



Sustainable Paradox: Navigating Environmental Concern, Intrinsic Values, and New Luxury Practices in the Fashion Industry

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Purpose

Fashion and luxury researchers are increasingly examining attitudes toward sustainable luxury branding and probing motivations for buying green or alternative luxury goods and services (Henninger et al., 2017; Alessio et al., 2023). At the same time, a paradox lies at the heart of sustainable luxury since environmental responsibility should mitigate environmental waste and pollution. In contrast, luxury brands can exploit natural resources and contribute to social inequities (Sipilä et al., 2021). Thus, researchers need to consider how luxury consumers wrestle with this paradox by engaging with newer organic or recycled materials and reducing their consumption through alternative means, such as renting luxury goods. To address this gap, luxury researchers must better understand intrinsic motivations for luxury consumption.

For example, theorists have suggested that the durability of luxury goods can encourage responsible and mindful consumer behaviors by increasing satisfaction and reducing product obsolescence (Hennings et al., 2013). On the other hand, some researchers have developed and proposed the idea of *new luxury* or the pursuit of subtler luxury values, such as minimalism, self-actualization, post-materialism, non-ownership, and sustainability (Atkinson & Kang, 2021; Wilson & Bellezza, 2022; Le et al., 2023). These phenomena need to be investigated to see how intrinsic motivations shape the co-creation of new luxury (Batat, 2019). In this working paper, we tackle these issues through an exploratory study on how environmental concern and intrinsic luxury values relate to organic shopping motivations and experience with new luxury practices, such as renting luxury goods or shopping at consignment shops and thrift stores.

Methodology/Approach

The theoretical basis for our study is the prestige-seeking consumer behavior (PSCB) framework. The PSCB framework demonstrates that intrinsic and extrinsic values are integral to luxury consumption (Vigneron & Johnson, 1999). *Extrinsic luxury values* are known for triggering the well-documented bandwagon effect, whereby people seek luxury goods in pursuit of status symbols or elite group membership. Status symbols are material culture—possessions, props, and badges—that people use to signal and elevate their perceived or desired stature within a social group. When extrinsic luxury values are at work, luxury consumers may seek approval from important others because they perceive luxury brands as status symbols. An essential distinction between extrinsic vs. intrinsic values is the notion of consuming “luxury as a badge” versus “luxury for oneself” (Kapferer & Bastien, 2009, p. 314). *Intrinsic luxury values* can be described as prioritizing the sensorium, emotional gratification, and inconspicuous behaviors, which become of greater importance to some luxury consumers. Luxury consumers want these hedonic experiences to be enduring when intrinsic values are actively expressed, which may lead them to seek information about product quality to confirm the durability of luxury goods.

In this case, we limit the scope of our research to two specific effects generated from intrinsic luxury values within the PSCB framework: the perfectionist and hedonist effects. The perfectionist effect is the extent to which functional luxury values (e.g., perceived quality) act as

levers for consumers to purchase luxury goods. These values are compatible with environmental concern, organic shopping motivations, and new luxury practices because these feelings and activities stem from a desire to extend product ownership and reduce product obsolescence.

Similarly, the hedonist effect is inwardly facing. Yet, it is related to the sensorial aspects of luxury consumption, such as savoring the scent of silk or admiring artwork displayed in luxury stores. Due to this emphasis on the senses and experiences, hedonic values should lead luxury consumers to appreciate the more experiential dimensions of new luxury practices and shopping for organic merchandise. Environmental concern also should be associated with functional luxury values because it requires heightened attention to the rarity of natural resources and savoir-faire or craftsmanship behind luxury brands.

Based on this theoretical foundation, the following hypotheses are developed:

H1: Environmental concern is positively related to hedonic luxury motivations.

H2: Environmental concern is positively related to functional luxury motivations.

H3: Hedonic luxury values are positively related to organic shopping motivations.

H4: Functional luxury values are positively related to organic shopping motivations.

H5: Hedonic luxury values are positively related to experience with new luxury practices.

H6: Functional luxury values are positively related to experience with new luxury practices.

Findings

Fashion consumers ($n = 7,433$) were recruited from the CRM database of an omnichannel service provider, and they completed online surveys disseminated through SurveyMonkey Audience. The respondents were from the United States (47.4%), United Kingdom (19.3%), Germany (18.6%), and France (14.7%). The survey items were adapted from previously validated scales (Hustvedt et al., 2009; Wiedmann et al., 2009; Helm et al., 2022). Then, structural equation modeling was performed using MPlus software.

