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***Sustainability in the luxury fashion industry –
A study on how the integration of environmental
sustainability into the luxury fashion world impacts the
overall brand perception of consumers***

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Abstract:

Despite recessions and economic crises, the luxury sector has been succeeding and continuously growing. Nevertheless, the pressing sustainable issues have also become a true challenge for the luxury industry, as they not only appear as a paradox but preeminently as a provocation for various critics. The discreteness and hesitancy of luxury fashion brands, with regards to the operationalization and open communication of environmental sustainability, in particular lies in their concern that it could dilute the brands sense of exclusivity. Therefore, we want to investigate how environmental sustainability can become an element of desirability and prestige, and thus be at the heart of communication of a luxury fashion brand. Answering this question is pivotal for the defense of the legitimacy of luxury fashion brands and thus their long-term survival.

Keywords: luxury fashion; sustainability; mixed method research

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1. Introduction

Sustainability is increasingly becoming more important and is placing high value within society. Demands and expectations of companies change within generations - Millennials have different opinions about how companies should act (HBR, 2016). This generation is questioning consumption in general, since the majority says they want to spend more on experiences, which places a general threat towards the luxury (fashion) industry. Luxury fashion brands are under high pressure and scrutiny, because they seem to provoke unnecessary consumption in the eyes of many (e.g. activists, animal protectors, NGOs). Nonetheless, luxury brands are seen as an aspirational brand by many across the world, as they are delivering a dream, embodying exclusivity and rarity; a dream visible to all, but only attainable by a few (Doval and Batra, 2013). Thus, whatever luxury brands do and market, will be talk of the town and so focus is constantly on them. Moreover, with the growing importance of environmental sustainability there is an ongoing debate in both theory and practice, about how both concepts can coincide in the luxury fashion world. Despite strong commercial drivers for more (environmental) sustainability, luxury fashion brands are still behind and are unable to react (Kapferer and Michaut-Denizeau, 2014). The majority of luxury brands have been relatively discrete with regards to sustainability. Kapferer and Michaut (2015) argue that any information on sustainability, especially at a point of sale, could contaminate the dream that luxury brands are selling. The reason for their hesitancy lies in their overall concern that including sustainability into their product lines and communicating openly could dilute sense of exclusivity. Their root for their concern is based on the fact that sustainability and luxury seems too paradoxical (Dean, 2018, Tynan, McKechnie and Heath, 2017). The concept of luxury embodies selectivity, exclusivity and is often coupled with pleasure; whereas sustainability consumption is linked to moderation and ethics (Naderi and Strutton, 2015). Since luxury brands not only sell high-end products but also an experience and a dream, the fear that the integration as well as communication of sustainability will negatively affect consumers' perception of the brand is therefore high. Moreover, since fashion is something for the public to be seen, the overall opinion and perception of society is crucial to the success of any luxury brand, as it indirectly influences luxury consumers' behavior in turn. Overall, the challenge for luxury brands will be to incorporate the concept of circular economy to possibly raise sustainable consumption in not only mature, but also emerging markets.

1.1 Phenomenon Under Study and Research Question

Work on sustainable luxury in the academic domain has been limited, and most researches mainly focused on certain product categories. Surprisingly, despite the increasing commercial interest in sustainable luxury, there are only few peer-reviewed empirical papers in the literature. Based on the discussion above, the purpose of this paper is to explore the impact of the integration of environmental sustainability into the luxury fashion world on the overall brand perception of consumers. The goal hereby, is to examine and compare three¹ different consumer groups' perceptions, attitudes and behavior with regards to the described phenomenon. Secondly, the objective is the attempt to understand which factors influence their overall perceptions towards the concept environmental sustainability in the luxury fashion sector.

1 (1) Consumers who frequently purchase items from luxury fashion brands. (2) Consumers who desire products from luxury fashion brands, but do not have the financial means to purchase them. (3) Consumers who cannot identify themselves with the world of luxury fashion brands and have an adverse view.

