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MASTER THESIS

HOW TO TURN LUXURY BRANDS INTO A LEADER OF SUSTAINABILITY: A REFLECTION ON THE POTENTIAL OF ECO-PACKAGING

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ABSTRACT

This study was a survey research. It aimed to explore how eco-packaging influences luxury brands and the effect on consumer buying decision. The research explores both luxury and packaging constructs drawn from the literature and provide some hint for optimizing the potential of eco-luxury packaging. The sample were 174 respondents whose ages were between 19 and 63 years old. A online questionnaire was employed as the instrument for data collection. Results of the hypotheses test at the statistical significance level of 0.05 suggested that luxury eco-packaging is able to enhance customer evaluation on the brand. Results of the survey showed that the presence of eco-packaging has, on average, a positive influence on buying behaviour. The findings reveal that concern for the environment and trust in the brand play a major role in shaping eco-luxury consumption. Luxury conveys social identity and status, and eco-packaging acts as a signal for esteemed excellence and ethical attitude. Developing and designing luxury items with sustainable and recyclable materials also need to include a consistent eco-packaging, further increasing the value of the product. This paper brings attention to eco-packaging as a driver for eco-luxury consumption. The relationship between luxury and sustainability is also examined. The study contributes to research in advancing understanding on how consumers make sustainable consumption decision in purchasing luxury, and provides brands with insights into devising marketing plans to promote eco-packaging consumption, which facilitate the development of a sustainable luxury value chain. Limitations and directions for future research are also presented in the paper.
HOW TO TURN LUXURY BRANDS INTO A LEADER OF SUSTAINABILITY: A REFLECTION ON THE POTENTIAL OF ECO-PACKAGING

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CHAPTER 1: INTRODUCTION AND TOPIC RELEVANCE

1.1 Case presentation

Recently, sustainable luxury has been one of the greatest challenges for many brands worldwide. In the economic world, some steps have been proposed. Under the commission of WWF, Kleanthous and Peck (2006) have reported a description of the luxury world, and how it is slowly moving towards green strategies.

Consumers’ awareness of their impact on environment is growing, and green practices have increasingly become more important in marketing strategies (Hae Jin Gam, 2011). According to Meyer (2001) consumers are reluctant to purchase green apparel products because they cost more but provide fewer assortment, they offer aesthetic and functional disadvantages, consumers lack information and are unaware of the actual benefit to the environment.

1.1.1 Unsustainable Consumption

The way in which consumers buy and use products and services everyday has deep implications on the well-being of the future generations. Consumerism culture spots exploitation as a measure for success, but the fact that we are actually consuming as if we had three planets calls for a radical change.

As displayed in Kleanthous and Peck (2006) report for WWF, GDP is an incorrect measure for personal achievement. In fact, even if richness doubled in UK since 1974, life satisfaction has not improved compared to the same year. We can therefore infer that GDP is not able to measure the welfare of the society, and different drivers need to be spotted.

Figure 1 UK Life Satisfaction and GDP 1973-2002

Source: Nic Marks, Hetan Shah, A Well-being Manifesto for a Flourishing Society, New Economics Foundation, 2004
Macroeconomists suggest a shift of index from GDP to “wellbeing”, and new measures should be taken at all levels of our society: from profit to sustainability for companies, from income to quality of life for people, and from price to quality for products (Kleanthous and Peck, 2006). Despite this scenario, however, governments and organizations seem to have big trouble considering any other indicator of success other than economic growth.

Regulation for sustainable consumption includes advertisement in European countries to be legal, honest, decent and truthful, and it should not make unsubstantiated claims about environmental issues. The code of practice requires a sense of responsibility for both society and businesses, but the debate remains complex and subtle.

In 2011, the Global Consumer Goods Forum launched the Global Protocol on Packaging Sustainability (PwC report, 2012). Packaging industries and consumer goods are given a common language to discuss and assess the relative sustainability of packaging. The protocol offers a framework and a measurement system. Luxury businesses should appreciate such tool and adapt their policy to such universal language. The protocol will increase the potential to get involved in business discussions with key stakeholders in a more constructive way, and make well-informed decisions.

Fulton and Lee (2013) analyzed retailers selling sustainable apparel goods on the web to examine sustainable strategies on the supply chain. The article spots the United Nation’s Global Reporting Initiative (GRI) as one of the most widely used sustainability reporting guidelines. GRI was launched in 1997 by the United Nations Environment Programme (UNEP) to enhance the quality, diligence and value of sustainable (Labuschagne et al., 2005). The guidelines have been framed by a multitude of stakeholders worldwide for public, private and on-profit organizations. Organizations of different sizes and from different locations are encouraged to prepare the voluntary sustainability report. Based on the company’s market and priorities, the report will include different categories and areas of sustainability. Influence and control over their structures both upstream (supply chain) and downstream (consumers and distributors) are the main issues to address.

UNEP, the United Nations Environment Programme encourages sustainability in marketing communication. In 2005, Talk the Walk report acknowledged the increasing role of sustainability among customers and highlighted the success of some best seller green products in the market. Despite the admirable engagement by powerful international organizations as WWF or the Chartered Institute of Marketing, businesses seem to rely on a series of myths hindering progress.

First, incentives are devoted to increase market share as well as sales, rather than human wellbeing and green consumption. A new bonus system needs to be set up, and people need to feel they are empowered to give a valuable contribution to change the world.

Second, a strong prejudice among managers views responsible brands as not attractive or appealing. It rates market response for such products as weak or invaluable. Instead, scanning for and tapping potential market opportunities leads to success and high market performance. There is an unmet latent potential for responsible brands, and agencies and media owners are required to stress the importance and support the clients for spotting and enjoying that potential.
1.1.2 Shifting values

Previous research and surveys have spotted a beneficial shift in values at a deep level among customers. The market reaction towards sustainable products is increasingly positive: giving up a responsible purchase for a “consumerist” one requires a higher switching cost.

A variety of consumer observations has given evidence of huge potential among the mainstream target for responsible brands. In 2005, a project carried by the Future Foundation revealed that 57% of UK consumer have recommended a company based on its responsible reputation and 35% have felt guilty about unethical purchases (Future Foundation, Ethical Consumerism Report, 2005).

Previous green marketing literature stated that environmentally conscious consumers will purchase green products and will pay a higher price for them (Kim and Damhorst, 1998). Gardyn (2003) revealed that 70% of consumers were more likely to purchase from eco-brands. In line with that, Phau and Ong (2007) found consumers more favourably responding to environmental claims made by green brands.

In their report, Kleanthous and Peck (2006) have analyzed the perceptions of marketing and brand communication professionals on both clients and agencies’ sides.

The research shows that professionals care about sustainability and they are concerned with working for companies sharing such attitude. As a result, the more the organization will be able to tune into environmental issues, the more attractive it will be for recruiting and retaining the best staff.

Even if 81% of professionals think they have an influence on consumer behaviour, only 3% of them was held responsible for the environmental/social results of that behaviour. This suggests that a new and innovative reward system needs to be set up, and best practices need to enjoy the rewards they deserve.

Achieving sustainable consumption depends on the strength of the niche target to appeal and attract the imitation of the mainstream. Adaption process is displayed by the following graph (Figure 3).

The horizontal axis shows the brand according to how “simple” is to buy, in terms of price, accessibility, familiarity, social acceptability and distinctiveness. The vertical one plots its relevance in terms of positive and personal value as utility, emotional appeal and personality fit. Traditionally, green brands have occupied a niche positioning, the one taken by luxury brands, either because the most expensive, or the hardest to find. Also in these terms, marketing is a precious tool to separate customer value and consumption. Emotional aspects of the brand may generate intangible benefits that are not damaging the environment on a resource level.

Aligning social, corporate and brand value requires deep engagement and active participation by all players operating within and outside the organization. Brand identity needs to be aligned with corporate image, and corporate image is a representation of some social values accepted by the community.

At the bottom line, we really need to take into account the effectiveness with which the environmental action is communicated to the community, so that it reaches the heart of the recipients and the principles driving the company’s culture.
Figure n.3: Niche brands must become more relevant and accessible to achieve mainstream status and grow in value

As long as your message is a clear reflection of your values and your products/services, a social/environmental friendly message will be definitely worthwhile. Otherwise, the risk of being accused of green washing is very high and it will damage the organization’s reputation in a very long term and serious way.

Ny, MacDonald, Broman, Yamamoto and Robert (2006) offer an approach to make life-cycle management strategic: The Natural Step (TNS) framework. Overall analysis focuses on sustainability and the strategy to achieve sustainability, so to avoid costly estimates of operations that are not crucial from a sustainable and strategic point of view. The complete path needs not necessarily to be determined up front, rather smart flexible steps will be re-arranged as the process flows. Clear basic sustainability principles will act as starting grounding pillars to make guidelines consistent all along the path.

Green consumers show different forms of commitment. It may be explicit, as by participating in anti-advertising movements (Dubuisson-Quellier, 2007), or more discreet, such as purchasing green products or recycling (Roux, 2007). Responsible behaviour may be associated to both altruistic or selfish motivations, to reject market domination or to preserve personal well-being (Hertel, Aarts and Zeelenberg, 2002; Peattie and Peattie, 2009).

McDonald and Oates (2006) explored green purchase perceptions by consumers. In line with Peattie study (1998), both effort and difference are important factors shaping how green activities are evaluated by the public. The degree of compromise generates effort and it includes having to pay more, travel further or tolerate lower performance in order to purchase a green product. The degree of confidence, on the other hand, generates difference and it is how sure the customer is
that the product is genuinely representing an environmental benefit. This concept is essentially shared by Straughan and Roberts (1999) through the notion of perceived customer effectiveness (PCE).

Sustainable purchase behaviour includes the check for organic labels or information attesting the use of recycled materials (Bianchi and Birtwistle, 2012). Green consumers accept a higher price compared to the conventional alternatives on the market, and present a higher willingness to pay for such items (Harris and Freeman, 2008; Gam, Cao, Farr and Kang, 2010). Consequently, Smith et. al (2010) refer to the concept of “positive ethical consumerism” where individuals display a preference for ethical products.

Additionally, several studies reveal that theoretical customer preference for sustainable products face in practice some barriers. The primary obstacles are represented by demographic and cultural characteristics of individuals (Doran, 2009). Literature suggests factors as gender, income, profession and familiarity with the product affect perception and behaviour towards eco-products (D’Souza, Taghian and Peretiatko, 2007). For example, in the case of apparel, Niinimäki and Hassi (2011) show that younger female customers are the most concerned target.

The complexity of eco-label content (D’Souza, Taghian and Peretiatko, 2007) and price, quality, accessibility (Hira and Ferrie, 2006) are also barriers for sustainable consumption. Meyer (2001) also points out that limited assortment and aesthetic disadvantages prevent environmental friendly product purchase. More than that, purchase predisposition largely decreases if functional needs are not satisfied, even in the case in which social attributes are good (Auger, Devinney, Louviere and Burke, 2008). This is the reason why green products should not just incorporate environmental values, but also present and fulfil market requirements as their non-green competitors (Berchicci and Bodewes, 2005).

1.1.3 The challenge: Meeting sustainability without giving up on desirability

According Makiko Ashida, author of the Bank Sarasin’s 2012 report on sustainability and luxury good industry, luxury brands can build an attractive sustainable image since their reputation of premium quality and exclusivity. Negative publications, as articles on “blood diamonds” or river pollution from textile and leather production can negatively ruin a luxury brand reputation.

The internet, social media and consumer groups have a key role in informing the market, and sustainable practices will leverage on such media to build a credible and positive brand image. Some top performers show a substantial potential in this direction. For instance, PPR group is committed on a two-years base to environmental and social audit of leathers suppliers to its Gucci brand.

Brand is a powerful tool for companies to guide consumer’s purchase behaviour. Credibility is at risk when increasing production volumes creates a friction with the tradition of an exclusive image. Under these circumstances, luxury brands’ policies, in combination with environmental and social considerations, have turned the spotlight on the circumstances under which luxury goods are produced.

The challenge of luxury is thus to meet sustainability and desirability through the implementation of a sustainable supply chain management system (Quentin Simonet, HH Magazine, 2013).

Société Suisse de Chronométrie meeting in June 2013 in Neuchatel on the theme « Environmental Performance and the Watch Industry » raised the question on sustainable development as a key factor for company longevity (Christophe Roulet, HH Magazine, 2013). Formally, anyone denies
the important of the issue, even if practically only few firms has systematically integrated sustainability into their policies. Paolo Baracchini, director at QS&P, stated:

"Let’s not pretend otherwise. A company doesn’t consider environmental management in terms of ethics or being a good corporate citizen, however welcome such an approach may be. The point is to measure a company’s impact on the environment with the aim of improving its overall performance. The environment must become a lever for increasing profitability."

A prime example of this approach has been represented by Audemars Piguet. Founded in 1875, the company is still managed by the founding family, and it has made sustainability a discreet but constructive trademark of its operations. For instance, the Audemars Piguet Foundation has been contributing for more than 20 years to the preservation of the forests all around the world, yet never showing off its achievements.

"All we need to know is that our action means families are enjoying a better quality of life," said Daniel Saugy, secretary-general of the Foundation and director of Audemars Piguet's Eco-Group.

Consistency is pivotal. The new site has been designed to neutralize ionising radiation through hydroelectric power. Heating is provided by a wood-fire plant. All wood-derived products in use have gained the Forest Stewardship Council (FSC) certification. The company offers incentives to its staff for using electric cars or public transport.

1.2 Context and framework

1.2.1 What is sustainability

In the 1980s, people started considering the growing global problems that were investing the world, such as the uncontrolled environmental pollution, overpopulation, the scarcity of natural resources, drought and famine. The emergence of sustainability in fashion started to grow, when increasing concern and criticism of sweatshop labour employed by Nike, Gap and Levi Strauss have raise the issue.

In this situation, the term sustainability spread as a widely recognized concern (Pugh, 1996). A great contribution to increase the environmental awareness has been given by the United Nations World Commission on Environment and Development in the Bruntland report “Our Common Future” published in 1987. It pinpointed sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”, as a way to reduce the uncontrolled utilization of natural resources (WCED, 1987).

The paper highlighted the concern for the overexploitation of the environment, as well as the fact that it would have not been able to meet the constantly growing market demand in the near future. Bruntland Commission also spotted three basic components of sustainable development: environment, economy and society. The preservation of natural resources should be aligned with a stable and healthy economy and a good quality of life. According to Trzyna (1995), sustainable development activities are supposed to improve the overall human condition over time.

Some years later, the International Union for the Conservation of Nature (IUCN) conceptualised sustainable development as “improving the quality of human life while living within the carrying capacity of supporting ecosystems”. A sustainable economy results from such commitment, through conserving earth’s vitality and diversity, minimizing the depletion of non-renewable resources, keeping with the earth’s carrying capacity, as well as changing personal attitudes and
behaviours. Sustainability is linked to any activity that can be carried on over time without causing harm, by meeting current needs without compromising the next generations’ ones (Report of the World Commission on Environment and Development 1987; Fletcher 2008; Partridge 2011).

“Sustainability” embraces different fields, as environment, operations, energy, health and welfare, security, market, finance, society and family (Badru, 2010). Being sustainable requires maintaining the process at a constant desirable level of utility, so that operational, technical, managerial and functional requirements are satisfied in an efficient and effective way.

Luxury industry is embedded in the society, and the respect for the community and the environment should be a priority for each step of the value chain, from suppliers to logistics, from labour to the disposal of the assortment in store (Plannthin, 2012; Cervellon and Wernerfelt, 2012).

