scholars, however, hearing it from the consumer side makes it a new and relevant finding. Muratovski (2015) states that the luxury fashion industry is the perfect catalyst for social change. Godart and Seong (2015) see the luxury industry as a potential harbinger and Kapferer (2010) confines with both statements, seeing that she proposes a leading position of change for the luxury industry. Thus, the academic and practical worlds are starting to see the same future for the investigated issue.

Sustainable luxury is therefore a concept that can be seen as the 'impersonation' of the change in the consumer's mind set. As this study found, consumers mainly criticise the lack of knowledge and information. They would like to be more informed about the production processes and sustainability measures of luxury brands. A significant number

of participants proposed that if luxury companies would be more transparent concerning the traceability of their products, it would positively influence them. This shows that consumers certainly seem to care about the production processes and product characteristics, which provides huge potential to the sustainable luxury concept. This is crucial, because according to Girón (2014) the aim of sustainable luxury is "to ensure that development, manufacturing and sale of the products or services offered has a positive impact on the planet and on its people" (p. 8). Thus, sustainable luxury is not necessarily about making the product exclusively from biodegradable material but emphasises sustainable production and sourcing. This is favourable, since consumers in this study disliked the idea of biodegradable material and sustainable collections. For them it implied a reduction of quality and a general misfit with the luxury industry. Hence luxury companies have to realise that it is actually the down to earth actions that interest the consumer when it comes to sustainability in the luxury industry, rather than over the top marketing actions, or products made from sustainable material.

In conclusion, the possible advance of sustainable luxury would imply a change in society, which in turn means helping the paradox to fade away in the consumer's mind. Thus, will the luxury industry be able to make use of the consumers' positivity towards sustainability? How the industry can deal with this changing perception is discussed in the following part.

5.2. Convergence through Improved Communications (Practical Implications)

The positive tendency towards sustainability calls for action. This means that the luxury industry can no longer rest on their heritage reputation as proposed by (Kapferer & Michaut-Denizeau, 2013). Rather they should step up their game and communicate about their actions. This matters, seeing that according to Kapferer (2010) companies already committed to sustainability actions since 2001, however have never communicated about it.

Godart and Seong (2015), especially, see the luxury industry as a potential pioneer based on its image that creates emotional long-term relationships with the consumer. Hence, luxury companies have to make use of their influence to impact the subjective consumer motivations that often play a huge role in their purchasing decisions (Kastanakis & Balabanis, 2011; Troung & McColl, 2011). Furthermore, this study shows

that as soon as the luxury industry acts as a pioneer there are great chances that consumers will carry on with spreading the message. This is due to the perception that the luxury consumer is as influential in society as the luxury industry itself.

Thus, how can the luxury industry make use of its high potential for influence that is acknowledged by scholars and consumers? Through intensified communication. All respondents emphasised that there is a need for more communication. So far, luxury companies are only communicating their actions via a special section on their website (De Beers, 2009). The results have however shown that consumers do not perceive the website to be a convincing form of communication, in particular because they would not check it in advance of their purchase. This means that more direct and on-purchase information must be given to consumers. Additionally, Isenmann, Gomez, and Supke (2011) proposed that sustainability dialogue should be increased, instead of using one-way communication via websites or other forms of standardised communication. From this research's findings it seems however that dialogue might not become fully accepted yet. This is due to the fact that sustainability is not yet considered a prominent purchasing factor in the consumers mind. As soon as awareness is raised, dialogue should be implemented. Which form of information is currently seen as interesting and convincing by the consumer is stated under practical business knowledge in the conclusion section.

Either way, intensified communication seems to be the key towards integrating sustainability into the luxury industry. Scholars and participants both agree on the general advantages of implementing sustainability in ones business strategy. Both believe that including sustainability can enhance the brand image and increase sympathy as well as strengthen the product itself through adding a unique selling point (e.g. Gill, Dickinson, & Scharl, 2008; Morsing & Schultz, 2006).

