

An Evaluation on the Relationship Between Sustainability and Luxury Marketing

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Abstract

Sustainability has become an important agenda item on our agenda in recent years, with the increasing threat of climate change that humanity has been facing every passing day. In all countries, individuals and NGOs have directly expressed their reactions to this threat, and governments are trying to put measures into effect, and the production and marketing activities of businesses have an important share in this threat. Efficient and environmentally friendly use of scarce resources, marketing's consideration of common needs instead of different needs, and non-consumption-oriented presentation are presented as solution suggestions that need to be urgently focused on in this environment.

In this context, some of the criticisms are directed at luxury products with a limited and high purchasing power target audience. The fact that it is unacceptable for all members of society to bear the cost of directing irreparable resources to a small target audience for this purpose is shared in various environments. At this point, marketing has certain duties and responsibilities. In the marketing of luxury products, brands are expected to be more sensitive, responsible and transparent about sustainability by considering natural resources. This section reveals the importance of these concepts and states that brands should implement a sustainability-based marketing strategy that takes into account future generations and the possible economic, social and ecological consequences of business activities in luxury marketing.

Key words: Sustainability, Luxury brands, Luxury marketing

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1.Introduction

Sustainability has taken its place on the agenda of our planet today as a subject we are most sensitive about. What we are experiencing threatens the future of today's and tomorrow's generations. Governments, NGOs and consumers want rapid and effective change. Needs are unlimited, resources are limited. Therefore, efficient use of resources is of great importance. In this context, marketing activities should be reviewed as well as production activities carried out to meet consumer needs. While importance is given to the rational use of resources in the production of products, there is a need for a marketing approach that focuses on common needs rather than constraints and different needs in meeting the needs of consumers. In this context, luxury has become the target of public criticism. Luxury products are aimed at a limited number of consumers; there are critical issues in their production and there is serious criticism that they cause waste of resources. Marketing activities of luxury products are also at the center of criticism in this context.

Today, where sustainability is also rapidly seen as a mission in the field of marketing, the problem arises in the marketing of luxury brands. Is luxury brand marketing a concept and practice that should be avoided or can it be an important argument that can be used in sustainability? The study offers a suggestion that reveals that a paradigm change may be the solution to this contradiction.

2.Sustainability and Marketing

The Brundtland Commission (WCED, 1987) uses the term sustainability as “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. “According to Veiderman, sustainability is a vision of the future that provides us with a roadmap and helps us focus on a set of values, ethics and moral principles that will guide our actions” (Kumar et al., 2012).

In the literature, sustainability is examined as a three-dimensional concept: economic, social and environmental (Kemper and Ballantine, 2019). The economic dimension refers to the long-term sustainability of businesses and their activities; the social dimension refers to the reduction of poverty and the equitable distribution of benefits created; and the environmental dimension refers to the protection of natural resources.

“Sustainability provides a long-term perception of the future that focuses on ethical values and principles that guide harmonious and responsible actions that bring together environmental, social and economic goals” (Jung and Kim, 2023). Oesselman and Pfeifer-Schaupp (2012) stated that sustainability has six dimensions: ecological, spiritual-ethical, economic, political, social and pedagogical. The ecological dimension is the basis of life; the spiritual-ethical dimension is the basis of all activities based on defined meanings and value systems. On the other hand, according to the authors who draw attention to the fact that the economic dimension is of particular importance, it is wrong to accept natural resources as a factor of production; today's events reveal this fact.

In addition, sustainability has a political dimension; because the reality of this concept is of a nature that needs to be addressed within the scope of movements such as countries, country unions, communities, societies, joint ventures, Local Agenda 21. The social and pedagogical dimension is based on educating, informing and raising awareness of people. This refers to a series of education, training and civil movements ranging from being a part of cultural values to being the main subject of curriculums.

Sustainability is an important component of business strategies due to its importance. While it requires an approach based on less use of scarce resources, marketing targets the satisfaction of consumers, who are important stakeholders, and more sales and profits; at this point, sustainability and marketing can be evaluated as two opposite concepts (McDonagh and Prothero, 2014).