Sustainability allows to gain economic success by doing the right thing as long as a systematic approach is implemented, by completely transforming the traditional business attitude (Grant, 2007).

Economic development goes together with social and environmental progress. CSR strategies are increasingly gaining attention so to guarantee a profitable and healthy way to invest financial resources. If properly managed, they can add value to any organizational process, allowing a better management of resources which in turn lead to long-term higher productivity and reduced costs.

1.2.2 Consumer perspectives on sustainability

Given the growing concern for sustainability during the 1980s, consumption habits started turning towards more environmental friendly choices, so to reduce the impact of everyday life on the earth. The publication of some green guides suggested people how to consume carefully and they result was a great public success, as the one of Elkington and Hailes in 1988.

New and sustainable forms of consumption expanded, supported by the growth of fair trade markets, organic/recycled goods, an the growing diffusion of consumption resistance as boycotts and voluntary integrity.

Consumers started to appreciate sustainability and look for ethical products as a benchmark for high quality and reliability. Such buying behaviour has been defined as ethical purchase behaviour or ethical consumption (Harrison, Newholm and Shaw, 2005).

The more diffused the enthusiasm for such products, the more keen were the companies to offer environmental friendly products. One of the best example is represented by The Body Shop, which has been the first cosmetic retailer to introduce sustainable palm oil into the beauty industry (Crittenden, 2011). The organization has constantly increased its profits by declaring its greenness through only natural ingredients. This attitude let it win the UK Company of the Year Award already in 1987 (Gosden, 1995).

At a general level, we can define ethical consumption according to the degree to which ethical concerns are prioritized when making product choices (Shaw and Clarke, 1998). By choosing which item to purchase, consumer are active participants in the definition of ethical consumption patterns, attitudes and lifestyles. Socially conscious consumers are a powerful target able to influence the market in a beneficial way. They engage in the public consequences of the their private consumption, and thus might use their buying power to bring about social change (Webster, 1975; Newholm and Shaw, 2007).

One crucial aspect to notice is that cultural backgrounds shape the needs and perceptions of green consumption, as well as the responsibilities and the infringements of such eco-system. The
strength with which ethical concerns are perceived affects daily life behaviour and consumption attitudes.

1.2.3 Luxury Fashion and Sustainability

The term “luxury” represent the top category of prestigious brands (Li, Li and Kambele, 2012). Luxury products are “good for which the simple use or display of a particular branded product bring esteem on the owner, apart from any functional utility” (Vigneron and Johnson, 2004).

Literature examines luxury consumption by exploring the concept of prestige (Vigneron and Johnson, 1999), attitudes (Dubois, Czellar and Laurent, 2005), value (Tynan et. al, 2010) and socio-demographic factors (Dubois and Laurent, 1993).

Against scant academic literature on ethical consumption for luxury goods, an increasing number of newspaper, summits and reports have launched the debate on potential opportunities in such industry (Davies et. al, 2012; AFP, 2008; Ageorges, 2010; La Tribune, 2011). Academic studies exploring the subject state that responsible consumption is both an opportunity and a responsibility for luxury brands (Bendell and Kleanthous, 2007, Davies et.al, 2012).

AFP report (2008) suggests that luxury brands own substantial financial resources to invest in sustainability and assume a role of leadership on the issue. Ethical concern may be a tool to improve personal opinion and self-perception, as a precious vehicle to gain the psychological satisfaction sought by luxury consumers (Olorenshaw, 2011). Taking this perspective, some luxury companies have made some steps. The Cartier group, for instance, has now become a member of the Responsible Jewellery Council, that certifies good social and environmental conditions for mining diamonds and gold used in their collections.

Joy et al.(2012) observed dreams, exclusivity and beauty/art as the main themes governing luxury fashion. For the participant in the survey, the idea of owning exclusive and unique luxury items is an inspirational dream and a desire. The idea of exclusivity, accessible to only a select few, is also present. Within the concept of exclusivity there is a signifier of status.

Heritage and quality may be a vehicle to further intensify a brand’s strength on a sustainable perspective. Craftsmanship takes time, which in turn limits availability. Highly-trained artisans work with carefully selected materials. The absolute quality appeal relies in the refined craft ateliers where artisans create elaborated products.

Thus, heritage and quality do not call to mind pollution and waste. Labour is little exploited, since most ateliers partner with big fashion houses in major fashion cities as Milan or Paris, and outsourcing, even if increasing, is currently not the core of the craftsmanship production.

In the article, Joy et al.(2012) have explored the perceptions on sustainability, fast fashion and luxury in Hong Kong and Canada. Results have showed that sustainable fashion is not a priority for the participants. Data suggested that young consumers separate luxury from fashion, and even if supporting the idea of sustainability, they do not apply such ethics when it comes to consumption.

Fletcher (2008) selected the term “slow fashion” to stress a philosophy of attentiveness, not specifically referred to time (as opposed to fast fashion). Connected to the slow food movement, such approach addresses on various stakeholders’ respective needs and the impact of production on workers, consumers and the general eco-system.
Bonini and Oppenheim (2008) highlighted five barriers for customers to being green: “lack of awareness, negative perceptions, distrust, high price and low availability”. It seems that luxury sustainable brands are not yet on the radar. However, because of its long standing attitude on quality and craft, luxury brands can stand from the mass and take leadership on sustainability. Joy et al. (2012) suggest a luxury brand can be both “green” and “gold”, usually defined “deeper luxury” (Blendell and Kleanthous, 2007). These authors also stress that the pursuit of luxury is increasingly linked to the brand’s role for important social issues, as improving the global well-being.

Following Adolphson (2004), marketers plays a role to effectively reposition exclusive luxury brands to operate authentically in a more holistic ecology of value. Communicating the message of a luxury brand fulfilling an ecological need may be rather controversial, since luxury has been traditionally defined as accessible primarily to few fortunate. On the other hand, sustainable luxury grounds on living in harmony with nature, by employing trained artisans in safe and valuable working conditions (Partridge, 2011).

The challenge of sustainable consumption for luxury brands relies on artisanship, authenticity and environmental/social respect. Luxury affects consumption processes and nurtures desires through innovative design. Several brands are now making their first steps towards sustainable luxury clothing and accessories, as Stella McCartney, Salvatore Ferragamo and Vivienne Westwood. Stella McCartney states:

"Eco-friendly fashion is something I’ve always felt strongly about. You have to create demand so the customer base will grow. We’ve been doing organic for years in my own collection, in my lingerie and with the Adidas collaboration. We touch on it across the board. I think it’s a bit more sincere to do that. It’s part and parcel for us as a brand" (NBC New York, 2011)

Deeper elements of value, as high ethical standards in sourcing, efficient use of material, low-impact production and distribution, represent an opportunity for luxury players to provide a justification of their share of sales by affluent customers (Blendell and Kleanthous, 2007). More than that, Partridge (2011) also highlights the importance of “supply chain democracy”, namely the political, economic and social accountability from the firms.

1.2.4 The ethics era

Consumers are demanding more information about the product value chain as a metrics for differentiation. While dreams and desires shape behaviour, consumers will need to make a shift towards sustainability.

Luxury may play a major role in such transition, making sustainability the new dream to pursue (Joy et al.2012). Aesthetics covers a key role in the transition, as luxury items is a deep element of a consumer’s self-definition. According Butler (2005), general opinion tend to believe that the basis for morality is not about self-identity rather exposure to others, the continuous desire to please the public. The creative allure of luxury, especially sustainable luxury, will then provide a great platform for the narrative of the self (Entwistle and Rocamora, 2006).

According Davies, Lee and Ahonkhai (2012), we are living in an “ethics era”, where companies are increasingly engaged in CSR (Corporate Social Responsibility). Business performance is improved by excellent social and environmental practices, in line with customers’ increasing concern on eco-conducts (Tang and Tang, 21012).
Previous research has shown that CSR will be in line with customer preferences for eco-products when product is of high quality, the customer supports the company’s conduct and he is not asked to pay a premium for it (Bhattacharya and Sen, 2004).

Existing literature shows the presence of a weak association between luxury and sustainability. The first is usually related to personal pleasure, superficiality, ostentation, status, while the latter evokes sobriety, moderation, altruism and morality (Widloecher, 2010).

However, a recent study made by Lochard and Murat (2011) supports the compatibility of the two concepts. La Tribune (2011) and the 5th Luxury Summit held in Milan last 13th June observed how the luxury sector disseminates ancestral skills and the preserves raw materials and local activities.

Under this perspective, Kim, Ko, Xu and Han (2012) underline that sustainable development gives an opportunity to improve brand differentiation and corporate reputation and image alight with the increasing awareness of social and environmental issues from luxury customers (AFP, 2008).

CHAPTER 2. TOPIC RELEVANCE AND MARKETING RATIONALE

2.1 Research Question

Given the green trends previously highlighted, it strongly emerged an important linkage among the consumption of luxury products and individuals’ package perception.

Recently, luxury and fashion companies have been sharply criticized for their insufficient efforts to produce ethical practices and adhere to certain codes of conduct. Driven by these concerns, luxury corporations are also becoming more aware of the need to be eco-friendly and develop a social responsible policy (ECRA, Moore, 2011).

At the bottom line, the resulting statement that emerges from the data is that luxury companies must do more. A ranking on the largest luxury companies resulted according to the stated ethical investment and the opinion external media had about them. Any company was awarded higher than a grade C+, in a range from A(best) to F(worst), displaying a critical and serious lack of involvement in terms of sustainability (Kleanthous and Peck, WWF report, 2007).

This study concentrates on the impact of eco-packaging on luxury brands. From a marketing standpoint, luxury industry is a peculiar one, given the extreme spotlight it has to sustain every day.

Besides being a marketing case history to stress the relevance of the package, the topic of this thesis is to be considered as very actual, meaning that many institutions worldwide as WWF or NFA (Nordic Fashion Association) are currently considering a serious campaign to raise sustainability awareness both for businesses and customers.

This can be publicly seen in several recent events, as the Copenhagen Fashion Summit held in 2012. As part of a joint commitment from the Scandinavian fashion industry to stand out for leading on social/environmental issues, the broad range of keynotes ranging from Gucci to Greenpeace contributed to set the international agenda on eco-fashion. Thanks to the support of the Royal Highness Crown Princess Mary of Denmark, the convention gathered over 1000 key fashion and luxury players coming from almost 30 different countries. Interesting insights and new opportunities have been identified to spot forward-looking solutions for the global luxury and fashion industry to tackle the growing environmental challenges.
Consumer plays the final arbiter of the success of sustainable packaging (Demetrakakes, 2007), and this paper will explore luxury consumer perceptions of the impact of eco-packaging on purchase decisions and personal preferences.

According to Patrizio Di Maio, CEO Gucci, participating to the 4th Luxury Summit in Milan last June, Made in Italy is not just a slogan, rather a mission. It is represented by the sum of the human experiences and competences stored over time. The company has invested in the development of the Tuscan territory to enhance its value and its quality. Joint ventures with local producers ensure a sustainable approach. According to him, international economic crisis has shake the way luxury customers see the brand, and the logo (Fashion United, 2013). Together with quality and exclusivity, businesses need also to deliver integrity and authenticity to provide greater support to the buyer. Company integrity, occupational safety, environment protection are the main areas for action.

Luxury manufacturers can no longer rely on the brand name and the intrinsic value of the product, they must now convey humane and environmental values to establish a long lasting relationship with the customers (Ageorges, 2010; Kim and Ko, 2012).

In line with such policy, Gucci has now made a partnership with TNT Express concerning merchandise delivery within the city shopping streets of the most important cities in Europe. The new transfer service, called “high street fashion”, is now using only electric motor vans.

By considering consumption choices as linked to the product’s variables, we have the possibility to perceive the values buyers want to communicate and consequently the idea they have about the brand they are purchasing.

It is interesting to study how green luxury consumers’ habits are influenced by the product package they see and by their ethical concerns and belief about the brand.

Therefore, the purpose of this research is to study the ways in which luxury consumers define themselves when choosing a green package.

Given such premises, the main research areas are the following:

- How does sustainable eco-packaging influence luxury brands?
- What is the impact of green packaging on clients’ buying decision?

Additionally, when analyzing the luxury sector, it is reductive to take into consideration the consumption experience as just an individual act in the marketplace, rather it has a deep social value (Carù and Cova, 2003, Cherrier, 2007).

Following Cherrier and Murray (2007), identities are intrinsically social, so that consumers shape their being according to relational influences, by hooking on opinion leaders and sharing belonging.

Luxury consumption has a collective value, since it generates connections among consumers, their friends, their family members and their extended social network of relationships. Therefore, the possibility of being recognized by others and associated to desired social groups is a pivotal aspect embracing the creation of the self-identity (Cherrier, 2007).
The project aims at investigating how luxury green consumers try to become part of a desired aspiration, while at the same time to distinguish themselves from the mass, through their special decisions and habits.

Specifically, the focus will be addressed on how the visual eco-package can shape such decisions and consumption habits. According to these theoretical backgrounds, the sub-questions driving the research are the following:

- What associations are connected to eco-packaging in the luxury sector?
- Does the introduction of an eco-packaging enhance or spoil the evaluation the consumer makes on the brand?
- What is the perceived relationship between luxury and sustainability?
- How important is packaging in consumer decision making related to a luxury product?

**CHAPTER 3. THEORETICAL BACKGROUND**

3.1 Packaging and Branding

3.1.1 Packaging Research

Academic studies about consumer behaviour at the point of sale include many factors as time, store and price knowledge (Dickson and Sawyer, 1986; Park, Iver and Smith, 1989), decision task, shopping lifestyle and personality (Cobb and Hoyer, 1986), but none of these studies has focused on the influence that the packaging itself.

Analyzing the subject in an efficient, structural and systematic way is difficult, because of the following series of factors.

First, marketers are afraid of the restrictions which apply to packaging design, as public policy requirements, legal restrictions, retailer display needs are all elements limiting designer’s action. But, as competition also has to deal with those restrictions, even subtle designs are valuable to differentiate from rivals and gain attention on the shelf.

Second, it is common belief that researching the packaging is not constructive for innovation, since the respondents judging the design will be probably be conservative, and all packages in a category will look marginally different. But, whether research is not conservative, namely not merely relying on the degree of liking of a package, new creative insights will arise.

Finally, research is limited by the overwhelming research material on the execution strategies of printed advertisements. Such results usually rely on the resulting effects on packaging, due to the fact that packaging and printed advertisements are physically nearly the same. But, print ads cannot simply be defined to packaging. For example, the environment in which an ad and a package are processed may differ: A package typically appears in a shop on a shelf, and it is characterised as a highly competitive and complex environment at a product level.
Moreover, the time between the perception of a package and the actual purchase is shorter than the time between the perception of an ad and the resulting purchase, since they are presented to the consumer at a different point of time from the purchase (Plasschaert and Floet, 1995).

Even though packaging is not to be considered a new area of subject, it does not present a robust theoretical fundament in the marketing literature. More research is needed to understand consumer in-store information process influenced by packaging design. Generally speaking, researchers have showed a vague and superficial knowledge this subject, leading often to contradictory results (Kahneman, 1992; Schwartz, 2004).

3.1.2 Packaging Literature

Packaging has been referred by most researchers over the years as basically a means to protect the product for consumption (Erlöv, Löfgren, and Sörås, 2000; Kotler and Keller, 2006).

