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Perspectives, Opportunities and Tensions in Ethical and Sustainable Luxury: Introduction to the Thematic Symposium

Running Head: **Perspectives on Ethical/Sustainable Luxury**

Abstract

Scholars agree that the environmental and societal impacts of consumption require greater attention, and need examining in more diverse market contexts. This editorial essay focuses on the nascent area of ethical/sustainable luxury, and critically considers how the scope of ethical/sustainable consumption can be broadened in the luxury sector. We address the compatibility of ethicality/sustainability and luxury by examining a range of opportunities (e.g., durability, rarity, quality, local embedment) and inherent tensions (e.g., excess, prestige, self-gratification, uniqueness) in relation to improving the ethical/sustainable consumption practices within the luxury sector. We also introduce several original articles published as part of this Thematic Symposium, whose arguments underscore both the merits, and flaws, of ethical/sustainable luxury. On the basis of this and prior research, we present a balanced perspective by identifying various factors that facilitate or inhibit the acceptance and furtherance of ethicality/sustainability within sector. Thus, this essay serves as a springboard for further research and development in ethical/sustainable luxury, whilst simultaneously highlighting the importance of the topic in general.

Keywords

sustainable luxury brands; ethical consumerism; luxury lifestyle; social media and luxury brands; CSR and luxury

1 Introduction

In light of society's growing awareness about the consequences of our current consumption patterns, ethical or sustainable production and consumption has emerged as an essential area of marketing and business strategy (Papadas et al. 2017). For a long time, research has focused on the acceptance of ethical and sustainable Fast-Moving-Consumer Goods (FMCGs), such as organic and fair-trade packaged foods (e.g., Davies and Gutsche 2016; Nuttavuthisit and Thogersen 2017), beverages (Hasanzade et al. 2018, Pelsmacker et al. 2005), and toiletries (Ghazali et al. 2017; Liobikienė and Bernatonienė 2017). Nevertheless, it is not sufficient to consider ethical and sustainable practices only for FMCGs; it becomes important to establish them for a broad variety of products, services and experiences. For example, recent studies consider ethical and sustainable production and consumption for durable goods (e.g., Osburg et al. 2016; McLeay et al. 2018), technological innovations (e.g., Hyysalo et al. 2017; Jansson 2011), and the travel and tourism context (e.g., Hardeman et al. 2017; Randle et al. 2019). Surprisingly however, the luxury sector remains underexplored (Athwal et al. 2019).

Recent research indicates that the implementation of ethical and sustainable practices has not only become essential for the luxury industry given growing environmental and societal pressure, it is also increasingly valued and demanded by consumers (e.g., Amatulli et al. 2018; de Angelis et al. 2017; Cheah et al. 2016). Ethical and sustainable business practices may ultimately ensure a luxury brand's long-term success (e.g., de Angelis et al. 2017; Arrigo 2018). Consequently, this Thematic Symposium systematically explores the compatibility of ethical and sustainable luxury markets, particularly, with a focus on drivers of its acceptance.

In the following sections, we explore the importance of studying sustainability in a luxury context, considering the opposing positions regarding the compatibility of ethical and

sustainable consumption on the one hand, and luxury consumption on the other hand. We then present a balanced view on ethical and sustainable luxury, culminating in the contributions of this Thematic Symposium. The editorial essay concludes with both, managerial implications and recommendations for future research in the area of ethical/sustainable luxury.

2 Why study Sustainable Luxury?

Studying sustainability in more diverse areas of consumption, such as luxury markets, has a number of benefits. Belz and Peattie (2009) identify divergence in consumer responses to sustainability across a number of industry and product characteristics such as the value of the purchase, frequency of purchase, visibility of purchase to others, complexity of purchase, whether buying for self or others, and whether the purchase is a necessity or an indulgence. With the majority of research focusing on low value, repeat purchase, self-focused, low complexity, low indulgence products, we are left with a very narrow field of knowledge as to the role of sustainability in broader consumer decision-making contexts. With a burgeoning middle-class worldwide and rapidly growing markets for beyond necessity consumption, tackling the importance of sustainability across a broader range of consumption characteristics is increasingly vital (Athwal et al. 2019). Since sustainable luxury juxtaposes FMCG on at least five of Belz and Peattie's (2009) six dimensions (whether for self or others being a matter of methodological design); and as identified by Davies et al. (2012) the understanding of ethical and sustainable decision-making in FMCGs cannot be easily transferred to luxury purchases, there is a clear logic for sustainable luxury being an ideal context to diversify our field of knowledge.

