



Luxury and sustainable development: Is there a match?



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ABSTRACT

This research explores the extent to which sustainable development can be associated with luxury products. In particular, it examines the propensity of consumers to consider recycled materials in luxury purchases. The existing academic literature neglects this question and some newspapers recently launched a debate on the relevance of adopting responsible practices in the luxury sector. Findings from an empirical study regarding the case of French luxury clothing indicate that incorporating recycled materials in such goods affects consumer preferences negatively and reveals a certain incompatibility between recycling and the category of luxury products. Despite the increasing concerns of consumers about the preservation of the planet, the responsible behavior of the brand remains a secondary selection criterion and consumers of luxury goods primarily focus on the intrinsic quality of the product.

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1. Introduction

We are living in an “ethics era” (Davies, Lee, & Ahonkhai, 2012) characterized by an increasing number of companies engaged in corporate social responsibility (CSR). Excelling on social and environmental dimensions improve business performance, especially in the current societal landscape where the consumers have a greater CSR orientation (Tang & Tang, 2012). Today, consumers express new concerns giving rise to the consumption of products which are less toxic, more durable, and made from recycled materials (Lozano, Blanco, & Rey-Maqueira, 2010). Nonetheless, research has shown that the positive link between CSR and consumer preference for ethical goods is reached only when some contingent conditions are satisfied: when the consumer supports the company’s CSR efforts, when the product is of high quality, and when the consumer is not asked to pay a premium for social responsibility (Bhattacharya & Sen, 2004). The consumer responses to CSR are “often highly nuanced and often not so much an explicit endorsement of corporate CSR policies” (Smith, Palazzo, & Bhattacharya, 2010, p 622).

Studies focusing on the issue of responsible consumption often test the case of generic and everyday products such as food and cosmetics (Ngobo, 2011) and examine the subject of eco-certification (Lozano et al., 2010). However, the issue of sustainable development affects all sectors, and it is surprising to note how few academic

contributions focus on this subject in the case of other more involved product categories (Davies et al., 2012).

Several reports and newspaper articles have extended the debate on sustainable consumption to luxury products. The existence of a number of points of divergence in terms of values between luxury and sustainable development suggests that there is a weak association between the two concepts. Luxury is often associating with personal pleasure, superficiality and ostentation, while the reference to sustainable development evokes altruism, sobriety, moderation and ethics (Widloecher, 2010). In their recent book, Lochar and Murat (2011), however, support the idea that the two concepts are compatible. The newspaper *La Tribune* (2011) indicates that the luxury sector contributes to the transmission of ancestral skills and the preservation of raw materials and local activities.

According to Kim, Ko, Xu, and Han (2012), sustainable development presents an opportunity to improve brand differentiation and corporate image especially in the light of the fact that consumers of luxury products are increasingly aware of social and environmental issues (AFP, 2008). Ageorges (2010) and Kim and Ko (2012) argue that luxury product manufacturers can no longer rely uniquely on their brand name and the intrinsic quality or rarity of their products; they must now convey humane and environmental values in order to establish a lasting relationship with consumers. In line with this idea, consumers of luxury products have recently extended their quality expectations to the social and environmental dimensions (Lochar & Murat, 2011).

In response to the recent concerns of consumers, a number of responsible initiatives are emerging in the luxury sector. Consider the example of the Gucci brand which supports UNICEF by producing

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a specific line of accessories every year, with 25% of profits going to the association. In France, some luxury companies, such as the Hermès brand, have adopted recycling practices.

In the academic literature, authors pay little attention to the relevance of adopting responsible practices in the case of luxury goods and do not examine the propensity of consumers to consider recycled materials in luxury purchases, hence the relevance of this study focusing on the particular case of luxury clothing.

The textile industry causes an environmental burden, especially through the large volume of waste it generates and the use of pesticides in producing cotton. This issue is of major concern to the luxury clothing industry in light of the democratization of some luxury products (Lochard & Murat, 2011). The current strategy of luxury goods manufacturers involves offering a combination of the exceptional represented by “custom-made” products maintaining a prestigious image, of intermediate luxury linked to brand recognition, and of more accessible luxury products produced at reduced costs for the mass market (Chatriot, 2007).

The adoption of recycling practices by enterprises may contribute to limiting the waste disposal problem (Kirsi & Lotta, 2011). While some authors (Tsen, Phang, Hasan, & Buncha, 2006) argue that consumers perceive recycled products in a positive light, the conclusions of some research works (Hamzaoui-Essoussi & Linton, 2010) do not concur with this finding and indicate that this preference is product-specific.

The study here examines luxury consumers' preferences for recycling. It proceeds first by reviewing the existing literature on sustainable consumption in general and in the textile industry specifically before exploring the particularities of luxury clothing. Next, the paper outlines the research methodology adopted and presents findings from the empirical analysis of French consumers' preferences with regard to recycled luxury shirts. Finally, the paper draws a discussion of key findings, presents limitations and offers managerial and research implications.