Three levels have been identified: the first shelters the item and it is usually close and in physical contact with it. The secondary one, on the other hand, puts together all primary envelopes into one. They operate both in the in-store environment, to present the product on shelf, or to carry it home in a comfortable way. Finally, the third level of packaging gathers different secondary packaging into one so to ease shipping.

However, such manufacture and logistic-oriented perspective is missing to take into account customer experience with the packaging, as well as communication effects, given that it solely relies on the flow from production to the marketplace.

Most literature on packaging stems from case studies, and they are unable to build a robust general framework by showing a weak relationship between packaging and marketing theory.

Consumer behaviour studies have showed that around 70% of the consumers are considering packaging as a variable influencing their buying behaviour and purchase decision. Important issues include usability, as easy to open requirements and storage information (Bech-Larsen, 1996; Peter and Olson, 2002).

In order for a package to be deemed as good from a consumer perspective, it needs to present clear information about core product qualities early at the point of purchase (Masten, 1988).

Communication, functionality and environment are three fundamental aspects shaping the strength of the packaging influence (Hansen, 1986). In the model, aesthetics, information processing and promotion relate to the communication side. On the other hand, functionality impacts on home carrying, storage and usage by the user, and finally environment puts the package in relation to the after-use of the product.

3.1.3 Packaging Design

During the early industrialised period, packaging took a great importance as urbanisation strengthened the distance between the firm and the user and protecting the item was a crucial issue.

The increasing sale infrastructures demanded for optimization for logistics, transport and informative flows from manufacturing to consumption. Later on, the information society characterized with an overload of info and mass media noise confused consumers and created
disorientation. In such situation, packaging became an influential player of the brand building process (Underwood, 2003).

This evolution process showed a changed attitude toward the package from a mere functional protector to a precious building block for brand communication. Wrapping gained the ability to interact with the consumers and to influence them at the point of sale (Selame and Koukos, 2002; Meyers and Gretzman, 2005).

At the end of the 20th century, plenty of products versions of the same category were displayed on shelf, and packaging became a tool for market communication. Through packaging, clear design facilitated communication and usage in such an expanded global market (Firat and Schultz, 1997; Thomassen, Lincoln and Aconis, 2006).

Modern multi brand buyers are taken considerations other than price when making consumption decisions, by giving a great attention towards aesthetics. Consumers choose items to frame their lifestyle based on immaterial aspects as emotions, feelings, aspirations and interests.

Aesthetics acts on the visual sphere and obstructs the rational decision making process (Rook, 1987; E. S. Andersen, 1994; Farlander, 2000; Isoline & Macomber, 2002; Hsee and Hastie, 2006). When value for money consideration is overtaken, brands compete on more intangible issues. New products are taken home for the pleasure of the purchase, rather than the functional performance or the need of it.

By choosing through their eyes, the point of sale turns into the point of selection (Thomassen et al., 2006). The most suitable package design wins the eye and in the end wins the fight (Sherwood, 1999).

3.2 Luxury Packaging

Smithers Pira is the global authority on packaging, paper and print industry supply chains. According to its report of the sector (2011), Asia Pacific is expected to see a growth of 7.1% to 2015 in terms of luxury goods packaging market by value. This result overcomes the nearly 5% projection for the global luxury packaging market and 3% for the global consumer packaging material.

Having a look at luxury consumption data, 37% of luxury goods are purchased in Asia, 35% in Europe, 24% in the USA and 4% in the rest of the world (Chadha and Husband, 2006).

Luxury packaging consumption depends on luxury good sales and it is strongly driven by economic prosperity and global affluence. The core market for luxury packaging is represented by developed regions as USA, Western Europe and Japan, boasting higher incomes per capital and a remarkable proportion of high net individuals. However, rapidly growing markets as Brazil, India, China and Russia are developing an increasing attention towards luxury consumption.

Smithers Pira report expects Asia Pacific will grow its share of luxury packaging sales as economic growth overcomes the more mature Western Europe and North American regions.

As a matter of fact, China represents the leading luxury packaging market in Asia, and the world’s second largest market after USA. Growing at a projected rate of 10.8% over the period 2010-2015, luxury packaging is expected to value $2.5 billion by 2015 (2010 estimate was $1.5 billion).
Luxury consumption in China has now overtaken that of USA and by 2015, the report expects that almost 30% of global luxury products will be consumed in China, making it the world’s largest luxury market.

In value terms, largest luxury end-user sectors for packaging are represented by healthcare, cosmetic and fragrances, all together accounting for almost 50% of total luxury packaging value in 2010 (Figure 6). Premium alcoholic drinks and gourmet food ranked second and third respectively. During the period 2010-2015, luxury packaging for premium alcoholic drinks is expected to grow at a rate of 6%. Still, also healthcare, cosmetics and fragrances luxury packaging market value are predicted to experience a similarly strong growth.

According to the research, the key market trend in luxury packaging is the growing interest in sustainability. While businesses keep focused on preserving luxury look and feel, they are also keen on using eco-friendly materials to be seen as environmentally responsible.

Packaging is the art, science and technology of protecting or enclosing products for storage, sale and distribution. The most renowned use of luxury packaging design can be found in department stores of beauty and fragrance industry worldwide. Bottles and containers full of fragrances, lotions and powders are beautifully displayed in luxury bags, boxes and pouches aimed at exciting the consumer.

Figure n.6: World luxury packaging value by end-use sector, 2010 (percentage share)

Source: Pira International Ltd
Luxury packaging can move your brand from a commodity-driven item into a premium and innovative product category. Not just that, it can boost sales and create its own niche with no competition. Entire new product categories have been created around a unique niche market that may not have excited a few years ago. Packaging is the perfect sales tool. It needs to attract the consumer’s view while giving information about the product (Aropack, 2013).

A good example of innovative thinking in luxury packaging design is how wine industry is transforming luxury packaging into more sales. Many alternative have been explored and developed. The new design satisfies consumers’ desires and needs by creating a need in a previously untried market. They are creating products with innovative approach, new materials, new labels, new shapes, new closures, new dispensing features, and as a result, new consumers.

Innovative promotional packaging design may be effectively used as an alternative to deliver product values and improve sales and revenues. Luxury packaging design is considered reflective of the brand and the product itself (Aropack, 2013).

3.2.1 Luxury Packaging in Asia

Chinese luxury good sales are experiencing high growth, and the country is now the clear leader in luxury packaging industry, providing 35% of world sales value in 2010. According the study, global luxury packaging market accounts for 3% of global consumer packaging sales in 2010 (Smithers Pira, 2011) (Figure 7).

*Figure n. 7: World luxury packaging value by region, 2010 (percentage share)*

*Source: Pira International Ltd*
Chinese culture has been defined as collective (Hofstede, 1980). Conformity fuels luxury expenditure through the concept of “mein-tzu”, or “face”, namely the reputation achieved through ostentation and success.

The strong group affiliation of Asian societies also nourishes luxury consumption by establishing norms of display individuals must conform to. Luxury demand also derives from social obligations for gift-giving. Strong group ties are reproduced through rituals, and luxury goods are taken as symbols to communicate esteem to the recipient and bring honour to the giver. Chinese consumers prefer to show off, and packaging gains importance as a pivotal vehicle to display the prestige and the high-quality image of luxury products (Csaba, 2008).

In promoting luxury brands in China, stressing the face-enhancing need is a good strategy. Commercials for luxury products are more other-oriented in Chinese markets, focusing on gifting, and peer approval. In such context, innovative materials could present the product as the perfect gift to gain approval from friends, coworkers and family. Packaging needs to reflect the high value of the product in a beautiful and prestigious way (Wang, Sun and Song, 2010).

Furthermore, trademark infringement is a serious issue for luxury brands in Asia, especially China, Taiwan and Hong Kong. A counterfeit deceives the customer by leading buyers to believe they are purchasing a genuine product. These items are usually sold at a lower price and they often display poor packaging. The more the packaging is perceived as similar to the original one, the more the consumer thinks the original and the counterfeit brand are similar in overall quality (Lai and Zaichkowsky, 1999).

The study also examined the perception on manufacturers, retailers and consumers. Respondents agree it is unethical for the manufacturers to copy another company’s packaging and for the retailers to sell that brand, but somewhat acceptable for the customers to buy those products. Still, in the Chinese market imitators’ products are usually of much lower quality compared with the original brand. The assumption that the Chinese luxury consumer is more accepting of imitators’ brands cannot be made just because many of them are produced in their home country.

Since reputation plays an important role in Chinese culture, we can expect purchase rate of imitators’ packaging by Chinese people will be lower compared with Western and American luxury customers (Lai and Zaichkowsky, 1999). Mc Kinsey report of 2011 also confirms the trend stating that Chinese customers increasingly want the real thing because they feel the others would spot a counterfeit (Mc Kinsey, 2011).

Asian consumers increasingly see drastic change in cosmetic brand shelf presentation as marketers are forced to rethink packaging and comply with excessive packaging regulation (Beauty Packaging, 2009). Luxury companies are increasingly putting R&D effort into developing feasible materials for market requirements.

According to Wu of Rexam, "Under this regulation, the concept of the biodegradable package will become more important to both brand companies and packaging suppliers in Asia." (Beauty Packaging, 2009).

The aim of the packaging law actually in force in China is to reduce excessive packaging. It defines mandatory legal standards by issuing new specifications: for example, packaging layers, excluding the initial packaging, must not exceed three layers, and the cost of a product’s package must not exceed 15% of its retail price. Also, the total packaging cost should not exceed 12% of the cost of the product (Hoggard, 2008).
According MW Creative's Toby Wilson, quality materials and attention to detail help convey luxury cues to customers. Premium packaging is particularly important for the cosmetics and drinks sectors because consumers are buying into a brand image.

Luxury packaging market is boosted by the culture of gifting, which is prevalent in Asia. Toby Wilson also points out that beautiful packaging brings added value because it is generally not thrown away by the customer after purchase. It could be re-used as an accessory or displayed as an object, thus reinforcing its value. The consumer will get far more out of the pack itself. It’s something you keep rather than just discard as soon as you get home and it acts as a cue for repeat purchase (Chris Lo, Packaging-Gateway.com, 2012).

According Toby Wilson, visual impact of packaging conveys premium quality and status. For gifting, the packaging needs to be something you would be proud to give someone. There seems to be a move towards creating a beautiful package that will stand as a symbol in someone’s home.

An important defining criteria in purchases of luxury goods is the investment aspect of the product. According Oliver Pectu, managing partner of CPP Management Consultants Ltd, “Consumers are looking at non seasonal and durable products, hence the success of the classic brands which have never compromised on the quality of their products. There is an increased awareness of raw materials, with consumers paying attention not only to their quality but also to the standard of processing” (Oliver Pectu, Luxury Society, 2010).

Luxury brands have thus witnessed a new shift in the way the industry understands its responsibility towards the planet and the society. Keeping with the new trend, luxury brands are taking sustainability efforts to switch to eco-packaging, to suggest an authentic shift towards a more ecologically responsible future.

### 3.3 Sustainable Packaging

#### 3.3.1 The Green Box

Sustainability in packaging calls for the integration of sustainable development and social and environmental strategies throughout the entire life cycle as well as the supply chain. Packaging can really make a difference along with its function for product protection, waste prevention and safety (Nordin, Selke, 2010).

However, other factors are to be considered as consumer behaviour, consumption trends, market segmentation and distribution innovations. These drivers may be in conflict with sustainable development, thus several organizations such as the Sustainable Packaging Coalition (SPC) in the USA and Sustainable Packaging Alliance (SPA) in Australia have tried to articulate common understanding and provide guidance in decision making (Nordin and Selke, 2010).

SPA (2005) has defined sustainable packaging based on 4 principles: effective, efficient, cyclic and safe.

As effective, innovation should focus on optimizing functionality and supporting informed and responsible consumption. As efficient, resources wastes and emission should be minimized. As cyclic, recovery of materials should be made throughout the all life cycle. Finally, safety and health risks should be minimized (Koijman, 2000).
On the other hand, SPC (2005) outlined 8 criteria to define a sustainable packaging, as:

- Beneficial, safe and healthy for individuals and communities throughout its life cycle
- Meeting market criteria for performance and cost
- Sourced, manufactured, transported and recycled source materials
- Manufactured using clean production technologies and best practices
- Made from healthy materials
- Physically designed to optimize materials and energy
- Recovered and used in biological/industrial cradle to cradle cycles

Although different sets and criteria shape the two definitions, the fundamental concept is the role of packaging to be considered in its entire life cycle to capture social, economic and environmental elements that need to be satisfied to realize a truly sustainable packaging system (Bickerstaffe, 2000).

Packaging systems have traditionally evolved around the waste management hierarchy (reduction, reuse, recycling, recovery) (Johnson, 2008). Still, sustainable packaging focuses on the entire life cycle throughout the life cycle by evaluating all opportunities for improvement, transformation and optimization. The system has now progressed and included raw materials, packaging converters, manufacturers, distributors and retailers (Vrolijk, 2006).

Packaging vital role is to guarantee the product in optimum condition on consumers’ hands, but also to meet consumers’ expectations on reducing its impact on the environment. Packaging should be sourced responsibly, designed to be effective and safe, made efficiently with renewable energy and meeting cost and performance market criteria. Finally, once used, recycling or efficient reuse should provide valuable resources to future generations. For sustainable packaging, consumer demand is a crucial factor (SPA, 2005; SPC, 2005), still relatively little is known about buyers’ perception in sustainable packaging of luxury goods (WBCSD, 2008).

Most studies related to sustainable development show a positive awareness of environmental attitude for both consumers and manufacturers (Lonegan et.al, 2000; Deloitte Consulting LLP, 2007; WBCSD, 2008; Finisterra Do Paco and Raposo, 2008; Prendergast and Pitt, 1996).

A report published by Deloitte Consulting (2007) observed about 85% of leading consumer brand products have supply chain sustainability programs in place. Presented in the same report, a research by Natural Marketing Institute on segmenting consumers in 2006 found that an emerging 17% of customers as “green motivated” and willing to shift to green companies.

A worldwide survey published by Synivate and Aegis in 2007 and BBC World in 2008 stated rising awareness in most countries, where USA had the top increase of almost 25% (Figure 8).

Information Research Institute indicates that sustainable market is growing. Almost one US consumer out of 5 is “sustainability-driven” in their product selection (IRI, 2007). However, a study by Perception Research Services on sustainable packaging revealed the lack of involvement in sustainable efforts. Most consumers were found to be unfamiliar with the terminology and concept of sustainable packaging (Figure 9).
A paper written by Young observed that UK, Germany and China have no enough deep knowledge on sustainable package required to make informed environment decisions. Almost half of Americans consumers interviewed wrongly interpreted sustainable packaging as durable packaging. Less than 20% USA, UK and Germany consumers claimed to know what "sustainable packaging" means.

Interestingly, the study highlighted environmental considerations as secondary in driving packaging preferences for the majority of consumers. Almost 40% in Young’s study and about 45% in Raymond’s study (2009) declared to be firstly driven by package functionality and protection of products.

However, environmental considerations will take place in the case in which quality appearance and functional needs are satisfied. This attitude-behaviour gap is mainly explained by the lack of knowledge about sustainability concept by customers, their misconceptions about packaging materials and the impact on the environment.