Ethicality and sustainability have traditionally been less salient for luxury consumption habits in comparison to commodity purchases (Davies et al. 2012; Moraes et al. 2017). At this critical juncture in responding to the imminent threats of climate change and

social upheaval (IPCC 2019), refocusing attention away from the low hanging fruit of societal decision-making is essential as we look at ways to fundamentally change society's relationship with sustainable consumption and production. At the same time, the luxury sector increasingly receives public attention related to questionable ethical and sustainability standards (Cheah et al. 2016; Kapferer 2010). Urgent criticism is often first expressed by non-governmental organizations such as Greenpeace and PETA (Kapferer and Michaut-Denizeau 2019), in relation to excessive consumption, irresponsible resource utilization, unsustainable consumer behavior and inequality (Kapferer 2010). Specific examples in the luxury industry include the destruction of unsold stock in the fashion sector, animal abuse, poor working conditions in factories, irresponsible production practices in the global jewelry industry, lack of supply chain transparency, the high plastic waste in the tourism sector as well as the environmental impact of large cruise ships (e.g., Achabou and Dekhhili 2013; Kapferer and Michaut-Denizeau 2014, 2019; Moraes et al. 2017). In luxury markets we are also therefore dealing with a high-profile context with a large number of societal and environmental issues to be addressed, but limited consumer drive for change.

We are also seeing several luxury brands working towards minimizing their negative environmental and societal impacts (Janssen et al. 2014). As a consequence, luxury brands have emerged, which are strongly committed to specific ethical and sustainability standards such as Stella McCartney and Vivienne Westwood (de Angelis et al. 2017). Similarly, a range of luxury brands launched specific ethical or sustainable product lines and business strategies, for example, Gucci's fur-free initiative, LVMH's sustainability fund, or users of the Butterfly Mark for sustainable luxury goods; the field of organizational responses to the sustainability challenge lends itself to sustainable luxury brands.

Furthermore, luxury goods and services frequently act as incubators for innovations which become mainstream over time (Waller et al. 2015). Despite questionable full life-cycle

sustainability credentials (Onat et al. 2016), luxury brand Tesla has certainly supercharged both the electric car and solar energy production and storage markets with their suite of high end, innovative indulgence products. Similarly, the trickledown of circular economy business models from luxury markets to mainstream business models (particularly in fashion (Hu et al. 2019) and electronics (Bundgaard and Huulgaard 2019)) are repeatedly shown in Gardetti and Muthu's (2018) edited case book on sustainable luxury. Athwal et al. (2019) therefore make a strong argument for the importance of studying sustainable luxury due to the trickle-down effect elite luxury consumers have on less affluent mainstream consumers.

Studying sustainable luxury is therefore not an indulgence, but broadens the scope of the role academia can play in reshaping the Dominant Social Paradigm (DSP) (Kilbourne et al. 1997). Milbrath (1984) defines the DSP as "…the values, metaphysical beliefs, institutions, habits, etc. that collectively provide social lenses through which individuals and groups interpret their social world" (p. 7). In our current DSP there is a prioritization of economic growth and technological advancement over social justice and environmental sustainability, manifesting in the desire for a growing consumer society, overconsumption and the seeking of hedonic benefits over the collective wellbeing of the planet (Kilbourne et al. 2002). Luxury markets epitomize this DSP and as such provide an ideal lens to explore how we can view our world differently.

3 Terms of reference

Before further exploring the compatibility of ethical/sustainable and luxury consumption we provide definitions of key terms to establish a mutual understanding for this editorial and the contributions of the Thematic Symposium.

Following Crane and Matten (2003), we understand *ethical consumption* as a broad term summarizing "the conscious and deliberate choice to make certain consumption choices

due to personal and moral beliefs" (p. 290). Thus, ethical consumption implies that consumers pursue specific ethical principles, which results in a range of activities such as ethical purchasing and boycotting (Papaoidkonomou et al. 2012). Although there are similarities to *sustainable consumption*, we apply the definition of the Oslo Symposium in 1994, which illustrates differences and specifies sustainable production and consumption as "the use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life cycle, so as not to jeopardise the needs of future generations" (United Nations, 2020). Hence, compared to ethical consumption, sustainable consumption shows a strong future orientation and may also be motivated by economic considerations such as energy savings (Toti and Moulins 2016).

