



Sustainability as a Core Value: Communication Strategies for Luxury Brands

Lia Baier

Dissertation written under the Supervision of Professor Nuno Moreira da Cruz.

Dissertation submitted in partial fulfilment of requirements for the MSc in Management at the Universidade Católica Portuguesa, 6th January 2025.

Abstract

This thesis explores how luxury brands can integrate sustainability without compromising their exclusive image. Literature research and expert interviews reveal main psychological barriers like quality, awareness, and trust that hinder luxury consumers from fully embracing sustainability in luxury. To overcome these challenges, effective communication strategies - storytelling and experiential marketing - were explored.

The study further proposes ways to align sustainability with luxury by highlighting ideas like "Slow Luxury", genuine innovation, and synergetic collaborations. By reframing sustainability as something aspirational and indulgent, luxury brands have the chance to redefine opulence, strengthen consumer loyalty, and lead the way into sustainability.

The findings provide not only a profound understanding of the dynamics between luxury and sustainability, but also actionable recommendations tailored to the industry. By evaluating best practices across different luxury sub-sectors, the study offers concrete steps for brands to effectively communicate sustainability to resolve the supposed sustainability-luxury-paradox. However, the realization that true change must be demanded, with responsibility resting not only on brands but also on consumers, provides strong incentives for further research in the field of consumer psychology.

Dissertation Title: Sustainability as a Core Value: Communication Strategies for Luxury Brands

Author: Lia Baier

Keywords: Sustainability; Luxury Industry; Consumer Psychology; Communication Strategies; Sustainability-Luxury-Paradox

Sumário

Esta tese explora a forma como as marcas de luxo podem integrar a sustentabilidade, sem comprometer a sua imagem exclusiva. A pesquisa bibliográfica e as entrevistas a especialistas revelam barreiras psicológicas fundamentais, como a qualidade, a consciencialização e a confiança, que impedem os consumidores de luxo de adotar plenamente a sustentabilidade no luxo. Para ultrapassar estes desafios, foram exploradas estratégias de comunicação eficazes - storytelling e marketing experimental.

O estudo propõe ainda formas de alinhar a sustentabilidade com o luxo, destacando ideias como o “Slow Luxury”, a inovação genuína e as colaborações sinérgicas. Ao reformular a sustentabilidade como algo aspiracional e indulgente, as marcas de luxo têm a oportunidade de redefinir a opulência, reforçar a lealdade do consumidor e liderar o caminho para a sustentabilidade.

As conclusões fornecem não só uma compreensão profunda da dinâmica entre o luxo e a sustentabilidade, mas também recomendações acionáveis adaptadas à indústria. Ao avaliar as melhores práticas em diferentes subsectores do luxo, o estudo oferece passos concretos para que as marcas comuniquem eficazmente a sustentabilidade e resolvam o suposto paradoxo sustentabilidade-luxo. No entanto, a constatação de que a verdadeira mudança deve ser exigida não só às marcas, mas também aos consumidores, fornece fortes incentivos para uma investigação mais aprofundada no domínio da psicologia do consumidor.

Título da dissertação: A sustentabilidade como um valor fundamental: Estratégias de comunicação para marcas de luxo

Autor: Lia Baier

Palavras-chave: Sustentabilidade; Indústria do Luxo; Psicologia do Consumidor; Estratégias de Comunicação; Sustentabilidade-Luxo-Paradoxo

Acknowledgements

To Nuno Moreira da Cruz - Thank you for guiding me and inspiring me to choose a topic that genuinely captivates me. Your encouragement and expertise have helped me to embrace my potential and feel confident in my decisions. Obrigada.

To my interview partners - I am more than grateful for the honest and personal insights you shared during our interviews. Your perspectives not only helped me give meaning to my thesis but also inspired me personally. I hope that, as you may read this work, you feel the appreciation I hold for your contributions.

To my family - ...Who not only gave me the opportunity to study abroad but also stood by me every step of the way. A special thank you to Papa & Ben for proofreading my thesis <3

To my best friend Svenni - Thank you for always listening to me and easing my mind when I needed it most.

Table of Contents

Abstract.....	I
Sumário.....	II
Acknowledgements.....	III
Table of Figures.....	V
Table of Appendices.....	VI
1. Introduction.....	1
1.1 Problem Statement and Research Questions.....	1
1.2 Objective of the Paper.....	2
1.3 Structure of the Paper.....	3
2. Theoretical Foundation.....	4
2.1 State of Research.....	4
2.2 The Luxury Industry.....	4
2.2.1 Consumer Behaviour.....	6
2.2.2 Communication Strategies.....	8
2.3 Sustainability in the Luxury Industry.....	10
2.3.1 Consumers' Barriers to Sustainability Adoption in the Luxury Industry.....	11
2.3.2 Sustainability Communication Strategies.....	13
2.3.3 Best practices in Sustainable Luxury.....	14
3. Methodology.....	16
3.1 Presentation and Process of the Study.....	16
3.2 Design of the Interview Guide.....	17
3.3 Data Analysis.....	17
4. Empirical Findings.....	18
4.1 Overview of participants.....	18
4.2 Psychological barriers to sustainability adoption.....	19
4.3 Communication strategies of luxury brands and their effectiveness.....	21
4.4 Perceptions of Sustainability-Luxury paradox.....	23
5. Discussion.....	25
5.1 Summary and Interpretation of Results.....	25
5.2 Critical Evaluation of the Study.....	29
5.3 Recommendations for Action.....	31
5.4 Conclusion.....	33
References.....	VII
Appendices.....	XIII

Table of Figures

Figure 1: Best Practices	15
Figure 2: Gioia Method RQ1	19
Figure 3: Gioia Method RQ2	21
Figure 4: Gioia Method RQ3	23

Table of Appendices

Appendix 1: Description of the Interviewees	XIII
Appendix 2: Interview Guide	XIV
Appendix 3: Qualitative Analysis	XV

1. Introduction

1.1 Problem Statement and Research Questions

With the rise of environmental consciousness and ethical concerns among consumers, brands are pressured to adjust their communication strategies (Kapferer & Michaut-Denizeau, 2014). Consequently, the luxury industry, known for exclusivity and opulence, now faces a significant challenge: the incorporation of sustainability (Bain & Company, 2023). The scale is enormous, as luxury sales worldwide are expected to exceed \$405 billion USD by 2025 (Worldmetrics, 2024), while at the same time, there is a further increasing demand for sustainable business practices (Bain & Company, 2023).

This change brings many challenges, especially for luxury brands that rely on exclusivity and status, as these qualities can be at odds with sustainability goals (Kunz et al., 2020).

The integration of sustainability into luxury consumption is not just a market trend but also a reflection of changing consumer values. Consumers are increasingly conscious of how their purchases affect the environment and society, thus look for products that match their ethical values (Srinivasan et al., 2014). This change is supported by psychological theories that state that people are motivated to make choices that align with their personal values and social standards (Stolz, 2022). Therefore, brands that effectively communicate their sustainability initiatives can secure their future by attracting a growing segment of consumers who value sustainability.

Indeed, reports indicate that around 60% of luxury consumers expect action on sustainability by brands (BCG, 2022). This shows the evolution in consumer expectations, as luxury no longer just means exclusivity and quality but also a commitment to sustainability (Kapferer & Michaut-Denizeau, 2014). Despite growing awareness, many luxury consumers still do not make sustainability a driving factor in their purchase decisions. Although they may be concerned for sustainability issues, the drivers of luxury purchases remain exclusivity, personal distinction, and social status. These desires can create psychological barriers that prevent consumers and therefore brands from adopting sustainability as a core value when it comes to luxury products (Osburg et al., 2021).

In addition to this dilemma, another issue arises (Zhang, 2024):

Research shows that most luxury brands have integrated some form of sustainability into their operations, although only a few effectively communicate these to their consumers (Paridhi & Arora, 2023).

This, according to Osburg et al., 2021 can be attributed to e.g. the risk of a perceived compromise on quality or the fear of losing exclusivity from the consumers' perspective.

This creates a significant challenge for luxury brands: How can they promote sustainability without losing the exclusivity that defines them while still positively influencing consumer buying decisions?

In order to help mastering this challenge, the following research questions will be answered:

RQ1. What psychological barriers in consumers' minds must luxury brands tackle to encourage them to embrace sustainability?

RQ2. What are the most effective communication strategies for luxury brands to promote sustainability without compromising their premium brand image?

RQ3. In what ways can luxury brands bridge the gap between consumers' pursuit of opulence and their sense of ethical responsibility?

1.2 Objective of the Paper

Sustainability is often treated superficially in the luxury industry; even it should be given more prominence because sustainable business appears to be the only viable business model in the long run. One goal of this thesis is to explore the role of consumer psychology in this regard, which represents a complex topic that is gaining more and more attention (Zhang, X., 2024). This thesis aims to explore how psychological factors influence consumer behaviour in the context of sustainable luxury products. The necessity to understand this arises from the fact that consumers are shifting their perception of sustainability and luxury being distinct. Instead, they are increasingly seen as complementary, and consumers seek products that reflect both opulence and sustainability (Zhang, 2024). While psychological factors play a major role in consumer preferences for luxury products (Mao et al., 2017), there are various barriers hindering consumers from adapting a sustainable purchasing behaviour in luxury (Osburg et al., 2021). Understanding these psychological drivers is important because they can significantly influence how consumers perceive and value sustainable features in luxury products (Zhang, 2024). The further objective is to uncover the most effective ways luxury brands can communicate their sustainability efforts without losing the premium image that sets them apart. Ultimately, this thesis intends to add to the growing research field of how brands can bridge the gap between luxury and sustainability.

By understanding the psychological mechanisms, luxury brands can develop more effective strategies to promote sustainable consumption.

This not only benefits the brands by enhancing their market position. It's about inspiring more responsible consumer behaviour and, in turn, contributing to broader environmental and social change (Jansom et al., 2021).

By collecting relevant primary and secondary data, this study aims to provide suitable recommendations to narrow the gap between luxury and sustainability.

The successful achievement of this goal lies in addressing the research questions posed.

1.3 Structure of the Paper

This thesis is structured into five main chapters that contain both theoretical and empirical sections. The first two chapters are based on secondary data. Chapter 1 introduces the research topic, outlining the problem statement with the research questions and the objective of the paper. Additionally, it provides the structure of the paper.

Chapter 2 presents the theoretical foundation, starting with an examination of the current state of research in the luxury industry, with a particular focus on sustainability. It goes into detail with key aspects of the luxury industry, specifically consumer behaviour and communication strategies.

The next subsection of the chapter focuses specifically on sustainability within the luxury industry, including the paradox of luxury and sustainability. To thoroughly examine this topic, consumer barriers to sustainability adoption are discussed, followed by the resulting sustainability communication strategies brands can use, concluding with an overview of best practices in sustainable luxury.

Chapter 3 outlines the methodology of the study. It describes the presentation and process, while further elaborating on the design of the questionnaire. The final part of this chapter explains the employed data analysis technique.

The empirical findings, along with an overview of the participants, are presented in Chapter 4. In Chapter 5, the discussion recaps and interprets the empirical results, evaluating them within the context of the theoretical framework established earlier. It includes a critical evaluation of the study and recommendations for action with practical insights for luxury brands. The paper concludes with a final summary of the research.