Consumers also believe the main responsibility for sustainable packaging is given to manufacturers, without passing along any additional cost (Bikkerstaffe, 2000; D’Souze et.al, 2007).
We can then state that the increased concerns on environmental issues and the related willingness to act do not reflect in the willingness to pay more (Barrett and Bikkerstaffe, 2000; Rokka and Uusitalo, 2008; Young, 2008).

According to Henry Renella, senior vice president of New York-based Estee Lauder’s Global Packaging development speaking at Luxe Pack in Monaco (Cosmeticdesign.com, 2011), luxury consumers acknowledge sustainability, but they do not want to notice it off too obviously on the packaging. Luxury buyers seem not ready for a radical change in luxury good’s packaging, they call for “an evolution, not a revolution”.

Sustainable packaging should not change the typical look, so that the sustainable strategy should not follow a different approach, rather still based on the target market. The speech reported aesthetic as top priority when designing a new sustainable luxury packaging. Innovation, creativity and sustainability should become buzzwords for the whole industry. All three building block should work in harmony and keep relevant for luxury packaging, especially in the beauty sector, as he stated (Cosmeticdesign.com, 2011).

**Figure n. 10: Overpackaging vs. Underpackaging Tension**

![Figure n. 10: Overpackaging vs. Underpackaging Tension](image)

*Source: European Packaging Summit, Andrew Speck, Packaging Buyer at Mark&Spencer, 2012*

Finding a correct optimization to allow a balance between underpackaging and overpackaging is a key issue (Figure 10). The first increases food waste, the last increases the impact on the
environment. Supply chain enhancement improves the point of optimum as it shifts from right to the left.

Sustainability journey entails reduction, recycling, food waste, optimization and future security. This process can go quickly but public perception can constrain this thinking. It is business roles to educate ad inform consistently and factually.

Sustainability encompasses the environment, the economy and social well-being. Relationships are often interdependent, and a coordinated effort is needed. A more economically preferable package may result in a less environmental one. Also, by reducing an unwanted environmental impact may increase another undesirable environmental result.

Adam Gendell, project manager at Green Blue’s Sustainable Packaging Coalition, suggests an universal sustainability evaluation system able to compare every aspect of packaging in a standardized way and to offer a universal metric to gauge sustainable packaging. The manager calls this “sustain-o-pack-o-matic”. Still, strong debate occurs on the issue, and a universal opinion on sustainable metrics is away from reality. For example, in some waterscarce areas, lowering water consumption is more important than emission reductions. Or, in smog covered cities, emission merits top attention.

### 3.3.2 Packaging that sells

Packaging that sells 70th edition hosted in Chicago on October 2012 had the theme of making packaging matter (PwC, 2012). Top products of the years have been awarded for the perfect mix of brand and sustainability (Laura Zielinski, BrandPackaging, 2012).

Here below some examples:

1. **Category: Paperboard**  
   Brand name: Puffs Car Cups  
   Brand owner: P&G

   Puffs Car Cups have been created to support drive trial and incremental purchases. The format is a streamlined carton structure fitting most car cup holders. The collection is made of six versions, based on popular fashion and accessory trends (Figure 11).

2. **Category: Glass**  
   Brand name: Fou-Dré  
   Brand Owner: Chanel Turner

   Fou-dré stands out from the crowd of standard-shaped vodka bottles on the shelf. The goal of the design is to strike the customer through a lighting bolt shape, line with the brand name, which means “lighting” in French. The bottle is higher than the competition, sophisticated, elegant and % eco-friendly (Figure 12).
3. Category: Paperboard  
   Brand name: Eos  
   Brand owner: Eos

This is the first packaging on the market using this sustainability-focused technology.

The Health and Beauty Package offers sidewall closure and dual hang/display options. The Alice in Wonderland limited edition lip set reveals a colour contrasting storyline and a shadowbox effect highlights the Breast Cancer supporting set (Figure 13).

*Figure n. 11: Puffs Car Cups*

![Puffs Car Cups](image)

*Source: BrandPackaging, 2012*

*Figure n. 12: Fou-Dré*

![Fou-Dré](image)

*Source: BrandPackaging, 2012*
3.4 Only the best: The Luxury Mantra

3.4.1 Luxury Rationale

According to Renand (1993), the definition of luxury goods is not clearly articulated. The distinction between luxury and non-luxury does not rely on appearance or intrinsic qualities of the good itself.

A luxury item goes beyond the ordinary in terms of daily living needs. Most scholars accept the concept that luxury goods are modifications of a basic product to satisfy consumer needs (Vickers and Renand, 2003). Functional interactions rely on the ability of the product to solve a problem or prevent a potential danger due to superior performance, durability, strength and reliability. In contrast, experimental interactions consider if the product characteristics stimulate sensory pleasure and hedonic consumption, such as exclusive design. Symbolic interactions focus on the relationships between the product and status, self-enhancement, group membership and prestige.

The term “luxury” represent the top category of prestigious brands (Li, Li and Kambele, 2012). Luxury products are “good for which the simple use or display of a particular branded product bring esteem on the owner, apart from any functional utility” (Vigneron and Johnson, 2004).

Literature examines luxury consumption by exploring the concept of prestige (Vigneron and Johnson, 1999), attitudes (Dubois, Czellar and Laurent, 2005), value (Tyan et. al, 2010) and socio-demographic factors (Dubois and Laurent, 1993).

Veblen theory (1899) suggests that luxury products need to be put into their socio-economic context. Luxury consumption is a conspicuous waste, and it depends on both product attributes and consumer social status. A product may be useful and wasteful at the same time, and utility to the user may be made up of use and waste in varying proportions.

Traditionally, people have strived for satisfying their desired through the possession of beautiful goods. Today, disposable income has increased throughout the social scale, especially for the highest classes of the hierarchy. Current customers are thus willing to spend more for luxury items to show. Academic research has showed that luxury goods bring a sense of prestige to the owner.
when using or displaying a particular brand that goes beyond the mere functionality of the product (Grossman and Shapiro, 1988).

Prestige has been defined as “an individual’s preference for shopping in clothing stores where the combination of patron status, store type and atmosphere, merchandising price, quality branding, and fashion combine to create a particular prestige level”(Deeter-Schmelz et al., 1995).

Luxury brands “evoke exclusivity, have a well-known brand identity, enjoy high brand awareness and perceived quality, and retain sales level and customer loyalty”(Phau and Prendergast, 2001).

Vigneron and Johnson (1999) explain luxury consumption according to the effects below:

- **the Veblen effect**, perceived conspicuous value. Consumers attach greater importance to price as an indicator of status, and their primary goal is to impress others

- **the snob effect**, perceived unique value. Price is an indicator of exclusivity. Consumers avoid popular brands to consume on an inner-directed basis

- **the bandwagon effect**, perceived social value. Consumers attach less importance to price compared to snob consumers, but more emphasis is given on the impression they make on others while consuming prestige brands

- **the edonic value**, perceived emotional value. More importance is given to personal thoughts and feelings, and price is taken less in consideration as an indicator of prestige

- **the perfectionism effect**, perceived quality value. Perfectionist users focus on personal perception on products’ quality, and they may use price as a further evidence for it

Luxury market has recently sustained a constant growth. In spite of the disruptive effect to global trade after the September 11 attacks, or the current financial crisis stock and real market is experiencing, growth has increased from $20 billion in 1985 to $68 billion in 2000 (The Economist, 2002).

The actual recession has left economy acutely aware of the fallacies of finance and the need for sustainability. The choice companies make determine how authentic and sustainable the narrative is.

Globalization broadens the narrative, calling for recasting assumptions. According scenario DNA (2011), more than half of the growth in global demand for imports is now generated, proving export opportunities for developing and developed countries. Cultures drives the meaning stimulated by the customer involvement with specific codes inherent the brand.

Husic and Cicic (2009) have analyzed the factors that influence luxury consumption. Image, fashion, store atmosphere and patron status, all influence behaviour in a relevant but different way one from the other. Wealth is distributed unequally, since 2% of the wealthiest people in the world own more than half of the world’s wealth, and it is geographically concentrated in USA, Europe, Japan and Australia (Oslobodjenje, 2006). The wealthiest segment includes 691 people from 45 countries around the world with a cumulative wealth of $2.2 trillion (Luxury Institute, 2005). In 2004, 236,000 Chinese and 61,000 Indians became millionaires (Merrill Lynch and Cap Germini, 2005).

Luxury consumers are especially concerned about offering the right impression on others. Appearance and fashion play a very important role because they help in gaining approval from
others. By displaying status goods as symbols, they communicate meaning about themselves to the community and especially the reference groups they wish to be part of. Consumption is mainly devoted to satisfy a symbolic appetite (Wicklund and Gollwitzer, 1982).

Prestige “has always been designated as constituting a basic symbol of one’s social standing or status” (Eisenstadt, 1968). Prestige-sensitive individuals fear that others perceive them as “cheap”. The more sensitive the product is to display wealth, the more visible will it be displayed by prestige-sensitive individuals. Through “luxurification”, labels have moved from inside to the outside of the piece, so to communicate your identity according who you wear, rather than what you wear (Twitchell, 2001).

On the other hand, some successful brands are operating along the opposite way. For example, Hugo Boss most exclusive and expensive pieces show a hidden and small logo. Consumers may be motivated to purchase because of the desire to impress and the display of the ability to pay high prices for prestigious products (Mason, 1981).

Parents buying luxury brands for children reflects their willingness to show their financial status (Darian, 1998), after Veblen’s theory according to which wife clothing displays her husband’s social status and relevance on a social point of view (Veblen, 1899).

As Coco Chanel stated “Luxury is the necessity that begins when necessity ends” and discretionary income growth, together with immediate self-indulgence and gratification culture, further stress the wish to impress others (Dubois and Duquesne, 1993).

3.4.2 The modern luxury world

In Veblen’s terms, luxury is the ability to be wasteful. If this is true, we should also reflect on the fact that so many of the joys of living do not require waste. There may be a way to redefine luxury in sustainable and social terms. The paper strives to spot alternatives to separate the concept of ”luxury” from that of ”wastefulness”.

Academic scholars have analyzed the luxury system under a perspective in which exclusivity of waste rewards value (Veblen, 1934; Leibenstein, 1950; Carter, 2003; Thomas, 2007).

Luxury brands have the potential to be at the leading edge of sustainability. Made in Italy case shows how fashion sustainability can be defined as the perpetuation of a social good. The luxury market sets its core in the exclusivity. If a company were able to produce a very high end piece based on sustainable features and still make it exclusive, people would find it appealing and desirable. That is how wastefulness would disappear.

Still, sustainability does not necessarily rely only in the material and physical end product: the way in which a product is produced can put at a premium on authentic or new manufacturing processes to reach sustainability (Plannthin, 2013).

An ecosystem based on the respect of the human being and the environment could become the next signal of luxury. Those affluent few that can afford luxury items do so because it sets them apart and help define them in life. The signalling process conceptualized by Han, Nunes and Drèze (2010) will also operate in the diffusion and adoption of sustainable luxury products.

Sustainability is not just compliance with international certification standards. It may rather support the leaders of luxury, as it gives a chance to anticipate people’s dreams and aspirations for a better
quality of life. Furthermore, the high margins luxury companies can count on may be used to invest in the development and marketing of environmentally and socially responsible products.

For example, Lexus made a brilliant success by only concentrating on the green element of sustainability. Its combination of quality, design, beauty, functionality and sustainable consumption made a hybrid car a must-have for the richest and coolest target (WBCSD, 2008; Lexus website; Joy et. al, 2012; Edmunds car blog & al., 2013).

Luxury companies are expected to perform and behave well. They should create their own world. And if luxury and sustainability are taken as core brand values, then sustainable success, both in terms of financial ROI and ethical community approach, is guaranteed.

However, this potential depends on the extent to which the high end design stand will be compromised. Consumers may doubt on the reliability of production processes, especially when manufacturing stage is outsourced. Lack of transparency, together with scant info on strategic policies may limit the consumption of genuine products, as a result of an overall mistrust in the value proposition.

“I think the future approaching fashion in ethically responsible manner will be the way to behave. The problem is not only for the designer but also for the consumers because it will take time to teach them how to recognize and choose sustainable items”

F. Sozzani, editor of Vogue Italia, cited in International Trade Forum, 2009

Sozzani raised the issue of social implications, the need to develop education on sustainability. Building awareness helps individuals to be responsible and make ethical contributions. To tackle the issue, consumers, designers, retailers and all stakeholders need to take the field and demonstrate their role and responsibility. Online green communities also give informative sharing and educational support, and help on building a discussion forum where dialogue stimulates progress (Cervellon, Wernerfelt, 2012).

At last, social influence drives the demand. The perception of ethical consumerism may induce people in behaving for approval (Leibenstein, 1950). The desire for association and social status may be a reason why people may be willing to pay more for these kind of products. We can therefore assume that the luxury customer base has an important role to play in encouraging this movement. As “patricians”, they have the potential to drive people’s desires and aspirations. When they recognize the potential of such ecosystem, a better world will be the priority for everyone.

3.4.3 Sustainable Luxury

Critics arise from the irrationality governing luxury, the illogical reason to be willing to pay thousands of dollars for a product available on market at a massively lower price an with equal functionality.

The essence of luxury is singularity: each piece is extraordinary, as the result of time, handcrafting, exclusive caring. Luxury brands also offer the buyer a nuance of taste, elegance and status: buying products beyond functional motivations is a signal for human elevation in Maslow’s pyramid (Han, Nunes and Drèze, 2010).

Furthermore, luxury represents excess, coming from its latin root luxus, which means pomp. The industry enjoys highest gross margins (Tabatoni et. al, 2010), so companies are not concerned by
cost reduction rather creation of value, so to make the buyer stand apart. Such attitude is by definition contrasting the sustainability one, which works on the opposite: frugality, moderation, self restrain. Finally, luxury signals inequality. Rich people overexploit collective capital and natural resources that cannot be replaced with their private jets or yachts. Criticism arises from the high visibility and the impact of the strong symbolic power that luxury brands possess, much higher than their real economic performance.

Sustainable development is not to be considered an altruistic move, rather a business imperative (Kapferer, 2010). Power stratification should turn in ethical stratification. In line with that, since 2001 LVMH started an environmental charter to make sustainability an essential part of its strategy.

Since 2004, carbon imprint is now audited along with a four words mantra: renew, recycle, reduce and review. The same practice has been taken by Tiffany, a pioneer of jewellery, showing strong care for mining conditions all around the world. Tiffany commits to the protection of the places and the communities where their precious materials come from. Also, 95% of catalogue paper is certified by the Forest Stewardship Council as well as the iconic blue bag, biodegradable and made of recyclable plastic film.

At a practical level, sustainability may create difficulties in delivering superior quality. Think about Lacoste, the best polo shirt in the world since 1933. Its reputed quality of softness, durability and resistance relies on the exceptional Pima cotton, coming from Peru. Each polo is made of its 25km long fibres. Buying cotton from sustainable trade would demonstrate Lacoste’s support to local producers in emerging countries. But in this way, Lacoste would not be Lacoste anymore, Pima superior performance would be lost and the brand would introduce heterogeneity in the look and feel from one polo to another (Kapferer, 2010).

However, luxury brands are advancing to meet sustainable needs. For example, Dior LVMH handbag is made in Italy by excellent leather suppliers where material comes from Italian bio-farms and at the end of the production process the box that shelters the handbag is recyclable.

According Tabatoni (2010), luxury’s high gross margins rely on brand integrity, so sustainable development will represent a tool for them to foster immaculate lustre and intact reputation.