Relatedly, the literature relies on many different definitions for what is referred to as *Corporate Social Responsibility (CSR)*, both, in industry, academia and beyond (Gatti et al. 2019; Sheehy 2015). Sheehy (2015) reviews these different understandings and provides an integrative definition, which specifies CSR as "a type of international private law and can be defined as a socio-political movement which generates private self-regulatory initiatives, incorporating public and private international law norms seeking to ameliorate and mitigate the social harms of and to promote public good by industrial organisations" (p. 639). We follow this definition by also acknowledging that CSR does not only include voluntary regulations, as often specified in the past, but can also comprise mandatory aspects (Gatti et al., 2019). Finally, we specify *luxury consumption* as the purchase of a product, whose "mere use or display (…) brings the owner prestige apart from any functional utility" (Han et al. 2010, p. 16, according to Grossman and Shapiro 1988). However, luxury consumption also includes luxury services and experiences, which recently gain attention, so that newer, rather

unconventional forms of luxury consumption are considered in addition to traditional luxury purchases (Thomsen et al. 2018).

4 Ethical and Sustainable Luxury: An Optimistic Perspective

Ethical and sustainable production and consumption can only be achieved comprehensively if they are applied across a range of different industries, and not only with respect to the frequently-considered FMCGs (Davies et al. 2012). Whilst the luxury industry has not received much attention in the past, it is also the responsibility of luxury brands to continuously improve their ethical and sustainability standards, particularly, in light of the criticism the luxury industry has faced in the recent past (e.g., Achabou and Dekhhili 2013; Kapferer and Michaut-Denizeau 2014, 2019; Moraes et al. 2017). Indeed, as mentioned earlier, there are several examples of luxury brands, which have successfully implemented ethical and sustainability standards, and therefore established the concept of ethical/sustainable luxury.

In line with this, Kapferer (2010) argues for the compatibility of sustainable and luxury consumption because they both ground on the core principles of rarity and durability. Considering the case of the fashion industry, luxury products may even set an example against the unsustainable fast fashion trend (Joy et al. 2012). Furthermore, ethical and sustainable consumption as well as luxury consumption are both associated with timelessness (de Angelis et al. 2017; Janssen et al. 2014) and support of local production (Kapferer and Michaut-Denizeau 2019). For example, several luxury companies have a large aftermarket so that their products are used over a long period of time (e.g. related old-timers, iconic watches and handbags), and often passed down from one generation to another (Arrigo 2018). The long-usage is linked to waste reduction and a more responsible resource utilization (de Angelis et al. 2017). Hence, consumers particularly see a fit between luxury and CSR initiatives if the product category has enduring (e.g., jewelry) as opposed to ephemeral (e.g.,

fashion) features (Janssen et al. 2014). This is also in line with the fact that the quality of luxury goods and services is supposed to be high and long-lasting. Both of these characteristics are features of sustainable consumption and represent the "enemy of the throw away society" (Kapferer 2010, p. 41). Additionally, the premium prices associated with luxury consumption imply overall reduced consumption rates, which again follows the idea of sustainable consumption (Kapferer 2010). Thus, ethical and sustainable consumption as well as luxury consumption appear compatible if they share certain characteristics such as durability, rarity, responsible resource consumption, timelessness and responsible production (de Angelis et al. 2017).

It must be considered that the success of ethical and sustainable luxury products depends on a range of factors such as the effective communication of ethical and sustainable features as well as product design. For example, consumers prefer sustainable luxury products more when their design is authentic (with respect to the luxury brand's previous offerings) as opposed to adopting design features of well-known sustainable brands (de Angelis et al. 2017). Arrigo (2018) also points to the importance of flagship store design to communicate sustainability initiatives to stakeholders in the most effective way. Similarly, the influence of branding should not be neglected as ethical and sustainable initiatives appear to be more successful when they are communicated for inconspicuous, as opposed to conspicuous, luxury brands (Janssen et al. 2017).