2. Theoretical Foundation

2.1 State of Research

Recent studies show the complex relationship between luxury and sustainability. Traditional luxury values like rarity, indulgence and craftsmanship may seem to contradict the principles of sustainability, which promote long-term environmental protection (Kunz et al., 2020). Despite these apparent contradictions, research shows that sustainability can enhance brand equity when successfully integrated into luxury brands' core values (Zhang, 2024). This can be attributed to the ongoing general luxury shift. This shift is marked by a growing emphasis on “authentic and holistic well-being encompassing the entire ecosystem” (Cristini et al., 2024), where sustainability is seen not as a compromise but enhancing the perceived value of luxury products (Cristini et al., 2024).

One of the foundational studies in this area is Kapferer's quantitative research, which surveyed 966 luxury consumers and found that if consumers are unable to see how the core values of luxury align with sustainability, they will continue to view the luxury industry as superficial. Essentially, without a clear connection between luxury and sustainability, consumers may dismiss the industry's efforts as insincere (Kapferer & Michaut-Denizeau, 2014). In addition to that, more recent research notes a lack of effective sustainability communication by luxury brands, which leaves many sustainability efforts unrecognized (Paridhi & Arora, 2023).

Although more and more research shows that sustainability can be a competitive advantage for luxury brands, fully integrating sustainable practices remains complex. Consumers often fear that sustainability compromises luxury quality, a barrier in consumers' minds that luxury brands must overcome (Osburg et al., 2021). Therefore, integrating sustainability into luxury branding requires addressing consumers' scepticism and potential backlash. Public moralizing about sustainability can sometimes create an image of judgmental superiority that alienates consumers and makes it crucial for luxury brands to communicate the added value and benefits of sustainable luxury products for the consumers rather than just emphasizing the moral imperative of sustainability (Villarino & Font, 2015).

2.2 The Luxury Industry

Although the luxury industry is rooted in tradition, its consumer base is becoming increasingly younger. This shift urges luxury brands to successfully balance tradition with modernity (Kim, 2019). In order to build strong brands, a holistic approach to building brand equity is crucial (Iglesias et al., 2022).

Luxury products go far beyond the basic need for ownership and are purchased at premium prices due to strong brand equity. When it comes to the basic need, the perception of what is "useless" or "essential" is highly subjective. As a result, the luxury industry is closely connected to social structures and cultural differences, which influence how people perceive and value luxury products across different regions and societies (Kunz et al., 2020).

The impact of cultural diversity becomes increasingly important due to new dynamics and challenges as the luxury market globalizes. While luxury brands expand into emerging markets, they often face different perceptions of luxury, which can affect their marketing strategies and consumer engagement (Silva et al., 2020). Europe remains the largest producer of luxury products and is home to numerous luxury brands like Louis Vuitton, Chanel, and Hermès, which are globally recognized as symbols of luxury. Despite this, there has been a rise of new markets particularly in Asia. China has emerged as one of the biggest consumers for luxury products, due to the growing middle and upper class with escalating incomes (Chernov & Gura, 2024).

Another notable trend is the shift from conspicuous consumption, where luxury products with visible logos are purchased to signal status, to more inconspicuous consumption, focusing on personal enjoyment and subtleness. This indicates a new preference for luxury that prioritizes quality and personal satisfaction over external displays of wealth (Kim, 2019).

Especially in the luxury industry, the focus is not on rationality: brands convey emotions that consumers want to feel and experience and therefore buy their products (Kunz et al., 2020). It is essential for luxury brands to identify the main factors that consumers value, and to integrate these aspects in ways that enhance the brand's equity in the eyes of their audience. By understanding and integrating these priorities, whether it is craftsmanship, exclusivity, or sustainability, brands can reinforce their position in the market (Kunz et al., 2020).

Brand positioning largely defines how a luxury brand is perceived in the market. Successful brand positioning requires creating a unique perception in the consumers' mind that sets the brand apart from its competitors. This can be achieved by utilizing a mix of high-quality products, communicating an engaging brand narrative, and targeted marketing strategies that showcase the unique features and history of the brand (Berthon et al., 2009).

Communicating a strong brand identity is crucial for successful positioning in the luxury market, as it enables a brand to differentiate itself in a saturated marketplace (Berthon et al., 2009). Maintaining a clear brand identity has become increasingly challenging with digitalization, especially via social media among younger audiences.

On these platforms, consumers have more control over their interactions with the brand, complicating companies' ability to fully manage how their brand is viewed by different audiences. This changes branding into a "co-creative process" (Iglesias et al., 2022), in which consumers actively participate in defining and questioning the brand. As a result, they share some responsibility for what the brand represents and how it is perceived. These changing dynamics indicate that communication strategies are influenced not just by the company but also by the consumers' engagement and understanding (Iglesias et al., 2022).

Adhering to brand identity and positioning, the incorporation of digital communication strategies enables luxury brands to connect with a bigger audience while preserving their premium image (Pangarkar & Shukla, 2023). However, the challenge lies in balancing the wide exposure of digital platforms with the exclusivity that luxury brands need to uphold to maintain their status (Wang & Fang, 2020). This requires crafting tailored and engaging digital experiences that connect with consumers (Pangarkar & Shukla, 2023).

2.2.1 Consumer Behaviour

"People are not looking for transaction, but for purpose and meaningful interaction." (De Smet et al., 2021)

Consumer behaviour in the luxury industry is complex and influenced by various psychological factors and motivations (Chen & Walsh, 2024). Following the introductory quote, it includes far more than just ownership or prestige. Luxury is about unique experiences that go beyond societal expectations of necessity. This can e.g. show itself as a way to rebel against limitations or as an escape from the monotony of everyday life (Duma, 2022).

As today's luxury consumers seek experiences and emotional connections with brands, luxury brands have to innovate and provide not only high-quality products but also outstanding consumer experiences that match with the brand's core values (Berthon et al., 2009). Consumers who buy from a specific luxury brand often hold a strong brand bond. This connection is increasingly focusing on aspects that "truly make people feel human" (Duma, 2022). This change reflects a larger trend in luxury, where consumers prioritize human-centered ideals and emotional connection over materialism in search of more genuine and meaningful experiences (Duma, 2022).

As emotions highly influence consumer behaviour in the luxury industry, luxury products are not just physical products as they have an emotional value that makes consumers satisfied and happy. Emotional connections with luxury brands can enhance consumer loyalty.

Studies have shown that the emotional value associated with luxury products, like feelings of pleasure and self-fulfilment, significantly impacts consumers' purchase intentions. This emotional attachment helps consumers justify the high prices of luxury products by associating them with personal satisfaction and happiness (Chen & Walsh, 2024).

According to social identity theory, consumers improve their self-concept by associating with brands that represent their identities and values (Zhang, 2024). Luxury products let consumers express their identities and personal values. This supports the idea that people purchase luxury products in order to define themselves because their possessions reveal their personalities (Burnasheva et al., 2019). Their self-expression and self-esteem are improved as a result (Chen & Walsh, 2024).

Besides reflecting personal beliefs, also validation, social status and recognition play a huge role (Zhang, 2024). Luxury products are often perceived as symbols of wealth and success, and consumers purchase them to show others how wealthy and successful they are. This is particularly evident in cultures that place high importance on social recognition. An important example is China, where the desire for social recognition and face-saving frequently motivates luxury consumption. Consumers believe that owning luxury products enhances their image and places them in line with the high-end social class, which acts as a strong motivator for purchasing these products (Mao et al., 2017).

Especially conspicuous consumption of luxury products functions to enhance social image and status (Chen & Walsh, 2024). Scarcity also amplifies the social significance of the product, as owning something rare not only demonstrates wealth but also positions the consumer as part of an elite group with access to exclusive products (Mao et al., 2017).

Adding to that, the perceived quality and exclusivity of luxury products affect consumer behaviour. Consumers often associate luxury products with superior quality and craftsmanship, which increases their purchase intention (Chen & Walsh, 2024). The high price and limited availability of luxury products add to their perceived exclusiveness and make them more appealing to consumers who value uniqueness and rarity (Burnasheva et al., 2019).

Furthermore, cultural values play a significant role. Cultural research has shown that the importance of different perceived values varies across cultures. For instance, the social value of luxury products as symbols of status is more valued in some cultures than in others. Understanding these cultural differences is essential in order to customize their approaches to address diverse preferences of consumers in various regions (Wong & Park, 2022).

Since many years there has been a growing segment of consumers who seek both luxury and sustainability (Kapferer & Michaut-Denizeau, 2014). The trend towards sustainability in luxury is evolving but faces challenges. While there is growing consumer awareness about the importance of sustainability, there still is a disconnect between their awareness and actual purchasing habits. This attitude-behaviour gap shows that while consumers may support the idea of sustainable luxury, they are not always willing to prioritize sustainability over the traditional features of luxury products (Balconi et al., 2019).

2.2.2 Communication Strategies

Effective communication strategies focus on creating valuable content that connects with the audience. Brands should aim to produce content that not only informs but also captivates (Pinto et al., 2018). This involves a transition from conventional advertising techniques, which typically focus on sales, to innovative strategies that prioritize emotional and experiential engagement. By prioritizing the development of a positive cognitive, emotional, and behavioural interaction with the brand, companies can successfully engage their audience and cultivate community and loyalty (San et al., 2020).

The appeal of luxury lies in the skill to merge exceptional craftsmanship with a narrative of prestige (Berthon et al., 2009). To effectively communicate this to consumers, luxury brands utilize unique strategies that differentiate them from mass-market brands. A main factor impacting buying choices in the luxury industry is the perception of value. To convey this value to the consumer, brands must address objective (material), collective (social), and subjective (individual) dimensions that motivate them to make a purchase (Berthon et al., 2009).

A highly effective strategy for this is storytelling, which is used to convey the heritage, culture, and values of a brand. Storytelling enables luxury brands to craft a narrative that connects emotionally with their audience (Hemantha, 2021). This strategy builds a strong brand identity that consumers can relate to and aspire toward (Alan et al., 2016).

By focusing on emotions, luxury brands can amplify consumers' feelings of desire and inspiration, motivating them to align their personal values with the brand (Cuomo et al., 2019). This emotional connection is strengthened by stories that highlight the brand's uniqueness, craftsmanship, and status (Hemantha, 2021).

Social media has become essential for luxury brands to engage with consumers and reinforce their brand image. Luxury brands use social media to create an interactive environment in which consumers can experience the brand's world.

It promotes community engagement, encourages word-of-mouth marketing, and develops brand supporters who can influence the purchasing behaviour of others (MajlesiRad et al., 2020). By maintaining a consistent and authentic presence on social media, luxury brands can successfully convey their distinct value proposition to a broader audience, like Burberry, Louis Vuitton, and Gucci did (Hemantha, 2021). Social media also encourages user-generated content that further enhances the brand's visibility (Pencarelli et al., 2019).

Another related strategy is the collaboration with celebrities (Bomsel, 2014):

“Consumers try to distance themselves from those in a lower class, while mimicking the behaviour of those in a higher class.” (Mao et al., 2017)

Celebrities can significantly enhance brand visibility and credibility, as they often embody the values and lifestyles that luxury brands and their consumers aspire to.