The purpose will be reached by addressing the following research question: “How can environmental sustainability become an element of desirability and prestige, and thus be at the heart of communication of a luxury fashion brand?”

2. Methodology

According to Creswell and Clark (2011) in an exploratory sequential design the researcher collects qualitative data first and afterwards the quantitative data. The main purpose with this design is to explore phenomena through the collection of qualitative data, and then to explain any kind of relationship found in the quantitative data set (Subedi, 2016). As part of the current exploratory research, a qualitative as well as quantitative approach was chosen. The combination of qualitative and quantitative research methods is called ‘mixed methods’, also referred to as the “third methodological orientation”, which draws on strengths of both sides of research types (Driscoll, Appiah- Yeboah, Salib, and Rupert, 2007, p. 19; Teddi and Tashakkori, 2008; Berman, 2017). Since the research aim is to compare the three different consumer groups with regards to how environmental sustainability influences their perception of luxury fashion brands, in-depth information and preliminary insights will be gathered qualitatively, using an interview-based approach (Ritchie, Lewis, Nicholls and Ormston, 2013). The purpose of the interviews is “to allow us to enter into the other person’s perspective” (Patton, 2002, p.341). Nonetheless, the main focus of the research project at hand is an empirical survey approach. Surveys are “conducted in order to provide the researcher with statistical information, either on a particular issue or problem that needs resolving” and is often connected to make generalizations about a population (Henn, Weinstein, and Foard, 2006, p.126; Brannen, 1992). Thus, after the qualitative part a quantitative study will be executed, through the distribution and analysis of a consumer survey, to verify and extend the information gathered through the interviews (Steckler, McLeroy, Goodmann, Bird, and McCormick, 1992). The consecutive sub-sections will examine and determine the essential research steps for the academic paper at hand.

2.1 Research Design

While structuring the research design, it is crucial to keep the internal and external validity in mind, to reduce as much unambiguous conclusions as possible (de Vaus, 2001). For the current research project a mixed methodology was chosen, more precisely, a mixed sequential dominant status design. This means that first qualitative data will be collected and afterwards analyzed. Thereupon, quantitative data will be gathered and its findings presented, in order to elaborate on or even extend the previously analyzed qualitative findings (Creswell, 2009). Here, the quantitative design is dominating the qualitative approach. With the help of the mixed method research design, the researcher will make use of inductive and deductive reasoning techniques to answer the research question in a more precise manner, which could not have been answered through quantitative or qualitative research alone (Denzin and Lincoln, 2011). Moreover, Creswell (2009) argues that through the process of triangulation, the researcher will objectively examine different data sources assuring a more rigorous interpretation. As for the qualitative part the semi-structured interview approach was chosen. Specifically this method was selected, since the interview technique is designed to “elicit a vivid picture of the participant’s perspective about the research topic” (Milena, Dainiora and Alin, 2008, p. 1279). According to Jamshed (2014), interviewing is the most common method for collecting data in qualitative research. The motivation here is to gain primary insights and grasp anything the participant can share about the topic at hand (Milena et al., 2008). The researcher’s goal is to examine and compare the