Luxury can lead the way and redefine the notion of quality, no more selfish and individual based, but able to benefit the environment and the community. To remain a leader against mass goods, luxury should present integrity all along the business model and embrace sustainability on economic, social and ecological terms (Kapferer, 2010).

AFP report (2008) suggests that luxury brands own substantial financial resources to invest in sustainability and assume a role of leadership on the issue. Ethical concern may be a tool to improve personal opinion and self-perception, as a precious vehicle to gain the psychological satisfaction sought by luxury consumers (Olorenshaw, 2011).

Taking this perspective, some luxury companies have made some steps. The Cartier group, for instance, has now become a member of the Responsible Jewellery Council, that certifies good social and environmental conditions for mining diamonds and gold used in their collections.

Also, in 2004, the French artist Jérome Drevfuss registered the “Agricouture” brand, a clothing label supporting local supplies, recyclable materials and vegetable leather.

Later in 2009, Yves Saint-Laurent presented the “New vintage” collection made of recycled fabrics from previous seasons and the following year, in 2010, Hermès launched the “Petit h” collection, using cast-offs and scrap from workshops to create accessories, toys for children and apparel.
3.4.4 Working on the brand

Authentic brands deliver on poetry. Luxury four codes of meaning are made of rank, perfection, guilt, freedom. These four codes reflect a human centred way meaning and operate in the culture as a whole. Rank is the last bastion of conspicuous consumption.

Starting from 1980s, greed economics showed how greed is good, and captures the essence of evolutionary spirit. Nowadays, counterfeits signal a bubble of value. Today rank must set authentic standards. “Today’s superrich no longer imitate a pseudo-aristocratic lifestyle with horse prints on the wall. Now, you better have a Koons and a Hirst or you’re going to look provincial” (Tobias Meyer, Sotheby’s principal auctioneer, 2011).

Rank arises together with the responsibility to set standards that others will follow. An example has been given by Britain’s Prince William and Princess Kate option for charity donations in place of wedding gifts. The couple selected five causes and generated a virtuous cycle made of good reputation and sensitivity. Rank relies on how informed you are. For example, Maestro Dobel tequila’s small batch production is noted by handwritten date and bottle numbers, as well as the distiller name (Scenario Dna, 2011).

Power has been defined as “the ability to produce intended effects” (Bertrand Russell, 1938). Business is now currently seeking power that enables change. Also, with power comes responsibility. For example, Prince Charles’ vintage Aston Martin was converted to run on surplus British wine by having it distilled into ethanol. Puma is rethinking the mundane by replacing the shoebox: a cardboard sheet that folds into a box structure, and fits perfectly into a cloth bag (Figure n.15).

In the luxury world, every detail is subject to scrutiny. 2010 Oscar nominated “I am Love” the visually luxuriant life of a Milanese family living in a wonderful villa gave special attention to the dishes, made by chef Carlo Cracco, that fuelled the scenes. Perfection gathers all senses, as well as to what you don’t perceive.

The ordinary is to be refined, embellished, enhanced. For example, Evian Palace Bottle for hospitality establishments comes with a built-in pourer. The slender PVC bottle is recyclable, showing an accent of performance in a throw away world (Figure n.16).

Figure n. 15: Puma sustainable shoebox

Source: Scenario Dna, 2011
Luxury brands should engage knowledge so to activate behaviour through involvement, authenticity, sustainability.

*Figure n.16: Evian PVC bottle*

The rise of collective intelligence displayed in Daniel Goleman’s “Ecological Intelligence” book (2009) stated that the more we know the more we share. So luxury becomes about choice and our power to choose. Innovation is a mating game and players should understand the signals embedded into the rituals they want to engage.

### 3.5 Luxury Buying Behaviour

#### 3.5.1 Consumer behaviour

Consumer behaviour can influence luxury consumption such as an individual personality, habits and feelings attached to luxury possessions (Slama, Wolfe and Clark, 1999; Phillips, 2003). Behavioural motivations for luxury consumption can be affected by personal or non-personal feelings (Vigneron and Johnson 2004).

Personal perceptions of luxury are based on emotions and feelings (Dubois and Laurent, 1993), while non-personal ones are based on opinions, suggestions and interactions with others (Groth and McDaniel, 1993) as perceived conspicuousness (Veblen, 1899; Bearden and Etzel, 1982).

In such terms, possession gives social status and representation (Vigneron and Johnson, 2004) and it is susceptible to reference groups as famous personalities. Non-personal motivations also include perceived uniqueness (Snyder and Fromkin, 1977; Lynn, 1991), able to deliver a sense of exclusivity often linked to expensive pricing (Verhallen, 1982; Lynn, 1991; Groth and Mc Daniel 1993; Verhallen and Robben, 1994; Pantzalis, 1995). Perceived quality makes luxury products deliver a greater sense of reassurance compared to ordinary brands (Aaker, 1991).

Moreover, personal perceptions of luxury include perceived extended self as an extension of one’s self to integrate symbolic features and distinguish from the mainstream (Belk, 1988). Also, perceived hedonism relates to personal rewards and emotional benefits coming from luxury
consumption such as sensory gratification and pleasure (Sheth, Newman and Gross, 1991; Rossiter and Percy, 1997).

### 3.5.2 Buying behaviour literature

Academic research started on the 50s and different perspectives have subsequently arisen along with different sociological and anthropological trends. The focus is to describe and understand consumer relationship with the marketplace when as individual or as a group.

Rational behaviour theories have been overtaken by more complex processes influencing purchase decision (Bettman, Luce and Payne, 1998). Research has spotted the main following factors:

- maximization of the benefit: to achieve the goal, people limit cognitive effort and negative emotions so that the desired payoff is optimized
- value ranking allows evaluating different options to ease choice, by selecting leading superior attributes to simplify the process and avoid complexity

In the 60s, the consumer decision process model displayed several stages involving both emotional and physical operations. Purchase involves five stages: need recognition, information search, evaluation, purchase, post-purchase behaviour (POPAI, 1996; Ruth and Carol, 2000; Firat and Schultz, 2001; Remington and Folk, 2001; Young, 2002; Millner, 2002; Liljenwall, 2004; Thomassen, Lincoln and Aconis, 2006).

Kotler and Keller (2009) showed buying behaviour to be influenced by cultural, social and personal factors. Culture is deemed as the pivotal driver of an individual's wants and behaviour, and it shapes the evaluation of wealth and luxury (Rose and DeJesus, 2007; Rahts, Sirgy and Meadow, 1989).

Hofstede has identified five dimensions to compare different cultures: power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, short vs. long term orientation. Specifically, power distance is widespread in hierarchical societies since luxury consumption signals social status (Heisley and Cours, 2007). Asian values are taken as collective since the interdependence and long-term mutual obligations between individuals and organizations. Masculine traits as achievement, success and performance may be conveyed through luxury consumption. High degree of uncertainty avoidance tend to accept reference groups’ norms, which may explain the diffusion of masstige. Finally, Eastern long term orientation stresses order, emphasizes perseverance and highlights stability.

Social factors include reference groups, family and social status. Groups are important source of information and they define normative guidelines, so that the person has an expected role to perform. People choose groups able to reflect and signal their role and desired status in society.

Personal determinants as occupation, personality, economic environment, also affect buyer’s decisions. Lancaster (1966) displayed that products are demanded not for their own sake, but for the features they can bundle up. Symbolic interactionism helps the holder of the product in being associated with a desired group or self-image in terms of emotions and personalities (Bhat and Reddy, 1998).
3.5.3 The consumption side of luxury

In today’s turbulent environment, value perception is one of the most important research field for marketing managers. New conceptual frameworks may form the basis for a structured understanding of the luxury perceived value of their brand.

Prestigious products embed complex physical and psychological values (Vigneron and Johnson, 1999), even if the diffusion of low cost counterfeits reduces the perceived quality and exclusiveness of the genuine product and hinders brand equity (Wilke and Zaichkowsky, 1999; Zhou and Hui, 2003). Because of such issues, it is pivotal for luxury researchers to understand how the perception of luxury value affects purchase.

Wiedmann, Hennigs and Siebels (2007,2009) developed and investigated an integrated conceptual framework of luxury brand perceptions. Results showed the highest impact by affective and social value of the brand, particularly driven by the buyer’s materialistic and hedonistic needs.

In the luxury field, brand culture dictates the emotional aspects of brands by attracting consumers on a global scale. Brand value is also made of corporate value, namely combined with the proportion of value linked to the social/environmental conduct of the brand. A greater public participation in non-governmental organizations has spread a sense of global philanthropy, and rising interest in social involvement.

Furthermore, luxury is now expanding to highly unequal markets with significant poverty, as India. The Financial Times showed in 2007 that “the price tags of luxury goods could equal the annual income of a small Indian village”. The Prime Minister of India has called on the rich to “eschew conspicuous consumption” and on businesses to “promote socially relevant messages and causes” in their messages (Amy Yee, Financial Times, 2007). The tax set on luxury goods in 2007 by the Indian government was set at 114%.

In Asia, the mayor of Beijing has said that luxury advertisements “are not conductive to harmony” and all luxury billboards were removed in 2007 (Amy Yee, Financial Times, 2007).

Specifically, in China the definition of luxury relates to the Confucian concept of “face”, or personal reputation. The mien-tzu and lien are the two aspects of the face. The first is connected with material prestige and display of wealth, while the last refers to moral standing, taken as very important in Chinese society (Hsien Chin Hu, 1944). The term for luxury may be translated as a good to “show-off”, indicating that luxury consumption is mainly dominated by mien-tzu. In a sustainable perspective, this will be the case for the lien instead.

The challenge is to make luxury more socially acceptable in high unequal societies. Sustainable luxury may present a solution. Some reasons follow:

- more value is generated for additional people involved in the manufacturing and supply processes
- biodiversity is guaranteed, and global commons are taken as precious resources
- processes, techniques, practices and material are developed in line with a sustainable development
• such approach will require a level of investments that lower-positioned brands may not be able to reach
• social and environmental excellence will be a vehicle to continue to thrive in mature markets as Europe, Usa and increasingly in Asia
• counterfeits danger will be faced by providing prestige in new ways that do not rely so heavily on the use of logos

Source: (Chadha and Husband, 2006; Bendell and Kleanthous, WWF, 2007; Thomas, 2007; Kapferer, 2010; Joy et al., 2012)

On the consumption side, luxury is not supposed to stand as an enemy of sustainability. Fashion logic relates to aesthetically obsolescence, but sustainable luxury can become a new paradigm within which fashion will move as a result (Kapferer, 2010, Deloitte Consulting LLP, 2007). Luxury brands can be at the forefront of such positive attitude thanks to their heritage, quality and client focus.

Heritage implies adapting tradition to create something that will last. “90% of the clothing that people buy these days ends up as landfill within 2 years, that’s not the case with what you buy in Savile Row”, says Henderson, director of luxury suit outfitter, Gieves and Hawkes (Bendell and Kleanthous, 2007).

Many luxury brands provide return and repair facilities to their client, as a fundamental part of customer retention strategy. Improved repair services are considered as crucial for luxury customer satisfaction.

3.5.4 Eco-consumption trends

Fashion companies are increasingly marketing eco-fashion as an appealing alternative (Fletcher, 2008). However, some authors have found an attitude-behaviour gap in environmental protection interest. Namely, consumers show a positive attitude but a scant action into eco-consumption (Beard, 2008; Niinimaki, 2010).

Eco-consumption decision can be examined on product-related attributes (e.g. product design, quality, price) and store-related attributes (e.g. store design and environment, store’s ethical policy, shop convenience) (Niinimaki, 2010).

Previous authors have revealed that consumers are interested in eco-purchase but they are not willing to give up personally, such as paying a higher price (Carrigan and Attala, 2001; Joergens, 2006).

Eco-luxury is defined as exclusive goods designed to maximize benefits to people and society while minimizing adverse environmental impacts (Joergens, 2006; Ochoa, 2011). Eco-consumption deeply depends on eco-production, forcing upstream processes to be environmentally friendly, from sourcing to production, form distribution to retailing to satisfy consumers’ expectations (Jackson, 2004; Young, Nunes and Drèze, 2010).

Luxury has recently been under the attack of public criticism because of its inertia towards sustainable practices. Waste of resources is justified by the luxury idea of pleasure for a happy few. Still, deep luxury present commonalities with sustainable development: both take rarity as a crucial
concern and luxury is by definition durable. Even if highlighting social inequality, luxury does not create it. Operating as a metaphor of quality, luxury will be a model in sustainability (Kapferer, 2010, Bank Sarasin report, 2012).

Beyond exclusive image, luxury grounds on rarity. This is the reason why the industry is high resource dependent and obsessed by the sustainability of them. The sophisticated packaging of luxury goods has a very little impact when compared to the over consumption of plastic packaging of mass consumer goods. In conclusion, luxury can be defined as the enemy of the throw away attitude (Bonini and Oppenheim, 2008; Kapferer, 2010; Bank Sarasin report, 2012).

Real luxury business model is not aimed at cost reduction but at creation of value through rare and unique products. Luxury strategy relates to craftsmanship, savoir faire and handmade rare products. Instead of relying on unskilled labour forces as the mass fashion industry, skilled workforce is vital to luxury brands (Bendell and Kleanthous, 2007).

Planned obsolescence is not a luxury issue. Luxury is by definition durable and of lasting worth. For example, 90% of all Porsches produced are still being driven, and Ferrari mechanics will assist each car, whatever its age.

Luxury is embedded in a long term perspective (Bastien and Kapferer, 2009, Bank Sarasin report, 2012). Heritage is a key part of the brand, which needs to be periodically reinvented to the younger clients. Products are designed to last and forgo obsolescence. All Miele appliances, for instance, are created to work and last up to 20 years.

The challenge here is to incorporate sustainable features and yet remain luxury to drive consumption (Kapferer, 2010). Specifically, jewellers are obsessed by the sustainability of their resources because their future depends on mines (Quentin Simonet, HH Magazine, 2013).

CHAPTER 4: METHODOLOGY AND ANALYSIS

The aim of this chapter is to create an understanding of the grounding procedure of the project. Findings have been then displayed and discussed in relation to previous studies and the literature examined.

Finally, project limitations have been presented in order to suggest further research guidelines.

4.1 A Quantitative Approach

The chosen methodological approach has been quantitative. As personal interpretations are avoided, the degree of objectivity can be in this way maximized (Patel and Davidson, 1994). The quantitative method has been structured on predetermined research questions and based on conceptual frameworks. Great concern is addressed to deductive testing of theories and hypothesis.

Quantitative research emphasizes statistical analysis. The study has been conducted through an online questionnaire which permits the collection of large amount of data even from far away locations. The survey method IS a good way to obtain information in a systematic way about variables that are not easy to observe, such as attitudes and intentions, and allows greater accessibility. Due to the restricted amount of time, the face to face option has been discarded. The experimental study has been conducted in June/July 2013.
Data have been analysed during the process of data collection and responses entered for data processing using SPSS software.

4.1.1 The questionnaire and the sample

The chosen structured questionnaire offered a mix of open and closed questions. Open questions do not force the respondents to choose between fixed options, a situation typical of closed questions instead (Saunders, Lewis and Thornhill, 2003). The option “other” offered in multiple choice questions has allowed the respondent to add the alternative answer that suited the most her/his attitude. In the questionnaire, responses are in the answers themselves. This method is useful to elicit customers’ beliefs, opinions, perceptions and attitudes.