Furthermore, it has been shown that ethical and sustainability criteria matter to luxury consumers, although they might not represent primary choice criteria (Janssen et al. 2017; Moraes et al. 2017). Cheah et al. (2016) show that questions surrounding a product's ethicality and sustainability increasingly influence luxury consumers' choices, for instance, regarding the sourcing of materials and production criteria within the luxury fashion industry. Externally-oriented initiatives (i.e., legal and philanthropic), which are easier for consumers

to identify and verify, appear to particularly increase consumers' willingness to buy luxury products, compared with internally-oriented initiatives (i.e., economic and ethical) (Amatulli et al. 2018). A luxury brand's responsibility initiatives may also attract consumers, who identify themselves as ethical/sustainable consumers, as such products allow them to better express their self-identity (Janssen et al. 2017) and their value system (Osburg et al. 2019). Consequently, ethical and sustainable luxury may help to maintain the existing market as well as attract new market segments, i.e., those consumers, who were previously concerned about ethical and sustainability practices within the luxury industry. In light of society's growing awareness about the importance of ethical and sustainable consumption, it is reasonable to assume that consumers become increasingly interested in ethical/sustainable luxury, which can pressurize the luxury industry to further improve its ethical and sustainability standards in the near future (Cheah et al. 2016; Janssen et al. 2014).

Additionally, it is likely that ethical and sustainable initiatives implemented by the luxury industry also affect stakeholders other than consumers. For example, ethical and sustainable considerations within the supplier network (e.g., consideration of local suppliers, good partnerships) can positively affect production times and luxury product quality (Macchion et al. 2015). Sustainability initiatives are also increasingly requested by local and state governments around the world (Hawkins et al. 2015); thus, ethical and sustainable practices can help luxury brands to respond to this development and position themselves as market leaders. Similarly, ethical and sustainable initiatives may positively affect employee-related outcomes such as intentions to apply for a job, job satisfaction, job performance, and employee retention (Osburg et al. 2018; Sourvinou and Filimonau 2018). Ethical and sustainable practices implemented by a luxury brand may even positively influence its employees' behavior outside of the work context (Sourvinou and Filimonau 2018), which suggests positive spillover effects for a range of stakeholders.

Finally, following the triple bottom line principle, a luxury industry dedicated to sustainability should not only consider the environmental and social aspects, but also the economic component (Arrigo 2018). Research has demonstrated that environmentally-related and socially-responsible initiatives may positively affect consumers' willingness to buy, therefore ensuring a luxury brand's competitive success (Amatulli et al. 2018; de Angelis et al. 2017). Similarly, such initiatives have been shown to increase luxury consumers' positive word-of-mouth; hence, ethical and sustainable luxury can be a tool to generate brand ambassadors (Cheah et al. 2016). Further long-term effects have been reported for ethical and sustainable luxury initiatives, including a positive effect on brand image (Arrigo 2018). Thus, and particularly in light of the growing skepticism related to production and consumption within the luxury industry, pursuing the environmental and social pillars of the triple bottom line can help to ensure a luxury brand's long-term economic success.

5 Ethical and Sustainable Luxury: A Critical Perspective

Notwithstanding the optimism, we must also take a cautious approach to understanding the role of sustainability in luxury sectors. Dean (2018) identifies a distinct lack of clarity as to what sustainability can even mean in a luxury context. By definition, luxury stands for ostentatious indulgence. Hence, luxury products and services are arguably unnecessary, and lead to overconsumption by nature, thus contradicting the basic principle of sustainable and responsible production and consumption (Harper and Peattie 2011). Indeed, the rapid growth of luxury markets globally are the very epitome of the Dominant Social Paradigm of hedonistic over-consumption (Kilbourne et al. 1997), which needs to be changed if we are to address the wicked challenge of sustainability in our lifetimes. Early research into sustainable luxury certainly indicates that consumers perceive sustainability (a function of a product) and luxury (an emotional response to aesthetic) as incompatible (Kapferer and Michaut-Denizeau, 2014; Streit and Davies 2013). Even going as far as to state sustainability as an irrelevance to

decision–making (of both consumers and producers) for luxury fashion items (Henninger et al. 2017; Hu et al. 2019; Joy et al. 2012). Luxury purchases are focused on hedonistic self-gratification, whereas sustainability relates to careful consideration, moderation and others orientation (Harper and Peattie 2011; Tynan et al. 2017). At a macro societal level, the two fields appear oxymoronic.