By associating with prominent figures, luxury brands can access the fan base of these celebrities and influencers and expand their audience.

Utilizing celebrities and influencers in brand messaging is especially powerful when their persona matches the brand's identity. This alignment guarantees that the endorsement is seen as genuine and trustworthy, which can beneficially affect consumer attitudes and purchase intentions (Cuomo et al., 2019). Additionally, partnerships with other high-end brands or artists can produce limited edition products that highlight scarcity and exclusivity, further attracting consumers (Bomsel, 2014).

Experience marketing is another strategy that luxury brands use to create memorable interactions with their consumers. Luxury brands can foster a feeling of belonging and loyalty among their consumers by providing exclusive events, tailored services, and distinctive brand experiences (Hemantha, 2021).

These experiences often go beyond the product itself, focusing on the lifestyle and values associated with the brand.

This includes e.g. unique in-store experiences that cater to the individual preferences and expectations of luxury consumers (MajlesiRad et al., 2020). By serving tailored experiences, luxury brands can enhance their value and create lasting impressions that create consumer loyalty and advocacy (Berthon et al., 2009).

However, the effectiveness of these strategies largely depends on how well they are integrated and executed while balancing the aspects of tradition and innovation. Luxury brands must carefully select the right mix of storytelling, emotional appeal, social media engagement, experience marketing, and celebrity collaborations to ensure a cohesive brand communication (Hemantha, 2021).

The strategic use of these elements can help luxury brands maintain their visibility and exclusivity (Hemantha, 2021) while adapting to the changing consumer landscape (Chernov & Gura, 2024).

2.3 Sustainability in the Luxury Industry

The luxury industry is often seen as inherently at odds with sustainability. However, they are not necessarily incompatible. Due to the realization that long-term business success requires a focus on sustainability, many luxury brands are increasingly engaging with sustainable practices (Donato et al., 2018).

Although many consumers claim to care about sustainability, they usually ignore it while making luxury purchases or are not willing to pay more for sustainable options. This disconnect depends significantly on the consumer perception of luxury: the more luxury is associated with exclusivity or social division, the greater is the perceived conflict with sustainability (Alghanim & Ndubisi, 2022).

Research indicates that, while sustainability has not been an explicit demand from luxury consumers, it is integrated in their underlying expectations. Consequently, luxury products that are openly unsustainable would lead to strong consumer dissatisfaction (Alan et al., 2016). Some argue that there is no real paradox, as choosing luxury often means buying less thanks to the durability of high-priced products. Both luxury and sustainability share values of durability and timelessness, which creates a natural compatibility between them (Sun et al., 2021). Studies indicate that consumers are more likely to respond positively to luxury brands that embed sustainability into their core values from the start rather than as an afterthought, which undermines the importance for new brands on the market to address sustainability (Sani-Elia et al., 2023).

As a result, luxury brands are increasingly transparent about their sustainability efforts and, e.g., publish sustainability reports to show off their initiatives (Arcuri & Giollo, 2022).

Millennials, followed by Generation Y generally display a more sustainable consumer behaviour than Generation Z. Additionally, Millennials are also placing the highest importance on transparent sustainability communication (Pencarelli et al., 2019).

Research points out that 30% to 40% of luxury consumers may be characterized as those who prioritize sustainable luxury (Chang et al., 2022).

This indicates a chance for luxury brands to expand their sustainable initiatives, reinforcing the potential of sustainable luxury as a developing and profitable market (Osburg et al., 2024).

Brands can set themselves apart and become pioneers by positioning sustainability as a hallmark of innovation (Kunz et al., 2020).

Using environmentally friendly materials is one of the main ways luxury brands are advancing sustainability. "Earthy" materials and certifying diamonds as conflict-free are just two examples of the sustainable elements that brands like Chanel and Tiffany are incorporating into their products (Donato et al., 2018). This can give brands a competitive advantage and increase consumer loyalty and trust (Arcuri & Giolli, 2022).

While earlier studies indicated that recycled materials were negatively connotated with e.g. inferior quality, recent findings display an evolving perspective among luxury consumers, who now increasingly value these materials without perceiving a compromise on quality (Alghanim & Ndubisi, 2022).

Moreover, the circular economy idea is becoming more popular in the luxury industry. This strategy aims to reduce waste and the impact on the environment by designing products with their full lifecycle in mind and insisting on reuse, recycling, and remanufacturing (Salvioni & Brodoni, 2020; Ünal et al., 2019).

However, particularly for smaller brands, the high expenses of adopting sustainable practices like sourcing environmentally friendly and applying circular economy procedures can be hard. Also, brands must still carefully manage the widespread consumer perception that sustainable practices compromise the quality or exclusivity of luxury products (Arcuri & Giolli, 2022).

Achieving sustainable consumption relies not only on the initiatives taken by brands but also requires a shift in consumer behaviour toward mindful purchasing decisions (Alghanim & Ndubisi, 2022).

By slowing down product cycles and reducing the frequency of new collections, luxury brands can highlight the longevity and craftsmanship of their products, which aligns closely with sustainability and may induce mindful consumer behaviour (Sun et al., 2021).

"This illustrates that luxury can simultaneously be perceived as gold and green." (Alghanim & Ndubisi, 2022)

2.3.1 Consumers' Barriers to Sustainability Adoption in the Luxury Industry

The fact that consumers often do not actively consider sustainability in their luxury purchase decisions can be attributed to various psychological barriers in consumers' minds (Alghanim & Ndubisi, 2022).

As already mentioned, one important issue that stands in contradiction to the modern notion of sustainability is the traditional idea of luxury.

The classical connotations of luxury lead to a cognitive dissonance in consumers, who feel that sustainability might diminish the status-enhancing qualities of luxury products (Wang et al., 2024).

The perception of social value also strongly influences sustainable luxury consumption, as consumers choose sustainable luxury products to enhance their social image and distinguish themselves from others (Alghanim & Ndubisi, 2022). Especially in collectivist cultures, such as China, luxury goods are often used as a way for consumers to distinguish themselves from lower status groups (Mao et al., 2017). This implies that these consumers might be reluctant to engage in the sustainability movement, as it could blur the status distinctions and align them more closely with middle or lower classes.

Apart from culture, price is another factor that can lead to such barriers. This is two-sided, as some consumers hesitate to pay a premium for sustainable alternatives because they fear a compromise in quality, and others do not even bother to think about sustainability, assuming that the high price of luxury products inherently guarantees sustainable practices (Alghanim & Ndubisi, 2022).

Post-purchase emotions can also create a psychological barrier (Alghanim & Ndubisi, 2022). As luxury purchases are often driven by self-centered motives, such purchases are less about the interests of making the world a better place, which clashes with sustainability (Vanhamme et al., 2021). By contrast, sustainable luxury consumption allows a guilt-free enjoyment, but it may reduce the product's hedonic appeal, which could make consumers feel less fulfilled. This is because consumers often view luxury as hedonic and sustainability as utilitarian (Alghanim & Ndubisi, 2022).

Next to these findings, another potential psychological barrier is the issue of trust. When brands promote their sustainability initiatives, consumers may view these sceptically or as greenwashing, particularly if sustainability is not embedded in the brand from the start. This distrust can lead to fewer purchasing decisions (Sani-Elia et al., 2023).

Another barrier lies in the inconsistency of consumers' beliefs and actions. By downplaying their own impact or by separating their luxury purchases from their sustainable values, consumers tend to justify their luxury purchases (Wang et al., 2024).

Moreover, the consumer awareness gap stands out. Studies reveal a discrepancy between luxury brands and their consumers, pointing out that although luxury brands are progressively adopting sustainable practices, consumer awareness of these initiatives is both crucial and lagging behind (Zhang, 2024).

This gap may be due to the tendency of luxury brands to communicate their own purposes and efforts rarely and selectively. Consequently, even as brands adopt more sustainable practices, their limited transparency can hinder consumers' understanding and engagement with these initiatives (Kapferer & Michaut-Denizeau, 2014). Without sufficient information, consumers are left with no awareness or false beliefs and remain resistant to change. To close this information gap and change consumers' attitudes, effective communication strategies are crucial. The challenge lies in redefining value in the context of sustainable luxury, where consumers can value sustainability's extra advantages in addition to traditional luxury features. Luxury brands must highlight the distinctive value of sustainable practices in order to overcome this obstacle and satisfy consumers' demands for exclusivity and superior quality (Wang et al., 2024).

2.3.2 Sustainability Communication Strategies

Studies propose that while promoting sustainability, luxury brands should stress their heritage to maintain exclusivity and avoid diluting their core identity (Kunz et al., 2020).

It is essential to continue communicating the brand's essential values, simply enhanced by an additional value: sustainability (Kunz et al., 2020).

It is also important to design sustainability initiatives aesthetically pleasing to falsify the common misconception that sustainability is per se unattractive (Kunz et al., 2020).

Highlighting sustainability instead of mainly focusing on product excellence has proven boost consumers' purchasing decisions (Osburg et al., 2024).

Educating consumers in terms of sustainability in general and particularly the added value it brings is crucial. Brands can highlight shared values of luxury and sustainability like product durability. By highlighting this advantage through e.g. tutorials, brands can actively engage consumers in driving change (Sun et al., 2021).

It is also advisable to choose communication strategies that make consumers personally identify with the brand. Experiential marketing including the senses in flagship stores is one option to personally include consumers (Kunz et al., 2020). In this context, a notable trend is showcasing the durability of products (Hemantha, 2021).

Evoking emotions proves to be more effective than merely presenting facts regarding the ecological and social impacts of consumer decisions. Emotions like guilt and pride inherently make consumers reflect on past behaviours and diminish their capacity to rationalize away their responsibilities. In this regard, it is recommended that brands initially focus on utilizing positive emotions, as these are less likely to lead to negative side effects (Antonetti & Maklan, 2013).

In line with this, brands should focus on the benevolence factor, as consumers like the feeling of doing something good. Many are interested in transitioning from purely self-centered motivations to a more altruistic approach to align their personal choices with positive impact (Kaur et al., 2024).

Storytelling plays an important role in shaping luxury and differentiating it from the mass market. By sharing aspirational narratives and selling dreams, luxury brands can create deeper connections with consumers. Often, this storytelling focuses on heritage, using visually appealing images and videos to create an emotional experience for consumers (Hemantha, 2021). Thus, storytelling can effectively convey the brand's commitment to sustainability, making it an integral aspect of the brand's identity (Zhang, 2024). Especially social media platforms play an important role in regard to this. Luxury brands can use these platforms to engage directly with consumers, share real-time updates about their sustainability initiatives, and gather feedback. This enables brands to showcase their dedication to sustainability in a transparent and genuine way. Moreover, utilizing influencers and celebrities can enhance brand recognition and foster positive consumer perceptions. By getting associated with well-known personalities, luxury brands can make their sustainability efforts more relatable and aspirational to a broader audience (Cuomo et al., 2019).