2. Sustainable consumption: preferences and barriers

Consumers concerned with social and environmental issues show different forms of commitment; it may be conspicuous, for example by taking part in anti-advertising movements (Dubuisson-Quellier, 2007), or more discreet and individual practices (Roux, 2007), such as sorting waste or purchasing green products. By adopting responsible behavior, consumers may express both altruistic motivations related to the rejection of market domination (Peattie & Peattie, 2009) and selfish motivations such as the protection of their own health, well-being and the search for premium quality levels (Hertel, Aarts, & Zeelenberg, 2002).

Consumers who are environmentally conscious (Bianchi & Birtwistle, 2012) and who adopt responsible behavior purchase environmentally-friendly products by checking for organic labels or information attesting to the use of recycled materials. Consumers usually accept that the prices of green products are higher than those of their conventional counterparts (Harris & Freeman, 2008), and are even willing to pay more for them (Gam, Cao, Farr, & Kang, 2010). Guagnano (2001) shows that over 80% of the 367 American consumers surveyed are willing to pay more for a household product made from recycled materials. Galarraga and Markandya (2004) identify a significant premium in the UK for organic and fair trade coffee. Consequently, Smith et al. (2010) refer to “positive ethical consumerism” when consumers express a preference for brands deemed to be more ethical. Devinney, Auger, and Eckhardt (2011) however, claim that the positive willingness to pay is limited to a little segment and that most of consumers do not care enough about companies CSR policies to pay a higher price.

While a number of studies confirm the theoretical consumer preference for responsible products, practice reveals several situational

barriers to their consumption. These relate first and foremost to the demographic and cultural characteristics of consumers (Doran, 2009). The literature suggests that socio-demographic factors, such as gender, income, profession and familiarity with the products, affect the consumption of green products (D'Souza, Taghian, & Peretiatko, 2007). In the case of textile products, for example, Niinimäki and Hassi (2011) show that younger women are the group most concerned by environmental and ethical issues. This finding is followed by the complexity of the information relating to ecolabels (D'Souza et al., 2007; Dekhili & Achabou, 2011) and finally the price, quality, perceived value of the product and its availability on the market (Hira & Ferrie, 2006). Meyer's (2001) research stresses that a limited choice and esthetic disadvantages are two of the main barriers to consumers purchasing environmentally-friendly products.

Auger, Burke, Devinney, and Louvriere (2008) suggest that the effort consumers go to in buying a responsible product is limited. Consumers are not willing to sacrifice certain other attributes of functional products in favor of the ethical attribute. In their study, Auger, Devinney, Louvriere, and Burke (2008) note that purchase intentions decrease massively when the functional attributes are bad, even when the social attributes are good.

According to Berchicci and Bodewes (2005), successful green products should not only incorporate environmental attributes, but must also fulfill the same market requirements as their non-green counterparts. Furthermore, the literature (Auger, Burke et al., 2008; Auger, Devinney et al., 2008) shows that consumers are willing to make an effort, especially in the case of generic goods such as fair trade food products (banana, coffee, chocolate, tea, etc.), cosmetics and everyday clothes (McGoldrick & Freestone, 2008). This raises the question of whether the sustainability issue is considered beyond the scope of these product categories.

3. The environmental issue in the textile industry

The clothing and textile sector has a major environmental footprint, polluting around 200 t of water per ton of fabric (Nagurney & Yu, 2012). In Great Britain, for example, textile waste increased by an average of about 2 million t per year between 2005 and 2010 (Kirsi & Lotta, 2011). The environmental impact concerns in particular the production of cotton, one of the most versatile fibers used in clothing (Claudio, 2007), the disposal of textiles (Bianchi & Birtwistle, 2012), and the distribution of the products across regions and countries (Allwood, Laursen, Russel, Malvido de Rodriguez, & Bocken, 2008). We examine the two first elements in more detail below as part of our study.

3.1. The demand for organic cotton

A large quantity of pesticides and insecticides are used in cotton fields. It is estimated that cotton production accounts for about 10% of all synthetic pesticides and for between 20 and 25% of insecticides applied worldwide every year (Nagurney & Yu, 2012). Several pesticides are toxic and persistent in the environment (Gam et al., 2010). Consequently, considerable environmental damage is observed including water pollution, soil erosion and the emission of nitrogen peroxide, a greenhouse gas (Alfoeldi et al., 2002).

Growing concerns about the environmental impacts caused by conventional cotton have led to the development of organic production which is much more environmentally-friendly (Gam et al., 2010). Organic cotton is “cotton that is farmed without the use of synthetic chemicals such as pesticides and fertilizers” (Rieple & Singh, 2010, p 2292). Global production of organic cotton rose by almost 3000% between 1992 and 2007 and forecasts predict continued growth (Ferrigno, 2007). Some clothing designers and companies have launched innovative designs using organic cotton. For example, Nike introduced six new designs in 2002 produced entirely from

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