Research at a micro level is also emerging suggesting a push-back by consumers against sustainable luxury products. Achabou and Dekhili (2013) identify that consumers assume that ethical/sustainable luxury products are of poorer quality. Beckham and Voyer (2014) find luxury items to be less desirable when labelled "sustainable". Streit and Davies (2013) identify organic raw materials as a negative selling point as consumers perceived them as "dirty". Dekhili et al. (2018) even find that use of more sustainable materials in luxury goods undermines the consumer's perception of luxuriousness to the point that they identify "sustainable luxury products do not reflect the same value as non-sustainable products for consumers and are considered incompatible with prestige, self-pleasure, and satisfaction" (p.495). Sustainable luxury therefore faces an uphill struggle in changing consumers' mindsets regarding the hedonic utility of the products or services on offer.

Even when organizations do take a position on sustainability in the luxury sector it can still be viewed with a healthy lump of cynicism. Luxury sectors are renowned for their secretive nature (Carrignam et al. 2013), meaning public disclosure, transparency and accountability are all limited and counter-cultural. Only a limited number of luxury sector organizations (such as LVMH and Kering) report on and promote sustainability as a strategic priority (Adams et al. 2019). Ethical and sustainability initiatives are often not effectively communicated to a luxury brand's stakeholders (Kapferer and Michaut-Denizeau 2019), and it is reported that luxury companies lack an understanding about how to communicate such efforts (Amatulli et al. 2018; Janssen et al. 2017). When reporting is undertaken, Kapferer

and Michaut-Denizeau (2014) and Achabou and Dekhili (2013) both identify skepticism towards ethical and sustainability initiatives and reports by luxury sector organizations. This may be due to luxury consumers not typically being part of the driving force behind ethical or sustainable consumption (Kapferer and Michaut-Denizeau 2019), and the importance of ethical and sustainable initiatives is being underestimated by them (Amatulli et al. 2018).

Similarly, the complexity of products and the need to maintain the level of prestige and uniqueness afforded to many high-end luxury products, makes seeking out a full-lifecycle sustainability demand chain beyond the capabilities of many organizations if they wish to remain financially viable. As such we see popular sustainability fashion icons such as Stella McCartney and Vivienne Westwood making a strong stand on particular issues (use of fur in fashion, worker exploitation etc.) but not on others (water usage, recycled materials, dye production). And even if they did, consumers rarely seek out sustainable luxury alternatives (Davies et al. 2012; Moraes et al. 2017), to the point that even self-styled sustainable consumers do not exert the time and effort to investigate alternatives in luxury purchases, to make efforts by producers worthwhile (Moraes et al. 2017).

One area of rapid change in luxury markets however has been the advent of circular economy business models (Hu et al. 2019). Here (particularly in fashion) we see the emergence of more rental or shared consumption approaches to maximize utilization of luxury products (such as *MUD Jeans*, where you lease jeans at a cost comparable to buying a pair of *Levis,* or the *Swancy* app for swapping clothes). Yet many questions remain about whether the shared economy is genuinely more sustainable (Weber et al. 2017), or simply a means of increasing business profitability as with other servitization business models (Neely 2008). There are also big questions regarding the implications of a dramatic shift to swapping and sharing for the viability of the existing economic model of many industry sectors (Akbar

et al. 2016). So much is unknown in these areas of research, that a concerted effort on behalf of academia to address these questions is vital to the development of a new form of economy.

6 A Balanced View on Ethical and Sustainable Luxury

Setting aside the philosophical contradiction of sustainable luxury, and the barriers to its development from both a consumer and organizational perspective, it does however provide a microcosm for the challenges of creating a shift in the DSP. For the foreseeable future we are not going to see a dramatic change in society's desire for economic growth, hedonic pleasure, conspicuous (or ostentatious) consumption or living within planetary means. Luxury markets are here to stay and how they can address issues of sustainability, with or without consumer support, are vital questions for the future of life on earth. As such we need to investigate how markets, such as luxury markets with limited inertia, transparency or consumer driven mandate to change, can seek to address the myriad of societal and environmental ills it suffers from. And despite the barriers, we are seeing action. At an industrial level the emergence of sustainable fashion events such as PURE London, at a governmental level such as the Paris Good Fashion initiative, at an organizational level clear efforts by major brands such as De Beers, Kering and LVMH to become more transparent and undertake sustainability initiatives in a proactive manner, and at a consumer and activist level through the rapid growth in shared consumption and communities coming together (whether digitally or otherwise) to share ideas, swap products, and share intelligence. The sustainable luxury sector's capacity to be a center for sustainable innovation, setting new aspirations and creating a trickle-down effect on mainstream markets, clearly legitimizes it as a unique field of inquiry, with a multifaceted mechanism for identifying routes to societal change.