Interestingly, results show that through intensified communication the currently existing paradox can fade away. This is because improved communication can diminish issues such as excluding sustainability from purchase decision, diverging images between luxury and eco image as well as stereotypical norms in society. For example, participants mentioned that if information had been communicated correctly they would include it into their purchase decisions. Furthermore, public relations or spin specialists should be hired to reframe the eco-image, for it to become more popular in society. By tackling the societal norms a real change can be achieved, which could possibly be carried out by

luxury companies and their customers. Thus, above all, the right form of communication needs to reach the right target group.

Moreover another connection can be made, namely that helping the paradox to fade away could also close the existing attitude-behaviour gap. Davis, Lee, and Ahonkai (2011) describe the attitude-behaviour gap as expressing ethical concerns before a purchase that differ from the actual purchase. As observed by Kapferer and Michaut-Denizeau (2013), this attitude-behaviour gap is common in the luxury industry, which correlates with the finding that participants who perceived the paradox are more prone to act contrary to their attitude. Closing the gap is possible, because among those participants who perceive a positive relationship this research found coherent behaviours. In other words, seeing a positive relationship between the concepts indirectly leaves no opportunity to act opposing. Hence, the fading of the paradox will lead towards seeing a positive correlation in the consumer's mind, which consequently closes the attitude-behaviour gap.

In conclusion, to bring all the aspects together, one can say that a shift in the consumers mind set that is based on the fading of the paradox and closing the attitude-behaviour gap through intensified communication, can lead towards an acceptance of the concept sustainable luxury. Implementing such a change in society can be considered a tough task, hence it would have to be done by its most influential players. Considering that both scholars as well as consumers identified the luxury sector and its consumers as influential, the industry should immediately start, not by using it as a marketing tool, but by really reviewing their practices and most importantly communicating about it.

Figure 5.1 illustrates the discussed findings. It has been split into three levels, (1) two existing consumer perceptions, (2) convergence through intensified communication and (3) the future scenario, to visualise how the different findings and implications of this research build upon each other. Furthermore, Figure 5.1 can be linked to the illustration of the existing literature (Figure 2.1), seeing that the findings of this research are perceived as an answer to the gap that was identified before. The investigation of the interesting triad relation finally results in an upcoming road towards convergence.
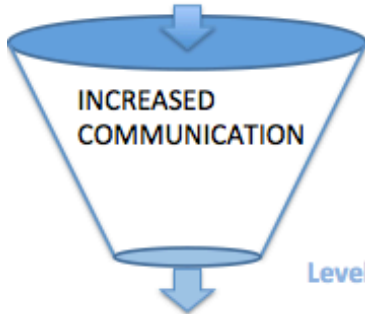
The Upcoming Road Towards Convergence

Level 1 – Two existing consumer perceptions

PARADOX   vs.   POSITIVE CORRELATION

PIONEER/
CATALYST FOR
SOCIAL CHANGE

INCREASED
COMMUNICATION

Level 2 – Convergence through increased communication

Level 3 – Future Scenario

MORE KNOWLEDGE FOR CONSUMER → HELPING PARADOX TO FADE AWAY → CLOSING ATTITUDE-BEHAVIOUR GAP → ACTUAL CHANGE OF MIND SET → Possibility for SUSTAINBLE LUXURY to exist!

Figure 5.1- Luxury & Sustainability Future Scenario

6. Conclusion

"How has the luxury industry escaped scrutiny for so long?" - is no longer the prominent question. Based on the nuanced understanding of how the consumer makes sense of sustainability in the luxury industry, the question should rather be – how can luxury companies implement sustainability as soon as possible?

The investigation of the sense making processes of the consumer has shown paradox recognition, however, a more nuanced way of seeing the relationship has been identified in the past chapters. The idea of the luxury industry becoming a pioneer considering sustainability is currently the most prominent way of making sense of the relationship. Hence, a convergence of the two topics can be predicted. The convergence is essentially based on an increase in communications, which can lead to the fading of the recognised paradox and closing of the existing attitude-behaviour gap. This can in turn create an actual future for the concept of sustainable luxury, which was proposed by scholars (Gardetti & Torres, 2015; Girón, 2014).