When we look at the developments in the concept of marketing, the concept in the environmental context was introduced to the literature by Kassarian (1971) as ecological marketing in the context of environmental pollution (Kumar et al., 2013). Fisk (1974), who drew attention to the consequences of this at that time, defined ecological marketing as follows: "Ecological marketing focuses on the acceptance of the impending ecological crisis and the willingness and ability of marketers to take responsibility for preventing this disaster."

In the context of environmental sustainability, the findings emphasize two important points: The activities of businesses and the goal of meeting the different needs and desires of consumers. The reckless use of resources used by businesses for their activities despite their scarcity, and their activities that harm the natural environment have been a significant subject of criticism; within this framework, a number of international standards have been developed; businesses have been asked and encouraged to comply with these standards. However, the impact of these practices, which cannot cover all businesses, has been limited and has neither prevented nor reduced environmental damage.

In the literature, two theories are used in studies to explain the effects of environmental sustainability. Stakeholder Theory emphasizes the importance of sustainability in developing long-term relationships with stakeholders, especially customers. Signaling Theory, on the other hand, draws attention to the role of sustainability in first purchases to draw attention to the characteristics of the product or business that cannot be observed by consumers (Frank, 2021). In the light of these two theories, the importance of marketing emphasizing that it offers value in line with sustainability should be emphasized. In this way, consumers will identify with these values in both first and subsequent purchases; they will have these values and will do word-of-mouth marketing as supporters of these values (Koller et al., 2011).

Marketing uses the marketing mix to satisfy consumers by determining their needs and desires in the target market. The basis of the Marketing Concept is that since consumers have different needs and desires, it foresees the determination of consumer groups, which we call market segments, which are relatively homogeneous within themselves, and the development of a marketing mix for them. While following this strategy, offering consumer-oriented value ensures being different from other brands and being preferred. Sustainability, which will be included in the concept of value, can be an important point of difference in this context. Brands that prove that they carry out their supply, production and marketing activities on the basis of sustainability will be preferred and recommended by consumers as a priority.

In recent years, the concept that has drawn attention to environmental sustainability-focused issues in marketing is green marketing. The attention to the damage to ecological systems and the rise in the reaction to the destruction of nature have become a subject in the marketing literature where many conceptual and research-based publications have been published and the concept of green marketing has taken responsibility. The implementation of environmental management systems within the framework of standards has also brought

importance to the concept of green marketing. Some definitions of green marketing in the literature are as follows (Yükselen, 2020):

- A holistic management process that addresses the environmental needs of customers and society in a sustainable way,
- Promoting, pricing and distributing a business's design activities and products as environmentally friendly,
- The process of marketing green products and services,
- An extension of environmental management systems and procedures that help to avoid harming the environment and protect the environment outside the business.

According to Belz and Peattie (2012), green marketing, by its very nature, attempts to bridge the gap between current marketing practices and the ecological and social realities of the broader marketing environment.

Marketing 3.0 was introduced to the literature by Kotler et al. (2010) as an understanding that draws attention to broader values, including the values carried by the concept of sustainability. With an understanding that sees the individual not as a “consumer” but as a human being with a mind, heart and soul, they draw attention to the fact that consumers in the globalizing world are now concerned about making the world a more livable place and are turning to businesses and brands that are sensitive to their concerns in this area.

As can be seen, this contradiction between the use of scarce resources on the one hand and marketing, which provides marketing of products produced differently according to different needs and desires to fewer consumers on the other, causes marketing to be the focus of particular criticism.

2.1.The Paradox Between Luxury Marketing and Sustainability

The marketing concept, referred to as Marketing 2.0 in marketing literature, has been presented as an understanding that aims to satisfy consumers with the marketing mix by starting from their needs and desires. Based on the differences in consumer needs and desires, the segmentation of the market and the presentation of separate marketing mixes to market segments with different needs and desires but homogeneous within themselves have been adopted with this understanding. However, in the same period, with the view that needs are unlimited and planetary resources are scarce, supporters of the Social Marketing Approach emerged and put forward the consideration of common needs and desires, not different needs and desires.

Presentations made with the marketing mix to satisfy consumers with different needs and desires and create value increase consumption; consumption increase increases the use of scarce resources; moreover, marketing activities organized to constantly consume and consume more cause scarce natural resources to not be used correctly, while the happiness and satisfaction of each consumer does not provide social happiness and welfare. Therefore, marketing is an important focus of criticism.