following three target groups: (1) luxury fashion brand consumers², (2) luxury fashion brand fans³ and (3) luxury fashion brand critics⁴. Throughout all three groups, each interview participant will be asked the same set of semi-structured questions, out of which in-depth information will be gathered. The interviews will be led by the researcher herself with the help of a guide, containing a set of 12 – 15 questions which will make sure that a variety of topics and categories within the research area can be covered (Jamshed, 2014). The guide assists the researcher in keeping the entire “interview focused on the desired line of action” as well as examining the respondents in a systematic and comprehensive manner (Jamshed, 2014, p. 87). Both the interviewer as well as the respondent should allow for time, as the structured guide also includes open-ended questions, so the researcher can receive some detailed information and insights. Apart from that, open-ended questions enable respondents to answer honestly and allow the researcher to capture the direct depiction of the respondents’ attitudes and perceptions (Roberts et al., 2014). The identification of the appropriate time horizon is another crucial aspect of the research design. According to Saunders, Lewis and Thornhill (2009) questionnaires are part of the cross-sectional category, as they study a particular phenomenon at a particular time, also called the “snap-shot” time horizon (p. 155). The time horizon of this academic paper is clearly cross-sectional; as the research is time constrained and naturally does not have the capacity to examine change and development over a longer period of time. After having analyzed the outcomes of all interviews, the researcher can then focus on designing the questionnaire as part of quantitative component of the research process. The questions in the consumer survey will be developed based on the interview answers and extant literature, while carefully thinking through what answers are needed specifically to answer the research question (de Vaus, 2001). The questionnaire will be designed in order to conduct primary research about the consumer behavior and attitudes with regards to the integration of environmental sustainability into luxury fashion products. The survey itself will be structured through a variety of categories, each including a set of questions, starting off more general along to very specific questions. The grouping of questions into distinct categories enables respondents to structure their thoughts and keeps the entire questionnaire better organized. The consumer survey will include the same questions for the three different groups, containing multiple-choice questions, matrix questions, image choice questions as well as open-ended questions (Greener, 2008; Krosnick and Presser, 2009). Moreover, 7-point Likert scale questions will be applied by asking consumers to respond to a series of statements, to estimate their level of agreement, thus gaining insight into the affective and cognitive components of attitudes and perceptions. One of the defining aspects in applying a survey as an empirical research method is the design of the survey itself. The amount of responses may vary based on how the researcher phrases the questions and how many questions are being posed. Furthermore, a successful survey does not only minimize biases and guide the respondent smoothly through the questionnaire, but also simplifies the process of evaluating the responses. Ultimately, the questionnaire results will be analyzed and together with the interview insights the research question at hand will be answered. Based on the previously discussed research design properties, it can be said that the definition of the appropriate research design remains essential prior to determining the collection of data, as it hinders the researcher from losing sight of the greater picture. In the following chapter, the research setting will be depicted.

2 Consumers who frequently purchase items from luxury fashion brands.

3 Consumers who desire products from luxury fashion brands, but do not have the financial means to purchase them.

4 Consumers who cannot identify themselves with the world of luxury fashion brands and have an adverse view.

2.2 Research Setting

The research setting describes the environment in which the study will be conducted. Primarily the procedure of the semi-structured interviews will be outlined. Before the interviewer commences with the questions, she will introduce herself, the research topic and the purpose of the study to the individual. Afterwards the interview will start, by going through the previously prepared interview guide, which serves as a list assuring that all relevant topics are covered (Patton, 2002). All interviews will take place face-to-face, however each conducted separately. The researcher will have the opportunity to focus entirely on each participant individually and can note down any social cues once the interpretation of results take place. Nevertheless, it is important to keep in mind that risks of interviewer bias can occur through the face-to-face format, since the researcher may influence the participant through her own behavior (Creswell, 2009). Therefore, the goal is to provide an atmosphere and well thought-out question guide, so respondents can answer “comfortably, accurately and honestly” (Patton, 2002, p. 341). Furthermore, the recording of the entire interviews is highly important in assuring an accurate data analysis afterwards. The interviewer will not be able to take notes as quickly, and observe the respondent simultaneously, which could impair the quality of the data analysis in the end. In addition, the researcher will ask each respondent for their permission before starting the audio recordings. Moving along with the consumer survey, the setting is not entirely decided yet, as the whole structure and process depends on the results of the interviews. Nonetheless, it can be said that the surveys will be conducted through an online format, as this will be more cost and time efficient, and respondents will be easier to contact. The following section will continue with a depiction of data collection.