Furthermore a societal implication emerged, namely a change of mind set for the luxury consumer, which has so far been blocked in particular because of societal norms and values existing in the high-class segment. Thus, will the luxury industry as a pioneer be able to actually change fundamental values of society? The results show a positive notion, considering that the luxury industry and its consumers are seen as powerful influencers. Additionally, consumers care most about the down to earth sustainable processes, which is exactly what sustainable luxury is about.

However, the long road towards an actual implementation lies primarily in the hands of the supplier side. Even if not acknowledged by all participants of this research, the luxury industry has flaws in its supply chain. Thus, the supply side itself has to implement the changes towards sustainable luxury before being able to use the consumer as an actual influencer to make the concept a prominent one in society. A potential issue is however that luxury conglomerates are actually built for capitalism and profit making, just like any other company. Whether or not the business side would go along with the consumer perception is a question that has to be answered by future research.

Substantially, these research findings have several theoretical implications for academia. One the one hand, this research substantiates the values of existing research, since overlaps and similarities could be depicted. On the other hand, it most importantly indicates that one has to think differently about the issue of sustainability in the luxury industry. It can be seen as bridging the gap between the scholarly perspective of convergence and the consumer perspective of controversy (paradox). Seeing that scholars have predicted a convergence before, the new insights of the consumer perspective reinforce the solid standing of academia, while emphasising the convergence aspect for future implications for practitioners.

One cannot predict the future, yet this research has created grounds for discussion. Considering that the concept of corporate sustainability is found to be of great advantage for businesses, as well as gaining importance in the customer's eyes, it has a promising future. Thus, it is not a coincidence that Dyllick and Hockerts (2011) proposed sustainability to be the "mantra of the 21st century" (p. 130).

6.1. Recommendations for Practitioners

As already mentioned in the discussion section, this research gathered data that allows for making specific practical recommendations. After asking participants for their general view on communications, they were asked which specific practices would catch their attention and change their buying behaviour. In sum, their ideas mainly make use of one-way-communication, however a few ideas included creating dialogue.

Interestingly, nobody referred to social media or other forms of current two-way-communication. This can be explained by the participant's age generation (age 35-55). Bearing in mind that they do not belong to the Millennial's or Generation X or Y, they perceive different communication channels as important. However, seeing that their age group and older has the highest purchasing power and consumes more frequently than younger generations, companies are advised to adjust to their preferred ways of communication.

Thus, what seems most important when tailoring ones communication to this distinct age group is that information is provided in an offline setting. This can be during the purchase, while reading or watching the news or by organising an event. Table 6.1 presents an overview of all ideas that were mentioned by participants.

Chanel of Communication	Type of Action	Type of Communication
In-store	- Personal communication - Information sign on counter	- Dialogue - One-way-communication
Product- related	- Sign on product - Official certificate (that will be renewed once a year) - Sign on packaging - Info text on receipt - Inserts with sustainability information	- One-way-communication
Fashion Magazines	- Glossy advertisements should include a sign - Inserts with sustainability information	- One-way-communication
Events	- Charity (two options glamorous vs. sustainable)* - Fashion Shows - In-store gatherings	- Dialogue - One-way-communication
Classic Media (TV, Newspaper & Radio)	- For objective reporting about happenings in the luxury industry	- On-way-communication

Table 6.1 – Practical Recommendations

* The sustainable charity event would exclude champagne and caviar, whereas the glamorous one lives up the luxury standard. Both include short speeches about sustainability issues.

6.2. Limitations

This research has a few limitations that have to be mentioned at this point. Being conducted through an interpretive study design, this study has a highly subjective character. However, one can say that this research has been carried out with much rigor and consistency. Thus, even if interpretations might be subjective and hence in danger of bias, this study should be seen as trustworthy and credible. Whether or not other researchers would get the same results is questionable, since a very specific sample was used.