To address doubts regarding the genuineness of sustainability initiatives, luxury brands need to prioritize transparency in their messaging. Brands could attempt to establish trust with consumers by publishing comprehensive details regarding their sourcing methods, manufacturing processes, and sustainability objectives. Transparency lets consumers verify the brand's claims and minimizes concerns regarding greenwashing. Moreover, involving third-party validation from environmental NGOs can be helpful, as these organizations can confirm the brand's genuine commitment to sustainability (Zhang, 2024).

Ultimately, luxury brands need to establish ongoing feedback systems to understand consumer perceptions and adapt their strategies accordingly. By actively listening to consumer feedback, brands can identify areas for improvement and demonstrate their willingness to evolve (Zhang, 2024).

2.3.3 Best practices in Sustainable Luxury

Sustainability is a far-reaching global trend that manifests in various ways. In the luxury industry, it is evident not only in the fashion sector with initiatives like circular models but also takes on unique emphases depending on the specific sub-sector. Whether it's ethical sourcing

in the diamond and gemstone sector (Gupta et al., 2023) or zero-waste initiatives in the luxury travel world (Tredinnick, 2023). Across these sub-sectors of the luxury industry, technological innovations are bringing significant advancements in sustainability, such as biodegradable materials used in packaging (Popescu et al., 2024), and the adoption of renewable energy in production processes to reduce carbon footprints (Gupta et al., 2023).

Websites like Paris Good Fashion contribute to the educational aspect of sustainability by releasing reports, studies, guides, webinars and handbooks on best practices, mostly in the fashion industry. The aim is not only for consumers but also for brands to learn from best practices and become part of the sustainability journey. For instance, a Paris Good Fashion’s collaboration with LVMH called Green Store & Building Challenge has helped to promote and educate on best sustainable practices for retail and office spaces (Paris Good Fashion, 2024). The following self-made graphic presents various inspiring best practices from luxury brands that make an effort to include sustainability as a core value:

Stella McCartney	A pioneer in sustainable fashion, avoiding all animal materials, using eco-friendly or recycled fabrics, and giving back through donations (Time Magazine, 2023)
Chopard	Ethically sourced metals, including Fairmined-certified gold (Fairmined, 2024)
Six Senses	Comprehensive sustainability programs, including plastic reduction, biodiversity protection, and support for local communities, frequent usage of local materials and prioritisation of energy efficiency and water management (Six Senses, 2024)
Cartier	A founding member of the Responsible Jewellery Council, building climate resilience, conserving resources, promoting inclusivity, and committed to using responsibly sourced and sustainable materials (Cartier, 2024)
Gucci	Gucci Equilibrium initiative for people and planet, featuring lines like "Gucci Off The Grid", using only recycled and biodegradable materials and promoting circular models (Gucci Equilibrium, 2024)
Mulberry	Using sustainable leather and as a member of the Leather Working Group, promoting eco-friendly tanning methods and offering a fully carbon-neutral collection and recycling programs that transform old bags into new (Mulberry, 2024)
Rolex	Perpetual Planet Initiative: Supporting environmental conservation and scientific exploration (Rolex, 2024)
Tata Group (Taj Hotels, Tata Motors)	Community development and environment sustainability projects (Gupta et al., 2023)

Figure 1: Best Practices

3. Methodology

3.1 Presentation and Process of the Study

The goal of this study is to investigate how luxury brands can address the challenge of integrating sustainability as a core value while identifying the psychological barriers in consumers' minds that may hinder this adoption. The study explores luxury brands' sustainability communication strategies and their effectiveness. Ultimately, the study analyses ways luxury brands can overcome the apparent paradox between sustainability and luxury.

In order to answer the research questions effectively, this study includes a literature review as well as an empirical research part. A qualitative approach was used, as it is better suited to explore psychological themes in depth. This method brings a detailed examination of the psychological barriers that luxury brands face when encouraging consumers to embrace sustainability. Additionally, the effectiveness of luxury brands' sustainability communication strategies will be analysed with the help of expert insights on how these strategies effect consumers (Schumann, 2018). The chosen research method is the semi-structured in-depth interview, which provides both structure and flexibility. With this approach the researcher can pursue specific research themes and still capture more detailed information because participants are not constrained in explaining their perspectives. The semi-structured format also enables to dig deeper into certain aspects of interest like perceptions and attitudes towards sustainability in the luxury industry (Henline-Hall, 2024).

To make the research findings as relevant as possible, the purposive sampling method was selected. This is a nonprobability sampling method where researchers intentionally choose participants based on specific criteria to find a particular sample that is most appropriate for the research purpose. This method is ideal for qualitative research, where researchers want to gain detailed insights rather than generalize findings across a large population (Henline-Hall, 2024). In this study a sample of six experts was considered sufficient since qualitative research requires smaller sample sizes, as the aim is to gather in-depth data for meaningful insights into the research topic (Henline-Hall, 2024). Participants were selected based on their expertise in the luxury industry. Consultants, managers, brand strategists and other executives who are active in the luxury industry were selected as they provide the greatest value in providing important insights for this study. Also, the accessibility of the participants and their openness to share information were important factors for the selection to guarantee a higher level of data quality.

For efficient targeting purposes, participants were primarily recruited through the platform LinkedIn but also through the university and personal network. The identities of the experts are kept strictly confidential, with only their initials being used. The data collection was conducted over a period of a little more than two weeks, namely from 14.10.2024 – 29.10.2024. The interviews were around 30 minutes and ranged in length, depending on the natural flow of conversation and without time constraints.

3.2 Design of the Interview Guide

As already mentioned, the design of the semi-structured interview guide was carefully built on the basis of the research questions to ensure a clear connection between the study's aims and the data collected. Therefore, the interview guide thematizes three main topics: consumer perceptions of sustainability (including barriers to adoption), communication strategies of luxury brands (including effectiveness), and the paradox of sustainability and luxury (including future prospects).

To encourage participants to share their thoughts freely and avoid priming them, open-ended questions were used. This approach grants a more genuine expression of ideas and insights that might not have been uncovered through closed-ended or leading questions. By designing the questions this way, the study wants to capture the participants' natural perceptions and beliefs (Misoch, 2019). In addition to the core questions related to the research topic, the interview included introductory and concluding questions. These questions included age, gender, and background information to provide context for the topic-specific responses. These background questions are useful in placing the participant's responses within the context of their own experience within the luxury industry (Misoch, 2019). In total, the interview guide consists of 17 main questions, formulated in a comprehensible way to ensure a clear understanding for participants.

3.3 Data Analysis

For the data analysis a multifaceted approach was used. On one hand, the analysis focused on the language used by the experts during the interviews to reveal their perspectives on sustainable luxury. Also, attention was given to e.g. metaphors and expressions participants used, as these often show underlying beliefs and industry insights. To bring their voices to life, this thesis incorporates direct quotes wherever meaningful (Gee, 2018).

On the other hand, the analysis followed a systematic framework using the Gioia method, which encompasses a structured coding process to extract theory directly from the data (Gioia et al.,

2013). The analysis happened in three stages: First-Order Concepts, Second-Order Themes, and Aggregated Dimensions.

- **First-Order Concepts (Participant-Centric Coding):** In the first phase of the analysis, the focus is on staying close to the data to analyse the actual words and phrases that participants used during the interviews (Gioia et al., 2013).
- **Second-Order Themes (Researcher-Driven Coding):** In the second phase, the first-order concepts were grouped into broader themes. During this phase, the data is interpreted with the help of existing literature (Gioia et al., 2013).
- **Aggregated Dimensions (Theoretical Categories):** In the final phase, the second-order themes were combined into overarching theoretical dimensions to provide a better understanding. This stage moves beyond empirical descriptions to build a theoretical framework based on the data and gives inspiration for new theories (Gioia et al., 2013).

4. Empirical Findings

4.1 Overview of participants

The panel consisted of an international mix of experts with extensive experience from different luxury sub-sectors. Participants included professionals from fashion, luxury travel, and real estate, as well as consultants who had worked with multiple luxury brands. The age range of the experts was broad, spanning from 27 to 45 years, while both male and female perspectives were represented. Each expert brought a minimum of three years of experience, which ensures valuable contributions to the research, due to their diverse viewpoints. This diversity of thought became evident with the very first question: "What does 'sustainability' mean to you, particularly in the context of luxury products?":

While for some sustainability stands for long-lasting products with minimal environmental impact, respecting nature, and using resources carefully (as mentioned by SH, AD, TP), there was already a mention that sustainability is often leveraged as a marketing tool, suggesting that true progress remains distant (BB). Even though all expressed their genuine interest and hope in a sustainable change, doubts about its current integration into the luxury industry became apparent. The participants all stated that there are many obstacles to overcome, stressing that the bottom line still plays the strongest role, and that real change has to happen on a global stage, beyond individual or industry efforts.

In the following, the empirical findings will be presented thematically organized aligning with the research questions. This chapter aims solely to present the facts and results of the Gioia method, while the interpretation and discussion of these findings will be covered in Chapter 5.

4.2 Psychological barriers to sustainability adoption

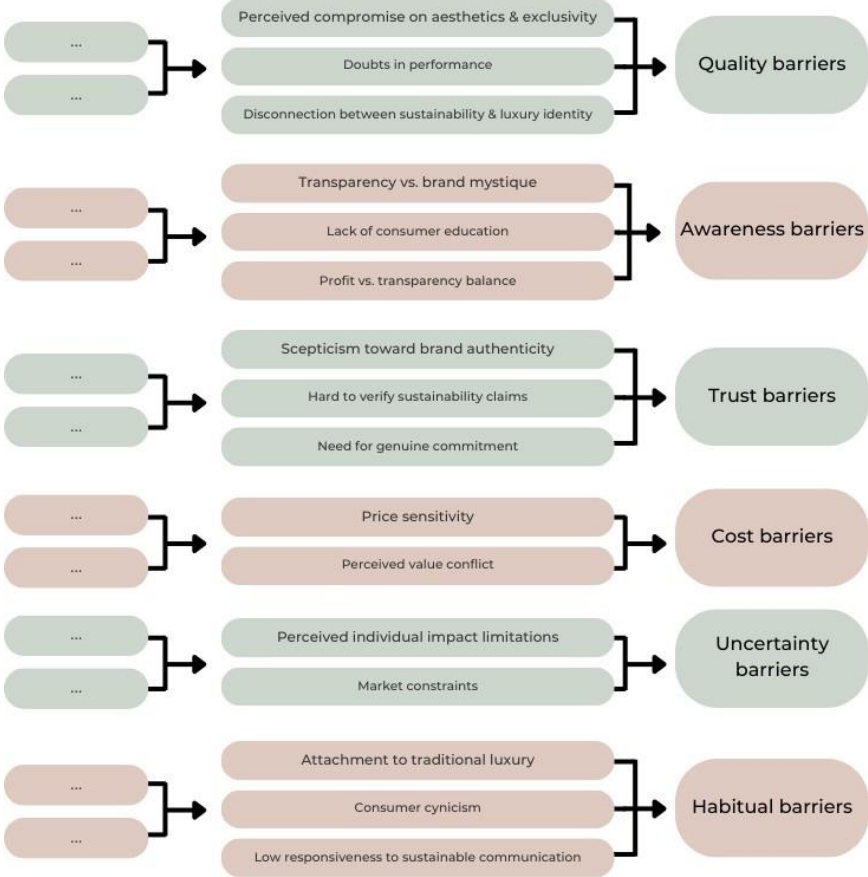


Figure 2: Gioia Method RQ1

The expert interviews reveal six main psychological barriers that hinder consumers from fully embracing sustainable luxury.