The non probability sampling offered some discretion in selecting the target population. The opportunity-related sampling has been chosen as the best sampling method. A convenience sample is used under consideration of the limited contact and time available for the research project. The group was reached through personal database and social networks (Linkedin, Facebook, Twitter). To encourage a high response rate, we provided an opportunity for anonymity and confidentiality.

Sampling population consisted of different users of luxury goods who use packaging in their day to day life. Individual respondents were the sampling elements. Sampling size has included 182 respondents, of which 174 completed and taken for the analysis. According to Creyer (1997) and Joergens (2006), this sample size is sufficient for research on luxury consumption.

Members of this panel have volunteered to participate in academic research. Their ages varied from 19 to 63 years old, with a mean age of 29 years old. The investigation took 3min 20secs to 24min 48secs.

Participants took part individually and completed the online questionnaire formulated by Qualtrics framework.

The questionnaire included a test on eco-luxury packaging and the related buying behaviour. Even if real experiment might have been able to provide a more robust estimate of current respondents’ buying behaviour, a sound approximation can be developed through an online questionnaire.

Two packaging have been placed at a later point in the questionnaire and respondents have been at first requested to choose along with their aesthetic preferences one between the two options. Both images presented a ring and its box (Figure 17).

According to their personal preferences, 52% of respondents preferred Option A. However, the result may exhibit a selection bias. Indeed, the choice might have been influenced by pure aesthetics. The different aspect of the two options (showing a rectangular and an hexagonal shape respectively) may have affected the selection, given the personal taste of the respondent. Shape, colour, material and logo communicate information on the offering instantly and holistically.

For this reason, aesthetic evaluation is a driver that needs to be considered before jumping to conclusion.

Respondents have been afterwards informed about the materials used to produce the packaging as well as news about the country of origin, the production chain processes and the materials used for the packaging. Option A displayed a ring presented with an eco-packaging (handmade,
recycled and recyclable), while in option B the ring packaging was not sustainable (not recycled paper, laminated wood but recyclable polypropylene).

Figure n. 17: Eco-luxury packaging experiment

Option A

Option B

Source: Online Questionnaire (see Appendix)

For those who previously chose option A, 9.9% of them decided to switch. Thus, these people are not taking pure aesthetics as a primary driver for purchase, and still they do not care enough about environmental issues. Such behaviour might rely on different stimuli, and it needs additional research on purchase stimuli acting on more complex incentives.

On the other hand, for those who preferred option B, 37.3% of them desired to change their mind. In this case, we can infer that pure aesthetics is not as strong as rational concern for eco-packaging. The selection related to pure aesthetics is not as solid as the one made because of environmental evaluation.

Looking at this, we can infer that informative messages may have a negative impact on pure aesthetics, potentially forcing the customer to switch and change the pick.

Written description were used to manipulate the experiment. Written descriptions have been successfully used as experimental stimuli in prior research (Sands et.al, 2008). Respondents were asked to imagine they needed to buy a ring. The descriptions differed in whether they contained information on sustainable materials used along the product production chain.
To gauge the preferences of respondents, closed and open questions included 4 points likert scales evaluating perceived importance. Four point rating scale assessed respondents’ degree of concern towards sustainability, trust towards brand packaging claims, and packaging role in purchase decisions as well as environmental friendly practices.

### 4.1.2 Hypothesis Formulation

The research question constituted the ground pillar of the questionnaire. Specifically, how does sustainable eco-packaging influence luxury brands, what is the impact of green packaging on clients’ buying decision have represented the main research areas of the questionnaire.

Research revolves around hypothesis, proposing that:

- **H\textsubscript{1}:** The more the concern showed towards sustainability, the more the trust in packaging positive role in reducing environmental damage
- **H\textsubscript{2}:** The stronger the trust towards brands’ claims on packaging, the more the purchase level of luxury goods with an eco-packaging
- **H\textsubscript{3}:** The stronger the influence of eco-packaging on final purchase, the more positive the evaluation on the luxury brand showing eco-packaging among its offerings and the perceived product quality
- **H\textsubscript{4}:** Age impacts on the influence eco-packaging presents in buying behaviour decisions
- **H\textsubscript{5}:** The role of eco-packaging has a positive influence on eco-shopping behaviour

The project intends to find out which hypothesis is true. Hypothesis is testable with the use of the survey, which combines different type of questions, as likert, scale, yes/no, multiple choice and open questions. The whole questionnaire is presented in the appendix. Questions address respondent’s attitude towards eco-packaging, luxury consumption habits and sustainability.

### 4.2 Findings

#### 4.2.1 Data and Sample

After screening the presence of potential outliers through the box plot method, we run a descriptive analysis. According to the research question, descriptive analysis has been necessary to understand the sample in terms of its characteristics and its preferences.

At the beginning of the analysis stage, a univariate descriptive analysis on demographics has been run. Gender distribution has been found little unbalanced since the sample was composed by 52.9% of women and 47.1% of men.

Even if frequency does not achieve the same level, records are still very close thus not compromising the robustness of the study.

Educational level shows that university master degree level represents the majority (52.3%), followed by bachelor level (31.6%), high school (9.2%) and doctorate (4%) (Figure 18).
Respondents have been asked to select the most characterizing element in an eco-luxury packaging. Packaging reusability/biodegradability and recyclability has been spotted as the variable most contributing to define the true nature of a sustainable packaging product (almost 40%) (Figure19).

**Figure n. 19: Eco-luxury Packaging features**

<table>
<thead>
<tr>
<th>Which element of an Eco-luxury Packaging is most contributing to the true nature of a sustainable pr...</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green colour</td>
<td>11</td>
<td>6,3</td>
<td>6,5</td>
<td>6,5</td>
</tr>
<tr>
<td>Label stating info on materials used</td>
<td>14</td>
<td>8,0</td>
<td>8,3</td>
<td>14,8</td>
</tr>
<tr>
<td>Design (graphic, size, shape)</td>
<td>13</td>
<td>7,5</td>
<td>7,7</td>
<td>22,5</td>
</tr>
<tr>
<td>Brand message</td>
<td>21</td>
<td>12,1</td>
<td>12,4</td>
<td>34,9</td>
</tr>
<tr>
<td>Information on the full production chain of the product</td>
<td>19</td>
<td>10,9</td>
<td>11,2</td>
<td>46,2</td>
</tr>
<tr>
<td>Official Label of Eco-material</td>
<td>26</td>
<td>14,9</td>
<td>15,4</td>
<td>61,5</td>
</tr>
</tbody>
</table>
Table 1. Packaging reusability/biodegradability/recyclability

<table>
<thead>
<tr>
<th></th>
<th>Sample</th>
<th>Danish</th>
<th>Italian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging reusability/biodegradability/recyclability</td>
<td>65</td>
<td>37.4</td>
<td>38.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>169</td>
<td>97.1</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>5</td>
<td>2.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>174</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Output

Figure 20 shows that the sample is mainly composed of Italians. This result is in line with the fact that Italy has been the core country of the research, thus providing a bigger audience. The second nationality of representation is Danish, because of the Double Degree nature of the study, including both Bocconi University and Copenhagen Business School.

Looking at the largest nationalities represented by the sample, namely Danish and Italian, we found some differences. Danish respondents selected option A as the most attractive, on the other hand Italian sample chose option B. Option A representing an eco-luxury packaging, we can infer that Danish culture is more sensitive on sustainable packaging, at least from a pure aesthetical point of view. This means Danish culture is able to spot and appreciate the format of eco-luxury packaging because it is in line with its personal taste. Also, Italian respondents agreed on the fact that eco-luxury packaging is able to enhance overall product quality, while Danish opinion has been found the opposite. In this case, Italian culture takes a more holistic perspective and associate eco-packaging as a crucial element for product quality. This means that the distinction between packaging and the product itself is stronger for Danish people, taking the pack as a more independent element of the offering set.

Figure n. 20: Nationality

From a behavioural point of view, 4.6% of respondents admitted not taking any action to reduce environmental damage. The most common environmental practice is recycling (73%), followed by energy and household resources optimization, as water, electricity and heating (69%). The use of
public transportation is shared among the 35% of respondents, while only 8% prefer to support an environmental friendly association or organization.

This is an interesting data since recycling plays a big role in customers’ daily life and packaging is an essential player in this context. This make us think that respondents show a kind of awareness related to the package and how this can be managed to increase sustainability.

According to the majority of respondents, eco-luxury packaging is perceived as “useful” (72 respondents’ choice). Still, almost 25% of respondents associated eco-friendly packaging as “hard to detect” and almost 10% of them cannot detect any difference compared to a non-ecofriendly packaging alternative. As a matter of fact, 54 respondents associated it to something “opportunistic”. This shows a sort of scepticism and suspicion towards the real utility of eco-packaging. Following an opposite trend, however, 65 respondents selected “valuable” among their top three mental associations. This result shows a sort of awareness connected to environmental friendly importance that might be related to the degree of perceived usefulness of the eco-luxury packaging.

From a buying behaviour perspective, 35.7% of respondents have already made a luxury purchase with an ecological packaging (Figure 21). This shows that mental associations are positively related to eco-luxury packaging value. Given the fact that very few luxury goods offer eco-packaging (Young, 2008; Smithers Pira, 2011; Scenario Dna, 2011), the result shows a relevant and consistent trend.

Figure n. 21: Eco-luxury Packaging Purchase

The most shared reason why purchase has never been made is because too expensive (17%) or people do not think eco-packaging in luxury is playing a big role in reducing environmental damage(16%).

For the respondents having already made a luxury purchase with an ecological packaging, product categories presented have been wine&spirits, fashion goods, parfumes&cosmetics and food, all showing a comparable frequency. The category showing the lowest purchase rate was
watches & jewellery. Categories reflect Smither and Pira (2011), illustrating that luxury packaging most valued sectors are healthcare, cosmetic and fragrances, together with alcoholic drinks and gourmet food.

Eco-packaging impact on luxury brands has been found positive (71.4%) (Figure 22). The result shows a great relation between the presence of an eco-luxury packaging and the resulting positive evaluation of the brand made by the customers.

Figure n. 22: Eco-Packaging Influence on Final Purchase

| Does the presence of an Eco-packaging enhance your personal opinion on Luxury brands? |
|----------------------------------|----------------------------------|
| Yes                               | 71%                              |
| No                                | 29%                              |

Source: SPSS Output

Eco-packaging impact on product quality, instead, has been found more controversial (Figure 23). Taking the assumption that eco-packaging really enhance the inherent quality of the product is thus more risky and critical.

On a qualitative level, respondents have been requested to select the definition of “Eco-luxury packaging” they were more keen on. The option “Other” allowed the respondents to formulate a personal definition, as an alternative among the given formulations.

The most common definition of eco-packaging has been defined by 46.6% of respondents as “It is material efficient, showing a minimum impact on the production life cycle”, in line with the WCED (1987) definition of sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs, as a way to reduce the uncontrolled utilization of natural resources”.

Following this, 21.8% chose the aspect of not generating any waste as the most characterizing. 15.5% of respondents also pinpointed a performance-related aspect, thinking that “it meets essential needs, performing a valuable function without excess”. This result shows that eco-packaging performance is not perceived as superior when compared to the non-ecofriendly alternative on the market, rather the result of a more efficient optimization of resources to satisfy customer’s needs.
The definitions given by the sample demonstrate a decent knowledge of sustainability when compared to Brosdahl and Carpenter’s study (2010). These authors, in line with Hiller Connell (2010), suggest the need for market education in order to spread awareness and sense of responsibility related to eco-packaging and sustainability. Given the acceptable level of detail shared by responses, we can infer consumer awareness on the issue is not poor.

The relationship between luxury and sustainability has been found as neutral (42.9%) (Figure 24). The study shows that the two concepts are perceived as unrelated and performing as two worlds apart. Further effort in raising awareness of the benefits of sustainability for luxury brands is thus crucial.
Bivariate qualitative analysis allowed to analyze the relationship between two variables jointly. To examine Hypothesis 1, the extent to which the respondent feels concerned about environmental damage has been put in connection with the perceived role of packaging in reducing environmental damage.

Contingency table and $\chi^2$ test show that almost 44% of respondents showing a high concern towards environmental issues are in the group of people thinking that packaging plays an essential role in reducing environmental damage.

The result reveals that environmental concern and trust in packaging’s positive impact on sustainability are connected. The higher the concern, the more awareness related to the packaging sustainable role.

Connection is significant with a p-value lower than 0.05(0.001) and V Cramer index bigger than 0.2 (0.24). The cross tabulation analysis supported Hypothesis 1 (Figure 25).

*Figure n. 25: Hypothesis 1. Chi-Square tests and Symmetric Measures*

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>21,478$^a$</td>
<td>9</td>
<td>.011</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>21,412</td>
<td>9</td>
<td>.011</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>11,377</td>
<td>1</td>
<td>.001</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>169</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Symmetric Measures</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal</td>
<td>Phi</td>
<td>.356</td>
</tr>
<tr>
<td></td>
<td>Cramer's V</td>
<td>.206</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>169</td>
<td></td>
</tr>
</tbody>
</table>

*Source: SPSS Output*

To test Hypothesis 2, the experience of having made a luxury purchase with an ecological packaging has been put in connection with the respondents’ trust on luxury brands’ claims on packaging.

Connection has resulted significant. Crosstabs showed that 75.6% of people rarely trusting brands’ claims on packaging have never made a luxury purchase featuring an eco-packaging. Data show
how brand message plays a crucial role to drive luxury buying behaviour towards eco-luxury packaging (Figure 26).

Figure n. 26: Hypothesis 2. Chi-Square tests and Symmetric Measures

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>9,990</td>
<td>4</td>
<td>.041</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>10,895</td>
<td>4</td>
<td>.028</td>
</tr>
<tr>
<td>Linear-by-Linear Association</td>
<td>6,319</td>
<td>1</td>
<td>.012</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>167</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Symmetric Measures</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal by Nominal</td>
<td>Phi</td>
<td>.245</td>
</tr>
<tr>
<td></td>
<td>Cramer's V</td>
<td>.245</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.041</td>
</tr>
<tr>
<td>N of Valid Cases</td>
<td>167</td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Output

Hypothesis 3 observed the relation between eco packaging and personal opinion on the luxury brand and product quality (Figure 27). Connection has been found significant and thus supporting Hypothesis 3. P-value and V Cramer index tests have been satisfied (p-value:0.00 and V Cramer index: 0.34). Specifically, crosstabs found that all respondents taking eco-packaging as essential for buying decision enhance personal evaluation of luxury brands able to offer them eco-packaging luxury products. Data show that eco-packaging could be a positive vehicle to improve brand’s image and attract new consumers. Interestingly enough, response over perceived product quality is more contradictory. 40% of respondents feeling eco-packaging as essential to drive their purchases do not transfer a positive association on the product quality itself. It seems the impact of eco-packaging on the product is perceived as more ambiguous and indirect.

Surprisingly enough, in contrast with such finding, descriptive analysis showed the relationship between luxury and sustainability as neutral (41.4%). Other researchers had previously demonstrated the contrast between sustainability and luxury paradigm, suggesting the presence of a tension among the two concepts (Han, Nunes and Drèze, 2010).