This leads to the next limitation, the sample. Ideally, a few more respondents should have been asked to reach a full point of saturation. Seeing that the sample only consists of German respondents it would be wise to include several nationalities in future research. Keeping the sample highly coherent makes it valid on the one hand, yet decreases the chance for generalizability on the other hand. Hence, a greater diversity among respondents could have benefitted the results.

Equally important, when starting the interviews no standardised definition of the two concepts luxury and sustainability was given. In some cases this led to a misunderstanding of what exactly was meant. After leading the respondent on the right track by making comments, a common understanding with the interviewee was found. However, the highly subjective understanding of the concepts and the research issue in general might have led to unspoken and hence unrecognised nuanced differences in understanding that might have affected the results. Thus, for future studies a conceptual overview should be provided at the beginning of the interview.

6.3. Future Research

Seeing that the issue of sustainability in the luxury industry is a rare topic, there is a lot of room for future research. Based on this study three specific suggestions can be made:

1. This research depicts the need for a change of society to implement the concept of sustainable luxury. Since this research looked at it from a communication and sometimes a behavioural angle, there is need for looking at it through a fully psychological lens. Understanding the underlying ideas of consumers and depicting behaviour from it could further undermine whether or not a societal

change in the proposed format can actually happen. Here it would be interesting to look at which characteristics and understandings have yet made the luxury consumer insusceptible towards sustainability compared to consumers of the fast-fashion market. This is because the fast fashion market seems to adapt more easily.

2. This research used a fully German sample of respondents, which results in missing a cross-national angle. Thus, another focus point of future research can be a cross-cultural study between Europe and Asia. Asia should be chosen as comparison, with a special focus on Japan, because according to the most recent 'Global Powers of Luxury Goods' report by Deloitte (2014), it is the 2nd largest market for luxury goods after the USA. To see how the issue of sustainability is generally seen in these powerful markets can be highly relevant for the industry. Additionally, in this regard it could be interesting to look at how the recommended communicative improvements are perceived by consumers in the chosen markets, or if they are only favoured by the Germans (e.g. certificates and offline one-way communication).

3. This idea for future research shifts away from the consumer focus. A future study should take the findings of this and other consumer based studies into theoretical consideration, whilst investigating the business side of the issue. Thus, the proposed research could focus on researching whether or not the luxury industry actually perceives themselves as a pioneer and whether they even want to be a catalyst for the proposed change, or whether they dislike the idea of sustainable luxury and remain consistent with their current business model.

4. A last idea could be incorporating perspectives from other stakeholder groups. Among others, the focus could be on NGOs. Here it would be highly interesting to research their influence as a force of change, considering that they are the ones that are currently trying to create awareness for the flaws in the luxury fashion industry. To be more precise, it is their practices, target groups and global reach that should be reviewed to be able to make a statement about their influence.

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Appendix A - Interview Guide

1. Consent Form

2. Introduction/Ice-breaker → general understanding of the two concepts (luxury & sustainability)

LUXURY
   a. When you think about luxury what are the first thoughts that come to your mind?
   b. How would you describe the characteristics of a luxury fashion consumer?
   c. How would you describe the characteristics of luxury fashion companies?
   d. What are your general reasons to purchase luxury fashion goods?
   e. What are the factors you consider when buying luxury fashion goods?

SUSTAINABILITY
   f. What are your first thoughts when you hear sustainability?
   g. Do you often make sustainability conscious purchase decisions?
   h. What are your reasons for purchasing sustainable products?
   i. Do you have any intentions to change towards a more sustainable behaviour in the future?

3. Initial ideas about sustainability in the luxury fashion industry
   a. How do you see the relationship, if any, between luxury fashion and sustainability?
   b. Do you think the luxury fashion industry should be sensible to sustainability? Why; why not?
      i. *What are the (Business) benefits for luxury fashion companies to be more sustainable?*
   c. Are you aware of the sustainability efforts of luxury fashion brands? If so, which ones in particular?
   d. What do you consider as 'sustainable' in the luxury fashion industry?
   e. Would you consider these factors when choosing which product to buy?
   f. Would you be willing to pay more for it than a usual product from the same brand?