Within the framework of the criticism created by the orientation towards consumer segments with different needs and desires, the marketing of luxury brands is at the center of the intensity of criticism. The issue is that luxury brands are purchased by a very limited consumer base; scarce resources are consumed much more for this limited audience, and high prices are aimed at the individual satisfaction of only the elite consumer group.

2.2.Luxury Marketing

What is a luxury brand? There is no consensus on the definition of a luxury brand. For example, according to Phau and Prendergast (2000), luxury brands compete based on the following capabilities: (1) creating a sense of exclusivity, (2) a well-known brand identity, (3) increasing brand awareness and perceived quality (increasing brand preference and purchases), and (4) maintaining sales levels and customer loyalty. Ko et al. (2019), in their study examining luxury brand definitions in the literature, find that there is confusion in the definitions due to reasons such as different approaches, terminology, and number of dimensions. When the definitions are examined, it is seen that consumer perceptions, marketing activities, and product features are effective in this confusion. However, the authors emphasize that the dimensions of “rarity,” “high price,” and “high level of aesthetics” are frequently repeated features in the definitions.

The qualification of a brand as luxury depends on the consumer’s perception and evaluation. In the literature, it is revealed that the source of these perceptions and evaluations is the exclusivity of that product from others. This exclusivity may arise from the quality, performance, durability, and specific design of the product. In this context, Hudders et al. (2019) emphasized the luxury brand features in two main categories: features referring to

exclusivity and features referring to excellent quality and aesthetics. Becker et al. (2018) state that product features such as quality, price, and aesthetics determine consumers' perception of luxury brands.

According to Roux (1991), a luxury brand is characterized by symbolic, imaginary, or social added value that differentiates it from other brands (de Barnier, et al., 2012). Becker, et al. (2018) state that a luxury brand represents certain social and cultural meanings that are conveyed.

The luxury brand, which can also be perceived as a symbol of social status, is accepted by the consumer at a high price, and the fact that this price is accepted by a small market segment is a source of criticism in terms of the use of scarce resources; this also causes luxury marketing to be a target of criticism in terms of environmental sustainability.

The question is: Should marketing turn a blind eye to this consumption of scarce resources in order to ensure that luxury products are offered to a small market segment, or should it make a paradigm shift? The following two emphases are important: Although the resources of the planet belong to all individuals in the position of consumers, there is an unfair and unjust use of luxury products for a very small group against the majority. Secondly, luxury brand marketing disregards this social reality and encourages the consumption of luxury products with tools such as fashion, new models, new products, higher quality products, and more durable products.

In short, luxury brands appeal to a consumer group that seeks these features with their high quality, aesthetic features, rarity, durability and high price, attributes a meaning to this product or brand and accepts to pay a high price. In addition, the fact that some of them may have craftsmanship, local privileged features, traditional qualities, and a certain knowledge requirement can keep the demand for luxury products alive. However, marketing managers of luxury brands tend to use marketing communication tools that will affect the purchasing behavior of a wider consumer group; this can lead to the perception that the product is not a luxury in the eyes of the consumer. For this reason, consumers want to see the symbolic, emotional and sentimental added value, which is the determinant of the high price, in the product and the brand (de Barnier, et al., 2012).

2.3. The Relationship Between Luxury Consumption and Sustainability

Jung and Kim (2023) drew attention to the role of marketing between the issues addressed at the micro level and the macro level, which is the subject of sustainability. In light of the definition they received with the broad scope of sustainability, the authors state that marketing has a responsibility for a sustainable future by undertaking these tasks. Chabowski et al., (2011) argued that sustainability activities in marketing, as a behavioral pattern of green consumers whose numbers are rapidly increasing, create results that lead to an understanding of the reality of green and the ethical values of purchasing. The responsibility brought by this micro and macro perspective for marketing also requires the solution of an important contradiction in luxury brand marketing: On the one hand, the profit expectations of the companies that produce and market these products, the psychological satisfaction of a limited number of consumers, and on the other hand, the strategies and courses of action expected from businesses and consumers in the context of environmental sustainability. The fact that luxury brands keep the product life cycles of their products short, constantly change their varieties by creating fashion, and that consumers tend to luxury brands more under the influence of advertisements and social and psychological factors are noteworthy as important developments in luxury consumption. In this context, the use of promotional tools that will encourage a wider consumer base to purchase regardless of their income level has created the term “mastige” (mass and prestige) (de Barnier, et al., 2012). Some studies in the literature also draw attention to this point.