Firstly, quality barriers stand out as a major factor, noted by 83.33% of participants. Consumers often perceive sustainable luxury as requiring a compromise on aesthetics and exclusivity (KM, SH, BB), or even product performance (AD, NO). The disconnect between the identity of luxury and sustainability, as already mentioned in the literature review, also plays a significant role here (NO, BB).

Equally challenging are awareness barriers. This lack of awareness about sustainability often arises from a mix of insufficient information from brands and a deficit in consumer education about sustainable practices in the luxury industry.

To overcome this obstacle, brands must not only market their products as sustainable but also educate consumers on the importance and benefits of sustainability. However, a common perception that “brand mystique” is essential to luxury further adds complexity to the situation, since transparency might diminish this appeal. As one participant, TP, remarked: *„I think that 99% of what goes on with luxury brands is the mystique. And that is a very guarded wall that they want to keep, because at the end of the day, they're just selling the same thing as anyone else.”* Furthermore, the balance between profit and transparency hinders luxury brands to show full transparency, thereby limiting consumer awareness: *“It’s important to sometimes keep a secret and save face in front of consumer. Not always consumer needs to know everything. The important thing is that the consumer is happy. And it’s usually a question of profit: the more I show transparency the more I sometimes have to give up of my profit and of course it’s about money in the end. So difficult to find balance.”* (KM)

Adding to that, trust barriers are next to be highlighted, as mentioned by 66.67%. Experts realize that consumers are sceptical about the brand’s authenticity regarding their sustainable efforts and want to see genuine commitment rather than just a short note on a website (KM). TP explained that it’s often challenging for brands to verify their sustainability claims, leaving consumers unsure about what’s genuinely sustainable and what might just be greenwashing.

Due to the already mentioned perceived value conflict of sustainable products, combined with price sensitivity, cost barriers arise. This issue was mentioned by 66.67% of participants. As one expert, TP, stated: *“I think a lot of recycled products, a lot of sustainable products have a almost double the price. This price point can affect people's choices when trying to be earth conscious.”*

Uncertainty barriers, recognized by 50% of the experts, introduce another challenge arising from perceived individual impact limitations and market constraints. Consumers may believe that their individual actions can’t change anything and therefore stick to their unsustainable behaviour. Additionally, the seemingly small effect of industry changes on the whole tend to demotivate, as expressed by TP: *“But I I I think that not much is being done in in any sort of way that makes a difference and I don't think that all the stuff that we do makes a difference until big oil and big pharma and big passion really change their ways. It doesn't make a difference because luxury brands is such a small percentage of the market compared to Mass production stuff, which really makes the damage anyway.”*

Lastly, habitual barriers emerge as a critical issue, similarly cited by 50% of participants. Some consumers prefer familiar luxury experiences which make them resistant to change. For these consumers, sustainable alternatives may seem foreign compared to the established norms they've grown to associate with luxury. Therefore, they show low responsiveness to sustainable communication, underlined by a cynicism, as noted by the experts: AD commented, *“But in reality, you don't really give a ****. It's just about like, how you appear to other people, yeah.”*. TP added, *“And you know, if it's not trending tomorrow, they'll stop doing it. I'm a little cynical towards people.”*

To overcome these barriers, the experts sorted out key drivers for sustainable luxury consumption that brands can focus on. Social status/image perception as well as guilt mitigation and emotional balance influence consumer behaviour positively to take part in sustainable change, as equally highlighted by 83,33% of the experts. This shows that beyond traditional luxury aspects like social approval and personal branding, also guilt in the sense of balancing self-interest and altruism can support brands on the mission to overcome the barriers in consumers' minds. As stated by AD, the issue of selective sincerity remains, which divides consumers into two different groups based on their intentions: those who are genuinely invested in sustainability and those who pursue it primarily for appearance.

4.3 Communication strategies of luxury brands and their effectiveness



Figure 3: Gioia Method RQ2

The expert interviews highlight several communication strategies that luxury brands employ to inspire more sustainable consumer behaviour. These strategies center around storytelling and experiential marketing, all aimed at creating a more resonant connection with the consumer.

All participants mentioned storytelling as a critical communication strategy, underscoring how it makes brands connect with consumers on an emotional level while preserving their luxurious appeal.

Storytelling in sustainable luxury often thematizes the brand's heritage, with experts NO and SH saying that a strong focus on history and tradition can position brands as timeless while advocating for sustainable values.

The emotional aspect of storytelling is particularly powerful, as several experts (KM, TP, NO, SH) pointed out. For example, the concept of "guilt-free" branding (TP, BB) was highlighted as a way to provide consumers with a sense of ethical comfort. It allows them to enjoy luxury, feeling aligned with sustainable values. Additionally, brands can position themselves and their sustainable initiatives in a way that consumers feel as part of a broader social movement (NO). Especially highlighted by SH, influencer and celebrity marketing further strengthens this narrative. By partnering with popular figures who embody the brand's sustainable values, brands can create authentic connections with consumers who look up to these personalities. AD added an interesting perspective on utilizing pop and cinema culture to attract attention. By incorporating elements from these cultural spheres, brands can make sustainability resonate stronger with high society individuals who are often interested in the world of art, film, and refined culture.

Experiential marketing was another highlighted strategy to create immersive and educational experiences for consumers including their senses. With transparency through personalized interactions or educational events, consumers can explore a brand's sustainable practices firsthand (BB, SH, NO). This approach respects the traditional luxury value of mystique while also addressing those who prioritize sustainability, since by this transparency remains optional for those not interested: *"You can always ignore. But I think the opportunity to look at it must be given"* (BB). The educational aspect was particularly highlighted by multiple experts (NO, BB, KM, TP, SH). However, as KM highlighted, achieving widespread understanding requires systemic support: *"We can do it but it's a long way, because there are so many opinions and to bring us to one same level is hard. Government has to work with laws, there are already processes like diesel abgas skandal and so on, but one person can't make the difference. There has to be a global solution."* (KM). This points to the need for a cohesive approach that extends beyond individual brand initiatives.

When effectively executed, these communication strategies have the potential for a lasting impact on the brand-consumer relationship. Thanks to cultivated trust and consumer loyalty (BB, SH, NO), brands can achieve market leadership and regulatory alignment (KM, AD, TP). The positive influence on consumer behaviour and market share (AD) further strengthens brand

reputation (AD, SH). In the best-case luxury brands can cause a sense of purpose and bring emotional fulfilment to consumers by embracing sustainability (BB, NO).

Despite these promising strategies, obstacles remain. A lot of luxury brands still struggle with superficial messaging and a lack of authenticity, as noted by BB and KM. When messages appear inconsistent, consumers may be sceptical of the brand’s true intentions. Furthermore, as expert TP explained, many consumers view sustainability as a fleeting trend, which raises concerns about the longevity of these initiatives if brands rely on short-term strategies. Another significant challenge is the perceived divide between luxury and sustainability. Participants SH and AD pointed out that luxury brands often struggle to integrate sustainability into their core identity and sometimes view it as more compatible with mid-market positioning. Finally, experts BB and NO underlined the need for more transparency and structural changes within the brand. Without accountability and a commitment to structural integration, luxury brands risk undermining their credibility.

In this context, a real-life example from KM is particularly noteworthy, where intentionally misleading labels were used, containing false information with the purpose to enhance the brand's image. This raises serious concerns about how easily such tactics can go unnoticed and highlights the challenge of verifying the authenticity of brands.

4.4 Perceptions of Sustainability-Luxury paradox



Figure 4: Gioia Method RQ3

Aiming to answer how luxury brands can bridge the gap between consumers' pursuit of opulence and their sense of ethical responsibility, the expert interviews reveal three different methods.

While one expert dismissed the existence of a fundamental conflict, attributing the issue to a lack of understanding, all other participants acknowledged a tension. However, they also see a potential for harmonization (BB, KM, AD, TP, NO) if the consumer demand is there. As TP said, achieving this requires a shift in consumer mindsets, with a market-driven approach where industry transformation is guided by consumer choices rather than government regulations.

“I think it's more in the hand of the consumer than anyone else. I don't think the government should be able to dictate.” (TP)

In order to harmonize this, the Gioia method proposes three key strategies. The first centers around holistic and genuine innovation. The thing is to start small but visible. By setting industry standards through pioneering initiatives, brands can establish themselves as leaders in both luxury and sustainability (KM, SH). Apart from pioneering, brands should show added value through commitment beyond profits (SH). T illustrated this principle with examples from his own business, showcasing systems designed to improve energy efficiency, such as automatically turning off electrical devices and creating ergonomic houses that use natural airflow to reduce the use of air conditioning. He added that educating consumers by encouraging them to respect natural resources through conscious use of electricity, water, and other essentials can be instrumental in developing sustainable behaviour.

Other best practices (action-wise) named by the experts include ethical sourcing (TP), circular models (SH), zero-waste initiatives (NO), and technological innovation as a broad field (TP). On a brand level, examples like Stella McCartney's commitment to sustainability (SH), Gucci's ‘Gucci Equilibrium’ focusing on social and environmental initiatives (SH), and LVMH's sustainable production workshops (BB) serve as benchmarks for the industry. Moreover, Ritz-Carlton's efforts in water conservation, waste reduction, sustainable building practices, and supporting local communities (NO) highlight the impact that hospitality companies can have in this space. Some experts (TP, AD) addressed the difficulty of identifying brands that genuinely promote sustainability, which reflects a broader issue of authenticity and credibility in the industry. Furthermore, the perception of electric cars as either a groundbreaking sustainable innovation (KM, TP) or a potential example of greenwashing (AD) underscores the complexities and divisions surrounding sustainable practices in the luxury sector.

The second strategy involves reframing sustainability as exclusive.

“The conflict is in the consumers’ mind more than in the products themselves. Luxury consumers often see sustainability as a compromise on quality or exclusivity, but brands can reshape this.” (NO)

Experts (SH, TP, BB, NO) suggested promoting sustainability as a lifestyle choice that aligns with the luxury aspect of indulgence. For example, embracing a "Slow Luxury" lifestyle can position sustainable choices as aspirational. This concept focuses on quality over quantity, creating timeless designs while slowing down product cycles, and mindful consumption. Sustainability, when framed as being part of a greater movement (NO) appeals to consumers who seek purpose alongside prestige. Similarly, brands can connect sustainability with indulgence by explaining how it enhances rather than diminishes the luxury experience (SH, BB, NO).

The third strategy focuses on preserving core luxury competencies while building synergies. Collaborations with environmental organizations or influencers and celebrities (NO, AD, SH) can strengthen the authenticity of a brand’s sustainability initiatives.

Addressing the sustainability-luxury paradox also requires internal adjustments within companies. Experts stressed the importance of shifting financial and structural goals away from purely profit-driven strategies (TP). Sustainability should be treated as a long-term investment that enhances brand equity (AD), rather than an operational cost. Research and development (R&D) focused on energy and material efficiency (AD, BB, KM) can aid innovation and support the adoption of sustainability as a brand’s core value. By this, AD, for instance, was able to utilize Polonia wood, a lightweight, fast-growing, and recyclable material that also reduces transportation costs, as a sustainable alternative to traditional, unsustainable materials.