Specifically, Tabatoni (2010) pointed out that sustainability attitudes as moderation, preservation and frugality create a friction with the essence of luxury, representing pomp, signalling social status and abundance.
Figure n. 27: Hypothesis 3. Chi-Square tests and Symmetric Measures

### Chi-Square Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>21,268</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>22,249</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear</td>
<td>17,422</td>
<td>1</td>
<td>.000</td>
</tr>
</tbody>
</table>

| N of Valid Cases      | 168    |

### Symmetric Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
<th>Approx. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phi</td>
<td>.356</td>
<td>.000</td>
</tr>
<tr>
<td>Cramer's V</td>
<td>.356</td>
<td>.000</td>
</tr>
</tbody>
</table>

| N of Valid Cases      | 168    |

Source: SPSS Output

Hypothesis 4 has been analyzed through ANOVA. ANOVA analysis is a synthetic index of the intensity of the relation between a quantitative variable y whose dependence on the qualitative variable x is examined (Figure 28).

Figure n. 28: Eco-Packaging influence to purchase and Age

### ANOVA Table

<table>
<thead>
<tr>
<th>Source: SPSS Output</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Source: SPSS Output</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Source: SPSS Output</th>
</tr>
</thead>
</table>

Following such methodology, the relationship between age(quantitative, y) and the importance of eco-packaging in influencing purchase(qualitative, x) has been examined.
Results show the relationship between the two variables is not significant. As a matter of fact, Hypothesis 4 has not been supported. Specifically, data show that age segmentation is not a valid criterion to understand market sensitivity towards eco-packaging influence. Other variables need to be examined in order to spot the most sensitive target, presenting high attention towards eco-packaging when buying luxury products.

Hypothesis 5 has investigated the existence of a connection between eco-packaging and consumer shopping behaviour (Figure 29).

*Figure n. 29: Eco-packaging and buying behaviour*

In your opinion, how does Eco-packaging play a role to influence the final purchase? * Going off aesthetics alone, which option would you prefer to buy? Option A. Option B. Crosstabulation

<table>
<thead>
<tr>
<th>In your opinion, how does Eco-packaging play a role to influence the final purchase?</th>
<th>Going off aesthetics alone, which option would you prefer to buy? Option A.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Option A</td>
<td>Option B</td>
</tr>
<tr>
<td>Not important</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Somewhat important</td>
<td>18</td>
<td>39</td>
</tr>
<tr>
<td>Very important</td>
<td>47</td>
<td>15</td>
</tr>
<tr>
<td>Essential</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>89</td>
<td>80</td>
</tr>
</tbody>
</table>

In your opinion, how does Eco-packaging play a role to influence the final purchase? * Have you ever made a Luxury purchase with an ecological packaging? Crosstabulation

| In your opinion, how does Eco-packaging play a role to influence the final purchase? | Have you ever made a Luxury purchase with an ecological packaging? |
|---|---|---|
| | Yes | No | Total |
| Not important | 6 | 30 | 36 |
| Somewhat important | 3 | 55 | 86 |
| Very important | 21 | 21 | 42 |
| Essential | 31 | 2 | 5 |
| Total | 61 | 108 | 169 |

Source: SPSS Output
Results show that eco-buying behaviour is affected by the perceived role of eco-packaging. The more important the perceived role of eco-packaging, the stronger the impulse to buy eco-luxury products. The experiment demonstrated that eco-packaging alternative was mostly chosen by the target taking eco-packaging as a very important/essential element for shopping.

76% of people preferring to buy an eco-packaging luxury product recognized eco-packaging as crucial. On the other hand, 78% of people opting for a non-eco packaging offering gave eco-packaging little influence in their buying behaviour.

This trend is also confirmed by previous buying behaviour experience. Indeed, 85% of respondents having already made a luxury purchase with an eco-packaging also think eco-packaging is very important to influence shopping decisions. Conversely, 72% of respondents taking eco-packaging as not important or little important have never made an eco-packaging luxury purchase indeed.

Finally, a resulting regression equation on the main variables has been constructed to gain an overall picture of the phenomenon.

Multivariate analysis has described the relation between more than two variables jointly. Multiple linear regression set the importance of eco-packaging in purchase decision as a dependent variable \( y \). Concern on environment, role of packaging in reducing environment damage, the relationship between luxury and sustainability and trust on claims related to packaging represented, on the other hand, independent variables.

This result lets us understand from how packaging influence on purchase is shaped. Regression was significant (\( F = 9.346, p<0.05, \) adjusted \( R^2 = 0.72 \)), with significant regression standardized coefficients (\( \beta_1 = 0.172, \beta_2 = 0.305, \beta_3 = 0.101, \beta_4 = 0.076, \) SE \( \beta_1 = 0.078, \beta_2 = 0.076, \beta_3 = 0.075, \beta_4 = 0.043, t_{\beta_1} = 2.2, t_{\beta_2} = 3.9, t_{\beta_3} = 1.3, t_{\beta_4} = 1.7, p<0.05 \)). \( R^2 \) adjust equal to 0.72 means the model explains 72% of overall variability.

ANOVA table (Figure 30), on the other hand, observes a significant T test with a p-value lower than 0.05. This means that the coefficient is significantly different from zero and thus the regressor (variable) is relevant to explain the phenomenon.

*Figure n. 30: Multiple Regression Analysis. ANOVA result*

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>17,928</td>
<td>4</td>
<td>4,482</td>
<td>9,346</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>75,288</td>
<td>157</td>
<td>.480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93,216</td>
<td>161</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS Output

The estimated coefficients represent the impact of \( x_i \) on \( y \). The meaning depends on the presence of the other independent variables in the model. Coefficients define the quote of variation of \( y \) considering a unitary variation of the variable \( x_i \), assuming the other variable does not change (Figure 31).
### Figure n. 31: Multiple Regression Analysis. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.206</td>
<td>.324</td>
<td>.636</td>
<td>.010</td>
<td></td>
</tr>
<tr>
<td>To what extent do you feel concerned about Environmental issues?</td>
<td>.172</td>
<td>.078</td>
<td>2.212</td>
<td>.018</td>
<td>.900 .111</td>
</tr>
<tr>
<td>What is the role of Packaging in recycling/reducing environmental damage?</td>
<td>.305</td>
<td>.076</td>
<td>3.989</td>
<td>.000</td>
<td>.905 .105</td>
</tr>
<tr>
<td>Luxury and Sustainability. What is the relationship?</td>
<td>.101</td>
<td>.075</td>
<td>1.347</td>
<td>.000</td>
<td>.964 1.001</td>
</tr>
<tr>
<td>In general, do you trust luxury brands' claims on their Packaging?</td>
<td>.076</td>
<td>.043</td>
<td>1.773</td>
<td>.000</td>
<td>.968 1.033</td>
</tr>
</tbody>
</table>

Source: SPSS Output

Sign of the coefficient indicates the direction of the relation between $x_j$ and $y$. As illustrated on the table below, all coefficients being positive means that the influence of eco-packaging increases with the concern about environment, the perceived packaging role in environmental friendly practices, the perceived relatedness between luxury and sustainability and the degree of trust for brand’s claims on packaging.

Standardized coefficients show that the role of packaging to reduce environmental damage is the stronger determinant of the model, while the perceived connectedness level between luxury and sustainability is the weakest.

The VIF (Variance Inflation Index) test checks multicollinearity among the variables. Results show the presence of small multicollinearity (threshold lower of 1), meaning that a subset of some pairs of independent variables are correlated.

As multicollinearity level has been demonstrated decently good to check the robustness of the multiple regression model, factor analysis has not been conducted.
4.3 Discussion

4.3.1 Placing Luxury into the Green Box

Luxury brands act through aspiration. They are usually deemed as offering the highest quality at the highest price for an elite experience delivering a shining sense of prestige to the recipient.

One of the most important players in the luxury market is aspiration. The more the product is able to confer a sense of success, the more it will be aimed.

The concept of success is extending to a sense of shared responsibility among the more affluent social classes, thus changing their aspirations and tastes. Increasingly, successful people want to show that they care about environmental issues (Bendell and Kleanthous, WWF, 2007).

The luxury paradigm of waste is nowadays changing along with new social dynamics. The highest quality is perceived as able to release the highest benefit to all agents involved in its production and logistics. Consumers’ awareness of such value will be pivotal to the elite experience, so to ascribe prestige to them. The new luxury identity will be defined as having the means and the motivation to guarantee planet well-being. Excellence is expected in all aspects of luxury brands, and consumers will expect it in that authentic approach too.

Luxury brands are the most sensitive to reputational damage in this terms, since brand value is strongly built upon trust and empathy.

A key impact of luxury brands on sustainable consumption is due to the influence they have on people. Luxury brands communicate the standard for quality, style and success. This set of values will be extended towards a more authentic attitude, including respect for each other and the planet upon which we live. Iconic brands can push a significant move forward by driving consumer choices through design, distribution and production, and by affecting the place and the time of usage.

Business culture is currently changing from the inside in all parts of the organization so to foster sustainable practices of doing well by doing good. Professionals in the luxury industry have an extraordinary chance to lead the way. By putting an emphasis on the social history of things-how they come to be and who is affected by their usage—a deeper emotional connection can be stimulated between goods, ourselves, the community and the environment.

Global sustainability implies aligned social and environmental performance for luxury companies. The global wave of sustainability is growing and getting stronger (WWF report, 2007). Corporate social responsibility annual reports currently let shareholders and stakeholders understand potential corporate risks, stimulate innovation and build trust on the market.

Bendell and Kleanthous (2007) listed some commercial reasons for luxury brands to jump on the sustainable bandwagon:

- operational efficiency gains
- enhanced employee relations, making for easier recruitment, more motivated and loyal staff, better customer service, enhanced learning and innovation, higher productivity
- more welcoming and accommodating local communities
• enhanced brand reputation and trust

• connections with voluntary associations and networks that generate new market intelligence and enable access to new markets

• a more secure and sustained supply of raw materials, provided by more motivated suppliers

• improved relations with the financial sector, including responsible investors and lenders

Source: WWF report, 2007

4.3.2 Testing the Hypothesis

Based on the exploratory study of Tynan et al. (2010), the present research expanded the customer value model and tested customer’s perceptions on eco-packaging for luxury products.

The results are also in line with Tsai (2005), noting customers becoming more rationalised in their luxury shopping behaviour and more consumers are seeking some other benefits for product quality beyond mere hedonic attributes.

Results of the research supported the following hypotheses:

\( H_1: \) The more the concern showed towards sustainability, the more the trust in packaging positive role in reducing environmental damage

\( H_2: \) The stronger the trust towards brands’ claims on packaging, the more the purchase level of luxury goods with an eco-packaging

\( H_3: \) The stronger the influence of eco-packaging on final purchase, the more positive the evaluation on the luxury brand showing eco-packaging among its offerings and the perceived product quality

\( H_5: \) The role of eco-packaging has a positive influence on eco-shopping behaviour

The hypothesis on the relationship between buying behaviour choices and perceived product quality on eco-packaging products is not supported.

From the analysis we found that the respondents show irrational behaviour in contrast with their stated attention to the product quality as a result of an eco-packaging feature.

Also, the missing relationship between age and eco-packaging influence on buying behaviour indicates that time is not a significant indicator of the attention addressed to eco-packaging issues. Some studies reported that environmentally conscious consumers tend to be younger (Roberts and Bacon, 1997; Lee, 2008, 2009). Our research, on the other hand, found environmentally conscious consumers not divergent from the less environmentally conscious consumers in terms of demographic variable, including age. Additional research is thus needed to spot potential areas of segmentation between green vs. non-green luxury consumers.

For example, Chan (1999) suggested that environmentally conscious consumers tend to be higher in economic and income status. Still, this study has not taken into account such variable, namely...
respondents’ income. However, this could be inferred as a proxy by educational levels, that are quite high in the sample. Given such assumption, the study actually reinforces Chan's theory.

Also, the given experiment did not mention any details about the price of the two packaging. Additional experiments should include such factor in order to understand whether price sensitivity and income disposal are good indicators for eco-packaging products purchase decision. Additional research on such aspect is also reinforced by the fact that "too expensive" has been selected as the most common barrier for eco-luxury packaging product purchase by our respondents (17%).

The experiment results are consistent with the trend of Fletcher (2008) and Partridge (2011) that consumers are increasingly expecting a green orientation by companies, and present a more conscious and attentive buying behaviour. This is the reason why, when provided with detailed information on materials used in the product packaging, 37.3% of respondents previously choosing a non-eco packaging product decided to switch towards a green packaging alternative.

Also, eco-luxury top mind associations include ‘valuable’ (65 respondents) and “useful” (72 respondents). These data show a positive increased attention towards sustainable packaging compared to findings showed by the Perception Research Services (Young, 2007), finding 53% of its respondents “not familiar with the term sustainable packaging”.

On the opposite side, our study demonstrated that 35.1% of respondents have already made a luxury purchase presenting a sustainable packaging.

Our results suggest that consumers are giving value to the information the brand is able to communicate regarding product packaging. From the study, this means that marketers should encourage an effective communication message to provide customers with valuable information at the purchase point. Hypothesis 2 further demonstrated that the more the trust showed towards the brand, the higher eco-friendly packaging purchase rate. The statement strengthens Kleanthous and Peck (2006) vision of brands as precious vehicle to drive green consumption in the luxury world. Along with the finding, our research demonstrated that eco-packaging impact on luxury brands is perceived as positive by 7 respondents out of 10.

The demonstration on Hypothesis 3 indicates that packaging plays a crucial role in shaping luxury brand image, as well as in affecting overall product quality. Eco-packaging has been found to have a positive effect on luxury brand evaluation, as well as perceived product value. The result reflects Smithers and Pira (2011) focus on sustainability as the key market trend in luxury packaging. Also, results are consistent with Tabatoni’s study (2010), stating that sustainable development for luxury brand will represent a huge potential to foster brand integrity and maximize reputation.

Hypothesis 5 being proved, the role of eco-packaging gains relevance and marketing significance. When eco-packaging is taken as a influential, consumers will tend to prefer eco-luxury products when shopping. The result is in line with Makiko Ashida, author of the Bank Sarasin’s 2012 report on sustainability and luxury good industry, according to which the increasing demand for ethical products give luxury brands a great opportunity to guide purchase behaviour and optimize brand image positioning.

Respondents giving relevance to eco-packaging have opted for Option A in the experiment (displaying an eco-packaging), even without any brand/logo details. Interestingly enough, we found that this target had already bought eco-packaging luxury products. This shows a huge potential for brands to further develop and reinforce such buying behaviour trend.
4.3.2 Additional remarks

The major contribution of the research is the enhancement of a better understanding about the buying behaviour. The result of this study confirmed an increasing attention towards green practices (Harrison, Newholm and Shaw, 2005). Hypothesis 1 further demonstrated how increasing concern on environment preservation increases people awareness of eco-packaging’s positive role to reduce environmental damage.

The lack of understanding about the perception of eco-packaging in luxury products calls for a flexible and open approach to the research enquiry. As such, this study is based on an experiment, in that existing theories guide the research in the data to provide the basis for theory further testing and development.

The choice of different nationalities helped the study to capture any differences and/or missing dimensions of the analysis of the topic for different countries (Vickers and Renand, 2003).

In this context, it is also important to observe the way in which consumers interpret packaging claims and infer benefits to the product. In support of Hypothesis 2, trust on luxury brand message plays a fundamental role to stimulate eco-luxury purchase.

To examine this, respondents were asked whether the presence of an eco-packaging enhances their evaluation on product quality and the brand. People tended to believe in the positive effect of eco-packaging on both brand and product. Results are consistent with Planthth (2013), according to which sustainability and the way the product is presented can put at a premium on the authenticity and the value of the offering.