2.3 Data Collection & Sampling

Since the goal is to compare the perception as well as the overall consumer behavior and attitudes of three different target groups with regards to (environmental) sustainability and luxury fashion, the study participants will be defined and selected as a first step. The sample of the qualitative part will be comparably small in contrast to the quantitative data part, as it will only give initial insights and answers to the posed research question, however not final ones (Creswell, 2009). In total, 30 interviews will be conducted (10 out of each target consumer group). Certainly, this number is not high enough to be able to generalize the findings; however the conducted interviews can be used as preliminary insights into the relatively unexplored research area. The researcher will chose the 30 participants in the following manner:

- GROUP I - Luxury fashion brand consumers: a mixture out of the EBS University community, acquaintances, and network from the researcher’s previous practical experience at Louis Vuitton GmbH in Munich
- GROUP II - Luxury fashion brand “fans”: a mixture out of the EBS University community and acquaintances from the researcher
- GROUP III - Luxury fashion brand “critics”: a mixture out of the EBS University community and acquaintances from the researcher

According to Saunders et al. (2009), surveys are amongst the most popular and common data collection methods in business and management research. For answering the main research question at hand, the survey approach, alongside the semi-structured interviews, seems as the most appropriate, as it allows the collection of a large amount of consumer data in a highly economical way. The primary goal is to select a representative sample of sufficient numerical size to statistically present the outcome of the survey and allow generalizations of the interpretations (Greener, 2008; Creswell, 2009). The questionnaire will be distributed online in form of convenience and snowball sampling, while the first 30 contacts from the interviews will

be used to distribute the questionnaire. The exact number of the desired sample cannot be defined at this stage; however, the higher the number the better, so inferences can be drawn upon the population. The platform should be accessible through a link, which will mainly be distributed via the social networks Facebook, Instagram, LinkedIn, the EBS University mailing list as well as through a potential collaboration with a German market research institute for the field of luxury. Nevertheless, friends and acquaintances will be asked as well to share the survey, in order to reach out to more consumers. The following chapter will describe the potential analysis of the data sets.

2.4 Data Analysis

“The period after an interview or observation is critical to the rigor and validity of qualitative inquiry” (Patton, 2002, p. 383). After the interviews are conducted, each recording will be transcribed as quickly as possible, followed by a thorough textual analysis, which will be carried out by the researcher. As a next step, the researcher continues with the coding of the entire data, which structures it by grouping text segments and allocates a word representing each category in the margins (Rossman and Rallis, 2012). Since the hand coding of data is very time consuming and inefficient, a qualitative software program preferably MAXQDA will be used, which assists the researcher in sorting and organizing the texts (Creswell, 2009). Moreover, the researcher can cluster together themes identified from the individual interviews into general ones however, with great caution so she does not swiftly bundle themes that may have significant differences (Hycner, 1985). By using a side-by-side approach, the researcher will make comparisons within the discussion section, presenting findings of the qualitative study first and subsequently of the quantitative one (Creswell, 2009). At this point in time it is far too hypothetical to outline any analysis of the quantitative data, as the design of consumer survey merely depends on the results of the interviews. Ultimately, the research question will be answered through a final analysis of both qualitative and quantitative data.

3. Conclusion

The current paper commenced with an introduction to the research topic at hand, followed by a description of the phenomenon under study and the presentation of the research question. The paper focused on the methodological part of the researcher’s dissertation, describing each step in the entire research process, including potential ways of analyzing the datasets. This chapter, which will conclude the paper, briefly outlines the researcher’s reflection on how she will meet the criteria of a high quality research. Various methods exist to ensure a high quality of conducting qualitative (and quantitative) research. A key element herein is to provide “sufficient information about the journey from data to conclusions” (Meyrick, 2006, p.805). As described by Erlandson, Harris, Skipper and Allen (1993) ‘confirmability’ can be attained through internal validity, presenting a detailed and transparent overview of the each step the researcher takes from the beginning of data collection to its analysis and final conclusions. Moreover, external validity implies that generalizations can be made from the data set. Since this research project encompasses a mixed method approach, the potential representative sample of the survey can make up for the relatively low number of interviews. By using techniques such as multiple and independent coding for the confirmation of the interview analysis, the objectivity of the researcher can be ensured (Meyrick, 2006). Lastly, the confirmation of findings can be established through the “triangulation of methods, samples and theoretical approaches”, in order to account for any contradictions (Meyrick, 2006, p. 806).

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