7 Contributions to the Thematic Symposium

The four papers published in this Thematic Symposium and this editorial essay, advance debate on the opportunities for ethical and sustainable production and consumption, as well as confirm the tensions that exist. Academics, practitioners, consumers and policy makers are provided with valuable insights that will help them understand key issues and challenges. The papers highlight the real prospects that exist for luxury brand owners to become more sustainable and ethical as well as contribute to a better future. However, further work is required to convince all buyers of luxury products and services, of the value of CSR business practices. Revealing the multiple diversities that exist, the authors have drawn from, and contributed to, a range of conceptual and theoretical underpinnings. They have utilized quantitative and qualitative approaches to explain and explore a complex range of interactions and relationships that influence sustainable and ethical luxury behavior and consumption. By doing so they addressed many of the perspectives identified in the call for papers.

The first two papers of this Thematic Symposium highlight the important role that social media can play in promoting ethical and sustainable luxury. The article *Distinct Effects of Pride and Gratitude Appeals on Sustainable Luxury Brands* draws from theoretical underpinnings in the evolutionary psychology, emotional appeal, and electronic word of mouth (e-WOM) literature to provide an original psychological perspective on how digital media posts from consumers can promote sustainable luxury brands. Septianto, Seo and Errmann (THIS ISSUE) describe the results of two novel experimental studies, where consumers are exposed to sustainable, luxury and sustainable luxury stimuli using United by Blue and Louis Vuitton brands of handbags. Distinguishing between the emotions of 'pride' (representing accomplishment and success) and 'gratitude' (gratefulness), the results of a first study suggest that emotions influence e-WOM intentions. They provide useful new insights by finding that advertisements that feature pride highlight the luxury dimension, while those

that promote gratitude, appeal to the sustainability dimension - of sustainable luxury brands. In a second study, the authors extend their initial findings by exploring the complex interactions between: 1. pride and gratitude appeals; 2. broadcasting e-WOM to a wider audience (sharing on Facebook) in comparison to narrowcasting e-WOM to a smaller more targeted group (inviting friends on Facebook to like the advertisement) and 3. status (being noticed and drawing attention to oneself) versus affiliation (giving back/doing good for others) seeking motives. Hence, by showing how motivations underpinned by evolutionary factors influence two different types of e-WOM for sustainable luxury brands, the paper makes a unique contribution and highlights various aspects of the tensions associated with the consumption of sustainable luxury (e.g. broadcasting vs. narrowcasting; status vs. affiliation).

The second paper *Constructing Personas: How High Net-Worth Social Media Influencers Reconcile Ethicality and Living a Luxury Lifestyle* continues with a focus on social media's role in promoting ethical luxury consumption, exploring Instagram posts by popular influencers. Leban, Thomsen, von Wallpach and Voyer (THIS ISSUE) enhance knowledge, by identifying three personas of high net worth (HNW) millennials from rich families, who attempt to reconcile the apparent incongruences between their luxury lifestyle and ethical consumption practices, while sharing their lifestyles on Instagram. The three personas also encapsulate the inherent tensions: the apparent attempt to counterbalance luxury consumption by being discerning in their choice of luxury. *Ambassadors of True Luxury* attempt to showcase experiential luxury lifestyles that avoid meaningless overconsumption and appear to be un-materialistic, ethical and moral. *Altruists* balance a lavish luxury lifestyle with displays of philanthropy using a form of moral licensing while *Good Role Models* knowingly maintain and update their Instagram profile by posting images, which they believe their followers will perceive as ethical. The paper makes important new contributions to understanding the role that social media influencers can play in impelling the

behavior of their followers. Building upon theories of social moral licensing and by using a lens that explores how luxury lifestyles are staged or performed, they offer a new perspective for studying business ethics and sustainable consumption. Unfortunately, moral hypocrisy still appears to exist.