5. Discussion

5.1 Summary and Interpretation of Results

To answer the first research question, there are six main psychological barriers in consumers’ minds that luxury brands must tackle to encourage them to embrace sustainability: quality, awareness, trust, cost, uncertainty and habitual barriers. These align closely with the literature, which underscores the cognitive dissonance luxury consumers experience when associating sustainability with a compromise in exclusivity or quality (Wang et al., 2024; Osburg et al., 2021). The expert interviews confirmed these concerns since consumers often associate sustainability with utilitarian values, which conflicts with luxury’s hedonic appeal.

Additionally, the interviews added depth to the discussion regarding the perception that transparency might undermine the "mystique" that is essential to luxury. While transparency is key to communicating sustainable practices effectively, experts fear it could undermine the brand's aspirational image. This trade-off between mystique and transparency complicates the ability of brands to communicate their sustainable practices effectively, which is a challenge that is not fully explored in prior studies.

Another notable finding is the role of emotions, particularly guilt and its dual effects. The literature and interviews agree that guilt can drive sustainable consumption by creating a "guilt-free" enjoyment of luxury. However, literature also cautions against over-relying on guilt, as it may diminish the emotional fulfilment after luxury purchases. Instead, brands should prioritize positive emotions like pride and altruism, which foster engagement without the risk of negative side effects (Antonetti & Maklan, 2013).

While the interviews did not bring out cultural differences as strongly, they highlighted a related issue: many people view sustainability as a temporary trend rather than a fundamental value. This perspective fosters consumer cynicism and threatens long-term commitment to sustainable practices.

Lastly, a recurring topic in the interviews was the lack of genuine commitment from both consumers and companies. Many brands approach sustainability as a trend rather than an integral part of their identity. This perspective aligns with the literature's emphasis on scepticism and mistrust and further highlights the challenge of integrating sustainability authentically into luxury brands.

Overall, the findings confirm that psychological barriers to sustainable luxury stem from perceptions of incompatibility, scepticism, and routine-driven resistance. While the literature provides a robust foundation for understanding these barriers, the interviews contain valuable practical insights, particularly regarding the industry's internal challenges and consumer cynicism.

With regards to the second research question, the expert interviews revealed the most effective communication strategies for luxury brands to promote sustainability without compromising their premium brand image, aligning with the results of the literature research: storytelling and experiential marketing.

Experts underscored that storytelling around the brand's heritage and values supports emotional connections with consumers while enhancing the luxurious appeal.

This aligns with Berthon et al. (2009) and Hemantha (2021), who argue that narratives around exclusivity, craftsmanship, and timelessness can differentiate luxury brands while implanting sustainable values.

Additionally, experts noted the role of influencer and celebrity marketing in pushing these narratives. Through these collaborations, brands can connect authentically with their audience. The literature supports this, saying that well-aligned endorsements can enhance credibility and aspirational value (Cuomo et al., 2019).

An innovative perspective from the interviews was the suggestion to incorporate elements from pop culture and cinema into storytelling, to broaden the luxury's appeal while positioning it as part of a larger social movement. This aligns with the literature's focus on cultural considerations, as art and cinema can transcend cultural differences, as powerful tools for engagement.

Additionally, both the interviews and literature highlight that evoking emotions is more effective than relying only on factual presentations of sustainability efforts. Positive emotions like pride and altruism can motivate consumers to make choices that reflect sustainable values while still maintaining the exclusive aspects of luxury. Experiential marketing was also highlighted as a key strategy, with experts stressing the value of immersive, educational experiences where consumers can explore a brand's sustainable practices firsthand. These experiences, whether in flagship stores or exclusive events, create memorable interactions while maintaining luxury. This aligns with Sun et al. (2021), who suggest that engaging the senses and educating consumers through experiential marketing helps to reconcile the perceived tension between sustainability and luxury.

The literature cautions against public moralizing in sustainability communication, warning that it can create an image of judgmental superiority and alienate consumers (Villarino & Font, 2015). Instead, both the research and the interviews highlight the importance of communicating the added value and benefits of sustainable luxury products, focusing on how they enhance the consumer experience rather than imposing a moral imperative.

Literature points out the use of social media platforms as a tool for engaging directly with consumers, sharing real-time updates on sustainability initiatives, and gathering feedback (Zhang, 2024). While social media was not explicitly prioritized by the experts in the interviews, they acknowledged its potential for storytelling and fostering community engagement. Additionally, the literature suggests involving third-party certifications from NGOs to ensure credibility, though this was not a major focus among the experts interviewed.

Both the literature and the expert interviews note a lack of effective sustainability communication by luxury brands, with many efforts left unrecognized. However, experts highlighted that genuine change must come from within. By preserving and communicating the essential luxury attributes of a brand, enriched with the added dimension of sustainability (Kunz et al., 2020), luxury brands can successfully promote their sustainable initiatives without compromising their premium image.

The sustainability-luxury paradox remains a central challenge, as highlighted by both empirical and theoretical findings. Answering the third research question, luxury brands can bridge the gap between opulence and ethical responsibility by employing a combination of innovation, reframing sustainability as exclusive, and preserving core luxury competencies while building synergies. Both the literature and the expert interviews highlight that this requires a fundamental redefinition of luxury, evolving from traditional aspects like materialism to a focus on knowledge, experiences, and personal fulfilment (Duma, 2022).

The expert interviews underscore the importance of genuine and visible innovation as a foundational step. By setting industry standards through pioneering initiatives, brands can position themselves as leaders and show the added value coming from implementing sustainability.

Each sub-sector has its own successful approaches, like ergonomic houses in sustainable travel.

Experts propose reframing sustainability as a core aspect of luxury by positioning it as a lifestyle aligned with indulgence. Concepts like "Slow Luxury," can make sustainable practices an aspirational life choice. This aligns with the literature, which highlights the role of emotional and social values in luxury consumption (Chen & Walsh, 2024). The expert interviews also introduced a fresh idea: framing sustainability in luxury as part of a broader cultural and social movement. This complements the literature's spotlight on social identity theory, where consumers align with brands that reflect their values and enhance their self-concept (Zhang, 2024).

By positioning sustainability as indulgent and meaningful, brands can appeal to consumers' desire for social distinction while fostering a sense of sustainability.

Maintaining core luxury competencies while building synergies through collaborations emerged as another main strategy. Collaborations with environmental organizations and influencers who embody sustainable values can lend credibility and authenticity to a brand's sustainability narrative.

This is consistent with existing research, which highlights the power of emotional connections and well-aligned endorsements for enhancing brand loyalty and reputation (Cuomo et al., 2019).

However, insights from the interviews provided a fresh perspective: by partnering with experts in sustainability, luxury brands can preserve their core competencies without diluting their identity. Instead of taking on sustainability initiatives that might conflict with their traditional expertise, luxury brands can rely on specialized organizations to seamlessly integrate sustainability into their operations and communication. This approach mitigates the risk of eroding the essence of luxury while embracing sustainability through professional synergies.

In conclusion, luxury brands can bridge the gap between opulence and ethical responsibility by adopting a holistic approach that combines innovation, strategic reframing, and synergies. Nevertheless, some experts expressed difficulty in identifying luxury brands that genuinely promote sustainability, which underscores a broader issue of authenticity that is insufficiently addressed in the literature. This reality highlights the depth of the gap between luxury and sustainability, making it evident that addressing this paradox requires more than superficial efforts. To bridge this, internal organizational adjustments and shifts in consumer mindsets are essential. True transformation depends on leveraging emotional engagement to subtly promote sustainability, ensuring that it feels inspiring and not imposed. By aligning sustainability with aspirational experiences, luxury brands can redefine their narrative and harmonize luxury with sustainability in a way that matches with their consumers' expectations.

5.2 Critical Evaluation of the Study

The study's interdisciplinary nature, integrating consumer basics of psychology, sustainability, and luxury branding, adds important insights to the research. However, this broad approach also introduces complexities. Balancing these diverse fields limits the ability to go into more detail with each. Future research might focus more specifically on one aspect to build on this foundation.

The semi-structured interviews were a central component of the research and brought qualitative insights from industry experts. This method enabled a detailed exploration of strategies like storytelling and experiential marketing while uncovering challenges like maintaining authenticity. However, with only six experts, the findings are limited in scope. Expanding the participant number to include experts from more sub-sectors of the industry could provide a more comprehensive view.

To address the organisation and interpretation of the data, the Gioia method provided a systematic framework that ensured everything was grounded in the participants' responses. While this approach brought clarity to complex insights, generalizability is limited. Pairing this method with a quantitative approach, such as surveys or experiments, could enrich the findings and bring validation for a broader audience.

A fascinating detection during the research phase of this thesis is the potential for digital tools like AI and blockchain to address transparency and authenticity in sustainability communication. Blockchain, for instance, could verify sourcing practices and environmental impact claims, to make consumers trust the brand. AI could enhance personalized storytelling by aligning brands' sustainability initiatives with consumer preferences. These technologies could bridge the trust gap identified and foster stronger connections between consumers and brands. Exploring this in future research could uncover how these technologies will reshape sustainable luxury.

Despite these technological opportunities, a critical evaluation of the recommendations reveals a divide between practicality and aspiration. While strategies like experiential marketing and transparency are practicable, others, like collaborations and systemic changes, may be more aspirational due to financial constraints. For smaller luxury brands or emerging sub-sectors, implementing these strategies might be challenging financially. Future research could focus on tailoring recommendations to different scales of operation to ensure accessibility and feasibility for different brand contexts.

In addition to these practical considerations, the thesis shows the importance of gaining more specific insights for each luxury sub-sector. This is particularly relevant when framing sustainability as a lifestyle and creating synergies. By exploring unique approaches suited to different sub-sectors, brands could better align their sustainability initiatives with consumer expectations. Exploring this would amplify the transformative potential of this research.

Ultimately, while this study may provide a strong foundation for encouraging change and inspiring shifts in the mindset of the reader, the real challenge lies in creating a genuine desire for transformation - both within the industry and among consumers. Addressing this will require stronger engagement with systemic changes and a coordinated effort to integrate sustainability as a core value of luxury brands. By doing so, the findings of this research can serve as a catalyst for initiating action and sparking a willingness to turn the ideal of sustainable luxury into reality.

5.3 Recommendations for Action

Luxury brands have an opportunity to redefine opulence by adopting a “Slow Luxury” approach, prioritizing timeless craftsmanship and durability over temporary trends. This philosophy aligns sustainability with the core values of luxury. Collections focused on artisanal techniques and sustainable materials could showcase stories of craftsmanship and longevity.

Rather than framing sustainability as a moral obligation, brands should present it as a lifestyle choice that is uplifting. Emotionally engaging approaches, such as visually appealing short films, can showcase a brand’s sustainability journey featuring artisans, community projects, or conservation efforts. These narratives evoke emotional resonance and position luxury as purposeful.