Responsible consumerism seems to be ready to sparkle, and the study results give a positive trend in line with Sozzani’s focus on ethical awareness (2009). Alight with Han, Nunes and Drèze (2010), such trend further elevates consumer behaviour along Maslow’s pyramid in favour of purchase motivations going beyond functionality and performance, rather ethical well-being and personal excellence.

The multiple regression model opens new ways to market eco-luxury packaging. According to the relative importance of each factor, luxury brands can build an easy and straightforward communication strategy in order to change consumers’ perception on the brand and the marketed product. Specifically, how to manage the role eco-packaging has in buying behaviour attitudes. Marketing campaigns able to foster the positive relationship between luxury and sustainability, for example, will create a beneficial synergy among the target and stimulate customers’ willingness to buy eco-luxury packaging products. Or, since loyal luxury customers show a high level of confidence in their favourite brand, luxury companies could rely on such market as a starting point to attract eco-luxury packaging consumption (in fact, the model showed that the higher the trust in luxury brands’ claims, the higher the influence of eco-packaging in buying behaviour).

The fact that packaging reusability/biodegradability/recyclability has been selected by almost 40% of respondents as the most characterizing element able to define the true nature of a sustainable packaging product is consistent with the high importance given to recycling as the most common eco-friendly practice. This result is consistent with Roux’s findings on increasing recycling practices among customers (2007). Waste management hierarchy as reduction, reuse, recycling and recovery has also been found as an influential aspect to take into account when exploring new trends in consumption by other authors (Johnson, 2008; Vrolijk, 2006; SPA, 2005; SPC, 2005). Brand communication messages should thus concentrate on potential positive usage of the packaging once the product has been taken home or consumed.

Since a consistent target (54 respondents) have associated eco-luxury packaging as something “opportunist”, brand communication becomes crucial to ensure a reliable, genuine, fair and
valuable message for the market. This approach will in turn protect brand reputation and image from public suspicion and distrust.

CHAPTER 5: CONCLUSION

5.1 Limitations and further research

The methodology of the study followed a structured questionnaire tool.

A structured questionnaire is easy to analyze, as closed questions fall into fixed categories generated in advance and thus recording is more simple. In open questions, on the other hand, categories need to be generated after the questionnaire has been administered. At the end, answers are assigned numerical values and analyzed with SPSS statistical software.

A traditional criticism of online questionnaire is that research is narrowed only amongst the people who are connected to the internet. However, validity of the technique is not at stake.

Further research should also include qualitative processes, as McCracken long interview methodology. Interpretative approach takes the interviewer into the mental world of the individual, in order to get an idea of the categories through which he/she sees the world, and into his/her life and daily experiences. Therefore, the long interview gives the researcher the possibility to experience the world as the interviewees do (McCracken, 1988).

Furthermore, Italian respondents have represented the majority of the sample. In order to infer more robust implications on eco-luxury packaging trend, a larger representativeness should have been beneficial to avoid any potential bias in the analysis process.

Also, caution should be taken in validly extending these results. Since the experiment was held in a highly controlled simulated environment, far from what is the real shopping store context, there’s a thick chance it might not precisely forecast customers’ behaviour once packages will be displayed. As a matter of fact, the experiment should be repeated in a real luxury store, so to extend results to a wider range of people, in a more reliable way.

More specifically, such a research could be repeated in-store, in order to explore experience effects on such an aesthetics-oriented target. This would be especially important in the long run, because even if luxury customers seem prone to stick to their preferred brand, this might face some changes in the future once the customer will be informed about packaging materials. For them, there will be no specific brand to look up to, rather a specific kind of package to signal their commitment towards eco-friendly practices.

Some further research on this theme might also help to better understand luxury customers’ response in behaviour when faced with new brand values.

There are several aspects of buying behaviour toward luxury products that we have not revised. For the further study, we suggest that the researchers could explore other aspects of buying behaviours by collecting data such as the methods of payment, the preferred type of luxury products, or the preferred country of origin of the luxury products and so on.

Furthermore, researchers should focus more on independent variables in terms of personal characteristics or the packaging attributes. These additional variables will allow marketers to develop marketing activities for the luxury product markets.
Moreover, there could also be conducted more specific researches about each different aspect that defines green consumerism, such as fair trade, organic food, organic clothes, but also renewable energy, sustainable transports, boycotting actions and so on.

Environmental issue is going to increase in the next years (Pwc report, 2012), necessarily becoming part of our everyday consumption's decisions (McDonald and Oates 2006; Berchicci and Bodewes, 2005).

Hence, eco-packaging needs to be studied, faced and addressed simultaneously by politicians, public authorities, businesses, individual consumers and academics.

Finally, few socio-psychological motivations have been observed in the study. A lot of motivations are left unexplored and that provides a great opportunity for further and deeper researches. Relationship between intensity of the personality trait characteristics and exposure to certain eco-packaging purchase motivation can be determined by further exploring customers’ behaviour. This will share with luxury brands some best practices on how to integrate ethics not only on the product value chain, but also their personality for maximum consumer impact.

Further research should also be addressed to understand which players are taken as responsible for providing sustainable packaging. To what extent should retailers take the lead, and to what extent should the responsibility being placed into manufacturers’ hands, these new research questions will significantly influence luxury brands’ strategies on environmentally friendly packaging.

Packaging design, when executed well, can be a real engine for accelerate brand growth. Still, successful packaging involves balancing a mix of complex factors to achieve an optimal result, as shopping store context, brand positioning, brand proposition, consumer insight, category codes and regulations, point of purchase environment, the product at home and other communication messages.

The study has focused its attention towards customers’ response on eco-luxury packaging issue. Further research is thus needed to bear in the development of the luxury brand. Unlocking packaging’s potential means placing eco-luxury packaging at the heart of luxury brands’ agenda.

5.2 Managerial implications and conclusion

Although green marketing research literature have investigated the relationship between product, store and eco-consumption decisions (Carrigan and Attala, 2001; Beard, 2008; Ochoa, 2011), little attention has been addressed to eco-packaging.

This study contributes to academic and fashion companies in twofold. First, ethical decision making process is highly complicated and hard to predict, as many researchers have indicated (Nordas, 2004; Sen, 2008, Niinimaki, 2010). This study offers a real insight on ethical consumption decision making. Second, eco-consumption is a key driver for sustainability development in the luxury industry by driving demand (Niinimaki, 2010; Faisal, 2010). This study aims at providing a better understanding into marketing luxury eco-products, by working on the packaging of the product.

From a marketing point of view, it is important to see that eco-packaging has been found to be able to enhance the evaluation of the luxury brand, thus playing a positive role in consumer buying behaviour.
Packaging reusability/biodegradability/recyclability has been indicated as the primary factor able to communicate the true nature of eco-packaging. This means that luxury companies should include in their message hints about the ways in which the luxury packaging will be re-used or dismissed.

Therefore, our findings provide companies and researchers with insights into how eco-packaging is able to create a magic allure around the product itself. The results of the research can be considered valuable for marketing area of luxury products. The study has shown that there is a potential for eco-luxury packaging products, and this fact could be taken into consideration in future marketing research.

Creating and designing product or product packaging with a regard to environmental dimension will give a possibility to create more sophisticated and asked-for products.

Eco-consumption is a key contributor of sustainable development by driving demand of eco-packaging products. While luxury companies are increasingly urged by their stakeholders, such as the government, their customer and public image (Kleanthous and Peck, 2006) to mitigate environmental impacts and build a sustainable value chain, it is important for luxury brands to devise marketing plans to promote eco-packaging, and thus facilitating the consumption of eco-products. This study demonstrated the relevance of eco-packaging in driving buying behaviour and it suggested implications to fulfil luxury customers’ needs.

Besides, luxury consumers are motivated by the specific product attributes and the brand message that is appealing for them, such as expressing excellence and status. Our findings suggest luxury companies can motivate consumers to purchase eco-packaging products to satisfy their needs and provide benefits to the society.

Our findings also suggest that it is not enough for companies to manufacture eco-packaging and develop products with recyclable materials, but also communicate the package as sustainable and suggest how to recycle it. How the packaging could be re-used/recycled is pivotal information signalling the true nature of a luxury eco-product.

We believe that our study provided a relevant insight into the stream of research revolving around eco-luxury packaging, by shedding some light on consumer behaviour via the analysis of self reported measures and shopping-related responses.

The results of the analysis confirm our hypothesis that people taking care of environment also believe in the positive role of eco-packaging. Hence, we can infer that green consumers will be attracted by eco-packaging luxury products. Luxury brands could therefore exploit the potential for acquiring new consumers and new niches of the market as precious source for sales and profit.

In particular, this research has also analyzed the role of trust towards the luxury brand. Results showed that trusting brand message is a pivotal driver toward eco-consumption. Luxury reliance on image and reputation underlines the importance of responsibility. Consumers need to have confidence in the benefits the brand will deliver.

When buying a luxury item, they have faith in the allure of privilege they will acquire as a result. Eco-packaging message on reusability and recyclability needs to be consistent, comprehensive and reliable so to stimulate purchase for a worthy cause.

More precisely, existing literature proves that greener consumption choices can convey many information about the consumer status and ethical role in the community. Luxury brand can play a
crucial role in providing greener customer with a valuable and esteemed social status (McDonald and Oates, 2006; Phau and Ong, 2007; Roux, 2007).

For luxury marketing managers, our study may form the basis of a structured understanding of the perceived value of luxury brands when associated with eco-packaging traits. With regard to such social value dimension, marketers might be able to address and improve purchase value for luxury consumers, who prefer that a certain brand satisfies both emotional and environmental features.

Based on the positive feedback arising when eco-packaging enhances the evaluation on the brand, marketing managers may elicit more sales from their target customers and attract new niches by adequately addressing their value perception.

This study contributes to marketing luxury goods by providing empirical evidence for luxury perceptions linked to eco-packaging. This presents a new perspective for examining luxury through the interaction packaging factors working on a social/environmental level.

From a marketing point of view, the awareness of the importance of environmental-friendly features can improve luxury goods organisations in detecting deeper consumer perceptions of luxury.

This study shows that integrating eco-packaging with the core of luxury products helps brands satisfy customers. In particular, luxury goods would be communicated with a specific attention on packaging, and the way the packaging is presented in store. Visual merchandising will benefit from the introduction of a new element, namely the eco-packaging, able to further reinforce product attractiveness and catch the eye of pedestrians.

In brief, there is a need to match a product’s image of luxury with the magic allure of eco-packaging, further enhancing the value of the luxury item.

Finally, the study has practical implications for luxury good marketers. While eco-packaging has not been identified by our study as a major influence on product quality, it would be regarded as inherent in improving customer perception of brand image. Marketers must understand that eco-packaging reflects exclusive associations with the brand and the reputation of the company as a prestige banner.

Eco-packaging appeals to luxury consumers. As such, marketers need to implement differentiation of luxury products that taps into eco-packaging features and related behavioural motivations to convey elements of classy style and social prestige through marketing communication. This goes beyond exploiting the marketing mix: marketers must be sensitive to eco-packaging values and differentiate products on an ethical scale.

Despite luxury brands’ limited effort put into promoting sustainable and ethical packaging, consumer increasing education expresses their willingness to support ethical luxury and their enthusiasm for new purchase experiences.

The view of sustainability as an umbrella movement encompassing initiatives toward improving the social and environmental position of luxury brands, stakeholders and customers has recently become a focal point in academic literature (Widloecher, 2010; Lochard and Murat, 2011; Kim, Ko, Xu and Han, 2012; Davies, Lee and Ahonkhai, 2012).

This study sought to provide a snapshot of current consumers’ attitudes as a tool to encourage more specific and salient directions for future growth of eco-luxury, adding further insight to the literature on eco-packaging for luxury goods.
APPENDIX

Online Questionnaire
(https://qtrial.qualtrics.com/SE/?SID=SV_51jqBRDJo3J2eTH)

Thank you so much for your collaboration.
Your participation is very valuable to us and we really appreciate your contribution.
All data will remain anonymous.

To what extent do you feel concerned about Environmental issues?
☐ Not at all
☐ Only a little
☐ Quite a bit
☐ A lot

How do you contribute to reduce Environmental damage?
☐ I don’t make any action
☐ I buy eco-friendly products
☐ I recycle my waste
☐ I prefer taking the bike rather than the car
☐ I support an eco-friendly association
☐ I usually take public transportation
☐ I care about household energy saving and optimization (water, lighting, heating..)
☐ Other: ___________________

What is the role of Packaging in recycling/reducing environmental damage?
☐ Not important
☐ Somewhat important
☐ Very important
☐ Essential

Think about Eco-Luxury Packaging. Please select 3 mental associations coming up in your mind.
☐ Opportunistic
☐ Useful
☐ Useless
☐ Snob
☐ Chic
☐ Any difference compared to the non-eco option
☐ Fair
☐ Overstated
☐ Understated
☐ Hard to detect
☐ Valuable

What is your favourite Luxury brand?

☐

Do you think the mentioned brand is Eco-friendly? Why?

☐ Yes
☐ No

Luxury and Sustainability. What is the relationship?

☐ They are in contradiction
☐ Unrelated, they are two worlds apart
☐ They are complementary, supporting each other

Have you ever made a Luxury purchase with an ecological packaging?

☐ Yes
☐ No

If yes, which product?

☐ Wine & Spirits
☐ Fashion Goods (Apparel, Shoes, Accessories)
☐ Perfumes & Cosmetics
☐ Watches & Jewellery
☐ Food
☐ Glass & Sunglass
☐ Furniture & Interior Design
☐ Other

If no, why?

☐ I do not care about environment when buying luxury products
Too expensive
It is just the same as the other products
Packaging has an undesirable design
I don’t think eco-packaging in luxury is playing a big role in reducing environmental damage
Other

In your opinion, how does Eco-packaging play a role to influence the final purchase?
- Not important
- Somewhat important
- Very important
- Essential

Which element of an Eco-luxury Packaging is most contributing to the true nature of a sustainable product?
- Green colour
- Label stating info on materials used
- Design (graphic, size, shape)
- Brand message
- Information on the full production chain of the product
- Official Label of Eco-material
- Packaging re-usability/biodegradability/recyclability

Does the presence of an Eco-packaging enhance your personal opinion on Luxury brands?
- Yes
- No

Does the presence of an Eco-packaging enhance your evaluation on product quality?
- Yes
- No

What is the definition of Eco-packaging you are more keen on?
- It meets essential needs, performing a valuable function without excess
- It does not generate any waste
- It is material efficient, showing a minimum impact on the production life cycle
- It creates a glow of exclusiveness around the product
- It is just a jargon
- I am not sure what sustainable packaging means
- Other
In general, do you trust luxury brands’ claims on their Packaging?

- Never
- Rarely
- Sometimes
- Most of the times
- Always

Going off aesthetics alone, which option would you prefer to buy?
Option A.

![Option A](image1)

Option B.

![Option B](image2)

- Option A
- Option B

Now read the following specifications on the two mentioned products.

Option A. : 100% handmade in Austria. The packaging consists of 6 wooden cubes. The walnut wood is treated and colored with natural oil. 3 cubes are then joined together and connected with a leather strap. The ring is fixed with the help of an inlay made from foam rubber. The different nature of wood grain makes each piece unique.

Option B. : produced in Australia. It uses a black card made of not recycled paper for the inside packaging. The outer is made of polypropylene and a piece of laminated wood to lock the whole thing with black thin elastic laces. The aim for it is to represent the uniqueness of its brand.

Would this make you change your choice?

- Yes
- No
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