In recent years, increasing sustainability awareness, activist and NGO movements have created significant awareness and support in consumers on this issue; some brands have started to share their practices on this issue on various channels. Although luxury brands do not have a large customer base, they try to increase their number of fans by announcing their actions that indicate their sensitivity to the issue to consumers on traditional and digital channels.

Kapferer and Michaut (2015) draw attention to the features of de Barnier's (2012) definition of luxury, which are extraordinary quality, hedonism (beauty and pleasure), price (expensive), rarity (not scarcity), selective distribution and related personalized services, special character (prestige, privilege) and creativity (art and avant-garde), and state that these features are the features that differentiate fashion products and other products. These features emphasized by the authors reveal the fact that luxury brands will be more accepted by consumers if they pay attention to their sensitivity to sustainability to the extent that they attach importance to production and

marketing within ethical behaviors. At this point, it is important to question whether consumers are ready to pay a higher price due to the above-mentioned features of luxury products produced with ethical values, including sustainability, in their marketing. Kapferer and Michaut (2015) have revealed in their research that luxury brand consumers have greater expectations from brands in this regard, and that sustainability is seen as an element of quality. On the other hand, Athwal, et al. (2019) point out that activists who accuse luxury brands of animal and worker exploitation and react to the lack of transparency in the supply chain are also receiving increasing support for their movements.

In this context, consumers' expectations from luxury brands should be that they carry out activities that eliminate such criticisms, be transparent, and concretely demonstrate their sensitivity to sustainability. At this point, marketing has important duties and responsibilities.

2.4. Sustainability-Based Marketing in Luxury Products

Sustainability-based marketing should be adopted by all marketers, especially luxury product marketers, based on a mission that respects the right to exist and live of all living beings on the planet, respects the heart, soul and values of humans, and sees that the needs to be met are limited to the right to live of the next generation.

Marketing should undertake a role not to consume more but to encourage consumers to use the products they buy until their economic lifespan expires, to ensure that they are recycled and destroyed without harming the environment; and it should ensure that consumers have this awareness.

In the marketing of luxury products, marketing should follow a strategy that respects moderate consumption, raises consumers' awareness on this issue, and does not include campaigns to the contrary, as a guarantor of the implementation of a strategy based on sustainability, protecting the existence of all living beings, and being transparent and committed to ethical values in the supply chain system.

Other actions that will support the marketing strategy are premium pricing, selective distribution, and limited production (Han, et al., 2016), which will provide restrictions on consumption in order to protect and rationally use natural resources. Encouraging the production of longer-lasting products in order not to harm the environment, not presenting luxury as a symbol of prestige and status in promotional themes, and presenting luxury as a feature of quality and an indicator of longevity, reveal the new context of the paradigm shift. The leadership of luxury brands in this regard will both attract a wider consumer base to the brands, especially the consumer base whose sensitivity to sustainability is rapidly increasing, and will also direct other brands to be sensitive in this regard.

3. Conclusion And Recommendations

Market segmentation, which forms the basis of the marketing concept, makes the issue of “focusing on different needs and desires” an important source of criticism in luxury product marketing, with the target audience being very limited in societies. The idea and perception that luxury brands produce and market these products by destroying natural resources and animals at very high prices is attributed to luxury brands as a significant negative. The fact that luxury brands are not transparent and focus more on producing and marketing these products causes the issue of marketing luxury brands to have an important place in literature and practice.

The sustainability sensitivity that has increased with the Covid-19 Pandemic has caused consumers and brands to take rapid steps in this regard. Consumers are rapidly becoming more sensitive in this regard with the efforts of activists, NGOs and governments and their expectations from brands are increasing, and sensitive brands, especially luxury brands, are aware of this and are taking action, changing their strategies and presentations; and sharing them with the society.

Marketers of luxury goods can make significant contributions by presenting their products, which are more durable, have longer life cycles, can be consumed and disposed of without harming the environment, and which are produced with sustainability-sensitive actions in the supply chain, with utilitarian value-oriented marketing, not to “consume more” but to “consume more consciously”.

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