Moving away from guilt-based messaging is also desirable, as it often alienates audiences. Instead, brands can foster pride and positive emotions linked to sustainable choices. Programs that reward eco-friendly decisions, like exclusive event invitations, can elevate personal satisfaction and societal impact. In a nutshell, consumers can feel special by contributing to sustainability in a very exclusive way not everyone can afford.

To complement this, creating immersive and interactive experiences can help luxury brands to make sustainability emotionally compelling for their consumers. Features like a tactile wall where consumers can feel the textures of innovative sustainable materials or an interactive timeline displaying how their choice impacts ecosystems over decades could create emotional connections. Additionally, showcasing durability tests that highlight the quality and longevity of sustainable materials could serve as a captivating way to communicate their value, while making sustainability a personal and memorable part of the luxury experience.

Collaborations with artists and influencers can boost brand narratives. Partnering with cultural figures for limited-edition collections, such as working with eco-conscious designers or artists, fusions sustainability with art. These collaborations inspire diverse audiences while showcasing the brands’ commitment to sustainable luxury.

Sustainability can be reframed as a form of intellectual and cultural capital to appeal to luxury consumers who value exclusivity and knowledge.

Hosting workshops or masterclasses led by sustainability experts on topics like innovative sustainable design can empower consumers as ambassadors for sustainable practices and strengthen their connection to the brand.

Modifying these initiatives to cultural differences ensures that sustainability resonates with diverse audiences. In China, sustainability can be positioned as the “new status symbol” insisting on sophistication and exclusivity through eco-conscious choices. In contrast, European markets may respond more strongly to narratives of altruism and social responsibility, presenting sustainable luxury as forward-thinking and aspirational.

To reinforce authenticity, emerging technologies like blockchain own unprecedented opportunities to verify and showcase sustainability efforts transparently. Apps offering digital certificates for purchases can certify sustainability claims and address concerns about greenwashing. This integration not only strengthens the association between luxury and authenticity but also enhances consumer trust and engagement.

Luxury brands also have the platform to become active in environmental change by linking purchases with measurable impact. Partnering with environmental NGOs to support initiatives like reforestation, marine conservation, or renewable energy projects connects consumer indulgence to tangible contributions. For instance, brands could commit to planting a tree for every product sold, and by this directly connect luxury purchases to sustainable progress.

This vision can extend into the digital world, where the Metaverse provides a unique platform for engaging audiences in sustainability through immersive virtual experiences. By developing a virtual showroom, consumers could explore the sustainable lifecycle of a product in an interactive and dynamic environment. Gamified elements, such as earning tokens for learning about eco-friendly practices, push education on sustainable luxury.

Ultimately, it requires courage for luxury brands to lead rather than follow, demonstrating long-term commitment to change over short-termism. By doing so, they not only secure their future relevance but also redefine luxury. In this context, initiatives like Paris Good Fashion play a crucial role in promoting transparency and accessibility in sustainability. By offering educational resources, reports, and actionable guides, these platforms make sustainability available for both brands and consumers. However, such platforms need greater visibility and adoption to maximize their impact and empower people and companies to make informed, sustainable choices.

5.4 Conclusion

The integration of sustainability into the luxury industry represents a transformative opportunity to redefine what luxury means nowadays. Luxury brands have the opportunity - and responsibility - to lead by example, not only within their sector but across.

It is crucial for luxury brands to understand that sustainability can coexist with luxury without compromising brand equity. By adopting sustainability to their core values, luxury brands can align with evolving consumer expectations. This thesis has provided valuable insights to answer the three research questions:

Firstly, the exploration of psychological barriers reveals six main challenges - quality, trust, awareness, cost, uncertainty, and habitual resistance - that hinder consumer adoption of sustainable luxury. Overcoming these requires luxury brands to address deep-seated misconceptions that sustainability undermines exclusivity or craftsmanship. Brands should focus on reshaping perceptions, showing how sustainable practices can enhance the indulgent experience luxury consumers seek. Apart from the named barriers, sustainability is no longer optional but a consumer expectation.

Secondly, effective communication is essential to successfully integrating sustainability. Storytelling and experiential marketing emerge as powerful tools for bringing transparency and building trust. By focussing on heritage, leveraging emotions and partnering with influencers and celebrities, brands can craft narratives that connect with their consumers. Importantly, the focus should be on uplifting and inspiring their audience, framing sustainability as a choice that aligns with their values and aspirations rather than a moral imperative. Positive emotions, such as pride and altruism, were identified as main drivers of sustainable behaviour, which reinforces the idea that sustainable choices can enhance the luxury experience without diminishing anything. Additionally, drawing inspiration from cinema culture provides a unique chance for connecting with high-society audiences that are often captivated by the world of art and refined storytelling. By integrating cinematic elements into their sustainability campaigns, luxury brands can elevate their communication strategies and make sustainability more aspirational and culturally resonant.

Thirdly, the study highlights innovation, strategic reframing and synergetic collaboration as the foundation of bridging the sustainability-luxury paradox. From adopting “Slow Luxury” practices to collaborating with environmental organizations, brands can redefine sustainability as an aspirational lifestyle while preserving their core luxury values.

As Duma (2022) insightfully notes, “*While everybody talks about technical skills such as familiarizing with technology or collecting and analysing big sets of data, what we might need is a complementary focus on empathy*”. Building on this perspective, this thesis advocates for cultivating empathy - not only for people but also for the planet - as a guiding principle for a more sustainable future.

Finally, the future of luxury lies in communicating sustainability as a core value that enriches the consumer experience and reflects evolving societal values. Luxury brands must dare to pioneer. The vision of a sustainable luxury industry is not just an ideal but an achievable reality, one that aligns indulgence with impact, redefining opulence for a sustainable future.

References

- Alan, A. K., Aydin, K., Kabadayi, E. T. (2016). *What Influences the Repurchase Intention for Luxury Brands? The Relative Impacts of Luxury Value Dimensions*. <https://doi.org/10.5539/ibr.v9n5p11>
- Alghanim, S. & Ndubisi, N. O. (2022). *The Paradox of Sustainability and Luxury Consumption: The Role of Value Perceptions and Consumer Income*. *Sustainability* 2022, 14, 14694. <https://doi.org/10.3390/su142214694>
- Antonetti, P., Maklan, S. (2013). *Feelings that Make a Difference: How Guilt and Pride Convince Consumers of the Effectiveness of Sustainable Consumption Choices*. *J Bus Ethics* (2014) 124:117–134, DOI 10.1007/s10551-013-1841-9
- Arcuri, A. & Giolli, L. (2022). *The relationship between upstream vertical integration and environmental sustainability in the luxury fashion industry*. <https://doi.org/10.1007/s43546-022-00252-z>
- Bain & Company (2023). <https://www.bain.com/about/media-center/press-releases/2023/global-luxury-market-projected-to-reach-1.5-trillion-in-2023-a-new-record-for-the-sector-as-consumers-seek-luxury-experiences/>
- Bain & Company (2023). <https://www.bain.com/insights/long-live-luxury-converge-to-expand-through-turbulence/>
- Balconi, M., Sebastiani, R. & Angioletti, L. (2019). *A Neuroscientific Approach to Explore Consumers' Intentions Towards Sustainability within the Luxury Fashion Industry*. <https://doi.org/10.3390/su11185105>
- Bartkowiak, P., Potrawiak, P., Pavlenko, J. G. (2018). *Psychological Factors Affecting Purchasing Decisions on the Real Estate Market*. <https://doi.org/10.15678/znuetk.2018.0978.0609>
- BCG (2022). <https://web-assets.bcg.com/e4/c4/5b3786d44055aa2b31749e98bd9e/bcg-and-comite-colbert-luxury-outlook-2022-final.pdf>
- Berthon, P., Pitt, L., Parent, M., Berthon, J.-P. (2009). *Aesthetics and Ephemerality: Observing and Preserving the Luxury Brand*. <https://doi.org/10.1525/cmr.2009.52.1.45>

Bomsel, O. (2014). *Free-Riding and Luxury Brands on the Internet*.
<https://doi.org/10.5539/ibr.v7n3p60>

Burnasheva, R., Gusuh, Y., Villalobos-Moron, K. (2019). *Factors Affecting Millennials' Attitudes toward Luxury Fashion Brands: A Cross-Cultural Study*.
<https://doi.org/10.5539/ibr.v12n6p69>

Cartier, (2024). <https://www.cartier.com/en-ca/cartier-and-corporate-social-responsibility/cartier-responsible-jeweler.html>

Chang, W.-Y., Taecharungroj, V. & Kapasuwan, S. (2022). *Sustainable Luxury Consumers' Preferences and Segments: Conjoint and Cluster Analyses*. *Sustainability* 2022, 14, 9551.
<https://doi.org/10.3390/su14159551>

Chen, H. & Walsh, J. (2024). *Would You Want to Buy an Expensive Handbag without a Logo? – The Role of Conspicuous in Luxury Handbag Consumption in China*.
<https://doi.org/10.62754/joe.v3i4.3867>

Chernov, S. & Gura, D. (2024). *The luxury goods market: Understanding the psychology of Chinese consumers*. *European Research on Management and Business Economics* 30 (2024) 100254. <https://doi.org/10.1016/j.iedeen.2024.100254>

Cristini, H., Woodside, A. G., Kauppinen-Räsänen, H. (2024). *Shifting from Individual Opulence to Collective Well-Being: Replacing Luxury and Tourism as Human Stains by Nurturing a Positive Anthropocene*. *Journal of Macromarketing* 2024, Vol. 44(3) 622-636 DOI: 10.1177/02761467241237138

Cuomo, M. T., Foroudi, P., Tortora, D., Hussain, S. & Melewar, T. C. (2019). *Celebrity Endorsement and the Attitude Towards Luxury Brands for Sustainable Consumption*. *Sustainability* 2019, 11, 6791; doi:10.3390/su11236791

De Smet, A., Dowling, B., Mugayar-Baldocchi, M. and Schaninger, B. (2021), 'Great attrition' or 'Great attraction'? *The choice is yours*", *McKinsey Quarterly*, available at: <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-greatattraction-the-choice-is-yours?cid5other-eml-shl-mip-mck&hlkid552b4ff4f28c94435813109804e0abb68&hctky53056896&hdpid584ce9d2e-b288-47e3-8ad6-584c29ccad0c>

Donato, C., De Angelis, M. & Amatulli, C. (2018). *Sustainable Luxury: The Effect of Luxury Consumption Motivations on Corporate Social Responsibility Strategies: An Abstract*. https://doi.org/10.1007/978-3-030-02568-7_179

Duma, F. (2022). *Luxury is dead, long live luxury! Resonance as an alternative lens to advance our understanding of an eternal desire and a global business*. *Asia Pacific Journal of Marketing and Logistics* Vol. 36 No. 9, 2024 pp. 2045-2053. DOI 10.1108/APJML-07-2022-0613

Fairmined (2024). <https://fairmined.org/worlds-first-fairmined-watches/>

Gee, J. P. (2018). *Introducing Discourse Analysis: From Grammar to Society*. Routledge.