The paper *CSR Actions, Brand Value and Willingness to Pay a Premium Price for Luxury Brands: Does Long-Term Orientation Matter?* explores consumers' willingness to pay a premium price (WTPP) for the luxury Georgio Armani (perfume) and Rolex (watch) brands. Expanding upon the focus of the two earlier papers in this Thematic Symposium, the authors broaden the conceptualization of sustainability and ethics to involve corporate social responsibility (CSR) thereby incorporating economic, legal, ethical and philanthropic considerations. Diallo, Ben Dahmane Mouelhi, Gadekar and Schill's (THIS ISSUE) analysis of the responses from a survey of consumers in a developed (France) and developing (Tunisia) country indicates that the CSR actions of a brand owner have a negative influence on consumers' WTPP for a luxury brand. This finding underscores the underlying sustainability vs. luxury tensions, and complements findings from previous research about the incongruences that exist between sustainability and the broadening of it to include ethical consumption and CSR activities. Functional (e.g., high-quality desirable attributes) and symbolic (e.g., attraction and uniqueness) brand value act as mediators and enhance the impact of a brand's CSR actions on WTPP, however, social value (e.g., social status, achievement and prestige) does not. The paper makes an additional contribution by explaining the complex moderating role that long-term orientation (LTO) and culture can play in influencing key relationships and building upon previous research utilizing balance theory.

In their paper *How Nationalistic Appeals Affect Foreign Luxury Brand Reputation: A Study of Ambivalent Effects*, Bartikowski, Fastoso and Gierl (THIS ISSUE) continue with the

focus on luxury brands and CSR by exploring the important but under-researched area of nationalist appeals for ethical luxury goods and services. As in the preceding paper, the findings from this research put the spotlight on the underlying tensions and the difficulties this brings when attempting to promote luxury products as sustainable (in this case, domestic products as opposed to foreign made) as well. China is the largest luxury car market in the world and provides an interesting context to their study, which finds that nationalistic appeals to purchase domestically produced luxury goods can backfire, causing conflicting or ambivalent consumer reactions. They use a 3 (Pride in China Appeal; Chinese Consumer Ethnocentrism; No Appeal) x 3 (Local Consumer Culture Positioning (LCCP), Foreign Consumer Culture Positioning (FCCP) and Global Consumer Culture Positioning (GCCP)) between subject experimental design to survey prospective luxury car buyers. The article makes an important intellectual contribution to the literature on country of origin (COO) that has not received sufficient attention in the ethical business and luxury consumption domain. The authors develop and validate a new construct (perceived Country-of-Origin Social Responsibility (COOSR)) to explore the nature and role of social responsibility associations linked to the country where foreign luxury brands originate. Their results are informed by the theory of psychological resistance as well as learning and norm salience and normative social influence theories that are applied in a novel manner to explain the results.

8 Directions for Future Research

This Thematic Symposium advances our understanding about opportunities and tensions related to ethical/sustainable luxury by particularly exploring drivers of its acceptance. At the same time, it also identifies a range of areas future research needs to examine in more depth. We hope that this stimulates an ongoing debate and helps to continuously enhance ethical and sustainability initiatives in the luxury sector.

First, this Thematic Symposium highlights the relevance of a careful and elaborate communication of ethical/sustainable signals for luxury products. Whilst there is a substantial body of literature available on ethical/sustainable FMCGs, which highlights the relevance of both, labeling and an elaborate message-framing (Osburg et al. 2017), future studies need to examine if these findings can be transferred to luxury products, or whether different communication strategies are more promising. The use of more engaging approaches to communication using, for example, multisensory marketing (Yoganathan et al. 2019), appears to be a promising future research avenue for ethical/sustainable luxury. Furthermore, there is a need to better understand how communication strategies related to the ethicality/sustainability of a luxury good depend on other factors such as branding or design features (Arrigo 2018; Janssen et al. 2017).

Second, research related to ethical/sustainable FMCGs shows that drivers and barriers of consumer acceptance vary between different product categories (Liobikienė and Bernatonienė 2017). Thus, there is a need to systematically explore consumers' attitude towards ethical/sustainable luxury for a range of product categories such as jewelry, cosmetics, fashion, technology and automobiles. It is however equally important to also consider services and experiences, including travel and tourism, healthcare and education.