4. Attitude/behaviour towards sustainability in the luxury sector
   a. Have you ever purchased a product from a sustainable company based on its sustainable features?
   b. What are your reasons for/ against purchasing a more sustainable luxury good?
   c. Do you intend to purchase from sustainable luxury fashion companies in the future?

5. FACT SHEET

6. More thoughts on sustainability in the luxury fashion industry
    a. What do you think about the practices that you have just read about?
    b. Can you tell me which are the most important ones to you with regard to your general stand towards sustainability?
    c. Does it/Would it appeal to you if a luxury fashion industry is known for their great sustainability efforts? Would you taken these into consideration for your future purchase?
        i. If so, which ones you would include into your purchase decisions? Why?
    d. Knowing what you know, would you be willing to pay more for their products?
    e. After reading this fact sheet, would you like to revise any of your initial thoughts about sustainability in the luxury industry?
    f. How will this knowledge influence your future buying behaviour in the luxury fashion industry?
    g. Do you think luxury fashion companies should communicate more about their efforts? Via which channel would you like to be informed? Would you like to be included for feedback?

7. The Paradox
    a. What do you think about the relationship between sustainability and luxury fashion?
        i. *Are these opposing concepts? Are they mutually exclusive? Can they co-exist?*
        ii. *Why do think luxury fashion companies are trailing behind when it comes to sustainability? How might you reflect on your role as a luxury consumer?*
    b. How does your general image of luxury fashion companies influence your standpoint towards sustainability in this industry?

8. Conclusion
    a. Is there anything you would like to add that we have not discussed yet?

Appendix B - Fact Sheet

Company 1
Sustainability statement: "The environment is everyone's responsibility and so everyone has to implement concrete actions for continuous improvement"

Sustainable practices:
CO2 reduction – better energetic consumption linked to lighting in the stores and careful transport of products.

Reducing Production Waste – use all material till they have reached their end-of-live optimum

Preserve Raw Materials – only use durable and available resources

Train employees - towards more sustainable ways of working e.g. sorting of waste, energy saving and transport

Company 2
Sustainability Statement: "Sustainability as a new way of doing business, that takes natural resources into account"

Sustainable practices:
Sustainable product lines – Connecting sustainability with timeless beauty and high quality e.g. using biodegradable materials

Product lines with a good cause – Production of Amazonas leather bags with a zero deforestation certificate, that have been produced as part of a anti deforestation campaign

100% sustainable packaging – 100% recyclable

Company 3
Sustainability Statement: "Aims for a better world that is more sustainable, economically, socially and ecologically than the world we know and live in today"

Sustainable practices:
No fur or leather use

Eco-friendly store design – e.g. flooring from certified wood, use of recycled construction material, special lighting, stores are powered by wind energy or run on renewable green energy,

Appendix C - Respondent List

Participant	Gender	Age	Level of Education	Occupancy	Place of Residence
P1	F	53	Apprenticeship/ commercial education	Executive Assistant Cinema Industry	NRW*
P2	F	54	PhD	Professor Pedagogy	NRW*
P3	F	55	Diplom	Pharmacist	NRW*
P4	F	53	Apprenticeship/ commercial education	Family Manager	NRW*
P5	F	50	PhD	Surgent	NRW*
P6	F	51	Diplom	Tax Consultant	Hessen
P7	M	51	PhD	Eye Surgent	NRW*

*North Rhine Westphalia, Germany

Participant	Gender	Age	Level of Education	Occupancy	Place of Residence
P8	M	53	Apprenticeship/ commercial education	Merchant Interior Design	NRW*
P9	F	42	Diplom	Lawyer	NRW*
P10	M	52	Apprenticeship/ Commercial education	Merchant Automobiles	NRW*
P11	F	50		Family Manager	NRW*
P12	F		Diplom	Hotelier	NRW*
P13	F	40	Diplom	Public Relations	NRW*
P14	M	45	Diplom	Purchasing Agent for large Discounter	NRW*

*North Rhine Westphalia, Germany