Gioia, D. A., Corley, K. G. & Hamilton, A. L. (2013). *Seeking qualitative rigor in inductive research*. *Organizational Research Methods*, 16(1), 15–31. <https://doi.org/10.1177/1094428112452151>

Gucci Equilibrium (2024). <https://equilibrium.gucci.com/de/gucci-off-the-grid/>

Gupta, S. & Bothra, N. (2023). *Is CSR still optional for Luxury Brands, or can they afford to ignore it?*. <https://doi.org/10.52756/ijerr.2023.v35spl.016>

Hemantha, Y. (2021). *Retaining the cachet of luxury fashion brands in social media through storytelling and narratives*. *Asian Journal of Management*, 12(2), 193-200. <https://doi.org/10.52711/2321-5763.2021.00029>

Henline-Hall, J. (2024). *Introduction to Quantitative and Qualitative Research Methods*. *RADIOLOGIC TECHNOLOGY*, September/October 2024, Volume 96, Number 1

Iglesias, O., Ind, N. & Schultz, M. (2022). *THE ROUTLEDGE COMPANION TO CORPORATE BRANDING*. DOI: 10.4324/9781003035749

Jansom, A., Pongsakornrunsilp, S. (2021). *How Instagram Influencers Affect the Value Perception of Thai Millennial Followers and Purchasing Intention of Luxury Fashion for Sustainable Marketing*. <https://doi.org/10.3390/su13158572>

Kapferer, J.-N. & Michaut-Denizeau, A. (2014). *Is luxury compatible with sustainability? Luxury consumers' viewpoint*. *Journal of Brand Management* (2014) 21, 1–22. doi:10.1057/bm.2013.19

- Kapferer, J-N., Michaut, A. (2015). *Luxury and sustainability: a common future? The match depends on how consumers define luxury*. Article in *Luxury Research J*. DOI: 10.1504/LRJ.2015.069828
- Kaur, H., Choudhary, S., Manoj, A. & Tyagi, M. (2024) *Creating a sustainable future: insights into brand marketing in the luxury fashion industry*. *Cogent Business & Management* 2024, Vol. 11, no. 1, 2328391 <https://doi.org/10.1080/23311975.2024.2328391>
- Kim, J.-H. (2019). *Imperative challenge for luxury brands Generation Y consumers' perceptions of luxury fashion brands' e-commerce sites*. *International Journal of Retail & Distribution Management* Vol. 47 No. 2, 2019. DOI 10.1108/IJRDM-06-2017-0128
- Kunz, J., May, S. & Schmidt, H. J. (2020). *Sustainable luxury: current status and perspectives for future research*. <https://doi.org/10.1007/s40685-020-00111-3>
- Kurnaz, A. (2023). *The Effect of Fear of COVID-19 on Luxury Consumption Tendency and the Role of Materialism*. <https://doi.org/10.21272/mmi.2023.3-07>
- MajlesiRad, Z., Shoushtari, A. H. H. P. (2020). *Analysis of the impact of social network sites and eWOM marketing, considering the reinforcing dimensions of the concept of luxury, on tendency toward luxury brand*. <https://doi.org/10.1186/s43093-020-00025-w>
- Mao, N., McAleer, M., Bai, S. (2017). *Impact of Psychological Needs on Luxury Consumption*. <https://doi.org/10.26480/icemi.01.2017.296.298>
- Misoch, S. (2019). *Qualitative Interviews*. 2. Auflage, <https://doi.org/10.1515/9783110545982-201>
- Mulberry (2024). <https://www.mulberry.com/gb/madettolast/responsibility/responsible-leather>
- Osburg, V.-S., Yoganathan, V., Bartsch, F., Diallo, M. F., Liu, H. (2021). *How Sustainable Luxury Influences Product Value Perceptions and Behavioral Intentions: A Comparative Study of Emerging vs. Developed Markets*. *Journal of Business Ethics* (2024) 191:713–738, <https://doi.org/10.1007/s10551-024-05661-8>
- Pangarkar, A. & Shukla, P. (2023). *Conspicuous and inconspicuous consumption of luxury goods in a digital world: implications for advertisers*. <https://doi.org/10.1080/02650487.2023.2246258>

Paridhi, S. & Arora, A. (2023). *Sustainability reporting: Current state and challenges*. DOI: 10.1002/bsd2.244

Paris Good Fashion (2024). <https://parisgoodfashion.fr/en/our-tools/>

Pencarelli, T., Taha, V. A., Škerháková, V., Valentiny, T. & Fedorko, R. (2019). *Luxury Products and Sustainability Issues from the Perspective of Young Italian Consumers*. *Sustainability* 2020, 12, 245; doi:10.3390/su12010245

Pinto, L., Loureiro, S. M. C., Rita, P., Sarmiento, E., M. (2018). *EXPLORING HOW BRANDS CREATE AND MAINTAIN ONLINE RELATIONSHIPS THROUGH THEIR WEBSITES, FACEBOOK AND INSTAGRAM BRAND PAGES*. <https://doi.org/10.15444/gmc2018.09.05.03>

Popescu, A., Serban, V., Ciocan, H. N. (2024). *NEW TRENDS IN THE GLOBAL SILK PRODUCTION IN THE PERIOD 2011-2022*. *Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development* Vol. 24, Issue 1, 2024

Rolex (2024). <https://www.rolex.org/environment/perpetual-planet>

Salvioni, D. & Brodoni, S. M. (2020). *Ouverture de 'Circular Economy & New Business Models'*. <https://doi.org/10.4468/2020.1.01ouverture>

San, K. O., Sade, A. B., Seduram, L. (2020). *Social Networking Brand Engagement using Creative Brand Content Experiences*. <https://doi.org/10.5539/ibr.v13n4p63>

Sani-Elia, I., Perez, D. & Grinstein, A. (2023). *Born to Be Sustainable: Consumers' Response toward Luxury Products That Are Born versus Reborn Sustainable*. <https://doi.org/10.1086/724993>

Schumann, S. (2018). *Quantitative und qualitative empirische Forschung Ein Diskussionsbeitrag*. DOI 10.1007/978-3-658-17834-5

Silva, S., Khatibi, A., Azam, F. (2020). *Review of Literature on the Historical Evolution of Luxury to Identify the Factors Associated with Consumer Attitude Towards Luxury Car Brands in an Emerging Country Setting*. <https://doi.org/10.34257/gjmbrevol20is1pg19>

Six senses (2024). https://www.gstcouncil.org/wp-content/uploads/S4-Marta-Cardoso_compressed.pdf

Srinivasan, R., Srivastava, R. K., Bhanot, S. (2014). *Impact of education on purchase behaviour of luxury brands*. <https://doi.org/10.9790/487x-161116374>

Stolz, K. (2022). *Why Do(n't) We Buy Second-Hand Luxury Products?*. <https://doi.org/10.3390/su14148656>

Sun, J. J., Bellezza, S. & Paharia, N. (2021). *Buy Less, Buy Luxury: Understanding and Overcoming Product Durability Neglect for Sustainable Consumption*. *Journal of Marketing* 2021, Vol. 85(3) 28-43. DOI: 10.1177/0022242921993172

Tredinnick, J. (2023). *Luxury treading lightly The line between environmentalism and luxury travel is slowly blurring, with technological advances and real commitment to positive change*

Ünal, E., Urbinati, A. & Chiaroni, D. (2019). *Managerial practices for designing circular economy business models*. <https://doi.org/10.1108/jmtm-02-2018-0061>

Vanhamme, J., Lindgreen, A. & Sarial-Abi, G. (2021). *Luxury Ethical Consumers: Who Are They?* *Journal of Business Ethics* (2023) 183:805–838 <https://doi.org/10.1007/s10551-021-04981-3>

Villarino, J. & Font, X. (2015). *Sustainability marketing myopia*. <https://doi.org/10.1177/1356766715589428>

Wang, S. & Fang, G. (2020). *Research on online marketing channel layout of luxury brands*. <https://doi.org/10.1051/e3sconf/202021801036>

Wang, X., Sung, B., Phau, I. (2024). *Examining the mediating role of consumer desire for luxury: Can perceived sustainability and natural rarity evoke willingness to pay more?*. <https://doi.org/10.1080/08961530.2024.2333756>

Wong, K.-Y. J., Park, S.-Y. (2022). *That's so Gucci: a comparison of cultural values and the influence of perceived values on luxury goods attitudes and purchase intention among Korean and Dutch millennials*. <https://doi.org/10.1057/s41291-022-00193-3>

Worldmetrics (2024). <https://www.worldmetrics.org/luxury-industry-statistics/>

Zhang, X. (2024). *Sustainable Practices, CSR, and Brand Reputation: Influencing Purchase Intentions in Luxury Green Marketing*. <https://doi.org/10.54097/6k8rxz55>

Appendices

Appendix 1: Description of the Interviewees

Initials	Date of Interview	Length of Interview	Age and gender	Nationality	Profession	Experience in luxury industry
SH	14.10.24	29:48	38, F	German	Creative Director with a focus on sustainability; Luxury Fashion	>10 years
BB	15.10.24	17:56	34, M	German	Brand Consultant for luxury brands	3 years
KM	24.10.24	24:04	27, F	Russian	Operating Director; Luxury fashion startup	3 years
AD	16.10.24	21:58	30, M	French	Brand Strategist for luxury brands, CEO of fashion startup	3 years
TP	27.10.24	16:24	45, M	American	Owner of sustainable luxury villas; Real Estate	5 years
NO	29.10.24	20:01	29, M	German	Brand Consultant for luxury brands	4 years

Appendix 2: Interview Guide

Introductory questions regarding: Age, gender, occupation, industry, position

Q1: What does "sustainability" mean to you, particularly in the context of luxury products?

Q2: In your professional opinion, how have consumer expectations around sustainability evolved in the luxury sector over the past few years?

Q3: From a psychological standpoint, what do you believe are the main drivers for consumers who prioritize sustainability in luxury purchases?

Q4: What do you believe are the main reasons consumers hesitate to purchase sustainable luxury products?

Q5: How do you think luxury brands can better address the tension between maintaining exclusivity and promoting sustainability?

Q6: In your opinion, do luxury brands communicate their sustainability initiatives effectively?

Q7: Can you provide examples of luxury brands that have successfully integrated sustainability into their brand narrative?

Q8: In your opinion, how important is the balance between transparency and maintaining the mystique that luxury brands often rely on?

Q9: What communication strategies have proven most successful in influencing consumer behaviour positively?

Q10: How do you see luxury brands differentiating themselves through sustainability efforts, and do you think this could redefine the concept of luxury in the future?

Q11: What are the long-term impacts of effectively communicating sustainability on consumer retention and brand reputation etc.?

Q12: Do you believe there is a fundamental conflict between luxury and sustainability, or can they coexist harmoniously?

Q13: How should luxury brands address the paradox of indulgence and ethical responsibility?

Q14: How can luxury brands use innovation (e.g., sustainable materials, ethical sourcing) to reduce the paradox between luxury and sustainability?

Q15: What future trends do you foresee in luxury branding with regards to sustainability?

Q16: What changes would you like to see from luxury brands when it comes to sustainability?

Q17: What innovative practices are you seeing that could help bridge the gap between sustainability and traditional luxury values?

Closing questions regarding: Additional thoughts

Appendix 3: Qualitative Analysis (Gioia Methodology)

[Gioia Method Lia Baier.xlsx](#)