A confirmatory factor analysis (CFA) was conducted to assess the model's reliability and validity (Kline, 2011). The CFA demonstrated a good model fit: $\chi^2(94) = 4529.938$, $p < .000$; CFI = .95; TLI = .93; SRMR = .06; RMSEA = .08(.082~.086). Convergent validity was assessed by evaluating the average variance extracted (AVE) and composite reliability of each latent factor. AVE for each latent construct exceeded the recommended minimum values (Hair et al., 2013). Then, the square root of the AVE from each latent construct was greater than the corresponding interconstruct correlations, which conveyed an acceptable level of discriminant validity (Fornell & Larcker, 1981).

Subsequently, an SEM path analysis was carried out to test the hypotheses. The results showed that H1 and H2 could be supported because environmental concern is significantly related to functional ($B=.21^{***}$, $t=14.83$) and hedonic luxury values ($B=.14^{***}$, $t=10.75$). Also, the model supported H3 and H5, meaning hedonic luxury values are positively associated with organic shopping motivations ($B=.58^{***}$, $t=61.47$) and new luxury practices ($B=.43^{***}$, $t=37.62$). Nevertheless, H4 and H6 had extremely weak coefficients and could not be supported concerning the relationships between functional luxury values, organic shopping motivations ($B=.06$), and new luxury practices ($B=-.06$).

Theoretical Implications

According to the findings, environmental concern produces intrinsic aspects of luxury consumption, including functional and hedonic values. Nevertheless, the hedonist effect was significantly stronger than the perfectionist effect for stimulating organic shopping motivations and increasing engagement with new luxury experiences, such as renting luxury goods or procuring them from the secondary market. Surprisingly, an obsession with product quality and functionality to increase the longevity of products was less critical to luxury consumers than the emotional and sensory gratification they could derive from shopping more sustainably and pursuing new luxury practices.

The implication is that intrinsic luxury values may play a role in helping consumers deal with the paradox of sustainable luxury. By focusing on sensory experiences instead of seeking status or trying to impress others, luxury consumers can be motivated to buy organically produced fashion goods and adopt new luxury practices. In this study, sustainable consumption involved shopping organically and renting luxury goods or buying used items. These outcomes represent a limitation of this study since they seemingly contradict the expectations for product quality that underlie functional luxury values. In the future, researchers should examine new luxury practices in more diverse contexts, including attitudes towards experiential and non-used goods, perceptions of minimalist and silent luxury brands, and intentions to buy merchandise made up of non-organic yet environmentally friendly materials.

Practical Implications

The results from this study are meaningful for luxury brands. This study demonstrates that sustainability should be part of the brand DNA for many luxury brands and incorporated into their brand storytelling. Even though functional values are less crucial for these shopping behaviors, they still have a strong bond with environmental concern. Hence, luxury brand communications should convey the hedonic and functional benefits of acting responsibly. When doing so, managers should produce storytelling highlighting the hedonic experiences luxury consumers can gain from co-creating value with sustainable luxury brands. Tiffany & Co. produced a relevant streaming film called "The Journey of a Tiffany Diamond," which takes customers from certifying conflict-free diamonds with scientists to delivering them to their Antwerp studio, where local artisans in New York City facet the diamonds into exquisite jewelry. In addition, luxury brands must establish trust with consumers and demonstrate the

craftsmanship and durability of refurbished, consigned, or organically produced merchandise as these sustainable trends gain momentum in the luxury market. For example, several luxury brands (e.g., LVMH, Prada, and Cartier) have co-founded the Aura Consortium, which leverages blockchain technologies to trace the authenticity of luxury goods.

Originality/Value

This working paper, specifically, contributes to the field of luxury brand management. To date, most luxury research studies examine how people signal status or fuel their egos with luxury brands through bandwagon and hedonic effects. By contrast, this work has analyzed the often-ignored perfectionist effect within empirical research. It was crucial to consider the perfectionist effect to develop the early ideas from conceptual articles on sustainable luxury. This study drew inspiration from this existing work. However, it took an additional step of running an online survey and developing a theoretical model to address the question of sustainable luxury on a larger scale. Secondly, this research takes an unconventional approach to sustainable luxury by directly probing the connections between environmental concern and luxury values. By exploring these relationships between luxury values and environmentally conscious behaviors, this study deepens our knowledge of the paradox of sustainable luxury. While this study has not immediately resolved the sustainable paradox, we have thrown down the gauntlet and paved the way for future research in that regard.

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