Third, the articles of this Thematic Symposium show that ethical/sustainable luxury should not only be considered in the context of traditional retailing, but also increasingly for web and mobile shopping contexts. Whilst the research featured here does make some headway in highlighting and deriving initial implications in relation to ethical/sustainable luxury consumer behavior online or influenced by social media, future research should focus on the growth of web and mobile retailing and its implications for ethical/sustainable luxury consumption. This must also include a detailed examination of the most effective strategies to promote ethical/sustainable luxury goods and services online.

Fourth, previous research about the acceptance of sustainable FMCGs has shown that cultural differences exist (Thøgersen 2010), and the publications of this Thematic Symposium also indicate that ethical and sustainable luxury must be considered in its cultural embeddedness. Thus, there is a need for future research related to cross-cultural dimensions of ethical/sustainable luxury.

Finally, and in the continuation of previous research, this Thematic Symposium focuses on consumer acceptance of ethical/sustainable luxury. There is however an urgent need to better understand ethical/sustainable luxury along the entire value chain, including potential areas for improvement. Similarly, how ethical/sustainable luxury is perceived by different stakeholders (e.g., employees, suppliers) needs further investigation in order to strengthen ethical and sustainability initiatives within the luxury industry more globally.

9 Managerial Implications

The papers presented in this Thematic Symposium offer important insights for managers, practitioners and policy makers. The authors have explored consumers' preferences in developed versus developing countries (e.g., France vs. Tunisia). Factors such as long-term orientation and cultural values influence consumer behavior and consumption; thus, managers should be cautious in developing generic global marketing campaigns targeting luxury consumers. The challenges and tensions associated with sustainable and ethical luxury consumption are present throughout the world, as evidenced by the research, which was conducted in a range of countries.

As we have argued, opportunities for producing luxury products and services exist in many different sectors, beyond the FMCG sector. Some key managerial implications arising from the papers of the Thematic Symposium include: 1) Understanding and appealing to specific ethical emotions such as pride and/or gratitude, and functional and symbolic values

are important when developing integrated marketing campaigns that shape preferences for luxury products, services and brands; 2) Social media and e-WOM sharing are essential promotional tools that should form an integral part of a sustainable/luxury marketer's repertoire; particularly, high net worth influencers who are considered to be role models and opinion leaders can play a particularly important role in the luxury sector; 3) Care needs to be taken when promoting CSR actions; whilst reinforcing CSR associations that are perceived in a positive manner by stakeholders can be beneficial (e.g., due to country of origin), overpromoting CSR actions may reduce consumers' willingness to pay in situations where they clearly perceive an incongruity between ethics/sustainability and luxury; 4) Policy makers should be cautious when developing interventions that over-emphasize nationalistic feelings or excessively promote national industries, as they may be considered as propaganda and evoke a psychological resistance in consumers that increases the perceived reputation of foreign rather than local luxury brands. Hence, the marketing strategists and managers of luxury brands need to be even more sensitive to consumer, product, media, and country contexts, when determining the optimum approach to position and promote the ethicality/sustainability of their brands.

10 Concluding Remarks

Ethical or sustainable production and consumption on the one hand, and luxury production and consumption on the other, share several common features, which present opportunities to establish ethical/sustainable consumption practices more broadly. In addition to positive influences on the environment and society, ethical/sustainable standards within the luxury industry show a range of positive effects, potentially also associated with economic success and competitive advantage. Ethical/sustainable luxury represents an opportunity for organizations and brands to build links with its customers and a range of other stakeholders, especially by taking advantage of technological advances and new media. Even so,

ethical/sustainable luxury faces several challenges related to the compatibility of the concepts on a philosophical, but also in praxis at macro- and micro-levels. This includes the perceptions of incongruence within the traditional luxury market segments and sometimes even organizational resistance from the supply side. As the luxury sector is an important and growing market, it is crucial to better understand, and address, inhibitors of ethical/sustainable luxury. The papers of this Thematic Symposium focus on some of these voids to address inherent tensions and identify additional opportunities for the ethical/sustainable luxury industry. Moreover, this Thematic Symposium highlights the need for developing a better understanding of this nascent and important topic, thus serving as a springboard for further research and development in ethical/sustainable luxury.

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